



Report and Recommendation of the President to the Board of Directors

Project Number: 47274-003
October 2017

Proposed Loans and Administration of Grants and Technical Assistance Grants Socialist Republic of Viet Nam: Secondary Green Cities Development Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 6 October 2017)

| | | |
|---------------|---|------------|
| Currency unit | – | dong (D) |
| D1.00 | = | \$0.000044 |
| \$1.00 | = | D22,729 |

ABBREVIATIONS

| | | |
|--------|---|---|
| ADB | – | Asian Development Bank |
| CPC | – | city people’s committee |
| EMP | – | environmental management plan |
| GCAP | – | GrEEEn City Action Plan |
| GEF | – | Global Environment Facility |
| ha | – | hectare |
| km | – | kilometer |
| MONRE | – | Ministry of Natural Resources and Environment |
| O&M | – | operation and maintenance |
| PAM | – | project administration manual |
| PMU | – | project management unit |
| PPC | – | provincial people’s committee |
| PRC | – | People’s Republic of China |
| REMDP | – | resettlement and ethnic minority development plan |
| TA | – | technical assistance |
| UCCRTF | – | Urban Climate Change Resilience Trust Fund |
| UFPF | – | Urban Financing Partnership Facility |

NOTE

In this report, “\$” refers to United States dollars.

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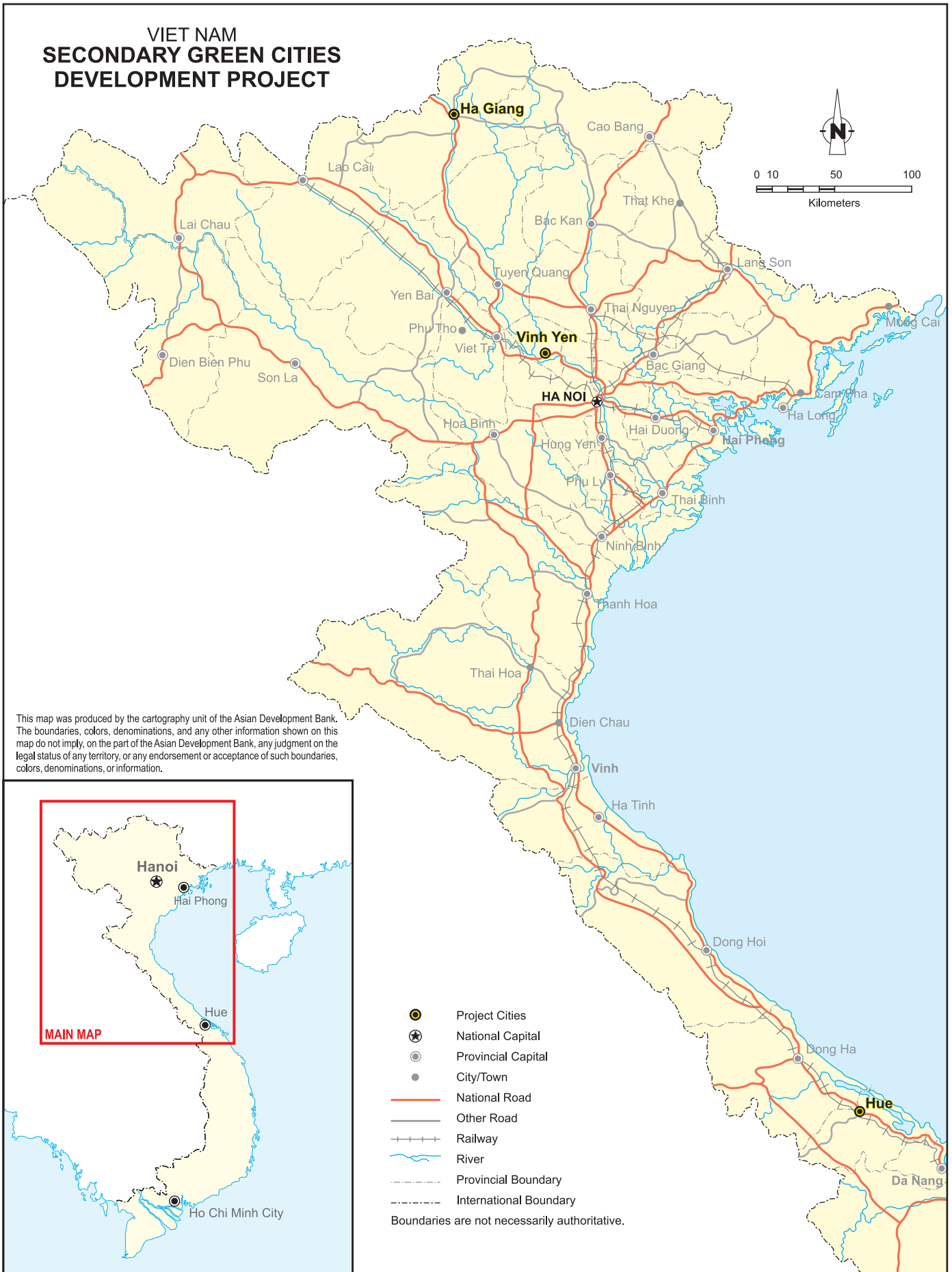
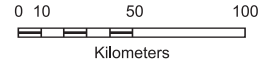
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PROJECT AT A GLANCE

| | | | |
|--|--|--|--|
| 1. Basic Data | | Project Number: 47274-003 | |
| Project Name | Secondary Green Cities Development Project | Department /Division | SERD/SEUW |
| Country Borrower | Viet Nam, Socialist Republic of Government of Viet Nam | Executing Agency | Provincial People's Committee Thua Thien Hue, Provincial People's Committee Vinh Phuc, Provincial People's Committee of Ha Giang |
| 2. Sector | Subsector(s) | ADB Financing (\$ million) | |
| ✓ Water and other urban infrastructure and services | Other urban services | | 36.10 |
| | Urban flood protection | | 60.87 |
| | Urban sanitation | | 30.80 |
| | Urban water supply | | 1.21 |
| Transport | Urban roads and traffic management | | 41.02 |
| | | | Total 170.00 |
| 3. Strategic Agenda | Subcomponents | Climate Change Information | |
| Inclusive economic growth (IEG) | Pillar 2: Access to economic opportunities, including jobs, made more inclusive | Adaptation (\$ million) | 29.16 |
| Environmentally sustainable growth (ESG) | Disaster risk management Global and regional transboundary environmental concerns Urban environmental improvement | Climate Change impact on the Project | Medium |
| 4. Drivers of Change | Components | Gender Equity and Mainstreaming | |
| Governance and capacity development (GCD) Partnerships (PAR) | Civil society participation Institutional development International finance institutions (IFI) Official cofinancing | Effective gender mainstreaming (EGM) | ✓ |
| 5. Poverty and SDG Targeting | | Location Impact | |
| Geographic Targeting | No | Urban | High |
| Household Targeting | No | | |
| SDG Targeting | Yes | | |
| SDG Goals | SDG6, SDG11 | | |
| 6. Risk Categorization: | Complex | | |
| 7. Safeguard Categorization | Environment: B Involuntary Resettlement: A Indigenous Peoples: B | | |
| 8. Financing | | | |
| Modality and Sources | | Amount (\$ million) | |
| ADB | | 170.00 | |
| Sovereign Project (Concessional Loan): Ordinary capital resources | | 120.00 | |
| Sovereign Project (Regular Loan): Ordinary capital resources | | 50.00 | |
| Cofinancing | | 6.00 | |
| Global Environment Facility - Grant (Full ADB Administration) | | 2.00 | |
| Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility - Grant (Full ADB Administration) | | 4.00 | |
| Counterpart | | 47.87 | |
| Government | | 47.87 | |
| Total | | 223.87 | |
| Note: An attached technical assistance will be financed on a grant basis by the Global Environment Facility Trust Fund in the amount of \$6,256,881; GEF-Special Climate Change Fund in the amount of \$4,566,210; Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility in the amount of \$2,000,000. | | | |

VIET NAM SECONDARY GREEN CITIES DEVELOPMENT PROJECT



This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.



MAIN MAP

- Project Cities
 - National Capital
 - Provincial Capital
 - City/Town
 - National Road
 - Other Road
 - Railway
 - River
 - Provincial Boundary
 - International Boundary
- Boundaries are not necessarily authoritative.

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on proposed loans to the Socialist Republic of Viet Nam for the Secondary Green Cities Development Project. The report also describes (i) the proposed administration of grants to be provided by the Global Environment Facility (GEF) and the Urban Climate Change Resilience Trust Fund (UCCRTF)¹ under the Urban Financing Partnership Facility (UFPF) for the Secondary Green Cities Development Project, and (ii) the proposed administration of technical assistance (TA) to be provided by the GEF and the UCCRTF under the UFPF to the Government of Viet Nam for the Mainstreaming Climate Resilience and Environmental Protection for Secondary Green Cities Development, and if the Board approves the proposed loans, I, acting under the authority delegated to me by the Board, approve the administration of the grants and TA.

2. The project will support environmentally sustainable and socially inclusive development in the cities of Vinh Yen, Hue, and Ha Giang in Viet Nam to enhance their economic competitiveness. It will (i) control urban storm water runoff and reduce flood risks, (ii) improve sanitation for public health, (iii) enhance green landscaping and public amenities, (iv) upgrade urban road networks and their connectivity, and (v) promote public participation in planning. The project will demonstrate green and climate-resilient development approaches that will be scaled up for nationwide secondary green city development in Viet Nam.

II. THE PROJECT

A. Rationale

3. **Development constraints.** Because of rapid urbanization, 31.1 million people live in cities in Viet Nam, and they contributed about 70% of the country's gross domestic product in 2015 (\$193.4 billion).² Although a structural shift from agriculture to industry and services is driving Viet Nam's rapid growth, the country's urbanization is uneven. Unlike the five centrally administered cities, the development of secondary cities is lagging.³ In these cities, less than 60% of households are connected to the water supply system, only 10% of their urban wastewater is treated by a centralized system, and domestic wastewater treatment relies heavily on poorly maintained household septic tanks. The lack of proper storm water management has reduced the capacity of drainage systems and causes frequent flooding. Many urban road networks reach their capacity and have difficulty accommodating an increasing number of vehicles. Climate change also severely impacts secondary cities. By 2100, a projected sea-level rise of 100 centimeters could flood a 40,000-square-kilometer area and affect 9 million–11 million people. Meanwhile, inland cities will suffer from lack of water resources because of the reduced annual flow of major rivers.⁴ In addition to the government's financial decentralization policy, that has reduced budget transfers to secondary cities⁵, infrastructure development in these cities relies

¹ Financing partners are the Rockefeller Foundation and the governments of Switzerland and the United Kingdom.

² Government of Viet Nam, General Statistics Office of Viet Nam. 2016. *Statistical Yearbook of Vietnam 2015*. Ha Noi. In 2015, Viet Nam has population of 91.7 million. Urbanization is increasing at a rate of 4.0% per year, much faster than the national population growth rate of 1.1%.

³ The five centrally administered cities are Can Tho, Da Nang, Hai Phong, Ha Noi, and Ho Chi Minh City. A secondary city generally has a population of 50,000–300,000.

⁴ Asian Development Bank (ADB). 2009. *The Economics of Climate Change in Southeast Asia: A Regional Review*. Manila; Sub-Institute of Hydrometeorology and Climate Change. 2011. *Development and Implementation of Climate Change Adaptation Measures in Coastal Areas in Vietnam*. Ho Chi Minh City.

⁵ Because of the government's financial decentralization policy, many local governments have had to confront large financial deficits stemming from reduced fiscal budget transfers and limited sources of their own fiscal revenue.

heavily on public investment as their limited size and coverage cannot support economies of scale or cost recovery. Yet, their weak institutional capacity to plan, design, and prioritize investments prevents the efficient use of public funds and application of innovative ideas.

4. **Government effort and challenges.** Viet Nam's Socio-Economic Development Strategy, 2011–2020 and its Socio-Economic Development Plan, 2016–2020 aim to sustain economic growth rates while achieving social inclusiveness and environmental protection.⁶ This has led the government to issue the specific sector policies—the National Orientation Master Plan to 2025 and the National Program on Urban Development—to guide efficient, sustainable, and equitable urbanization in the future.⁷ However, secondary cities' slow development prevents them from contributing to the national socioeconomic growth, especially by (i) providing job opportunities and livable environments for locals and migrant workers, and (ii) minimizing income disparities by supporting the growth of middle-income groups.

5. The government requested assistance from the Asian Development Bank (ADB), which has been supporting the comprehensive basic urban infrastructure development in secondary cities since 2003.⁸ ADB has found that responding to a city's complex socioeconomic and financial constraints requires strategic support in upstream city planning and the identification of effective investments. The government and ADB jointly selected Vinh Yen, Hue, and Ha Giang as demonstration cities because they represent different socioeconomic characteristics, development constraints, and geographic locations. ADB supported the preparation of a GrEEEn city action plan (GCAP) for each city, which piloted an integrated planning and prioritized investment approach to boost their economic competitiveness, while incorporating social inclusiveness, climate resilience, and environmental sustainability in infrastructure planning and development.⁹

6. Vinh Yen, the capital of Vinh Phuc province with a population of 105,800 as of 2016, is one of the satellite cities forming the greater Ha Noi cluster. Because of its strategic location, the city is experiencing rapid economic growth led by foreign direct investment in automobile manufacturing.¹⁰ However, Vinh Yen has failed to take full advantage of its industrial structure and provide a better quality of life for its people. The GCAP identified the following priorities: (i) regain economic competitiveness by linking local industries to emerging opportunities and developing academic institutions that will support skilled labor to attract industries that will diversify its value chain;¹¹ (ii) expand the limited sanitation coverage and upgrade the combined sewerage system, which currently serves only 30% of households; and (iii) improve livability for the local population and migrant workers by increasing public green spaces from 4.8 square meters per person to the government's target of 5.0–7.0 square meters per person.

⁶ Government of Viet Nam, Ministry of Planning and Investment. 2011. *Socio-Economic Development Strategy, 2011–2020*. Ha Noi; Government of Viet Nam, Ministry of Planning and Investment. 2015. *Socio-Economic Development Plan, 2016–2020*. Ha Noi.

⁷ Government of Viet Nam. 2009. *Orientation Master Plan for Viet Nam Urban System Development to 2025 with a Vision to 2050*. Ha Noi (Prime Minister's Decision 445/2009).

⁸ ADB. 2003. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Socialist Republic of Viet Nam for the Central Region Urban Environmental Improvement Project*. Manila.

⁹ ADB. 2012. *Technical Assistance for Green Cities—A Sustainable Urban Future in Southeast Asia*. Manila. The TA applied the GrEEEn city concept that enables cities to be economically competitive, environmentally sustainable, socially equitable, and resilient to climate change and natural disasters. The GCAP was agreed upon and published in 2014: ADB. 2014. *Hue GrEEEn City Action Plan*. Manila; ADB. 2014. *Vinh Yen GrEEEn City Action Plan*. Manila. ADB provided project preparatory TA for the Secondary Cities Development Program (Green Cities) (TA 8671-VIE).

¹⁰ In 2015, the per capita gross regional product in Vinh Phuc was \$4,410.

¹¹ In Vinh Phuc, local industries support less than 10% of the automobile manufacturing supply chain.

7. As the capital of Thua Thien Hue province, Hue is a historic tourism city with a population of 355,095 (2016). The city struggles to balance historical asset conservation and urban development.¹² Despite a rapid increase in the number of tourist arrivals, the provincial per capita gross regional product of about \$1,881 remains lower than the national average. Hue's GCAP targets the continued development of the tourism industry, while ensuring better quality of life for local people, by (i) improving the environment in and around the Hue Citadel, where an insufficient wastewater and drainage system (only 30% coverage) causes frequent flooding; (ii) developing a new urban area on the east bank of the Huong River to reduce development pressures on the historical conservation areas on the west bank; and (iii) mitigating the impacts of rapidly increasing road traffic and fragmented road connections, as well as associated traffic safety concerns.

8. Ha Giang, the capital of Ha Giang province with a population of 55,900 (2016), is on the country's northern border with the People's Republic of China (PRC) at the confluence of the Mien and Lo Rivers. The landlocked city remains economically isolated because it has not realized its economic growth potential as a border city with the PRC.¹³ The GCAP proposes (i) constructing wastewater and drainage systems in the city center to mitigate seasonal flooding and water pollution; (ii) strengthening the river embankment against erosion and annual flooding, which causes an average economic loss of \$0.6 million per year; and (iii) improving the capacity and connectivity of the urban road network to support increasing cross-border trade with the PRC and more than 489,000 tourists per year to the Dong Van Karst Plateau, a member of the United Nations Educational, Scientific and Cultural Organization Global Geoparks Network.

9. **ADB's value addition.** ADB added value based on its lengthy experience in supporting secondary cities in various geographic areas of Viet Nam. ADB's proposed solution builds on its knowledge work and addresses complex secondary city development issues through TA and loan projects. The project components were selected based on ADB's capacity development TA,¹⁴ which conceptualized, analyzed, and integrated green and climate-resilient development approaches in cities. Project preparatory TA¹⁵ refined the GCAPs and prioritized investment for city development. Parallel with project implementation, the attached TA will leverage the project impact to (i) mainstream green and climate-resilient development through national policy and regulatory reform, (ii) update the GCAPs and improve project cities' master plans, and (iii) replicate the approach in other secondary cities in Viet Nam. The project also incorporates lessons from previous ADB projects in Viet Nam, including the need to (i) apply project readiness filters to minimize start-up delays; (ii) show strong commitment on tariff reform to recover operation and maintenance (O&M) costs, and ensure the financial sustainability; (iii) promote provincial government agencies' strong ownership and early involvement in project design and the management; and (iv) provide loan and grant resources to operationalize a revolving fund.¹⁶

10. **Special features and strategic fit.** The project will help the three cities consider design alternatives and demonstrate innovative green infrastructure solutions by (i) adopting an ecological and climate-resilient design for embankments and urban drainage channels that will minimize concrete structures, balance engineering measures with river ecosystem conservation, and enhance public amenities; (ii) including green functions in road designs to allow water filtration

¹² The Hue Citadel and other physical cultural resources were recognized as World Heritage sites in 1993.

¹³ In 2015, the per capita gross regional product in Ha Giang province was \$1,712.

¹⁴ ADB. 2012. *Technical Assistance for Green Cities—A Sustainable Urban Future in Southeast Asia*. Manila.

¹⁵ ADB. 2014. *Technical Assistance for the Secondary Cities Development Program (Green Cities)*. Manila.

¹⁶ Independent Evaluation Department. 2009. *Sector Assistance Program Evaluation: Urban Services and Water Supply and Sanitation Sector in Viet Nam*. Manila; ADB. 2011. *Completion Report: Third Provincial Towns Water Supply and Sanitation Project in Viet Nam*. Manila; ADB. 2013. *Completion Report: Central Region Urban Environmental Improvement Project in Viet Nam*. Manila.

and retention for storm water runoff; and (iii) implementing flagship GEF and UCCRTF grant investments that will effectively raise people’s awareness and demonstrate the government’s commitment to greener and more inclusive city development. In Ha Giang, replacing 1,900 streetlights with energy-efficient lighting will significantly change the ambience of the city center at night. Activities directly supporting communities vulnerable to climate risk in Hue and Vinh Yen will enable the project to reach the people in need through a participatory approach. The attached TA will demonstrate an innovative financial mechanism for Hue to protect its infrastructure assets against climate change and disaster risk. The project aligns with ADB’s country partnership strategy, 2016–2020 for Viet Nam. It is also consistent with ADB’s Midterm Review of Strategy 2020, Urban Operational Plan, and Environment Operational Directions as it promotes knowledge solutions and the scaling up of climate adaptation, as well as competitive, inclusive, and green city development and better quality of life through a climate-resilient city.¹⁷

B. Impact and Outcome

11. The project is aligned with the following impacts: improved efficiency, sustainability, and equitability of secondary cities development in Viet Nam (footnote 6). The project will have the following outcome: strengthened environmental sustainability, inclusiveness, and climate resilience of Vinh Yen, Hue, and Ha Giang.¹⁸

C. Outputs

12. **Output 1: Green and resilient urban infrastructure services in Vinh Yen improved.** This subproject will have three components. The green and resilient urban space improvement component includes (i) a new wastewater treatment system with a 6,000-cubic-meter-per-day plant and 66.1 kilometers (km) of new and upgraded pipelines for drainage and pollution control, (ii) the dredging of the Dam Vac lake to increase its storm water retention capacity, (iii) 3.5 km of embankment protection and improved public access to the waterfront, and (iv) 44.5 hectares (ha) of new public green space. The competitive city development component will finance the construction of an industrial promotion and exhibition center to attract investments and a 5.6 km road connecting the city center to the developing university area. The green flagship grant component includes (i) community-led activities for climate-vulnerable communities to enhance their level of adaptation; and (ii) establishment of a government-managed revolving fund to promote household connections to a project-financed centralized wastewater treatment system.

13. **Output 2: Green and resilient urban infrastructure services in Hue improved.** This subproject will have three components. The green and resilient urban development component includes (i) improving the drainage capacity, water environment, and livability of the inner and surrounding areas of the Citadel by upgrading 21.9 km of drainage pipelines, rehabilitating 15.9 km of road surface and drainage, and dredging 6.2 ha of water-retention ponds; (ii) protecting 9.0 km of river embankments with environment-friendly materials and improved public access; (iii) enhancing 17.2 ha of green spaces and landscaping for public amenities; and (iv) extending access to a clean water supply to the Phu Son communes through two booster pump stations, 30.8 km of pipelines, and 469 household connections. The urban road connectivity and tourist access improvement component will connect missing links of the urban road network to a 7.2 km

¹⁷ ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020—Fostering More Inclusive and Environmentally Sustainable Growth*. Manila; ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila; ADB. 2013. *Urban Operational Plan, 2012–2020*. Manila; ADB. 2013. *Environment Operational Directions 2013–2020: Promoting Transitions to Green Growth in Asia and the Pacific*. Manila.

¹⁸ The design and monitoring framework is in Appendix 1.

road and three bridges to reduce traffic congestion and improve access for the increasing number of tourists. The green flagship grant component will involve consultations with climate-vulnerable communities to identify their needs, and will fund the required equipment procurements, small works, and activities.

14. Output 3: Green and resilient urban infrastructure services in Ha Giang improved.

This subproject will have three components. The green and resilient urban development component will improve the capacity of 7.0 km of urban drainage by incorporating green features, and protect 5.6 km of river embankments with environment-friendly materials to prevent flood and soil erosion. The integrated road network development component will enhance the urban road network with a 6.2 km road and a 150-meter bridge to divert the increasing number of tourists and cross-border logistic-related traffic. The green flagship grant component will replace 1,900 streetlights in the city with energy-efficient streetlights.

15. For all subprojects, the provincial people's committees (PPCs)—the executing agencies—will strengthen institutional capacity by engaging consulting services for construction supervision, safeguards and social compliance monitoring, detailed engineering design, and auditing.

D. Summary Cost Estimates and Financing Plan

16. The project is estimated to cost \$223.9 million (Table 1), of which 79.6% will finance works, 4.9% will finance consultants, and 15.5% will finance environment and social mitigation and recurrent costs. ADB will cover works and consulting services related to construction supervision, safeguards and social monitoring, and auditing. Detailed cost estimates by expenditure category and by financier are in the project administration manual (PAM).¹⁹ The GEF grant will finance 100% of climate mitigation costs, estimated at \$2 million. ADB will finance 100% of climate adaptation costs, estimated at \$29.2 million.

Table 1: Summary Cost Estimates
(\$ million)

| Item | Amount ^a |
|---|---------------------|
| A. Base Cost^b | |
| 1. Green and resilient urban infrastructure services in Vinh Yen improved | 75.63 |
| 2. Green and resilient urban infrastructure services in Hue improved | 51.93 |
| 3. Green and resilient urban infrastructure services in Ha Giang improved | 40.88 |
| Subtotal (A) | 168.44 |
| B. Contingencies^c | 48.13 |
| C. Financial Charges During Implementation^d | 7.30 |
| Total (A+B+C) | 223.87 |

^a Includes taxes and duties of \$13.47 million. The government will finance taxes and duties of \$13.47 million and land acquisition and resettlement costs by the counterpart funds.

^b Mid-2017 prices.

^c Physical contingencies computed at 10% for all components. Price contingencies computed at an average of 1.5% on foreign exchange costs and 5.0% on local currency costs; includes a provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the ordinary capital resources loans have been computed at (i) the 5-year United States dollar fixed swap rate plus an effective contractual spread of 0.5% and maturity premium of 0.1% for the regular loan, and (ii) 2.0% per year during the grace period and thereafter for the concessional loan. Commitment charges for the ordinary capital resources loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank.

¹⁹ PAM (accessible from the list of linked documents in Appendix 2).

17. The government has requested a regular loan of \$50 million and a concessional loan of \$120 million from ADB's ordinary capital resources to help finance the project. The regular loan will have a 25-year term, including a 6-year grace period; an annual interest rate determined in accordance with ADB's London interbank offered rate-based lending facility; a commitment charge of 0.15% per year (interest and other charges during construction to be capitalized in the loan); and such other terms and conditions set forth in the draft loan and project agreements. Based on the straight-line method, the average maturity is 15.75 years, and the maturity premium payable to ADB is 0.10% per year. The concessional loan will have a 25-year term, including a 5-year grace period; a 2% annual interest rate during the grace period and thereafter; and such other terms and conditions set forth in the draft loan and project agreements. The GEF will provide grant cofinancing equivalent to \$2 million and the UCCRTF (footnote 1) will provide grant cofinancing equivalent to \$4 million, both to be administered by ADB, following terms and conditions set forth in the grant agreements.

18. The summary financing plan is in Table 2. The government will make 70% of the concessional loan available to the PPCs of Ha Giang, Thua Thien Hue, and Vinh Phuc through budgetary grant allocation and will onlend the remaining amount under respective subsidiary loan agreements, all upon terms and conditions satisfactory to ADB.²⁰ The government will make 100% of the regular loan available to the Thua Thien Hue and Vinh Phuc PPCs through onlending under respective subsidiary loan agreements, all upon terms and conditions satisfactory to ADB. The GEF and UCCRTF grants will be fully passed on to the PPCs under respective sub-grant agreements. The government and each PPC will sign the respective sub-loan and sub-grant agreements with the same terms and conditions as the original ADB loans and GEF and UCCRTF grants. The PPCs will assume the foreign exchange and interest variation risks of the ADB loans. The government has assured ADB that the PPCs will provide counterpart funds necessary for the project in a timely manner, including additional funding required for any shortfall of funds that may occur during project implementation. The indicative funds flow and loan and grant arrangements are in the PAM (footnote 19).

Table 2: Summary Financing Plan

| Source | Amount (\$ million) | Share of Total (%) |
|--|--------------------------------|-------------------------------|
| Asian Development Bank | | |
| Ordinary capital resources (regular loan) | 50.0 | 22.3 |
| Ordinary capital resources (concessional loan) | 120.0 | 53.6 |
| Global Environment Facility ^a (grant) | 2.0 | 0.9 |
| Urban Climate Change Resilience Trust Fund ^b under the Urban Financing Partnership Facility (grant) | 4.0 | 1.8 |
| Government | 47.9 | 21.4 |
| Total | 223.9 | 100.0 |

^a Administered by the Asian Development Bank.

^b Financing partners are the Rockefeller Foundation and the governments of Switzerland and the United Kingdom. Administered by Asian Development Bank.

Source: Asian Development Bank.

E. Implementation Arrangements

19. The implementation arrangements are summarized in Table 3 and described in detail in the PAM (footnote 19).

²⁰ The breakdown of financing by province is detailed in the PAM.

Table 3: Implementation Arrangements

| Aspects | Arrangements | | |
|----------------------------------|--|-------------------|-----------------|
| Implementation period | January 2018–December 2023 | | |
| Estimated completion date | 31 December 2023 (estimated loan/grant closing date: 30 June 2024) | | |
| Management | | | |
| (i) Oversight body | Project leading groups chaired by respective vice-chairman of the province | | |
| (ii) Executing agency | Vinh Phuc PPC, Thua Thien Hue PPC, and Ha Giang PPC | | |
| (iii) Key implementing agencies | Vinh Phuc Foreign Concessional Loan Project Management Office, Thua Thien Hue Provincial Department of Planning and Investment, and Ha Giang City People's Committee. | | |
| (iv) Implementation unit | A project management unit comprising technical, safeguards, social, and financial staff is established under each implementing agency. | | |
| Procurement ^a | International competitive bidding | 3 contracts | \$33.2 million |
| | National competitive bidding | 21 contracts | \$126.9 million |
| Consulting services ^a | Least-cost selection | 12 person-months | \$0.2 million |
| | Quality- and cost-based selection | 270 person-months | \$8.4 million |
| Disbursement | The loan and grant proceeds will be disbursed following ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time) and detailed arrangements that the government and ADB agree upon. | | |

PPC = provincial people's committee.

^a The PPCs' procurement and recruitment will follow ADB's Procurement Guidelines (2015, as amended from time to time), and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).

Source: Asian Development Bank.

III. ATTACHED TECHNICAL ASSISTANCE

20. The transaction TA is estimated to cost \$14.1 million, of which \$10.8 million will be financed on a grant basis by the GEF and \$2.0 million will be financed on a grant basis by the UCCRTF (footnote 1). ADB and the Ministry of Natural Resources and Environment (MONRE) will jointly administer the TA.²¹ The TA outputs will promote the green and resilient city development approach at different levels of government through (i) the formulation of a national regulatory framework for an enabling environment for sustainable and resilient cities; (ii) demonstration of sustainable and resilient development in Ha Giang, Hue, and Vinh Yen; (iii) preparation and testing of innovative climate risk financing in Hue; and (iv) enhancement and replication of integrated and resilient environmental planning in selected cities and provinces. The TA will be implemented from 2018 to 2022. MONRE will serve as the executing agency and will coordinate with the three project cities, other PPCs for replication activities, and the line ministries for national regulatory and policy reforms. The national government has mandated the MONRE to accumulate experience, and coordinate and promote national climate resilience in Viet Nam through the TA activities. MONRE and the provincial and city governments will provide counterpart support in the form of staff, local data collection and coordination, and other in-kind contributions.

IV. DUE DILIGENCE

A. Technical

21. The project will ensure that the climate-resilient and green infrastructure design and approaches (para. 10) complement projects funded by other development partners, collectively

²¹ Attached Technical Assistance (accessible from the list of linked documents in Appendix 2). Of the GEF portion, \$6,256,881 will come from the GEF Trust Fund and \$4,566,210 from the GEF Special Climate Change Fund. The TA has four outputs, of which three will be administered by ADB and the one will be administered by MONRE.

resulting in a stronger overall climate adaptation impact.²² The analysis confirmed the project is technically viable after a detailed examination of compatibility with Viet Nam's engineering guidelines, traffic demand and urban storm runoff projections, and wastewater generation and required treated effluent quality. An alternative analysis considered cost effectiveness (covering operating costs), the use of appropriate technology within operating agencies, and the reduction of negative social and environmental impacts. The project will provide training to ensure the sustainable O&M of project facilities.

B. Economic and Financial

22. **Economic analysis.** An economic analysis concluded that the project is economically viable. Economic internal rates of return were computed at 16.7% for the overall project, 18.8% for the Ha Giang subproject, 21.3% for the Hue subproject, and 9.2% for the Vinh Yen subproject. The project's economic benefits include (i) travel time and vehicle operation cost savings from improved roads and network connectivity, (ii) health-related expenditure savings from improved sanitation services, and (iii) higher revenue from tourism and business-related foreign travelers.²³

23. **Financial analysis.** A financial evaluation of the only revenue-generating wastewater treatment system in Vinh Yen indicated that the government will be unable to achieve full cost recovery through wastewater tariff collection.²⁴ The financial internal rate of return is -3.7%. The financial impact assessment for this component demonstrated that the Vinh Yen PPC and the city people's committee (CPC) have the financial capacity to complete the project and cover O&M costs. The analysis indicated that the system will generate revenue from the projected wastewater tariffs to cover O&M costs. The financial impact assessment for the entire project ensured fiscal sustainability during implementation and operation until 2042. An assessment of the three PPCs' financial capacity indicated that annual counterpart funds and interest during construction will account for 0.1%–4.7% of the projected fiscal surplus, and debt service during operation will be 0.1%–2.6%. The assessment also concluded that the Vinh Yen, Hue, and Ha Giang CPCs have the capacity to finance O&M during operation. The fiscal impact of O&M costs on the CPCs' fiscal budget was estimated at 1.0%–4.6%, indicating sufficient financial capacity. Loan assurances mitigate fiscal risks with regard to the timely appropriation of counterpart funds, wastewater tariff collection, and operational sustainability.²⁵

C. Governance

24. All PPCs have experience in projects funded by international financial institutions and bilateral development partners. They will supervise the implementing agencies under the provincial governments (Vinh Phuc and Thua Thien Hue) and the city government (Ha Giang). Procurement capacity assessments concluded that, with the agreed mitigation actions, the Vinh Phuc Provincial Foreign Concessional Loans Project Management Office, Thua Thien Hue Department of Planning and Investment, and Ha Giang CPC have adequate capacity to conduct procurement activities following ADB guidelines. The financial management risk is *substantial*. A

²² These include (i) a proposed provincial flood control and mitigation project funded by the World Bank and a wastewater treatment system funded by the Japan International Cooperation Agency in Vinh Yen; (ii) the construction of a wastewater treatment system in Hue, also funded by the Japan International Cooperation Agency; and (iii) a proposed wastewater treatment system funded by Danish International Development Assistance in Ha Giang.

²³ Economic Analysis (accessible from the list of linked documents in Appendix 2).

²⁴ Government of Viet Nam. 2014. *Decree on Water Drainage and Wastewater Treatment*. Ha Noi (No. 80/2014/ND-CP). ADB and other international development partners recognize the difficulty of achieving full cost recovery in the wastewater subsector in Viet Nam. The recommended levels of wastewater tariff should recover O&M costs.

²⁵ Financial Analysis (accessible from the list of linked documents in Appendix 2).

time-bound action plan was agreed upon to mitigate risks through (i) loan covenants on the timely appropriation of counterpart funds and anticorruption measures, (ii) periodic public financial management training, and (iii) the engagement of a qualified auditing firm. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and the PPCs. The specific policy requirements and supplementary measures are described in the PAM (footnote 19).

D. Poverty, Social, and Gender

25. The project will benefit about 116,000 households (12,308 in Ha Giang, 78,417 in Hue, and 25,314 in Vinh Yen), including about 6,096 poor and near-poor households. The project is classified as a *targeted intervention* (Sustainable Development Goals 6 and 11). Its social impact will be positive and will improve the quality of life of the people in Vinh Yen, Hue, and Ha Giang. The project will boost the resilience of vulnerable groups and reduce poverty through improved access to climate-resilient urban infrastructure services. It will also enable community groups to participate in the GCAP planning, implementation, and monitoring.

26. The project is classified as *effective gender mainstreaming*. A gender assessment identified low women's participation in public decision-making as a key gender issue. Impact and service disruptions related to climate change directly affect women as they have primary responsibility for household and community water supply and sanitation management. Poor sewerage and drainage heightens risks and flooding impacts, such as the disruption of work and livelihoods resulting in loss of income, proportionately higher loss of assets and property among the poor and households headed by women, and an increased risk of communicable diseases. The gender action plan includes (i) strategies to promote equal opportunities for women to participate in and benefit from the project, and to increase women's representation in decision-making; (ii) targets for women's participation in project management units (PMUs) and capacity building training sessions; and (iii) gender-responsive and pro-poor principles in the revised GCAPs and community-led activities. The PPCs will collect gender-disaggregated data to monitor progress against the gender action plan.

E. Safeguards

27. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are discussed in paras. 27–31.²⁶

28. **Environment (category B).** The PPCs conducted an initial environmental examination for the three cities and uploaded these to the ADB website in May 2017.²⁷ The most sensitive sites are the lakes, rivers, and canals that will be dredged and/or whose banks will be stabilized. No project component will encroach on legally protected sites.²⁸ Construction impacts (including dust, noise, temporary deterioration of surface water quality, and traffic disturbance with impacts on community safety) will be temporary, short-term, and likely to occur during the peak construction period. The project is not anticipated to generate significant adverse environmental impacts during operation. Cumulative greenhouse gas emissions from the project facilities will not exceed ADB's threshold of 100,000 tons per year. Mitigation measures for identified impacts are in the environmental management plans (EMPs), and adherence to the EMPs will reduce residual

²⁶ ADB. Safeguard Categories. <https://www.adb.org/site/safeguards/safeguard-categories>.

²⁷ Initial Environmental Examination (accessible from the list of linked documents in Appendix 2).

²⁸ Work under the green and resilient urban development component in Hue is near the sites listed in the Complex of Hue Monument. However, no work will be allowed in the core and buffer zone of protected sites.

impact significance to acceptable levels. The PMUs will oversee EMP implementation, and their capacity will be strengthened by the appointment of environment staff and supervision consultants during implementation. The PPCs held formal and informal focus group discussions for stakeholder consultations and defined grievance redress mechanisms.

29. The project's climate risk without mitigation is classified as *medium*. Key climate risks include sea-level rise (Hue) and increased precipitation intensity and variability (all cities). The project will significantly contribute to the cities' climate resilience by implementing the key climate resilience priorities in the GCAPs, the Vinh Phuc Climate Action Plan (2015–2030), and the Climate Action Plan for Hue City.²⁹ Community-led activities will target the most vulnerable communities in Hue and Vinh Yen.

30. **Involuntary resettlement (category A).** The project will acquire 58.4 ha of land, of which 43.4 ha is agricultural. The project will affect 2,014 households (10,099 people) to varying degrees, with land acquisition and house relocation significantly affecting 610 households (3,058 people). ADB prepared two resettlement plans: one each for the Hue and Vinh Yen subprojects, and a resettlement and ethnic minority development plan (REMDP) for the Ha Giang subproject in line with the Safeguard Policy Statement. The government approved and disclosed the plans to the affected people and uploaded them to the ADB website in May 2017. The PPCs will finalize the plans based on the detailed measurement survey at the detailed engineering design stage, disclose them to the affected people, and submit them to ADB for approval. The PPCs will pay compensation for lost assets and resettlement allowances to the affected people, and will arrange livelihood rehabilitation in line with the resettlement plans and REMDP. Consultants will monitor and evaluate Implementation of the resettlement plans and REMDP internally and externally. The PMUs will have full-time land acquisition and resettlement staff who will support compliance with ADB safeguard requirements. Monitoring and evaluation reports will be prepared semiannually during implementation and annually for 2 years after resettlement completion in each subproject. The project has set up a transparent grievance redress mechanism that will provide meaningful consultation and trigger remedial action.

31. **Indigenous peoples (category B).** In Ha Giang, ethnic minorities represent 41% of the population, mainly Tay (27%), Dao (6%), and Hoa (3%). While ethnic minorities in urban wards are integrated into the mainstream, those in rural communes still form distinct cultural and linguistic communities, and their poverty rate is significantly higher than that of their urban counterparts. The Ha Giang subproject will partially affect about 73 ethnic minorities. The REMDP outlining the issues and actions for ethnic minority integration for the Ha Giang subproject has been approved and disclosed by Ha Giang CPC to the affected persons. It was uploaded to the ADB website in May 2017. The project has no negative impact on Hue or Vinh Yen, which do not have any concentrated area of ethnic minorities.

F. Summary of Risk Assessment and Risk Management Plan

32. The project's overall risk is *moderate*, but tariff reform, domestic resource mobilization, PMU staff capacity, and land acquisition and resettlement pose are substantial risks. Significant risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.³⁰

²⁹ Vinh Phuc Department of Natural Resources and Environment. 2011. *Action Plan for Climate Change of Vinh Phuc Province*. Vinh Phuc (in Vietnamese); Institute for Social and Environmental Transition-International, Vietnam. 2014. *Climate Action Plan for Hue City: Responding to Climate Change from 2014–2020*. Hue.

³⁰ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

Table 4: Summary of Risks and Mitigating Measures

| Risks | Mitigation Measures |
|--|---|
| Formulation of the wastewater tariff road maps and local regulations in compliance with the Decree (80/2014/ND-CP) in Vinh Phuc is slow. | The requirement is stipulated in the legal agreements. ADB will hold continual policy dialogue with the Vinh Phuc PPC. |
| Public resource allocation and domestic resource mobilization for counterpart funds and operation and maintenance costs are inefficient. | Loan covenants indicate that the PPCs will ensure proper allocation for counterpart funds and operation and maintenance costs. ADB will organize periodic PFM training. ^a |
| PMU staff capacity to manage, monitor, and report on loans and grants is weak. | ADB will organize periodic PFM training. ^a PPCs will run separate accounts for loans and grants, prepare separate audit reports annually, and recruit a financial specialist to provide training. |
| PMU staff lack recent experience in procurement transactions under projects funded by international financial institutions. | ADB will organize periodic PFM training. ^a The consultant engaged by the PPCs will provide continual assistance and hands-on training. |
| Delays in the approval and implementation of land acquisition could put implementation behind schedule. | A PPTA resettlement consultant will take early action on land acquisition. ADB will proactively communicate with the PMUs to ensure the timely provision of compensation funds. The government earmarked the 2017-2018 budget for land acquisition. |

ADB = Asian Development Bank, PFM = public financial management, PMU = project management unit, PPC = provincial people's committee, PPTA = project preparatory technical assistance.

^a ADB. 2015. *Technical Assistance to the Socialist Republic of Viet Nam for Capacity Building for Project Management Unit Professionalization*. Manila.

Source: Asian Development Bank.

V. ASSURANCES AND CONDITIONS

33. The government and PPCs have assured ADB that implementation of the project shall conform to all applicable ADB policies, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement as described in detail in the PAM (footnote 19) and loan documents. The government and the PPCs have agreed with ADB on certain covenants for the project, which are set forth in the loan, grant, and project agreements. A loan disbursement condition has been added to the loan agreements requiring the signing of the relevant subsidiary loan agreements for each relevant PPC.

VI. RECOMMENDATION

34. I am satisfied that the proposed loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve:

- (i) the loan of \$50,000,000 to the Socialist Republic of Viet Nam for the Secondary Green Cities Development Project, from ADB's ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; for a term of 25 years, including a grace period of 6 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan and project agreements presented to the Board; and
- (ii) the loan of \$120,000,000 to the Socialist Republic of Viet Nam for the Secondary Green Cities Development Project, from ADB's ordinary capital resources, in concessional terms, with an interest charge at the rate of 2% per year during the grace period and thereafter; for a term of 25 years, including a grace period of 5 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan and project agreements presented to the Board.

Takehiko Nakao
President

6 October 2017

DESIGN AND MONITORING FRAMEWORK

| Impacts the Project is Aligned with | | | |
|--|---|---|--|
| Efficiency, sustainability, and equitability of secondary cities development in Viet Nam improved (Orientation Master Plan for Viet Nam Urban System Development to 2025 with a Vision to 2050) ^a | | | |
| Results Chain | Performance Indicators with Targets and Baselines | Data Sources and Reporting Mechanisms | Risks |
| <p>Outcome</p> <p>Environmental sustainability, inclusiveness, and climate resilience of Vinh Yen, Hue, and Ha Giang strengthened</p> | <p>By 2024</p> <p>a. The quality of green infrastructure rated satisfactory (4 of 5) or highly satisfactory (5 of 5) by more than 80% of respondents to user satisfaction surveys on urban environment and infrastructure services (2016 baseline: not applicable)</p> <p>b. 20% of employment opportunities from the O&M of project facilities created for the poor and near-poor (2016 baseline: 0)^b</p> <p>c. 11,000 m³ of wastewater collected and treated per day in Vinh Yen (2016 baseline: 5,000 m³ per day)</p> <p>d. The frequency of flood events in the Hue Citadel reduced to once in 5 years (2016 baseline: once in 2 years)</p> <p>e. Five central wards in Ha Giang (Minh Khai, Nguyen Trai, Quang Trung, and Tran Phu) protected by once-in-15-year rainfall (2016 baseline: 0)</p> | <p>a. User satisfaction survey report on urban environment and infrastructure services</p> <p>b–e. Vinh Yen, Hue, and Ha Giang project progress reports</p> | <p>Slow formulation of wastewater tariff roadmaps and local regulations in compliance with the Decree on Water Drainage and Wastewater Treatment in Vinh Phuc province</p> |
| <p>Outputs</p> <p>1. Green and resilient urban infrastructure services in Vinh Yen improved</p> | <p>By 2023</p> <p>1a. 3.5 km of embankments along the Dam Vac lake protected (2016 baseline: 0)</p> <p>1b. 44.5 ha of green public park space built with green landscaping and auxiliary facilities (2016 baseline: 0)</p> <p>1c. 5.6 km of arterial roads with bicycle lanes and pedestrian walkways constructed (2016 baseline: 0)</p> <p>1d. 3,800 households connected to a centralized wastewater treatment system, benefiting 80% of women-headed households (2016 baseline: not applicable)</p> <p>1e. Climate change resilience projects including gender-responsive and pro-poor features completed in at least two climate-vulnerable communities (2016 baseline: 0)</p> <p>1f. At least 75 government professionals (at least 33% women) gained new skills in green and resilient city concept and integrated planning (2016 baseline: 0)</p> <p>1g. At least 30 government staff (at least 33% women) in the executing and implementing agencies gained new project management skills on procurement, safeguards, social and gender, public finance, and anticorruption measures (2016 baseline: 0)</p> | <p>1a–g. Vinh Yen project progress report</p> | <p>Inefficient public resource allocation and domestic resource mobilization for counterpart funds</p> |
| <p>2. Green and resilient urban</p> | <p>2a. 21.9 km of drainage pipelines completed inside the Citadel (2016 baseline: 0)</p> | <p>2a–h. Hue project progress report</p> | <p>Inefficient public resource allocation</p> |

| Results Chain | Performance Indicators with Targets and Baselines | Data Sources and Reporting Mechanisms | Risks |
|---|--|---|--|
| <p>infrastructure services in Hue improved</p> <p>3. Green and resilient urban infrastructure services in Ha Giang improved</p> | <p>2b. 9.0 km of embankment along the An Cuu, An Hoa, Dong Ba, Ke Van, Lap, and Nhu Y rivers protected; and their river courses rehabilitated (2016 baseline: 0)</p> <p>2c. 469 households in Pho Son village connected to the existing water supply system (2016 baseline: 0)</p> <p>2d. 17.2 ha of green public park space built with auxiliary facilities (2016 baseline: 0)</p> <p>2e. 7.2 km of urban roads and three bridges constructed (2016 baseline: 0)</p> <p>2f. Climate change resilience projects including gender-responsive and pro-poor features completed in at least two climate-vulnerable communities (2016 baseline: 0)</p> <p>2g. At least 75 government professionals (at least 33% women) gained new skills in green and resilient city concept and integrated planning (2016 baseline: 0)</p> <p>2h. At least 30 government staff (at least 33% women) in the executing and implementing agencies gained new project management skills on procurement, safeguards, social and gender, public finance, and anticorruption measures (2016 baseline: 0)</p> <p>3a. 7.0 km of urban drainage channels in the Minh Khai, Nguyen Trai, Quang Trung, and Tran Phu wards upgraded or rehabilitated</p> <p>3b. 5.6 km of embankments along the Lo and Mien rivers and Me stream protected, and the river courses rehabilitated (2016 baseline: 0)</p> <p>3c. 6.2 km of urban roads constructed (2016 baseline: 0)</p> <p>3d. 1,900 streetlights replaced with energy-efficient streetlights (2016 baseline: 0)</p> <p>3e. At least 50 government professionals (at least 33% women) gained new skills in green and resilient city concept and integrated planning (2016 baseline: 0)</p> <p>3f. At least 20 government staff (at least 33% women) in the executing and implementing agencies gained new project management skills on procurement, safeguards, social and gender, public finance, and anticorruption measures (2016 baseline: 0)</p> | <p>3a–f. Ha Giang project progress report</p> | <p>and domestic resource mobilization for counterpart funds</p> <p>Inefficient public resource allocation and domestic resource mobilization for counterpart funds</p> |
| <p>Key Activities with Milestones</p> <p>1. Green and resilient urban infrastructure services in Vinh Yen improved</p> <p>1.1. Complete detailed design and approval of the updated EMP and resettlement plan by Q3 2019</p> <p>1.2. Complete procurement of consulting services by Q1 2020</p> <p>1.3. Complete land acquisition and resettlement activities by Q4 2021</p> <p>1.4. Complete procurement of works by Q1 2022</p> | | | |

| |
|---|
| <p>1.5. Complete training on procurement, safeguards, social and gender, public finance, and anticorruption measures by Q1 2022</p> <p>1.6. Complete works, consulting services, and community-led activities by Q4 2023</p> <p>1.7. Complete training on green and resilient city concept and integrated planning by Q4 2023</p> <p>2. Green and resilient urban infrastructure services in Hue improved</p> <p>2.1. Complete detailed design and approval of the updated EMP and resettlement plan by Q1 2020</p> <p>2.2. Complete procurement of consulting services by Q2 2020</p> <p>2.3. Complete land acquisition and resettlement activities by Q2 2022</p> <p>2.4. Complete procurement of works by Q3 2022</p> <p>2.5. Complete training on procurement, safeguards, social and gender, public finance, and anticorruption measures by Q1 2022</p> <p>2.6. Complete works, consulting services, and community-led activities by Q4 2023</p> <p>2.7. Complete training on green and resilient city concept and integrated planning by Q4 2023</p> <p>3. Green and resilient urban infrastructure services in Ha Giang improved</p> <p>3.1. Complete detailed design and approval of the updated EMP and resettlement and ethnic minority development plan by Q2 2019</p> <p>3.2. Complete procurement of consulting services by Q1 2020</p> <p>3.3. Complete land acquisition and resettlement activities by Q4 2021</p> <p>3.4. Complete procurement of works by Q1 2022</p> <p>3.5. Complete training on procurement, safeguards, social and gender, public finance, and anticorruption measures by Q1 2022</p> <p>3.6. Complete works and consulting services by Q4 2023</p> <p>3.7. Complete training on green and resilient city concept and integrated planning by Q4 2023</p> |
| <p>Project Management Activities</p> <p>Engage consulting services for construction supervision, environment and social compliance monitoring, construction supervision, detailed engineering design, and auditing by Q4 2019</p> |
| <p>Inputs</p> <p>Asian Development Bank (OCR): \$50,000,000 (regular loan)</p> <p>Asian Development Bank (OCR): \$120,000,000 (concessional loan)</p> <p>Government: \$47,870,000</p> <p>Global Environment Facility: \$2,000,000 (grant)</p> <p>Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility: \$4,000,000 (grant)</p> <p>Global Environment Facility: \$10,823,091 (TA grant)</p> <p>Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility: \$2,000,000 (TA grant)</p> |
| <p>Assumptions for Partner Financing</p> <p>Not applicable</p> |

EMP = environmental management plan, ha = hectare, IEE = initial environmental examination, km = kilometer, m³ = cubic meter, O&M = operation and maintenance, OCR = ordinary capital resources, Q = quarter, TA = technical assistance.

^a Government of Viet Nam. 2009. *Orientation Master Plan for Viet Nam Urban System Development to 2025 with a Vision to 2050*. Ha Noi (Prime Minister's Decision 445/2009).

^b Poor and near-poor are defined as people with incomes below the near-poor line defined by the Ministry of Labour, Invalids and Social Affairs. The 2010 near-poor threshold is D653,000 per person per month.

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=47274-003-3>

1. Loan Agreement: Ordinary Operations
2. Loan Agreement: Ordinary Operations (Concessional)
3. Grant Agreement: Global Environment Facility
4. Grant Agreement: Urban Climate Change Resilience Trust Fund
5. Project Agreement
6. Sector Assessment (Summary): Water and Other Urban Infrastructure and Services
7. Project Administration Manual
8. Contribution to the ADB Results Framework
9. Development Coordination
10. Climate Change Assessment
11. Attached Technical Assistance
12. Financial Analysis
13. Economic Analysis
14. Country Economic Indicators
15. Summary Poverty Reduction and Social Strategy
16. Gender Action Plan
17. Initial Environmental Examination
18. Resettlement and Ethnic Minority Development Plan: Ha Giang
19. Resettlement Plan: Hue
20. Resettlement Plan: Vinh Yen
21. Risk Assessment and Risk Management Plan