



Viet Nam: Second Greater Mekong Subregion Corridor Towns Development Project

Project Name	Second Greater Mekong Subregion Corridor Towns Development Project	
Project Number	46443-004	
Country	Viet Nam	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3353-VIE: Second Greater Mekong Subregion Corridor Towns Development Project concessional ordinary capital resources lending / Asian Development Fund US\$ 100.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Water and other urban infrastructure and services - Other urban services - Renovation and protection of cultural heritage - Urban flood protection - Urban sewerage	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The Second Greater Mekong Subregion (GMS) Corridor Towns Development Project (the project) represents the second phase of the ongoing GMS Corridor Towns Development Project in Cambodia, Lao PDR and Viet Nam. It supports the first four strategic thrusts of the GMS Strategic Framework 2012_2022 namely (i) strengthening infrastructure linkages; (ii) facilitating cross-border trade, investment, and tourism; (iii) enhancing private sector participation and competitiveness; and (iv) developing human resources. The focus on corridor town development follows an approach that will maximize the economic benefits of increased trade and traffic flows along the major transport corridors in the GMS with the expected positive impacts resulting from accelerated investments in strategically located towns and cities, and added value on economic growth through development oriented on green growth and climate resilience. The objective is to strengthen competitiveness of the GMS economic corridors through environmental infrastructure.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The towns of Bac Giang, Mong Cai and Sa Pa are located along the GMS North-South Economic Corridor, on the eastern branch that links Lao PDR with China, Thailand and Myanmar, and another which links Hanoi to the cities of Kunming and Nanning in the PRC. Bac Giang is the administrative capital of Bac Giang province, and is located about 50 km northeast of Hanoi. The city has a number of development and investment fundamentals in its favor; primarily its strategic location in key transport corridors linking centers of population and ports together and providing access to larger markets, principally into PRC and within the Hanoi capital region. Mong Cai is a cross border town opposite of Dongxing town, Guangxi Province, PRC. The economic base of Mong Cai is characterized by a typical border town economy comprising of trade and services and shows a rapidly expanding economy and significant levels of urbanization. Sa Pa is a small town located about 35 km from Lao Cai City. Sa Pa is an international tourist center and highland agricultural area, where strategic corridor investments in transport infrastructure are placing increasing development pressures on the high quality mountain landscapes and cultural diversity of the predominantly ethnic minority populations. The project is in line with the ADB Country Partnership Strategy for Viet Nam; ADB's Urban Operational Plan; the GrEEEn Cities Approach, which has been piloted in several cities in Viet Nam, Thailand, Myanmar, Malaysia, and Indonesia; ADB's Water Operational Plan; the GMS Strategic Framework; and the GMS Regional Investment Framework Implementation Plan (2014-2018). The towns under this project were selected and prioritized under the GMS Regional Investment Framework.</p>	
Impact	Economic, sociocultural, and environmental development in the three towns of Bac Giang, Mong Cai, and Sa Pa, improved, contributing to making Viet Nam a modern, industrial country. (Socio-economic Development Strategy, 2011_2020.)	

Project Outcome

Description of Outcome	Improved urban services in the three participating towns.
Progress Toward Outcome	PISC contract was signed. Mobilization in April 2017.
Implementation Progress	
Description of Project Outputs	SLEDPs and Sa Pa GCAP developed Priority urban infrastructure investments implemented Institutional capacities for managing public investments strengthened. Community awareness on project activities and environmental sustainability improved
Status of Implementation Progress (Outputs, Activities, and Issues)	not due yet detailed design on-going detailed design on-going detailed design on-going not due yet detailed design on-going detailed design ongoing detailed design on-going detailed design completed. ADB is reviewing bidding documents. detailed design on-going not yet started not yet started not due yet not due yet not due yet not yet started
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	The project is classified as Category B for environment in accordance with the ADB's safeguards policy statement (SPS) 2009. One initial environmental examination (IEE) report and three environmental management plans (EMPs) (one per town) have been prepared.
Involuntary Resettlement	The safeguard category for involuntary resettlement is B. Two resettlement plan (RPs), one for Bac Giang and one for Mong Cai, are prepared for those components which will trigger land acquisition and resettlement (LAR) impacts. One resettlement and ethnic minority development plan (REMDP) is prepared for Sa Pa, as Indigenous People safeguards are triggered but limited to LAR and is category B.
Indigenous Peoples	For the Sa Pa subproject, indigenous peoples safeguards are triggered but limited to land acquisition and hence a resettlement, ethnic minority and development plan (REMDP) will be prepared in accordance with the requirements of the SPS (2009). The IP safeguard category is B.

Stakeholder Communication, Participation, and Consultation

During Project Design	
During Project Implementation	The Provincial People's Committees (PPCs) of Bac Giang, Lao Cai and Quang Ninh are the EAs which will oversee project activities in each of the three towns. Additionally, the PPC in Bac Giang Province is designed as the lead executing agency to coordinate among all PPCs on institutional management, project implementation and reporting. Project management units (PMUs) will be established in each EA to undertake the day-to day management of subprojects, including the procurement of civil works and goods. As lead EA, the PMU in Bac Giang will be responsible for consultant selection for project implementation and management support; and act as coordinator between the project cities and the concerned central government agencies for project implementation. Each of the three EAs will hire consultants for detailed design, construction supervision and capacity development; and carry out procurement for their respective civil works and goods contracts. The EA in Lao Cai (Sa Pa Town) will be responsible for consultant selection for GCAP preparation. A project coordination unit (PCU) will be established within Bac Giang PMU to support the day-to-day coordination and liaison work among the three PMUs. The City People's Committees (CPCs) in Bac Giang and Mong Cai, and Lao Cai Department of Planning and Investment in Sa Pa will be the Implementing Agencies (IAs) which will coordinate and monitor the activities of the PMUs.

Responsible Staff

Responsible ADB Officer	Nguyen, Binh My
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<i>People's Committee Vietnam</i>

Timetable

Concept Clearance	01 Jun 2015
Fact Finding	05 Jun 2015 to 10 Jun 2015
MRM	18 Aug 2015
Approval	01 Dec 2015
Last Review Mission	-
Last PDS Update	29 Mar 2017

Loan 3353-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
01 Dec 2015	21 Mar 2016	10 Aug 2016	30 Jun 2021	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	121.67	Cumulative Contract Awards			
ADB	100.00	01 Dec 2015	1.38	0.00	1%
Counterpart	21.67	Cumulative Disbursements			
Cofinancing	0.00	01 Dec 2015	0.00	0.00	0%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	-	-	Satisfactory

Project Page	https://www.adb.org/projects/46443-004/main
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