Public Disclosure Authorized

# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 15-Mar-2022 | Report No: PIDA33479

## BASIC INFORMATION

### A. Basic Project Data

| Country | Project ID | Project Name | Parent Project ID (if any) |
|---|---|---|---|
| Vietnam | P177314 | Vinh Long City Urban Development and Enhanced Climate Resilience Project Additional Financing | P171700 |
| **Parent Project Name** | **Region** | **Estimated Appraisal Date** | **Estimated Board Date** |
| Vinh Long City Urban Development and Enhanced Climate Resilience Project in Vinh Long Province | EAST ASIA AND PACIFIC | 31-Mar-2022 | 31-May-2022 |
| **Practice Area (Lead)** | **Financing Instrument** | **Borrower(s)** | **Implementing Agency** |
| Urban, Resilience and Land | Investment Project Financing | Socialist Republic of Vietnam | ODA PMU of Vinh Long Province |

Proposed Development Objective(s) Parent

To improve access to infrastructure and connectivity and to reduce flood risk in the urban core area of Vinh Long City.

Components

Component 1: Flood Risk Management and Environmental Sanitation
Component 2: Strategic Corridors Development
Component 3: Resettlement Area Development
Component 4: Enhancing Climate Resilience and Leveraging Disruptive Technologies in Urban Management

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

| | |
|---|---|
| **Total Project Cost** | 2.00 |
| **Total Financing** | 2.00 |
| **of which IBRD/IDA** | 0.00 |
| **Financing Gap** | 0.00 |

### DETAILS

| Non-World Bank Group Financing | |
|---|---|
| Trust Funds | 2.00 |
| Korea WB Partnership Facility | 2.00 |

Environmental and Social Risk Classification

Low

Other Decision (as needed)

## B. Introduction and Context

Country Context

1. **Since the introduction of the comprehensive reforms in 1986, known as 'Đổi Mới', Vietnam has experienced impressive economic growth, which coupled with the Government's strong focus on inclusive development, has yielded shared prosperity and strong gains in poverty reduction.** Vietnam has had one of the fastest GDP per capita growth rates (averaging 5.5 percent a year) since the early 1990s, yielding a three-and-a-half-fold increase in average income. The US$1.90-a-day poverty rate fell from 50 percent in the early 1990s to 3 percent today. Using the General Statistics Office (GSO) World Bank standard, poverty incidence fell from about 58 percent to 13.5 percent over the same period. Access to basic infrastructure has also improved substantially. According to the World Bank's measure of shared prosperity (i.e., the income growth of the bottom 40 percent of the population), Vietnam is one of the most noteworthy cases of long-term shared prosperity globally. Despite this, in urban areas, the poverty rates in smaller cities are relatively high as compared to large cities.

2. **Despite large investments in risk management, cities in Vietnam remain highly vulnerable to weather related hazards such as typhoons, floods and drought, which are expected to become more frequent and intense with climate change**. Vietnam has been ranked among the five countries likely to be most affected by climate change[1], due to the concentration of a high proportion of its population and economic assets in vulnerable coastal lowlands and deltas. The Mekong Delta Region (MDR) is particularly vulnerable to climate change and hydro-metrological disasters such as flooding, which have significantly impacted the socioeconomic development of the region. Approximately half of the Delta is flooded to a depth 1 to 3 m annually and the situation is being further exacerbated by sea-level rise and land subsidence. Coastal erosion and saline intrusion leading to the contamination of drinking water, are other issues that are likely to increasingly impact the MDR in the future. The impacts of climate change are exacerbated by inappropriate land use planning and ecosystem degradation and are typically linked to adverse health consequences, including water related and vector- borne diseases. In addition,

[1] Vietnam: Climate Risk Country Profile (World Bank and Asian Development Bank, 2018).

the poor, the elderly and people with disabilities are especially vulnerable to climate change and hydro-metrological disasters, given the rapid increase in the elderly population[2] and the relatively high proportion of people living with disabilities in Vietnam.[3]

3. **The Government's response to the COVID-19 crisis has been assessed as one of the most effective in the world, however the number of confirmed cases is currently rising sharply with a cumulative total of 1,914,313 confirmed cases of COVID-19 and 34,531 deaths[4]**. With a long border and close trade relationship with China, Vietnam was among the first countries hit by the epidemic. The first case was confirmed as early as January 23, 2020 and as of September 8, 2020. On January 30, 2020, the National Steering Committee for COVID-19 Prevention and Control was established, chaired by a Deputy Prime Minister with leaders of all sectors as members. The Prime Minister declared the epidemic on February 1, 2020. A range of strong mitigation measures were applied nationwide, with the participation of all related sectors, including health, police, army and local authorities. However, the crisis has left a lasting impact on households, with 45 percent of households reporting lower household income in January 2021 than in January 2020.

## Sectoral and Institutional Context

4. **Vietnam's rapid economic development and structural transformation over the past three decades has led to extensive urban transformation, with urban areas now contributing more than half of the country's GDP.** Vietnam has a low level of urbanization (37.5 percent of the population in 2017) compared to most countries in the East Asia region, but its urban population has grown steadily at 3.4 percent a year since the late 1980s, from fewer than 13 million urban residents to more than 30 million today. Half of the country's population expected to live in urban areas by 2035.[5]

5. **Notwithstanding the impressive social and economic outcomes brought about by urbanization, there are signs that Vietnam's current urbanization model is losing momentum**. A notable characteristic of urban development in Vietnam has been the low and stagnant levels of urban density. Between 2000 and 2015, urban density remained at 18.9 residents per hectare, while urban land expanded by over 650,000 hectares.[6] This development pattern is largely driven by cities' desire to generate more land related revenues and move up the Government's urban hierarchy[7], but also reflects the relatively weak institutions responsible for urban development and planning.

[2] Vietnam is one of the most rapidly aging countries in the world. Around 2035, the old age dependency ratio — the number of people 65 years of age or older for every 100 people aged 15–64 — will have risen to almost 22 (from under 10 today), while the working-age population will begin to decline in absolute terms. Vietnam 2035 Report (World Bank 2016).

[3] Statistics show between 7.5 to 15 per cent of Vietnamese people are living with disabilities. Palmer M, Groce N, Mont D, Nguyen OH, Mitra S (2015) The Economic Lives of People with Disabilities in Vietnam. PLoS ONE 10(7): e0133623.

[4] World Health Organization COVID-19 data (https://covid19.who.int/region/wpro/country/vn), retrieved 11/01/22

[5] Vietnam 2035 Report (World Bank 2016).

[6] Vietnam 2035 Report (World Bank 2016).

[7] The urban classification system consists of six classes of urban areas that are defined by different levels of economic activities, physical development, population, population density, and infrastructure provision. It serves as a basis for the Central Government to determine budget transfer allocations to urban areas, thus providing strong incentives for cities and towns to move up the urban class ladder.

6. **The Mekong Delta Region, being the agricultural base of Vietnam, is one of the most densely populated regions outside the metropolitan regions of Hanoi and HCMC**. MDR cities have struggled to keep up with the demographic and socioeconomic demands brought about by urbanization. Access to basic services, such as sanitation, drainage and quality water supply, remains as low as 15 percent in MDR cities and only 7.6 percent of cities have appropriate wastewater collection and treatment systems, with the majority lacking any systems.[8]

7. **Vinh Long City is strategically located along the economic corridor that connects HCMC to the MDR**. The province is a regional center for: agricultural technology; agri-processing; commercial activities; training; research and technology transfer services; and eco-tourism. The provincial capital, Vinh Long City , has a population of around 140,000 and an annual GDP growth rate of about 10 percent.

8. **Flooding has been identified as a major impediment to Vinh Long City's long-term development.** Located on the Tien river plain, 60 percent of the city is susceptible to flooding due to extreme rainfall and high water levels in the Mekong. Its network of canals suffers from issues of sedimentation, water surface encroachment and pollution due to untreated domestic wastewater and solid waste.

9. **Due to the exponential growth of technology advances and their increasing accessibility and affordability**, **cities globally are increasingly tapping into information and communication technologies (ICT) to improve the efficiency, effectiveness and adaptability of their physical, social, institutional and economic infrastructure.** In 2018, the Prime Minister issued a decision to approve the scheme for *"Development of sustainable smart cities in Vietnam in the period of 2018-2025, vision to 2030",* which identifies MDR as one of the focus areas. Developing ICT will increase the transparency of planning and enable dissemination of other information on natural hazards. Creating socio-economic profiles of city residents, will help increase the awareness of hazard risks to the population. The integration of urban flood management into urban management is being strongly requested by the Central Government and the provinces/cities in the MDR. Integrated urban planning and urban management are new strategies from the Government which emphasize the use of disruptive technologies. Cities are proposing to develop Hydro-hydraulic, GIS models supported with ICT tools for developing flood management information systems, as well as a Geospatial Data Sharing Platform. These disruptive technologies are key tools for integrated urban flood risk management and urban management. A similar approach is being implemented in Can Tho city that will provide lessons for the implementation of the Flood risk Management Information System (FMIS) and the Geospatial Data Sharing Platform (GDSP) in Vinh Long City.

10. **The World Bank has supported several GoV projects in MDR and the relevant lessons and experiences are being reflected in the Parent Project**. The Bank concluded the Mekong Delta Region Urban Upgrading Project in 2018, which financed infrastructure improvements in six cities in the MDR and is currently financing the Scaling Up Urban Upgrading Project (SUUP) in the remaining seven cities in the MDR, which aims to improve infrastructure and strengthen urban planning capacity, with a focus on Low Income Areas (LIAs). The Bank is also financing the Can Tho Urban Development and Resilience Project, focusing on the mitigation of flood risks and adaptation to climate change. The Mekong Delta Region Integrated Climate Resilience and Sustainable Livelihood Project has also been implemented since 2016 covering nine provinces in the MDR, including two rural districts in Vinh Long City. Vinh Long Province is participating in the World Bank financed Vietnam Improved Land Governance and Database Project to set up a Multipurpose Land Information System. In addition, the World Bank has worked with

[8] Vietnam Urbanization Review (World Bank 2011)

GoV on several studies related to climate resilience in the MDR including for the Mekong Delta Regional Master Plan. The activities under the proposed AF are similar to activities under the other Bank projects in the MDR described above and would draw on the lessons learned from these projects. For example, lessons learnt through the Can Tho Urban Development and Resilience Project on flood mitigation and sewer system improvement, as well as innovative solutions supporting decision making processes for enhancing integrated urban management, will be applied to implementation of the VLUDCRP. The AF activities are also fully aligned with the objectives of the Mekong Delta Regional Master Plan, described above.

11. **The World Bank in Vietnam has engaged with the Government in supporting the country in the fight against COVID-19 through technical support and grants**. At the early stage of the pandemic, through a Policy and Human Resources Development (PHRD) grant for Strengthening Pandemic preparedness, the World Bank supported the National Institute of Hygiene and Epidemiology (NIHE) to provide TA to improve the surveillance, diagnostic, testing, treatment and care for the COVID-19 pandemic. A grant of US$6.2 million by the Pandemic Financing Facility was promptly processed to assist Vietnam to strengthen capacities for detecting and responding to COVID-19. In August 2021, a US$2.75 million grant from the Japan Social Development Fund was approved by the World Bank for the Strengthening Preparedness and Response to COVID-19 at the Grassroots Level in Vietnam.

## C. Proposed Development Objective(s)

Original PDO

To improve access to infrastructure and connectivity and to reduce flood risk in the urban core area of Vinh Long City.

Current PDO

To improve access to infrastructure and connectivity and to reduce flood risk in the urban core area of Vinh Long City.

Key Results

12. Project targets include (i) 118,600 people, 51 % of whom female, provided with access to new or improved drainage and wastewater systems; (ii) 25 % reduction in travel time between the north and the south of the city (Ward 8 and Ward 9) and between the southeast and southwest of the city (NH1 and NH53 and NH57); (iii) 1,788 hectares protected against 1 in 100 year river flood; and (iv) an integrated flood risk management system developed for trial and training.

## D. Project Description

13. The AF will add US$2.0 million of financing from the KWPF Trust Fund, allocated as a recipient-executed trust fund. The PDO of the AF will be the same as the PDO of the Parent Project. The AF would close on the Parent Project's closing date, which will not be changed. The AF will define additional monitoring

indicators to measure the AF activities. While the Parent Project finances equipment and hardware, the AF will leverage international expertise and best practices, to enhance Vinh Long City's technical and urban management systems that will be financed with Parent Project counterpart funds.

14. The AF activities will support a series of non-physical investments (consultant services, workshops and trainings, invested disruptive technology on integrated flood risk management and urban management) to enhance the sustainability, quality and effectiveness of physical infrastructure investments under the Parent Project.

15. **All four Parent Project Components and their sub-components would remain the same**. The proposed AF would enable the scaling up of existing activities under Component 4 of the Parent Project: Enhancing Climate Resilience and Leveraging Disruptive Technologies in Urban Management. Project Component 4 aims to improve urban management in a climate and risk informed manner and to set the stage for the development of Vinh Long as a smart City through leveraging disruptive technologies. Four Components are proposed under this AF which are directly linked to Component 4 of the Parent Project, including:

**Component 1: Development of an integrated Flood risk Management Information System (FMIS) (AF of US$0.8 Million)**.

16. The AF would improve the ability of technical experts and decision makers to better predict flood events and respond to flooding with an integrated set of actions. Specifically, the financing would enhance the sustainability and the quality of the service provided by the flood control infrastructure financed under Parent Project Component 4. The proposed AF sub-component include:
    - Sub-component 1.1 Investigation and FMIS conceptual Design;
    - Sub-component 1.2 Developing FMIS;
    - Sub-component 1.3 FMIS establishment; and
    - Sub-component 1.4 Training for FMIS Operation and Maintenance.

**Component 2: Strengthening IEC and O&M for Wastewater Management (AF of US$0.2 Million)**.

17. The AF would be used to strengthen the quality of implementation and the sustainability of the Parent Project Component 1 and Component 4: Strengthening IEC and O&M on wastewater management. The proposed AF sub-component include:
    - Sub-component 2.1 Strengthening IEC for wastewater management; and
    - Sub-component 2.2 Strengthening O&M for wastewater management.

**Component 3: Developing a Geospatial Data Sharing Platform (GDSP) (AF of US$0.75 Million)**

18. This activity will enhance the quality and sustainable operation of equipment and hardware installed under the Parent Project sub-component 4, by developing a geospatial data sharing platform, in order to strengthen spatial planning and development in Vinh Long. The AF would finance the following sub-components:
    - Sub-component 3.1 Data sharing, regulation and institutional setup – Development of GDSP requirements;
    - Sub-component 3.2 Data gathering, collation and digitization; and
    - Sub-component 3.3 Develop and deploy geospatial data sharing platform.

**Component 4: Workshops, Other Additional Trainings and Audits (AF of US$0.250Million)**

19. This Component of the AF will finance workshops, other additional training and audits, including the KWPF Trust Fund audit.

20. These four AF Components are expected to improve the quality and sustainability of the Parent Project investments in flood mitigation, drainage and wastewater collection and treatment (Parent Project Component 1), as well as better inform decision making by the City on integrated urban management.

21. The direct beneficiaries of the AF will be Vinh Long PPC and CPC and their relevant technical staff who will benefit from improved capacity to manage and sustain quality flood mitigation and wastewater management investments in the City, while the indirect beneficiaries are Vinh Long City's residents (over 140,000 residents) who will benefit from improved access to infrastructure and connectivity and reduced flood risk in the urban core area of Vinh Long City. The proposed AF Components are consistent with the World Bank CPF for Vietnam 2018–2022, specifically on Objective 10 of the CPF to "increase climate resilience and strengthen disaster risk management" under the third focus area to "enhance environmental sustainability and resilience."

Legal Operational Policies

| | Triggered? |
|---|---|
| Projects on International Waterways OP 7.50 | Yes |
| Projects in Disputed Areas OP 7.60 | No |

Summary of Assessment of Environmental and Social Risks and Impacts

## E. Implementation

Institutional and Implementation Arrangements

There will be no change to implementation arrangements under the AF, which will remain the same as under the Parent Project.

## CONTACT POINT

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### Borrower/Client/Recipient

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## APPROVAL

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