



Viet Nam: Basic Infrastructure for Inclusive Growth in the North Central Provinces Sector Project

Project Name	Basic Infrastructure for Inclusive Growth in the North Central Provinces Sector Project								
Project Number	49026-003								
Country	Viet Nam								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan 3634-VIE: Basic Infrastructure for Inclusive Growth Project in the North Central Provinces</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 52.00 million</td></tr><tr><td colspan="2">Loan 3635-VIE: Basic Infrastructure for Inclusive Growth Project in the North Central Provinces</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 97.00 million</td></tr></table>	Loan 3634-VIE: Basic Infrastructure for Inclusive Growth Project in the North Central Provinces		Ordinary capital resources	US\$ 52.00 million	Loan 3635-VIE: Basic Infrastructure for Inclusive Growth Project in the North Central Provinces		concessional ordinary capital resources lending / Asian Development Fund	US\$ 97.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development								
Sector / Subsector	Agriculture, natural resources and rural development - Irrigation - Rural flood protection - Rural water supply services Transport - Road transport (non-urban)								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	<p>- The project impact will accelerate socio-economic development of the four north central provinces (NCPs) in accordance with the Provincial Socio-economic Development Plans through 2020, with a vision to 2030 (PSEDP) and the Master Plan on Socio-economic Development of Viet Nam's Central Northern and Coastal Region through to 2020 (Master Plan). The project outcome will be service delivery in the four NCPs of Viet Nam of Ha Tinh, Nghe An, Quang Binh, Quang Tri improved.</p> <p>- The proposed project will (i) rehabilitate and upgrade provincial road and district roads in the NCPs; (ii) support productive and business infrastructure including water supply networks, sea and river protection and drainage works with association river transport infrastructure, and supporting flood and irrigation command areas; and (iii) establish decentralized public asset management processes and established for road, water supply and irrigation infrastructure.</p> <p>- The project will have an Asian Development Bank (ADB) sector modality and implement in total approximately 32 subprojects for outputs 1 and 2. Feasibility Studies (FS) have been prepared for the four representative subprojects demonstrating subproject viability, and consequently overall project feasibility. Criteria for the eligibility, election, prioritization and preparation of additional subprojects have been agreed. A long list of additional subprojects has been identified, and the NCPs and ADB will carry out field screening to agree upon their inclusion in the project.</p>								

Project Rationale and Linkage to Country/Regional Strategy

The key constraints contributing to FNCP poverty and low incomes that the Project will address include: (i) High transport costs due to weak inter-district linkages, with low quality road conditions leading to extended travel times. While the national arterials including the south-north axis and EWEC, are mostly in good condition, rural connectivity is underdeveloped; (ii) Inadequate infrastructure quality and coverage hampers business investment, competitiveness and increases exposure to natural disasters and climate change impacts, resulting in livelihood vulnerabilities, high costs of repair, reconstruction and adaptation. In particular the lack of clean water and poorly developed services for many rural coastal communities is causing illness and reduced incomes; (iii) Weak asset management. The FNCP have developed infrastructure assets in a piecemeal fashion, without systems for preserving the investments already made and to inform future investment decision makers, resulting in a costly cycle of construction, deterioration and reconstruction.

The project is aligned with important government policies and strategies as expressed in: (i) 2016 Socio-Economic Development Plan 2016-2020, which aims to expand the domestic market, promote export, and sustain trading surpluses; (ii) master plan on socio-economic development of Central Vietnam's northern and coastal region through to 2020, giving priority to regional connectivity, the benefits of improved access to economic opportunities and services by increasingly multi-sector investments; (iii) 2009 Government's Transport Strategy, which emphasizes corridor development, and provincial and rural connectivity; (iv) 2011 National Target Programme on New Rural Development (NRD) with specific targets for rural development including rural access, water resources, and rural value chains; (v) commitment to the sustainable development goals (SDGs).

The Project supports the three pillars of ADB's Viet Nam country partnership strategy 2016-2020: (i) promotion of job creation and competitiveness, through assistance to improve physical connectivity, and support commerce and employment creation, enhance the business environment, and increase productivity, (ii) enhanced and inclusive infrastructure and service delivery by, diversifying economic opportunities, broadening access to essential social services, creating livelihood opportunities for rural people in the FNCP. Particular emphasis will be placed on working with provincial governments to upgrade and maintain rural productive assets, such as roads and rural water supply, and (iii) improved environmental sustainability and climate change response, by including climate-proofing measures into infrastructure investments.

Value added by ADB assistance. The ADB strongly supports the GMS Strategic Framework 2012-2022 which prioritizes multi-sector investments to foster regional and local economic development that require stronger cross-sector linkages and integration particularly with special economic zones and border areas. The project will contribute to the ADB's goals for regional integration through GMS economic cooperation by promoting closer FNCP development in cross-border areas, and is consistent with the GMS Transport and Trade Facilitation Action Plan. Greater synergies will be achieved with current ADB technical assistance projects capacity building initiatives for road safety, agriculture competitiveness and public sector management, as well as support from development partners. ADB is supporting the government's focus on decentralized managed, area-wide, multi-sector approach within which the FNCP is a regional cluster with shared development objectives.

Impact	Socioeconomic development of Ha Tinh, Nghe An, Quang Binh, and Quang Tri provinces accelerated
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Project Outcome

Description of Outcome	Service delivery in north central provinces (NCPs) improved
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Progress Toward Outcome

Implementation Progress

Description of Project Outputs	Transport infrastructure improved Productive infrastructure for business development improved Decentralized public asset management processes established
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location	Tinh Ha Tinh, Tinh Nghe An, Tinh Quang Binh, Tinh Quang Tri
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Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	The NCP PPCs and ADB have agreed upon an environmental assessment and review framework. The road works are limited to upgrades within the existing or newly established right-of-way and environmental impacts will be minor and temporary. They will not infringe on protected or environmentally sensitive areas and will require only simple mitigation measures such as proper management of construction camps or storage of building materials. Each initial environmental examination for the four representative subprojects includes an environmental management plan with appropriate mitigation measures.
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Involuntary Resettlement	The NCP PPCs and ADB have agreed upon a combined resettlement and ethnic minority development framework, through which resettlement and ethnic minorities development plans were prepared for all representative subprojects and publicly disclosed. The plans are supported by public consultation and information disclosure. The only impacts will be minor land acquisition and compensation for roadside trees, crops, or small structures within the right-of-way for which compensation, allowances, operation and administration, surveys, monitoring, and reporting will be financed from the government's counterpart funds. The impacts will be monitored, evaluated, and reported semiannually to ADB by the PPCs.
Indigenous Peoples	Impacts on indigenous peoples, referred to as ethnic minorities in Viet Nam, are overwhelmingly positive since the subprojects aim for the economic and social improvement of the total population. The project will not cause physical displacement from traditional or customary lands, nor will it negatively impact the identity, culture, or customary livelihood systems of the ethnic minorities. The resettlement and ethnic minority development framework will be used to ensure the inclusion of ethnic minorities into project benefits. The resettlement and ethnic minorities development plans include mitigation measures to address impacts, institutional capacity development programs, and a grievance redress mechanism.

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services Project to recruit consultants for construction supervision, audit, LIC, DED

Procurement There will be around 25-30 civil works contract which will be procured using NCB method. Procurement is expected to start from Q4 2018

Responsible ADB Officer khuc, huong thi lan

Responsible ADB Department Southeast Asia Department

Responsible ADB Division Viet Nam Resident Mission

Executing Agencies
*Provincial People's Committee of Ha Tinh Province
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 Ha Tinh Town
 Vietnam
 Provincial People's Committee of Nghe An Province
 Nghe An, Viet Nam
 Provincial People's Committee of Quang Binh Province
 50 Ly Thuong Kiet, Dong Hoi, Quang Binh
 Vietnam
 Provincial People's Committee of Quang Tri Province
 45 Hung Vuong, Dong Ha Town, Quang Tri
 Vietnam*

Timetable

Concept Clearance 29 Apr 2016

Fact Finding 23 Mar 2017 to 08 Apr 2017

MRM 23 Jun 2017

Approval 15 Dec 2017

Last Review Mission -

Last PDS Update 28 Sep 2018

Loan 3634-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2017	23 Jul 2018	25 Oct 2018	30 Sep 2023	-	-

Financing Plan		Loan Utilization		
Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage

Project Cost	106.52	Cumulative Contract Awards			
ADB	52.00	15 Dec 2017	0.00	0.00	0%
Counterpart	54.52	Cumulative Disbursements			
Cofinancing	0.00	15 Dec 2017	0.00	0.00	0%

Loan 3635-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2017	23 Jul 2018	25 Oct 2018	30 Sep 2023	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	97.00	Cumulative Contract Awards			
ADB	97.00	15 Dec 2017	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	15 Dec 2017	0.00	0.00	0%

Project Page <https://www.adb.org/projects/49026-003/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=49026-003>

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