

# Project Administration Manual

Project Number: 43393-023  
Loan Number: TBD  
October 2014

Socialist Republic of Viet Nam: Ho Chi Minh City  
Third Ring Road Technical Assistance Project

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## **Project Administration Manual Purpose and Process**

1. The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.
2. Cuu Long Corporation for Investment, Development and Project Management of Infrastructure (Cuu Long CIPM) is wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by Cuu Long CIPM of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.
3. At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.
4. After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

## ABBREVIATIONS

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
AFS	=	audited financial statements
AP	=	Advance payments
BTP	=	Biodata technical proposal
CQS	=	consultant qualification selection
CL CIPM	=	Cuu Long Corporation for Investment, Development and Project Management of Infrastructure
DMF	=	design and monitoring framework
EA	=	Executing Agency
EARF	=	environmental assessment and review framework
EIA	=	environmental impact assessment
EMP	=	environmental management plan
ESMS	=	environmental and social management system
FTP	=	Full technical proposal
GACAP	=	governance and anticorruption action plan
GDP	=	gross domestic product
GMS	=	Greater Mekong Sub-region
HCMC	=	Ho Chi Minh City
IA	=	Implementing Agency
ICB	=	international competitive bidding
IEE	=	initial environmental examination
IPC	=	Interim payment certificates
IPP	=	indigenous people plan
IPPF	=	indigenous people planning framework
LAR	=	land acquisition and resettlement
LCS	=	Least cost selection
LCB	=	Limited competitive bidding
LIBOR	=	London interbank offered rate
MOF	=	Ministry of Finance
MOT	=	Ministry of Transport
MPI	=	Ministry of Planning and Investment
NCB	=	national competitive bidding
NGOs	=	nongovernment organizations
O&M	=	Operation and Maintenance
PAI	=	project administration instructions
PAM	=	project administration manual
PIU	=	project implementation unit
QBS	=	quality based selection
QCBS	=	quality- and cost based selection
RR3	=	The Third Ring Road
RRP	=	report and recommendation of the President to the Board
SBD	=	standard bidding documents
SBV	=	State Bank of Viet Nam
SGIA	=	second generation imprest accounts
SOE	=	statement of expenditure
SPRSS	=	summary poverty reduction and social strategy
SPS	=	Safeguard Policy Statement
TOR	=	terms of reference
WA	=	Withdrawal applications

## I. PROJECT DESCRIPTION

1. HCMC is the largest city in Viet Nam, with a population in its greater urban area of over 9 million, which is expected to grow to 13.8 million by 2025. The metropolitan area is the primary engine for Viet Nam's economic development, accounting for nearly 40% of the country's gross domestic product. However, due to rapid traffic growth and low road densities, many major roads and highways in the project area have reached their capacity; the resulting severe traffic congestion and rising logistical costs pose serious constraints to HCMC's continued economic growth and competitiveness. Therefore, construction of ring roads on the periphery of HCMC is the government's strategic priority and included in the HCMC transport master plan.<sup>1</sup> Once fully constructed the HCMC RR3 will reduce traffic congestion in HCMC, improve connectivity with the surrounding cities and towns, and help reduce transport costs and travel times for the movement of passengers and goods in and around HCMC.

2. Considering the complexity of the HCMC RR3 investment project in terms of social and environmental, as well as technical and financial aspects, with plans for private sector involvement, the government is facing constraints in its capacity to develop the project independently without any external support. To help implement its strategy, and to engage ADB as the potential financier for the ensuing investment project, the government has requested ADB to provide a TA Project to ensure the investment project's design readiness, update cost estimates, as well as identify feasible financing options for the three project sections of the HCMC RR3. The TA Project has been included in ADB's country operations business plan (COBP), 2013-2015<sup>2</sup>, with the ensuing HCMC RR3 investment project in COBP, 2015–2017<sup>3</sup> as standby for 2017. The feasibility study, including the basic design for the Tan Van–Nhon Trach section, was prepared in 2012 under financing from the Export-Import Bank of Korea.<sup>4</sup> The TA Project's outline was approved by the Prime Minister on 27 March 2013.<sup>5</sup> The TA Project is in line with ADB's country partnership strategy, 2012–2015 for Viet Nam, which focuses on assisting the country's transport sector in improving its institutional, financial, and operational efficiency to maintain sufficient transport infrastructure, including provincial roads, national highways, and expressways, and to improve road safety.<sup>6</sup>

3. The project will prepare (i) a detailed design and detailed design appraisal, environmental and social safeguard documents, and bidding and contract documents for the Tan Van–Nhon Trach section of the HCMC RR3 (28.4 kilometers [km]) and an extension road to National Highway 1 (5.9 km); and (ii) detailed feasibility studies and environmental and social safeguard documents, including social impact assessment, environmental impact assessment, and resettlement plans, for the National Highway 22–Binh Chuan section (17.5 km) and Ben Luc–National Highway 22 section (29.2 km) of the HCMC RR3. Collectively these comprise the RR3 project sections. The small-scale project preparatory TA study,<sup>7</sup> completed in December 2012, confirmed that the RR3 project sections in the first phase require a controlled-access four-

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<sup>1</sup> The HCMC Transport Master Plan was approved in Decision 568/QD-TTg by the Prime Minister on 8 April 2013. The Detailed Master Plan for RR3 was approved in Decision 1697/QD-TTg by the Prime Minister on 28 September 2011 and corresponds with the HCMC Master Plan.

<sup>2</sup> ADB. 2012. *Country Operations Business Plan: Viet Nam, 2013–2015*. Manila

<sup>3</sup> ADB. 2014. *Country Operations Business Plan: Viet Nam, 2015–2017*. Manila

<sup>4</sup> Korea Eximbank. Feasibility Study for Tan Van–Nhon Trach Construction Investment Project Ring Road No. 3 – Ho Chi Minh City, September 2012.

<sup>5</sup> Government of Viet Nam. 2013. *Document No. 459/TTg-QHQT*. Ha Noi

<sup>6</sup> ADB. 2011. *Country Partnership Strategy: Viet Nam, 2012–2015*. Manila.

<sup>7</sup> ADB. 2010. *Technical Assistance to the Socialist Republic of Viet Nam for Preparing the Ho Chi Minh City Outer Ring Roads Project*. Manila.

lane toll expressway and free-access two-lane service roads on both sides of the expressway. The estimated total investment cost for the three remaining sections of the RR3 is about \$2.2 billion. Ministry of Transport (MOT) and the provincial authorities plan to seek and mobilize this amount from official development assistance, counterpart funding, and domestic and foreign investors during 2015–2020.<sup>8</sup> .

4. **Project Components.** The TA Project will comprise the following components: (i) preparation of detailed feasibility studies and environmental and social/safeguard documents (including social impact assessment, environmental impact assessment and resettlement plans) for the NH22-Binh Chuan section and Ben Luc-NH22 section of the HCMC RR3; and (ii) preparation of detailed design, detailed design appraisal and road safety audits, environmental and social safeguard documents and bidding and contract documents for the Tan Van– Nhon Trach section of the HCMC RR3 and an extension road to National Highway (NH) 1.

5. **Impact and Outcome.** The impact of the project will be enhanced construction of the HCMC RR3, contributing to reduced traffic congestion in and improved connectivity of HCMC with surrounding cities and towns. The outcome will be the design readiness of the HCMC RR3 project for financing. The outcome will be design readiness of the HCMC RR3 Project for financing.

6. **The outputs** of the TA Project will be (i) completed detailed feasibility studies for the Ben Luc–NH22 and NH22–Binh Chuan sections; and (ii) updated due diligence, and completed detailed design, and project and safeguards documents required to finance construction of the Tan Van–Nhon Trach section and extension road to NH1.

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<sup>8</sup> The government has requested Korea Eximbank to finance parts of the Tan Van–Nhon Trach section in the amount of \$200 million. Currently \$200 million for this section has been earmarked from the Asian Development Bank's ordinary capital resources in 2016.

## II. IMPLEMENTATION PLANS

### A.

#### A. Project Readiness Activities

7. The Project is at a medium stage of development, with the Government's Project Detailed Outline (PDO) approved by the Prime Minister on 27 March 2013<sup>9</sup>.

8. Prior to the TA loan negotiations, the following government's and ADB's project readiness criteria need to be complied with: (i) overall project investment plan for RR3 approved by the Prime Minister; (ii) Project Administration Manual confirmed; (iii) Counterpart Funds for the TA Project confirmed through the Government formal notice to ADB; (iv) a project implementation unit under Cuu Long CIPM established with key staff appointed<sup>10</sup>; (v) TA Project implementation plan agreed; (vi) Procurement Plan confirmed; (vii) auditing arrangements confirmed; and (viii) consultants' terms of references are prepared and confirmed and the consultant's estimated costs have been appraised and approved by MOT appraisal department. At the end of the fact-finding mission and prior to TA loan negotiations, the draft PAM, implementation plan, procurement plan and auditing arrangements agreed and MOT and Cuu Long CIPM should be confirmed with SBV that the requirements are met. The timelines for the TA Project readiness activities are presented in Table 1.

**Table 1: TA Project Readiness Activities**

	Indicative Activities	Months of Year 2014-2015								Who responsible
		9	10	11	12	1	2	3	4	
1	Overall financing scheme for the TA Project approved	×								Prime Minister
2	Project Administration Memorandum Approved		×							MOT/ADB
3	Counterpart funds confirmed		×							MOT
4	Establishment of PIU with key staff in place		×							MOT/CL CIPM
5	Project Implementation Plan agreed		×							MOT/ADB/CL CIPM
6	EIA, RP Action Plans agreed (N/A)									
7	Procurement Plan confirmed		×							MOT/ADB/ CL CIPM
8	ADB Board loan approval				×					ADB
9	Government legal opinion provided					×				SBV
10	Loan Effectiveness								×	ADB

### B. Overall Project Implementation Plan

9. The project is scheduled for completion by 30 June 2017. The Loan closing date is 31 December 2017. The overall TA loan implementation arrangements are shown in Table 2.

<sup>9</sup> Government of Viet Nam. 2013. *Document No. 459/TTg-QHQT, dated 27 March 2013*

<sup>10</sup> A Project Implementation Unit under Cuu Long CIPM has been appointed based on CIPM Decision No. 3352/QD-CIPM to manage the RR3 TA Project.

**TABLE 2: IMPLEMENTATION ARRANGEMENTS**

<b>Aspects</b>	<b>Arrangements</b>		
Implementation period	April 2015–June 2017		
Estimated completion date	30 June 2017		
<b>Management</b>			
(i) Executing Agency	MOT		
(ii) Project Coordination Unit	Cuu Long CIPM		
(iii) Key Implementing Agency	Cuu Long CIPM		
(iv) Implementation Unit	Cuu Long CIPM RR3 TA Project Implementation Unit		
Procurement	N/A		
Consulting services for Detailed Design and Preparation of Safeguards, Procurement and Project Documentation for Tan Van-Nhon Trach Section of RR3 and Extension Road to NH1	Firm, International, QCBS 90:10, FTP	138 person-months of international and 308 person-months of national consulting services	\$6.18 Million (inclusive of VAT)
Consulting services for Feasibility Studies and Safeguards Documents for Ben Luc–NH22 and NH22–Binh Chuan sections of RR3	Firm, International, QCBS 90:10, FTP	67 person-months of international and 166 person-months of national consulting services	\$2.81 Million (inclusive of VAT)
Consulting services for Detailed Design Appraisal and Road safety audit	Firm, International, QCBS 90:10, BTP	17 person-months of international and 18 person-months of national consulting services	\$0.46 Million (inclusive of VAT)
Consulting services for Independent Audit of the EA/IA's project accounts	Firm, International or Domestic, LCS	Lump sum	\$0.055 Million (inclusive of VAT)
Advance contracting	Advance contracting after ADB's Quality Assurance Meeting (SRM)		
Disbursement	Loan proceeds will be disbursed in accordance with ADB's <i>Loan Disbursement Handbook</i> (2012, as amended from time to time) and detailed arrangements agreed upon between the government and ADB.		

ADB = Asian Development Bank, ICS = individual consultant selection.

Source: Asian Development Bank.

### **III. PROJECT MANAGEMENT ARRANGEMENTS**

#### **A. Project Implementation Organizations – Roles and Responsibilities**

10. MOT will be the Executing Agency (EA) and Cuu Long Corporation for Investment, Development and Project Management of Infrastructure (Cuu Long CIPM) will be the implementing agency (IA) for the TA Project. Cuu Long CIPM, on behalf of MOT, will carry out all day to day activities, including recruitment of consultants, under the TA Project. Cuu Long CIPM will consult and report to MOT, and seek MOT's approvals for recruitment of consultants, feasibility studies and detailed design. Cuu Long CIPM will consult and seek any necessary approvals from other line ministries and provincial authorities for project documentation, especially on environmental and social safeguards documentation. Cuu Long CIPM will carry out recruitment of consultants in accordance with ADB's guidelines for the use of consultants (2013, as amended from time to time) and apply ADB's Safeguards Policy Statement (SPS 2009) and government requirements for preparation of environmental and social safeguards



documentation. The service roads will be operated by HCMC, Dong Nai, Binh Duong, and Long An Provinces. Also, they have the primary responsibility for implementation of the land acquisition and resettlement activities on respective road sections under the provincial authority. Therefore, Cuu Long CIPM will collaborate with HCMC, and Dong Nai, Binh Duong, and Long An Provincial People's Committees for detailed design study and preparation of resettlement plans to ensure that designs of the project sections fit into the provincial transport master plans and address the needs of local communities. A Project Stakeholder Panel (PSP) will be established to ensure effective coordination of the TA Project activities. Representatives from MOT, MPI, MOF, SBV, financiers, peoples' committees of Ho Chi Minh City and Provinces of Dong Nai, Binh Duong and Long An, and other central government agencies will be invited as panelist as required. The panel will have regular meetings based on the needs of the TA Project.

### **Project implementation organizations**

- Government

### **Management Roles and Responsibilities**

- Sign the Loan Agreement
- Monitor the project implementation and provide respective coordination and facilitation
- Allocate and release counterpart funds
- Endorse to ADB the authorized staff with approved signatures for withdrawal application
- Process and submit to ADB any request, when required, for reallocating the loan proceeds
- Compliance with loan covenants

- Cuu Long CIPM

- Overall responsibility for execution of the project
- Recruitment of consultants
- Finalizing survey, detailed design, bidding documents
- Review the project implementation progress
- Monitoring and evaluation of project activities and outputs, including periodic review, preparation of review reports identifying issues and action plans
- Monitor and coordinate different IA activities
- Administer the Imprest Account
- Submission of the Withdrawal Applications to ADB, retention of supporting documents, and any reporting requirements, including, the annual audit report and financial statements
- Compliance with loan covenants
- Compliance with project agreement
- Approval of major change in scope of project components
- Preparing regular periodic progress reports, and project completion report and timely submission to ADB

- Project Stakeholder Panel

- Coordination of project activities across the several components that make up the project. Members include, among others, MOT, MPI, MOF, SBV, financiers, peoples' committees of Ho Chi Minh City and Provinces of Dong Nai, Binh Duong and Long An, and other central government agencies.

- ADB
  - Assist Cuu Long CIPM and its PMUs in providing timely guidance at each stage of the program for implementation in accordance with the agreed implementation arrangements
  - Review all the documents that require ADB approval
  - Approve the procurement activities
  - Conduct periodic loan review missions, a mid-term review, a completion mission for the project
  - Ensure compliance of all loan covenants (transport sector reforms, social and environmental safeguards, climate risk, financial, economic and others)
  - Timely process withdrawal applications and release eligible funds
  - Ensure the compliance of financial audit recommendations
  - Regularly update the project performance review reports with Cuu Long CIPM's assistance
  - Regularly post on ADB website the updated project information documents for public disclosure, and also the safeguards documents as per disclosure provision of the ADB safeguards policy statement

## B. Key Persons Involved in Implementation

### Executing Agency

Ministry of Transport

Nguyen Thanh Hang  
Deputy Director General  
+844 38 412 874

### Implementing Agency

Cuu Long Corporation for  
Investment, Development and  
Project Management of  
Infrastructure (Cuu Long CIPM)

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### ADB

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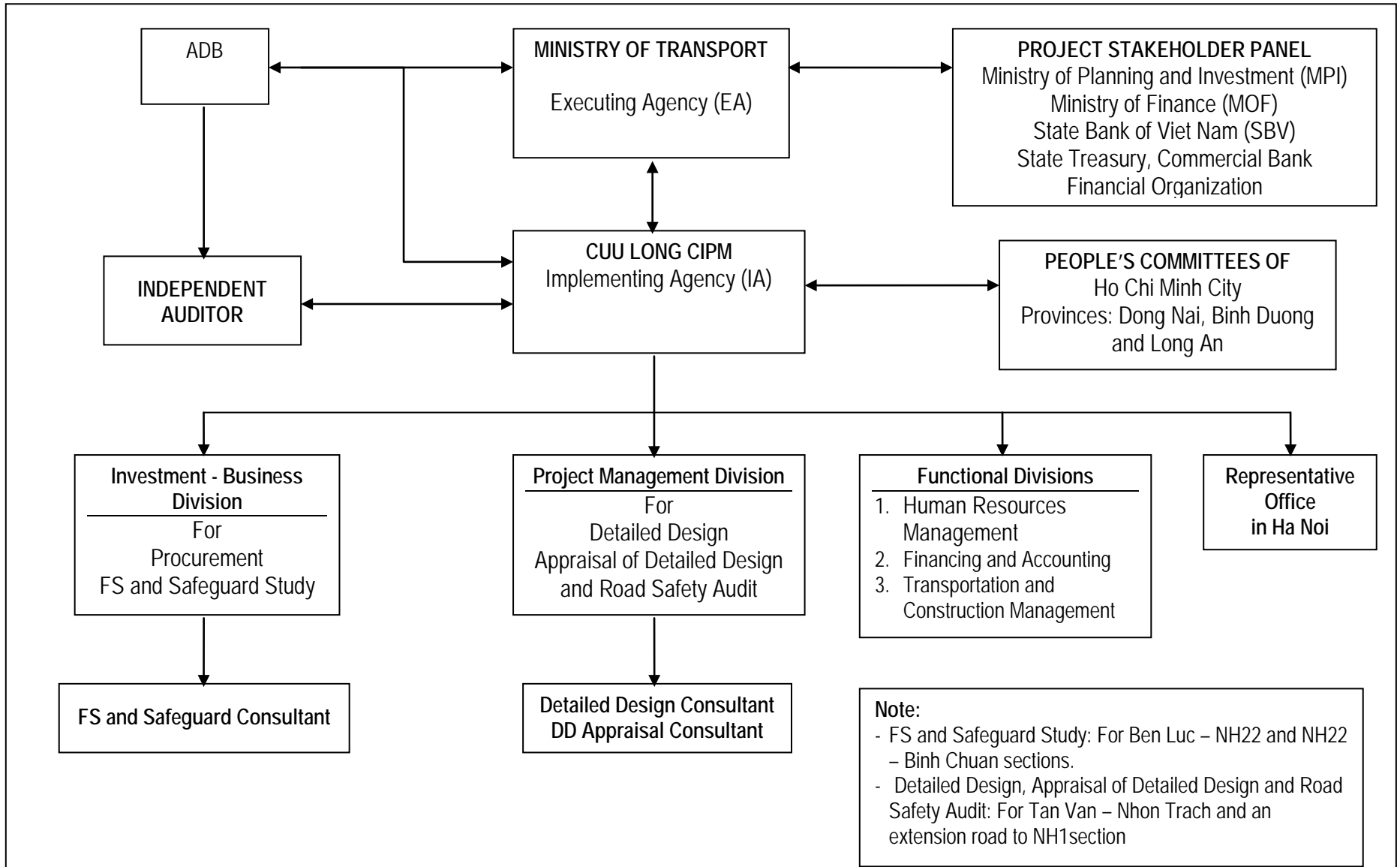
Mission Leader

Arto Ahonen  
Transport Specialist  
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**C. Project Organization Structure**

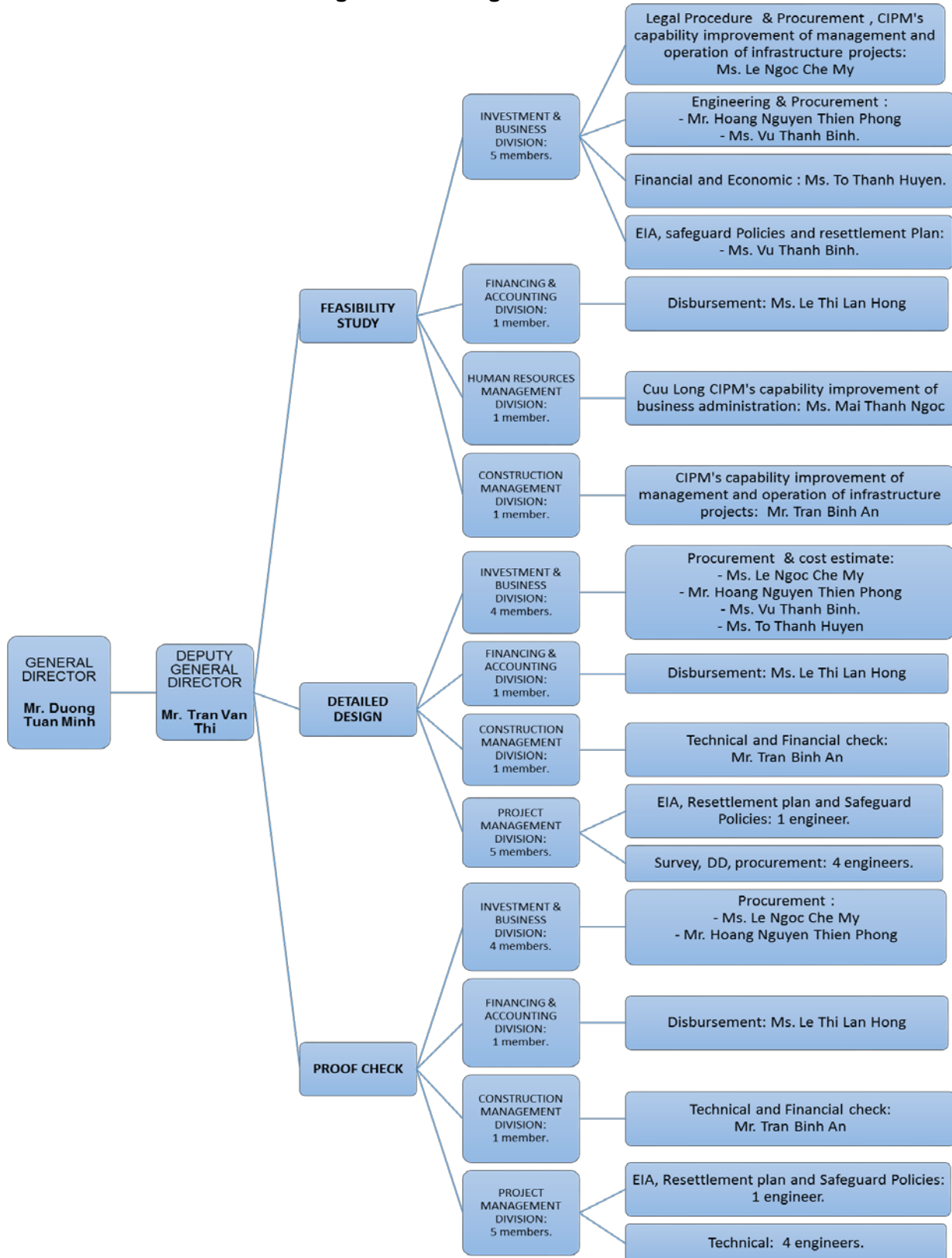
11. The TA Project's organization chart is presented in Figure 1.

**FIGURE 1. PROJECT ORGANIZATION CHART**



12. The Project Implementation Unit's organization chart is presented in Figure 2.

**Figure 2: PIU Organization Chart**



## IV. COST AND FINANCING

### A. Detailed Cost Estimates by Expenditure Category

13. The TA Project is estimated to cost \$13.21 million equivalent, including local taxes (Table 1). Cost estimates are shown below.

**Table 1: Detailed Cost Estimates**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A. Base Cost</b>	
1. Consulting Services	9.51
a. Feasibility and Social/ Safeguards Study	2.81
b. Detailed Design	6.18
c. Detailed Design Appraisal and Road Safety Audit	0.46
d. Independent Audit of Project Finance Accounts	0.055
2. Project Management Cost	0.97
<b>Subtotal (A)</b>	<b>10.48</b>
<b>B. Contingencies <sup>b</sup></b>	<b>1.90</b>
<b>C. Financial Charge during Development <sup>c</sup></b>	<b>0.83</b>
<b>Total (A+B+C)</b>	<b>13.21</b>

<sup>a</sup> Includes taxes and duties of \$0.96million. ADB will finance 100% VAT for detailed design only (\$0.56 million). Government funds will cover 100% VAT for consulting services for FS (\$0.26 million), design appraisal and road safety audit (\$0.04 million), independent audit of project finance accounts (\$0.005 million) and for project management cost (\$0.09 million).

<sup>b</sup> Physical contingencies computed at 10% Price contingencies are computed at 1.9% in 2013, 2.2% in 2014, 1.9% in 2015, and 1.8% from 2016 onward on foreign exchange costs, and 7.5% in 2013, 8.2% in 2014, 8.0% in 2015, and 7.5% from 2016 onwards on local currency costs. Price contingencies are applied to all Base Cost items and include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>c</sup> Includes interest and commitment charges. ADB (ADF): 5-year grace and 25 year loan period, an interest charge of 2.0% per annum during the loan tenor.

**Table 2: Financing Plan**

Source	Total	%
Asian Development Bank (ADF)	12.58	95.25%
GOV / counterpart funding	0.63	4.75%
<b>Total Project cost</b>	<b>13.21</b>	<b>100.0%</b>

Source: Asian Development Bank

### B. Allocation and Withdrawal of Loan Proceeds

14. Table 3 below shows allocation and withdrawal of funds under all the categories of the project.

**Table 3: Allocation and Withdrawal of Loan Proceeds**

<b>ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS</b>				
<b>CATEGORY</b>				<b>ADB FINANCING</b>
<b>No.</b>	<b>Item</b>	<b>Total Amount Allocated for ADB Financing</b>		<b>Basis for Withdrawal from the Loan Account</b>
		<b>Category</b>	<b>Subcategory</b>	
1	Consulting Services	9.20		
1A	Feasibility and Social/Safeguards Study		2.55	100% of total expenditure claimed*
1B	Detailed Design		6.18	100% of total expenditure claimed
1C	Detailed Design Appraisal and Roads Safety Audit		0.42	100% of total expenditure claimed*
1D	Independent Audit		0.05	100% of total expenditure claimed*
2	Project Management	0.88		100% of total expenditure claimed*
3	Financial Charge during Development	0.83		100% of total amount due
4	Unallocated (Contingencies)	1.67		
	Total	12.58		

\* Exclusive of taxes and duties imposed within the territory of the Borrower.

### **C. Detailed Cost Estimates by Financier**

15. The Government of Viet Nam has requested a loan of \$12.58 million equivalent from ADB's Special Funds resources to help finance the TA Project. The loan will have a 25-year term, including a grace period of 5 years, an interest rate of 2.0% per annum during the grace period and thereafter, and such other terms and conditions set forth in the draft loan agreement. The government will make the total loan amount of \$12.58 million available to MOT on a grant basis. All financing charges are to be capitalized. The government will provide the counterpart funds of \$0.63 million, which covers about 4.75% of the TA Project costs, to finance Value Added Tax (VAT) of the consulting services<sup>11</sup> for the feasibility study, design appraisal and road safety audit, and independent audit of project finance accounts, and of project management cost. The counterpart funds will also cover parts of the contingency amount.

<sup>11</sup> Due to the shortage of counterpart funds, Cuu Long CIPM requested ADB to finance VAT for the detailed design consulting services.

### Detailed Cost Estimates by Financier

Item	(\$ million)		Counterpart fund <sup>12</sup>		
	ADB		%		
	Amount	% of Cost Category	Amount	% of Cost Category	Amount
	{A}	{A/D}	{B}	{B/D}	{C}
<b>A. Investment Costs</b>					
1 Consulting Services					
a. Feasibility and Social/ Safeguards Study	2.55	90.76%	0.26	9.24%	2.81
b. Detailed Design	6.18	100.00%	0.00	0.00%	6.18
c. Detailed Design Appraisal and Roads Safety Audit	0.42	90.91%	0.04	9.09%	0.46
d. Independent Audit	0.05	90.91%	0.005	9.09%	0.005
<b>Subtotal (A)</b>	<b>9.20</b>	<b>96.77%</b>	<b>0.31</b>	<b>3.23%</b>	<b>9.51</b>
<b>B. Recurrent Costs</b>					
Project Management <sup>13</sup>					
1 Salaries	0.56	90.91%	0.06	9.09%	0.62
2 Accommodation	0.22	90.91%	0.02	9.09%	0.24
3 Equipment Operation and Maintenance	0.10	90.91%	0.01	9.09%	0.11
<b>Subtotal (B)</b>	<b>0.88</b>	<b>90.91%</b>	<b>0.09</b>	<b>9.09%</b>	<b>0.97</b>
<b>Total Base Cost</b>	<b>10.08</b>	<b>96.23%</b>	<b>0.39</b>	<b>3.77%</b>	<b>10.48</b>
<b>C. Contingencies</b>	<b>1.67</b>	<b>87.75%</b>	<b>0.23</b>	<b>12.25%</b>	<b>1.90</b>
<b>D. Financing Charges During Implementation</b>	<b>0.83</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.83</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>12.58</b>	<b>95.25%</b>	<b>0.63</b>	<b>4.75%</b>	<b>13.21</b>
<b>% Total Project Cost</b>		<b>95.25%</b>		<b>4.75%</b>	

<sup>12</sup> Includes taxes and duties of \$0.96 million. ADB will finance 100% VAT for detailed design only (\$0.56 million). Government funds will cover 100% VAT for consulting services for FS (\$0.26 million), design appraisal and road safety audit (\$0.04 million), independent audit of project finance accounts (\$0.005 million) and for project management cost (\$0.09 million) as cash contribution.

<sup>13</sup> The Project Management Cost includes salaries of Cuu Long CIPM staff, transportation expenses, communication and reporting, office overhead costs such as electricity and water, and other administrative expenses. These expenditures will be claimed through reimbursement procedure against receipts of actual expenses paid

### Detailed Cost Estimates by Outputs/Components

Item	Total Cost	Detailed Design and Safeguards Studies		Feasibility Studies		Independent Audit	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
<b>A. Investment Costs</b>							
1 Consultants							
a. Feasibility and Social/ Safeguards Study	2.81	0.00	0.00%	2.81	100.00%	0	0.00%
b. Detailed Design	6.18	6.18	100.00%	0.00	0.00%	0	0.00%
c. Detailed Design Appraisal and Roads Safety Audit	0.46	0.46	100.00%	0.00	0.00%	0	0.00%
d. Independent Audit	0.055	0	0.00%	0	0.00%	0.055	100.00%
<b>Subtotal (A)</b>	<b>9.51</b>	<b>6.64</b>	<b>69.84%</b>	<b>2.81</b>	<b>29.58%</b>	<b>0.055</b>	<b>0.58%</b>
<b>B. Recurrent Costs</b>							
1 Salaries	0.62	0.40	65.21%	0.22	34.79%	0	0.00%
2 Accommodation and Travel	0.24	0.20	80.70%	0.05	19.30%	0	0.00%
3 Equipment Operation and Maintenance	0.11	0.08	77.87%	0.02	22.13%	0	0.00%
<b>Subtotal (B)</b>	<b>0.97</b>	<b>0.68</b>	<b>70.49%</b>	<b>0.29</b>	<b>29.51%</b>	<b>0</b>	<b>0.00%</b>
<b>Total Base Cost</b>	<b>10.48</b>	<b>7.32</b>	<b>69.90%</b>	<b>3.10</b>	<b>29.57%</b>	<b>0.055</b>	<b>0.52%</b>
<b>C. Contingencies</b>							
1 Physical	1.05	0.72	68.58%	0.31	29.85%	0.02	1.57%
2 Price	0.85	0.54	63.29%	0.30	34.87%	0.02	1.84%
<b>Subtotal (C)</b>	<b>1.90</b>	<b>1.26</b>	<b>66.21%</b>	<b>0.61</b>	<b>32.10%</b>	<b>0.03</b>	<b>1.69%</b>
<b>D. Financing Charges During Implementation</b>							
<b>Subtotal (D)</b>	<b>0.83</b>						
<b>Total Project Cost (A+B+C+D)</b>	<b>13.21</b>	<b>8.58</b>	<b>64.98%</b>	<b>3.71</b>	<b>28.08%</b>	<b>0.09</b>	<b>0.66%</b>



### Detailed Cost Estimates by Year

Item	Total Cost <sup>b</sup>	2015	2016	2017
<b>A. Investment Costs</b>				
1 Consultants				
a. Feasibility and Social/ Safeguards Study	2.81	1.83	0.98	0.00
b. Detailed Design	6.18	1.00	3.50	1.68
c. Detailed Design Appraisal and Roads Safety Audit	0.46	0.10	0.30	0.06
d. Independent Audit	0.055	0.01	0.03	0.015
<b>Subtotal (A)</b>	<b>9.51</b>	<b>2.94</b>	<b>4.81</b>	<b>1.76</b>
<b>B. Recurrent Costs</b>				
1 Salaries	0.62	0.19	0.31	0.12
2 Accommodation and Travel	0.24	0.08	0.12	0.04
3 Equipment Operation and Maintenance	0.11	0.04	0.06	0.01
<b>Subtotal (B)</b>	<b>0.97</b>	<b>0.31</b>	<b>0.49</b>	<b>0.17</b>
<b>Total Base Cost</b>	<b>10.48</b>	<b>3.25</b>	<b>5.30</b>	<b>1.93</b>
<b>C. Contingencies</b>	<b>1.90</b>	<b>0.59</b>	<b>0.96</b>	<b>0.35</b>
<b>D. Financing Charges During Implementation</b>	<b>0.83</b>	<b>0.26</b>	<b>0.42</b>	<b>0.15</b>
<b>Total Project Cost (A+B+C+D)</b>	<b>13.21</b>	<b>4.10</b>	<b>6.68</b>	<b>2.43</b>
<b>% Total Project Cost</b>	<b>100%</b>	<b>31.01%</b>	<b>50.58%</b>	<b>18.41%</b>

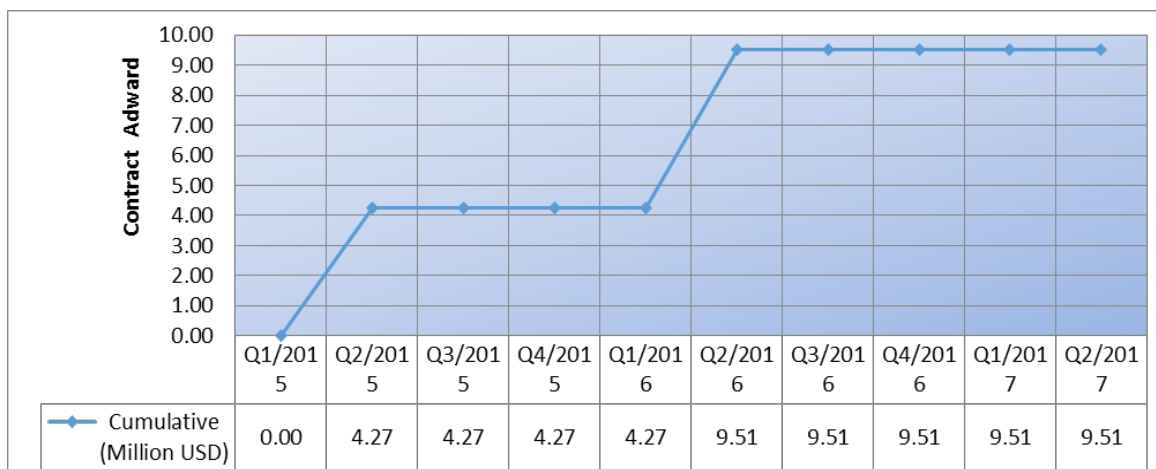
#### D. Contract and Disbursement S-curve

16. Figure 4.1 shows the contract award the estimated disbursement progress over the implementation period for the project. This will assist to assess the disbursement performance at any time during the project implementation. In case of delays and poor disbursements, this will help as an early warning system for taking timely remedial measures.

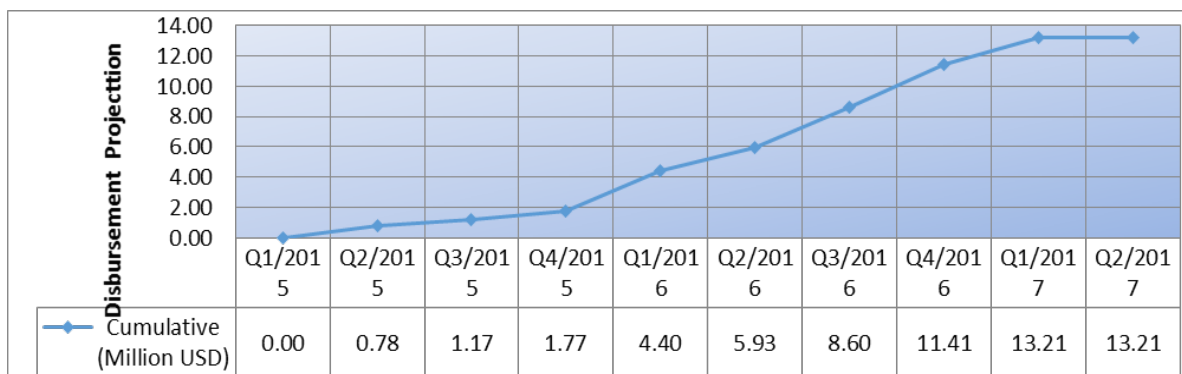
*Unit: \$ Million*

Loan	Contract Award					Disbursement				
Year	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2015		4.27			<b>4.27</b>		0.78	0.39	0.60	<b>1.77</b>
2016		5.24			<b>5.24</b>	2.63	1.53	2.67	2.82	<b>9.64</b>
2017						1.80				<b>1.80</b>
<b>Total</b>					<b>9.51</b>					<b>13.21</b>

**Figure 4.1 – Projected Contract Awards**  
(\$ million)

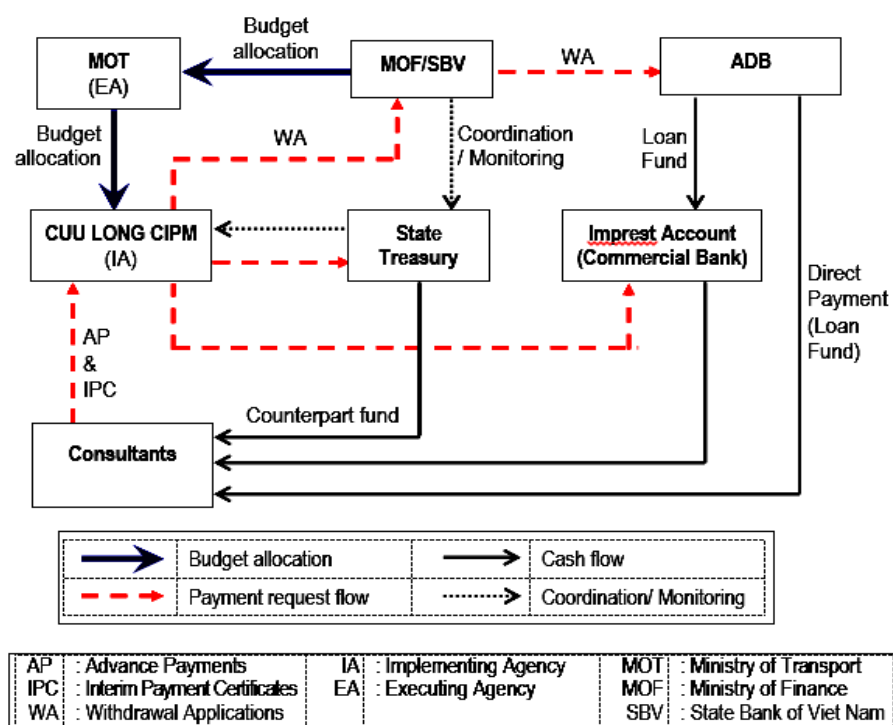


**Figure 4.2 – Estimated Project Disbursement**



## E. Fund Flow Diagram (shown in Figure 4.3 below)

Figure 4.3 - Funds Flow Diagram



## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

17. The Financial Management Assessment was carried out in accordance with the ADB Financial Management Guidelines and Financial Due Diligence Methodology Note and it was informed by the GACAP II PFM assessments at the country and sector level. The Financial Management Assessment reveals that the implementing agency, Cuu Long CIPMC has adequate financial management capacity and capability for the project implementation. Cuu Long CIPM has vast experience in implementing externally-financed detailed design and feasibility study and is currently implementing Central Mekong Delta Region Connectivity Project financed by ADB. Cuu Long CIPM is sufficiently staffed with experienced accountants. Given that the accounting staff in Cuu Long is experienced in and familiar with financial management practices for projects funded by ADB and that Cuu Long CIPM has sound financial accounting, reporting, auditing and internal control system, the financial management arrangements are considered capable of and adequate for implementing the project. A comprehensive capacity building training program for Cuu Long CIPM, implemented under TA 7822-VIE, which is piggybacked to the ongoing Central Mekong Delta Region Connectivity Project (CMDRCP)<sup>14</sup> is under preparation. This training will further improve Cuu Long CIPM staff's skills in procurement, project administration and financial management.

<sup>14</sup> Loan 3023-VIE/Grant 0353-VIE: Central Mekong Delta Region Connectivity Project was approved by ADB on 5 August 2013.

## B. Disbursement

18. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook ((LDH)* (July 2012, as amended from time to time),<sup>15</sup> and detailed arrangements agreed upon between the Government and ADB. All Project Management expenditures will be claimed through reimbursement procedure by submitting original receipts of actual expenditures paid.

19. Loan proceeds will generally be disbursed directly to consultants and suppliers based on an approved contract using direct payment procedures, where ADB pays a designated beneficiary directly. A signed withdrawal application (Appendix 7A of the LDH) must be submitted to ADB together with a summary sheet (Appendix 7B of LDH) and the required supporting documents. A separate withdrawal application is required for each different currency. The supporting documents must be submitted to ADB detail in article 7.4 and 7.5 LDH. The required documents must be in English.

20. An imprest account will be established for the incremental administration costs, administered by Cuu Long CIPM. The imprest account will be established for the project at a commercial bank, selected by SBV and acceptable to ADB. The currency of the imprest account is the U.S. dollar. The imprest account is to be used exclusively for ADB's share of eligible expenditures. The EA who established the imprest account in its name is accountable and responsible for proper use of advances to the imprest account.

21. The ceiling of the imprest account is 10% of the total ADB loan amount. The EA may request for initial and additional advances to the imprest account based on an Estimate of Expenditure Sheet<sup>16</sup> setting out the estimated expenditures to be financed through the account for a period not exceeding the forthcoming six (6) months. Supporting documents should be submitted to ADB or retained by the EA in accordance with ADB's Loan Disbursement Handbook when liquidating or replenishing the imprest account.

22. The statement of expenditures (SOE) procedure may be used to reimburse/liquidate eligible expenses not exceeding \$100,000 equivalent per individual payment<sup>17</sup>. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

23. Before the submission of the first withdrawal application, SBV should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000 equivalent, unless otherwise approved by ADB. Individual payments below this amount should generally be paid from the imprest account or by the EA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept WAs below the minimum amount.

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<sup>15</sup> Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

<sup>16</sup> Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

<sup>17</sup> Bank charges may be financed from the Loan account.

### **C. Accounting**

24. Cuu Long CIPM will maintain separate project accounts and records by funding source for all expenditures incurred on the Project. Project accounts will follow Circular No. 195/2012/TT-BTC issued on 15 November 2012 by MoF on accounting requests for PMU.

### **D. Auditing**

25. Cuu Long CIPM will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing and with the Government's audit regulations, by an independent auditor acceptable to ADB. The audited project financial statements will be submitted in the English language to ADB within six months of the end of the fiscal year by Cuu Long CIPM. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan and grant proceeds were used only for the purposes of the project or not; (iii) the level of compliance for each financial covenant contained in the legal agreements for the project; (iv) use of the imprest fund procedure; and (v) the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under SOE procedures, and proper use of the SOE and imprest procedures in accordance with ADB's Loan Disbursement Handbook and the project documents. In addition to annual audited financial statements Cuu Long CIPM shall (i) provide its annual financial statements prepared in accordance with national accrual-based financing reporting standards acceptable to ADB; (ii) have its financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; and (iii) furnish to ADB, no later than 1 month after approval by the relevant authority, copies of such audited financial statements in the English language and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request. The Government, MOT and Cuu Long CIPM have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011). After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed. The audit TOR and annual audit report will follow VRM instruction on 12 Nov, 2013 (attached).

## **VI. PROCUREMENT AND CONSULTING SERVICES**

### **A. Advance Contracting**

26. The TA Project will include advance contracting for recruitment of detailed design and feasibility study consultants. All advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (March 2013, as amended from time to time) (ADB's *Procurement Guidelines*)<sup>18</sup> and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to

<sup>18</sup> Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

time). (ADB's Consultants Guidelines)<sup>19</sup> The issuance of Request for Proposals under advance contracting will be subject to ADB approval. The Borrower and Cuu Long CIPM have been advised that approval of advance contracting does not commit ADB to finance the Project.

## **B. Procurement of Consulting Services**

27. An 18-month procurement plan indicating threshold and review procedures and consulting service contract packages is in Section C below.

28. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants*.<sup>20</sup> The terms of reference for all consulting services are detailed in Section VI-D.

29. An estimated 714 person months (222 international, 492 national) of consulting services are required to complete the services, excluding the number of person-months required for the independent audit of project finance accounts. Cuu Long CIPM will recruit international consulting firms to carry out (i) feasibility and safeguard study, (ii) preparation of detailed designs, safeguards documents, and procurement documents, (iii) detailed design appraisal and road safety audit, in accordance with ADB's Consultants Guidelines. Quality Cost Based Selection (QCBS), 90% quality and 10% cost, with full technical proposal will be used for selecting the Feasibility Study and Detailed Design Consultants. The Detailed Design Appraisal and Road Safety Audit consultant will be selected using QCBS, 90% quality and 10% cost, with Biodata Technical Proposal. In addition, in compliance with ADB's requirement for project financial management, an independent auditing consultant (international or domestic firm) satisfactory to ADB will be recruited to ensure timely submission of audited reports under the TA loan. The Independent Audit Consultant will be selected using Least Cost Selection (LCS). Selection and recruitment of audit firm will follow ADB Vietnam's standard audit TORs.

## **C. Procurement Plan**

30. The procurement plan for the project is detailed below and will be updated during the course of the implementation. The loan involves 4 contract packages for consulting services, including the Independent Auditor.

31. The procurement plan covers the first 18 months of procurement activity, which shall be finalized at the loan negotiations. Within one year after the date of loan effectiveness, Cuu Long CIPM shall submit a revised procurement plan to ADB for approval that captures all ongoing procurement and that planned for the following 18 months. The plan shall be updated annually (or as required after every loan review mission or after award of each major contract), on the same basis for the duration of the project.

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<sup>19</sup> Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

<sup>20</sup> Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Ho Chi Minh City Outer Ring Road 3 Technical Assistance project	
<b>Country:</b> Viet Nam	<b>Executing Agency:</b> Ministry of Transport
<b>Loan Amount:</b> \$ 12.58 million	<b>Loan (Grant) Number:</b> TBD
<b>Date of First Procurement Plan:</b>	<b>Date of this Procurement Plan:</b> 20 October 2014

#### A. Process Thresholds, Review and 18-Month Procurement Plan

##### 1. Project Procurement Thresholds

32. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

#### Procurement of Goods and Works

Method	Threshold
None	

##### 2. ADB Prior or Post Review

33. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
<b>Procurement of Goods and Works</b>		
None		
<b>Recruitment of Consulting Firms</b>		
1. Quality Cost Based Selection	Prior	
2. Least Cost Selection	Prior	
<b>Recruitment of Individual Consultants</b>		
None		

##### 3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

34. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value (USD Million)	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
None					

**4. Consulting Services Contracts Estimated to Cost More Than \$100,000**

35. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

<b>General Description</b>	<b>Contract Value (USD Million)</b>	<b>Recruitment Method<sup>1</sup></b>	<b>Advertisement Date (quarter/year)</b>	<b>International or National Assignment</b>	<b>Comments</b>
1. Consulting services for Feasibility and Social/ Safeguards Study of Ben Luc–NH22 and NH22–Binh Chuan sections	\$2.81	QCBS	From Q4/2014		Contract value includes VAT
2. Consulting services for Detailed Design of Tan Van-Nhon Trach & the extension road to NH1A Section	\$6.18	QCBS	From Q2/2015		Contract value includes VAT
3. Consulting services for Detailed Design Appraisal and Road safety audit	\$0.46	QCBS	From Q4/2015		Contract value includes VAT
4. Consulting services for Independent Audit	\$0.055	LCS	From Q3/2015		Contract value includes VAT

**5. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000**

36. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

<b>General Description</b>	<b>Value of Contracts (cumulative)</b>	<b>Number of Contracts</b>	<b>Procurement / Recruitment Method<sup>1</sup></b>	<b>Comments</b>
None				



## 6. Indicative List of Packages Required Under the Project

37. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (USD Million)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
1. Consulting services for Feasibility and Social/ Safeguard Study of Ben Luc–NH22 and NH22–Binh Chuan sections	\$2.81	1	ICB	FTP	Contract value includes VAT
2. Consulting services for Detailed Design of Tan Van- Nhon Trach & the extension road to NH1A Section	\$6.18	1	ICB	FTP	Contract value includes VAT
3. Consulting services for Detailed Design Appraisal and Road safety audit	\$0.46	1	ICB	BTP	Contract value includes VAT
4. Consulting services for Independent Audit	\$0.055	1	LCB(*)	LCS	Contract value includes VAT

Notes: (\*): ADB is required to provide the Long-list Consultant firms for selection. The Firm will be international or domestic.

## **B. Consultant's Terms of Reference**

### **Outline Terms of Reference for the Preparation of Detailed Feasibility Studies for the NH22-Binh Chuan section and Ben Luc-NH22 section of the HCMC RR3**

#### **1. Introduction**

38. HCMC is the largest city in Viet Nam, with a population of the greater urban area of over 9 million that is expected to grow to 13.8 million by 2025. The metropolitan area is a primary engine for Viet Nam's economic development, accounting for nearly 40% of the country's gross domestic product. However, due to rapid traffic growth and low road densities, many major roads and highways in the project area have reached their capacities. Severe traffic congestion and rising logistics costs pose serious constraints to HCMC's continued economic growth and competitiveness.

39. The construction of ring roads on the periphery of HCMC is a strategic priority and included in the HCMC transport master plan<sup>21</sup>. The proposed HCMC Third Ring Road (RR3), to be constructed at a radius of about 25 km from the city center, will facilitate the diversion of through-traffic and reduce traffic congestion in HCMC. The RR3 will also improve connectivity with the cities and towns around HCMC, help reduce transport costs and travel times for the movement of passengers and goods in and around HCMC. Once operational, it will relieve the stress from other arterial routes and provide the needed capacity. The economic benefit of the RR3, in terms of travel time savings, is estimated to be more than \$350 million in 2020<sup>22</sup>. HCMC is also a hub for the primary regional and national transport corridors such as the Greater Mekong Subregion (GMS) Eastern Corridor and Southern Corridor, and the national North–South expressway. ADB, together with other donors, has provided assistance to develop these radial corridors, which will be linked together via the RR3.

40. The project area, especially the coastal area, is vulnerable to climate change impact because of low elevation, high population growth, as well as current extreme climate and hydrodynamics. Climate change related risks to the project include rise in temperatures, more intense monsoon rainfall, increase of tide amplitude, more intense winds, more intense droughts, greater inland reach of saline intrusion, sea level rise, more frequent tropical storms, and more intense storm surges. One of the most significant climate change impact in the project area is flooding. Without proper flood controls, by 2050, only land more than 3 m high will not be affected by floods. While flooding areas may be slightly smaller, the increase in depth and duration of future floods is predicted to be more significant. Projected average maximum flood depths will increase by 20–40%, and the average maximum flood durations will increase by 10–20%<sup>23</sup>.

41. The ADB-financed GMS Ben Luc–Long Thanh Expressway Project connects with the

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<sup>21</sup> The HCMC Transport Master Plan was approved by the Government in the Decision 568/QĐ-TTg by the Prime Minister of the Socialist Republic on 8 April 2013. The Detailed Master Plan for RR3 was approved by the government in the Decision 1697/QĐ-TTg by the Prime Minister of the Socialist Republic of Vietnam on 28 September 2011 and corresponds with the HCMC Master Plan.

<sup>22</sup> Final Report TA 7647-VIE: Preparing the Ho Chi Minh Outer Ring Roads Technical Assistance Loan Project, Manila, 2012

<sup>23</sup> Final Report TA 7647-VIE: Preparing the Ho Chi Minh Outer Ring Roads Technical Assistance Loan Project, Manila, 2012.

Ben Luc (ending point of RR3) to Nhon Trach (starting point of RR3). The Tan Van-Binh Chuan section North of HCMC, of which about 16.7 km has been completed in 2013, and with expected full completion in 2014, is implemented through a build-operate-transfer (BOT) arrangement by a provincial State-owned Enterprise (SOE). ADB, with other donors, is requested to finance the following three remaining sections of the RR3: (i) Tan Van–Nhon Trach section (28.4 km) and an extension road to National Highway (NH) 1 (5.9 km); (ii) Ben Luc–NH22 section (29.2 km); and (iii) NH22–Binh Chuan section (17.5 km).

42. The S-PPTA study<sup>24</sup>, completed in December 2012, confirmed that: (i) the RR3 Project Sections require an access-controlled 4-lane toll expressway and access-free 2-lane service roads on both sides of the expressway, and (ii) the estimated base cost for the remaining RR3 Project sections is \$2.2billion. The Project sections have an EIRR comprised between 13.1% and 22.4%. The TA Project's Detailed Outline (PDO) was approved by the Prime Minister of the Socialist Republic of Viet Nam on 27 March 2013<sup>25</sup>.

43. The Government of Viet Nam has requested a loan from ADB to help finance the ensuing TA Project that will ensure the readiness of the proposed loan for the HCMC RR3 Project, and improve Cuu Long CIPM's capacity for private sector participation (PSP). The TA Project's outputs will be (i) completed feasibility studies for the Ben Luc–NH22 and NH22–Binh Chuan sections of RR3, and (ii) updated due diligence, and completed detailed design, and project and safeguards documents required to finance construction of the Tan Van–Nhon Trach section and the extension road to NH1.

44. MOT will be the Executing Agency (EA) and Cuu Long Corporation for Investment, Development and Project Management of Infrastructure (Cuu Long CIPM) will be the implementing agency (IA) for the TA Project. Cuu Long CIPM, on behalf of MOT, will carry out all day to day activities, including recruitment of consultants, under the TA Project... Cuu Long CIPM will consult and report to MOT, and seek MOT's approvals for recruitment of consultants, feasibility studies and detailed design. It will consult and seek any necessary approvals from other line ministries and provincial authorities on project documentation, especially on environmental and social safeguards documentation. Cuu Long CIPM will apply ADB's Safeguards Policy Statement (SPS 2009) and government regulations for the preparation of environmental and social safeguards documentation. The service roads will be operated by HCMC, Dong Nai, Binh Duong, and Long An provinces. Also, they have the primary responsibility for implementation of the land acquisition and resettlement activities on the respective road sections under the provincial authority. Therefore, Cuu Long CIPM will collaborate with HCMC, and Dong Nai, Binh Duong, and Long An Provincial People's Committees on detailed design study and preparation of resettlement plans to ensure that the designs of the project sections fit into the city/ provincial transport master plans and address the needs of the local communities.

45. The feasibility and social/ safeguard study consultant will (i) carry out feasibility studies for the Ben Luc–NH22 and NH22–Binh Chuan sections, (ii) prepare a combined environmental impact assessment (EIA) for all three sections<sup>26</sup> of the RR3, and update the EIA prepared under

<sup>24</sup> TA 7467-VIE: Preparing the Ho Chi Minh City Outer Ring Roads Project was approved by ADB on 16 November 2010.

<sup>25</sup> Document No. 459/TTg-QHQT, dated 27 March 2013

<sup>26</sup> (i) Tan Van–Nhon Trach section and an extension road to NH1, Ben Luc–NH22 section, and (iii) NH22–Binh Chuan section

the KEXIM financed Feasibility Study<sup>27</sup> for the Tan Van-Nhon Trach section, already approved by the government, for incorporation in the combined EIA; (iii) prepare resettlement plans for Ben Luc–NH22 and NH22–Binh Chuan sections, and (iv) conduct the social impact assessment, and (v) develop capacity of Cuu Long CIPM for private sector participation (PSP). The feasibility study will update the findings of the S-PPTA in accordance with the requirements of the Government to obtain necessary internal approvals for further project readiness and processing. It will also carry out a traffic study, which will update HCMC’s traffic model and identify parallel investments needed to optimize the use of RR3 and realize the objectives of HCMC’s transport master plan.

46. The consulting services for the detailed feasibility studies and environmental and social safeguard documents will be provided by an international consulting firm, joint venture, or consortium of consulting firms, which will be recruited in accordance with the Asian Development Bank’s (ADB’s) Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (March 2013, as amended from time to time), using Quality Cost Based Selection (QCBS), with 90% quality and 10% cost, and full technical proposal. The consultant should have (i) sufficient experience on feasibility study for large-scale highway projects in climate change – vulnerable urban areas; (ii) sufficient technical expertise in traffic demand forecast, engineering surveys for highway design, highway geometric and structural designs, and highway facilities design, economic and financial assessment; (iii) sufficient experience in preparation of environmental impact assessments (EIA) and HIV/AIDS and human trafficking prevention programs; (iv) sufficient technical expertise in carrying out assessment of social impacts on involuntary resettlement and indigenous peoples, and in the preparation of social safeguards plans in accordance with ADB Safeguard Policy Statement; (v) sufficient technical expertise in carrying out social impact assessment and preparation of social/gender action plans; stakeholder analysis and preparation of stakeholder engagement and communications plans; and (vi) familiarity with ADB’s policies and guideline regarding economic and financial analyses, safeguards, and procurement, and also policies and guidelines in Viet Nam with respect to highway designs, safeguards, and procurement. More detailed terms of reference will be prepared prior as part of the request for proposals to be issued to the shortlisted firms.

## **A. Outline Terms of Reference**

The consultant will:

### **1. Desk Study**

47. Review and familiarize itself with the final S-PPTA report for the RR3, prepared under ADB’s TA7647-VIE: Preparing the Ho Chi Minh City Outer Ring Roads Project in 2012, and review and familiarize itself with the final feasibility study report for the Tan Van–Nhon Trach section and an extension road to NH1, prepared by Korea Eximbank in 2012.

### **2. Traffic Forecasting and Transport Planning**

48. Forecast traffic attracted by RR3 under various economic growth, investment phasing and tolling scenarios. Provide sufficient detail to permit (i) determining capacity needs and optimizing the phasing of RR 3 investments, (ii) determining the location and capacity needs of ramps, and interchanges, (iii) selecting the optimal tolling scenario, and (iv) identifying adequate

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<sup>27</sup> Feasibility study for the Tan Van–Nhon Trach section and an extension road to NH1, prepared with assistance from Korean Eximbank, was completed in September 2012.

public-private partnership schemes and fully preparing their financial models and documentation.

49. Forecast traffic in the HCMC area under various economic growth, investment phasing and policy scenarios (Traffic Study). Identify future major constraints on the transport network, particularly those that could affect RR3. Identify multimodal integration needs. Determine the share of each mode and compare it with HCMC's transport master plan objectives. In coordination with HCMC's department of transport, identify or propose transport investments and policies needed to optimize the use of RR3 and meet transport objectives. Carry out basic economic analysis to prioritize the main investments and propose an implementation schedule.

50. Collect existing development plans for transport facilities such as construction of metros, mass rapid transits, buses, railways, and logistics facilities, and agricultural, industrial and residential areas in the project-affected areas. Quantify future economic trends and land use in the project area in with- and without-project cases. Review existing studies and available traffic counts, critically assess the quality of the models used to forecast current conditions, estimate high and low economic growth rates. Carry out field surveys including automatic traffic counts, manually classified counts, origin-destination surveys, stated preference surveys, and speed surveys. Propose and carry out traffic segmentation, zoning and establish origin-destination matrixes. Traffic demand segmentation by period of time, type of user and purpose of trip should be sufficient to predict sensitivity to toll levels. Propose traffic modeling tool adequate to model traffic assignment under various road capacity and toll constraints. Model existing conditions, describe modeling and calibration process. Model future conditions; analyze and justify choices of parameters affecting traffic growth; analyze or predict mode choice; compare traffic growth rates with past trends and national parameters. Predict traffic under a base solution (infrastructure, toll system and levels). Carry out sensitivity tests to the type of toll system used, toll levels (overall and by category), alternative phasing or configurations of the infrastructure, realization of competing or radial roads and infrastructure, GDP and toll level growth, time value, and other parameters. Propose tolling options that optimize revenues.

### **3. Highway Engineering**

51. Review all technical aspects presented in the pre-feasibility study and available engineering designs. Confirm that the alignment for the NH22-Binh Chuan section and Ben Luc-NH22 section of the RR3 proposed by the pre-feasibility study is adequate from the viewpoints of the existing economic development plans and strategies, socioeconomic impacts on the project area, engineering difficulty, cost estimate, and social and environmental impacts of the alignment. Assist public consultation meetings on the ensuing construction project to be held by the Ministry of Transport, Cuu Long CIPM, and HCMC, Dong Nai, Binh Duong, and Long An provinces and districts, and assist Cuu Long CIPM in processing determination of the alignment.

52. Conduct topographical, geological, hydrological, and material testing and surveys for engineering designs of all work items. The surveys must comply with applicable procedures and standards of Viet Nam and supply sufficient data for documentation of the ensuing detail engineering design. Prepare an inventory of the local roads in the project area. Undertake hydrological assessments under various climate change scenarios, producing flood and drought maps and hot spots for current and future scenarios. Identify an improvement program for secondary and tertiary road networks, including provincial, county, and township roads. Based on results of engineering testing and surveys as well as inventory surveys, prepare outline engineering designs of the NH22-Binh Chuan section and Ben Luc-NH22 section of the RR3, including (i) horizontal and vertical alignment; (ii) interchanges and rumps, toll stations, and

service areas; (iii) soft soil treatment, (iv) pavement, (v) bridges and culverts; (vi) drainage facilities; (vii) road safety features; (viii) environmental protection works; (ix) landscaping; (x) changes of the existing roads and highways; (xi) public transportation facilities; (xii) access to the existing and planned urban transportations and (xiii) necessary revisions to engineering designs, project specifications taking climate change into account..

53. Review the existing and planned traffic control and operation systems for the HCMC urban expressway. Prepare basic design for guide signs, traffic flow counters, information boards, toll collection system, and communication system, ensuring easy upgradeability, extensibility, and connection to the other systems with reasonable cost.

54. Estimate bills of quantities and unit prices for all work items, and civil works cost for construction of the project sections. Review the current road maintenance operation and management systems, and estimate the costs of routine and periodic maintenance for the expressway and service roads.

#### **4. Economic Assessment**

55. Update the economic assessment prepared under the pre-feasibility study in accordance with the ADB's *Guidelines for Economic Analysis of Projects* for the Project, comprising various components, during construction and operation by calculating the economic internal rate of return. A standard conversion factor or a shadow exchange rate factor will be used. The analysis should take into account construction, operation and maintenance costs, vehicle operation costs, passenger and freight time savings, accident savings, CO2 emission impacts, and any other quantifiable costs or benefits attributable to the Project. Identify and estimate all costs and benefits of the various adaptation options, taking into account engineering, environmental, and socioeconomic perspectives, including the economic assessments. Apply a cost-benefit/cost-effectiveness analysis for the identified adaptation options. Recommend improvements based on the cost-benefit/cost-effectiveness analysis with a view to developing a replicable model for future projects. Undertake sensitivity analysis, calculate switching values, and carry out risk analysis. Advise on economic impacts of alternative tolling and infrastructure phasing or configuration options. Carry out distribution analysis of project benefits.

#### **5. Financial Analysis**

56. Undertake financial analysis to assess the financial feasibility and sustainability of the project (for Tan Van-Nhon Trach section, NH22-Binh Chuan section and Ben Luc-NH22 section of the RR3) in accordance with ADB's *Guidelines for the Financial Management and Analysis of Projects* (2005) and ADB's financial analysis guidelines as detailed in the *Financial Due Diligence – A Methodology Note*, 2009. The tasks include but will not be limited to: (i) review the financial assessment under the pre-feasibility study; (ii) develop investment and financing plans taking into account all relevant financial costs and benefits; (iii) prepare cash flow projections for the project, including all relevant financial costs and benefits; (iv) conduct financial benefit-cost analysis; (v) identify project revenue and cost risks; (vi) conduct relevant sensitivity analyses; (vii) identify practical risk-mitigation strategies and approaches; (viii) work with private sector participation capacity building specialists to explore, examine and determine financially feasible options for private sector participation in the project; (ix) estimate return of equity over the project life to ascertain the feasibility of private sector's investment; (x) work with transport planners, traffic forecasting specialists and transport economists to determine and justify appropriate toll rates by vehicle type, taking into account the relationship between the toll rates and cost of providing the road services; and (xi) design and develop a comprehensive financial analytical model template

using MS excel for the tasks of financial analysis described above and their key operating and financial parameters. The financial analytical template shall be with capabilities to produce pro-forma financial statements for the 3RR project and other projects planned by Cuu Long CIPM over the expected life of the ensuing ADB loans.

## **6. Project Performance Monitoring**

57. Develop a results-based monitoring system based on the design and monitoring framework, select collectable impact and outcome indicators that will be used to assess project performance, collect baseline data for the selected indicators and set appropriate target values for the selected indicators.

## **7. Public Consultation**

58. Help establish consultation and participatory processes during project preparation that will continue throughout project design, construction, and operation. Stakeholders should be identified and representatives consulted so their needs and demands can be considered for incorporation into the Project or as parallel initiatives. Prepare a stakeholder participation and consultation report.

## **8. Environmental Impact Assessment (EIA) & Climate Change Assessment**

59. In close coordination with Cuu Long CIPM, detailed design consultant and local authorities, prepare the following reports: (i) an EIA, based on ADB's SPS, covering all three sections of the RR3 project, and (ii) separate EIAs for the Binh Chuan-NH22 section and for the NH22-Ben Luc section following Vietnamese environmental requirements. As part of the EIA, undertake public consultations in the Project affected areas during early stages of the study and when the results of the EIA become available. The EIA will also include careful determination of the alignment and evaluation of the design to avoid environmentally sensitive areas and to avoid or minimize adverse environmental impacts. Environmental measures will then be developed for incorporation in the design of the RR3 project in coordination with the detailed design consultant. The EIAs will be prepared and revised to incorporate feedback and address comments from all relevant stakeholders including, but not limited to, Cuu Long CIPM, ADB, affected persons, local government units, and NGOs. Assistance will be provided to Cuu Long CIPM in obtaining MONRE approval for the EIAs of the Binh Chuan-NH22 and NH22-Ben Luc sections.

60. In preparing the climate change assessment, carry out the following tasks for both the NH22-Binh Chuan section and the Ben Luc-NH22 section of the RR3: (i) Oversee and coordinate the implementation of the draft strategy for vulnerability, impact, and adaptation assessments for the two road sections; (ii) identify and discuss the adaptation objective with all relevant stakeholders; (iii) synthesize vulnerability and impact information collected by other members of the team into the decision matrix provided by ADB; (iv) organize and lead multi-stakeholder consultations to identify and prioritize adaptation options based on economics assessment in addition to any other prioritization conditions identified (i.e., through multi-criteria analysis); (v) recommend adaptation options in a presentation to the government, ADB, and other relevant stakeholders; (vi) ensure integration of adaptation components into the project design; (vii) identify additional training needs, indicators for monitoring, and budget for adaptation components as needed.

## **9. Social Impact Assessment and Resettlement Plan**

61. The team of social safeguards specialists, together with the executing agency and local authorities, will assess social impacts for involuntary resettlement and indigenous peoples and prepare the required social safeguards plans in accordance with ADB Safeguard Policy Statement and good practice. The team will carry out the necessary capacity building to the executing agency and local authorities. The social safeguards team will coordinate with social development/gender specialists and will provide inputs to the stakeholder engagement plan and consultation and disclosure plan. The team will prepare a resettlement plan for each project section as well as the cost estimates of land acquisition and resettlement.

## **10. Social Development and Gender Action Plan**

62. The social/gender specialists will work as a team to undertake poverty, social and gender analysis and prepare a social/gender action plan, stakeholder engagement plan, and consultation and disclosure plan in consultation with the social safeguards team. The social/gender specialists will (i) collect quantitative and qualitative data in the field and prepare poverty and socioeconomic profiles of the affected communities in the project areas; (ii) identify vulnerable groups in relation to the project and analyze reasons for their vulnerability, including their exposure to risks identified in the *ADB Handbook on Social Analysis (2012)*; (iii) elaborate a risk and vulnerability profile by (a) quantifying the incidence, frequency and severity of risks in the affected populations by age, gender, ethnic group and location, and (b) assessing the capacity of each group to mitigate the risks; (v) identify project components or design options to mitigate risks and improve opportunities for the vulnerable groups to access project benefits; (vi) identify the institutions involved in the design and implementation and monitoring and provide trainings and workshops to the involved institutions. Based on the social, poverty and gender impact assessment prepare a social/gender action plan, with clear responsibilities, cost estimates, and indicative schedule).

## **11. HIV/AIDS and Human Trafficking**

63. Collect information on incidence of HIV/AIDS and human trafficking in the Project area. Assess the type of and level of vulnerability of the population along the 3RR to HIV/AIDS (disaggregated by gender, ethnicity, age type of occupation, mobility, etc.) and human trafficking, and assess the potential risk of HIV/AIDS and human trafficking. Review existing government programs in the Project area for prevention of HIV/AIDS and human trafficking as well as programs implemented by donors and NGOs. Assess the capacity building training need assessment of the HCMC, Provincial, and District Committees responsible for implementing HIV/AIDS awareness and prevention of human trafficking program. In coordination with existing programs, recommend a HIV/AIDS awareness and prevention of human trafficking program for the ensuing construction project (during construction and post construction period). Recommend relevant linkages with other donors and NGOs' programs. Prepare budget for awareness campaign, activities for preventive measures, HIV/AIDS tool kits for the health facilities in the Project areas, capacity building training cost and implantation of the program.

## **12. Capacity Building for Private Sector Participation**

64. The overall scope is to improve Cuu Long CIPM's capacity for private sector participation (PSP) in project investments, operations and maintenance through generating knowledge, sharing best practices and building capacity. The tasks and activities include: (i) draw on the international experience and best practice to offer suggestions on how PSP can



address the needs for road transport infrastructure development and operations; (ii) provide relevant case studies to show how different approaches to PSP could allow new applications in road transport infrastructure development and operations; (iii) examine potential innovations in financing that can expand the resources available for PSP; (iv) consult with the government ministries, agencies and others concerned stakeholders to understand the PSP environment in the country and to collect information on project plans including lists of those projects that can be implemented by Cuu Long CIPM on PSP basis; (v) assess relevant enabling policy, legal and regulatory environment that will support PSP development; (vi) prepare screening criteria for the projects including technical, legal, regulatory, economic, financial, social, environmental and commercial parameters and discuss those criteria with the government and Cuu Long CIPM, (vi) based on the information collected and criteria to provide Cuu Long CIPM a potential shortlist of the projects to be considered for PSP; (vii) identify good practices in PSP application in Cuu Long CIPM; (viii) institutionalize PSP application in Cuu Long CIPM and develop PSP guidelines for project development and implementation.

65. Provide Cuu Long CIPM with: (i) assistance to prepare the Project Design Outline (PDO) for the Government's approval to proceed with the ensuing investment project(s); and (ii) assistance in ADB's ensuing fact-finding missions for next steps of the TA project.

#### **B. Required Expertise**

66. The total expected expertise inputs are 233 person-months (67 person-months of international and 166 person-months of national consulting services). The consultants should have expertise shown in Table A.

**Table A: Total Expected Expertise Inputs to the Consulting Services**

<b>Expertise</b>	<b>Persons</b>	<b>Person-months</b>
<b>International Consultants</b>		
Team Leader	1	12
Transport Planner	1	4
Traffic forecasting specialist	1	3
Transport Economist	1	2
Finance Specialist	1	
Highway Engineer	1	6
Materials, Geotechnical and Pavement Specialist	1	6
Structural Engineer (bridge, culvert and other structures)	1	6
Environmental Specialist/ EIA Study Team Leader	1	5
Climate Change Specialist	1	5
Resettlement Specialist	1	6
Social Development/Gender Specialist	1	6
PSP Capacity Building Specialist	1	3
<b>Subtotal</b>	<b>13</b>	<b>67</b>
<b>National Consultants</b>		
Deputy Team Leader	2	24
Transport Planner	1	6
Traffic forecasting specialist	2	10
Transport Economist	1	2
Financial Specialist	1	3
Geotechnical Engineer	2	16
Highway Engineer	2	16
Materials and Pavement Specialist	2	16
Structural Engineer (bridge, culvert and other structures)	2	14
Environmental Specialist	1	10
Air Quality and Noise Specialist	1	3
Terrestrial Ecologist	1	3
Aquatic Ecologist	1	3
Climate Change Specialist	1	6
Resettlement Specialist	1	10
Social Development/ Gender Specialist	1	8
PSP Capacity Building Specialist	1	4
Office Manager	1	12
<b>Subtotal</b>	<b>24</b>	<b>166</b>
<b>Total</b>	<b>37</b>	<b>233</b>

Source: Asian Development Bank estimates.

*\*Note that social safeguards and social/gender planning will require the engagement of surveyors, enumerators and will be supervised by the safeguards and social development/gender consultants. A budget should be allocated for these surveys in the provisional sums, including cost for training as part of the capacity building interventions stated in the TOR.*

*\*Note that traffic study will require the engagement of surveyors for which a budget should be allocated in the provisional sums.*

### **C. Schedule and Reporting Requirements**

67. A period of 12 months is required to carry out the detailed feasibility and safeguards study for the NH22-Binh Chuan section and Ben Luc-NH22 section of the HCMC RR3, and the traffic study for HCMC. The consulting services contract period is expected to start in Q2 2015.

68. The consultant will prepare a final report for the consulting services with the following attachments, and submit them to Cuu Long CIPM:

- (i) a feasibility study report for both the NH22-Binh Chuan section and the Ben Luc-NH22 section of the HCMC RR3, in accordance with the Government regulations;
- (ii) a traffic study for HCMC;
- (iii) an EIA for covering Tan Van-Nhon Trach and an extension road to NH1, NH22-Binh Chuan and Ben Luc-NH22 sections of the RR3 prepared in accordance with ADB's Safeguard Policy Statement (2009);
- (iv) separate EIAs for the NH22-Binh Chuan section and for the Ben Luc-NH22 section in accordance with Vietnamese environmental requirements;
- (v) a resettlement plan for each project section, in accordance with ADB's Safeguard Policy Statement (2009).
- (vi) separate SIAs for the NH22-Binh Chuan section and for the Ben Luc-NH22 section in accordance with ADB's Safeguard Policy Statement (2009).

## **Outline TOR for Detailed Design Consulting Services for Tan Van – Nhon Trach Section of HCMC RR3 and Extension Road to NH1**

### **A. Introduction**

69. HCMC is the largest city in Viet Nam, with a population of the greater urban area of over 9 million that is expected to grow to 13.8 million by 2025. The metropolitan area is a primary engine for Viet Nam's economic development, accounting for nearly 40% of the country's gross domestic product. However, due to rapid traffic growth and low road densities, many major roads and highways in the project area have reached their capacities. Severe traffic congestion and rising logistics costs pose serious constraints to HCMC's continued economic growth and competitiveness.

70. The construction of ring roads on the periphery of HCMC is a strategic priority and included in the HCMC transport master plan. The proposed HCMC Third Ring Road (RR3), to be constructed at a radius of about 25 km from the city center, will facilitate the diversion of through-traffic and reduce traffic congestion in HCMC. The RR3 will also improve connectivity with the cities and towns around HCMC, help reduce transport costs and travel times for the movement of passengers and goods in and around HCMC. Once operational, it will relieve the stress from other arterial routes and provide the needed capacity. The economic benefit of the RR3, in terms of travel time savings, is estimated to be more than \$350 million in 2020. HCMC is also a hub for the primary regional and national transport corridors such as the Greater Mekong Subregion (GMS) Eastern Corridor and Southern Corridor, and the national North–South expressway. ADB, together with other donors, has provided assistance to develop these radial corridors, which will be linked together via the RR3.

71. The project area, especially the coastal area, is vulnerable to climate change impact because of low elevation, high population growth, as well as current extreme climate and hydrodynamics. Climate change related risks to the project include rise in temperatures, more intense monsoon rainfall, increase of tide amplitude, more intense winds, more intense droughts, greater inland reach of saline intrusion, sea level rise, more frequent tropical storms, and more intense storm surges. One of the most significant climate change impact in the project area is flooding. Without proper flood controls, by 2050, only land more than 3 m high will not be affected by floods. While flooding areas may be slightly smaller, the increase in depth and duration of future floods is predicted to be more significant. Projected average maximum flood depths will increase by 20–40%, and the average maximum flood durations will increase by 10–20%.

72. The ADB-financed GMS Ben Luc–Long Thanh Expressway Project connects with the Ben Luc (ending point of RR3) to Nhon Trach (starting point of RR3). The Tan Van-Binh Chuan section North of HCMC, of which about 16.7 km has been completed in 2013, and with expected full completion in 2014, is implemented through a build-operate-transfer (BOT) arrangement by a provincial State-owned Enterprise (SOE). ADB, with other donors, is requested to finance the following three remaining sections of the RR3: (i) Tan Van–Nhon Trach section (28.4 km) and a linking road to National Highway (NH) 1 (5.9 km); (ii) Ben Luc–NH22 section (29.2 km); and (iii) NH22–Binh Chuan section (17.5 km).

73. The S-PPTA study, completed in December 2012, confirmed that: (i) the RR3 Project Sections require an access-controlled 4-lane toll expressway and access-free 2-lane service roads on both sides of the expressway, and (ii) the estimated base cost for the remaining RR3 Project sections is \$2.2billion. The Project sections have an EIRR comprised between 13.1%

and 22.4%. The TA Project's Detailed Outline (PDO) was approved by the Prime Minister of the Socialist Republic of Viet Nam on 27 March 2013.

74. The Government of Viet Nam has requested a loan from ADB to help finance the ensuing TA Project that will ensure the readiness of the proposed loan for the HCMC RR3 Project. The TA Project's outputs will be (i) completed feasibility studies and safeguard documents for the Ben Luc–NH22 and NH22–Binh Chuan sections of RR3, and (ii) updated due diligence, and completed detailed design, and project and safeguards documents required to finance construction of the Tan Van–Nhon Trach section of the RR3 and the linking road to NH1.

75. MOT will be the Executing Agency (EA) and Cuu Long Corporation for Investment, Development and Project Management of Infrastructure (Cuu Long CIPM) will be the implementing agency (IA) for the TA Project. Cuu Long CIPM, on behalf of MOT, will carry out all day to day activities, including recruitment of consultants, under the TA Project. Cuu Long CIPM will consult and report to MOT, and seek MOT's approvals for recruitment of consultants, feasibility studies and detailed design. It will consult and seek any necessary approvals from other line ministries and provincial authorities on project documentation, especially on environmental and social safeguards documentation. Cuu Long CIPM will collaborate with HCMC, and Dong Nai, Binh Duong, and Long An Provincial People's Committees on detailed design study and preparation of resettlement plans to ensure that the designs of the project sections fit into the city/ provincial transport master plans and address the needs of the local communities.

**B.**

76. The detailed design consultant will (i) update the findings of the S-PPTA study for RR3 and Feasibility Study for Tan Van-Nhon Trach section prepared under Korean EXIM Bank financing in 2012, (ii) prepare detailed designs for the Tan Van-Nhon Trach section and linking road to NH1 of the RR3, including auxiliary facilities such as traffic information and control system and urban transportation facilities, in accordance with universally recognized highway standards, (iii) prepare social safeguard documents based on the detailed designs, (iv) prepare documents related to procurement for the civil works, (v) provide support to the EA/IA on all procurement activities, including bid evaluation; and (v) prepare relevant documentation for the ensuing investment loan. In addition, the detailed design consultant will integrate climate change into the detailed design, operations and management plan for the expressway, recommending appropriate adaptation measures for all categories of roads. The safeguards consultants will review the flood control plans in place with a view toward strengthening these measures to improve climate resilience. The consulting services will be provided by an international consulting firm, joint venture, or consortium of consulting firms, which will be recruited in accordance with the Asian Development Bank's (ADB's) Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (April 2010, as amended from time to time), using Quality Cost Based Selection (QCBS), with 90% quality and 10% cost, and Full Technical Proposal (FTP). The consultant should have:

C. (i) sufficient experiences in making detailed designs of expressways and urban roads and preparing EIAs and resettlement plans; (ii) sufficient engineering expertise required for highway geometric and structural designs, and highway facilities design; and (iii) sufficient technical expertise in carrying out social impact assessment and preparation of social/gender action plans; stakeholder analysis, and preparation of stakeholder engagement and communications plans.

**D.**

**B. Terms of Reference**

**E.**

**F. 1. Desk Study**

77. The Detailed Design Consultant will review and familiarize itself with the final S-PPTA report for the RR3, prepared under ADB's TA7647-VIE: Preparing the Ho Chi Minh City Outer Ring Roads Project in 2012, and review and familiarize itself with the feasibility study report for the Tan Van–Nhon Trach section and an extension road to NH1, prepared by Korean Eximbank in 2012. The findings of the S-PPTA and Feasibility Study will be updated by the Detailed Feasibility and Safeguards Study Consultant to be recruited under the TA Project.

**G.**

**H. 2. Detailed Designs**

**I.**

78. Based on the basic designs prepared by the feasibility study under the KEXIM financing the consultant will prepare detailed engineering designs and documentation required to commence construction of the project sections. The tasks to be undertaken are as follows:

- (i) Review all aspects of the S-PPTA and KEXIM feasibility study designs, reports and the government's basic design to determine the optimal solutions for detailed design. Specifically, the review is to take into account aspects of the feasibility study design and other work that were identified as requiring further attention during the detailed design stage.
- (ii) Undertake detailed topographic, geotechnical, and traffic surveys sufficient to design detailed alignments and cross sections/interchanges for the proposed expressways.
- (iii) Prepare detailed engineering designs and bills of quantities, and calculate detailed costs for civil works, broken down into base cost, contingencies, and taxes and customs duties. The detailed costs will be estimated in the form of the low, middle, and high scenarios of the inflation forecast.
- (iv) Coordinate with the design appraisal and road safety audit consultant on the engineering designs to ensure that safety hazards have been eliminated.
- (v) Prepare concept and detailed engineering designs for traffic control and toll collection systems. These designs will be based on standards for expressway traffic control systems and data interchange that will be developed under the services for use on all expressways. The intent is that these systems will take into account the latest international standards and the ITS being developed by other stakeholders. A key feature of the system will be the use of open architecture and a data exchange facility to facilitate expansion of the system and communications with other systems.
- (vi) Undertake surveys to determine the extent of unexploded ordnance contamination and include appropriate measures to survey and clear the site prior to commencement of construction.
- (vii) Ensure that environmental design measures specified in the environmental impact assessment (EIA)/EMP are incorporated in the detailed design.
- (viii) Prepare all relevant documentation for the ensuing investment loan.

- (ix) Integrate climate change into the detailed design, operations and management plan for the expressway, recommending appropriate adaptation measures for all categories of roads. Review the flood control plans in place with a view toward strengthening these measures to improve climate resilience.
- (x) Undertake financial management assessment on Cuu Long CIPM to confirm its financial management capacity for implementing the RR3 Project and conduct financial analysis of the project to evaluate financial viability and sustainability in accordance with ADB's guidelines. Assess the budgetary implications and financial impact of the financing requirements of the proposed project on the Executing Agency, in particular the recurrent expenditures of operating and maintaining the project to assess the sustainability of the proposed Project.

### 3. Preparation of Social and Environmental Safeguards Documents

79. **Social Safeguards.** The consultant, together with the executing agency and local authorities, will assess social impacts for involuntary resettlement and indigenous peoples and prepare the required social safeguards plans in accordance with ADB Safeguard Policy Statement and good practice. The consultant will carry out the necessary capacity building to the executing agency and local authorities. The consultant's social safeguards team will coordinate with social development/gender specialists and will provide inputs to the stakeholder engagement plan and consultation and disclosure plan. The consultant will assist Cuu Long CIPM and the provincial authorities in implementing the land acquisition and resettlement plan.

80. The consultant's social/gender specialists will work as a team to undertake poverty, social and gender analysis and prepare a social/gender action plan, stakeholder engagement plan, and consultation and disclosure plan in consultation with the social safeguards team.

81. **Environmental Safeguards.** The consultant will support the detailed FS consultant in the preparation of the EIAs by providing all available Project information, estimates, calculations, maps, plans, etc. produced as part of the detailed design tasks that are relevant to the EIA study. Ensure that the bid documents include specific provision to minimize disruption and damage to the environment and local settlements caused by construction, using the EIA, EMP, and the detailed design prepared during this work as a basis for these provisions. Bid documents will also include specific provisions for the engagement and payment of a subcontractor to undertake HIV/AIDS awareness programs for contractors' staff.

### 4. Involuntary Resettlement

82. Based on the agreed resettlement plans (RPs) prepared under the S-PPTA and KEXIM feasibility study, the consultant will work with the Cuu Long CIPM and the Provincial People's Committees (PPCs) for the provinces within which the project is located, which are responsible for implementation of the RPs, to prepare updated resettlement plans, and assist the Cuu Long CIPM and the PPCs with their implementation.

### 5. Procurement Assistance

83. The detailed design consultant will prepare procurement documents for the civil works of the Tan Van – Nhon Trach section of the HCMC RR3 and linking road to NH1, and assist the EA and IA in undertaking the procurement of civil works. The tasks to be undertaken are as follows:

- (i) Prepare all required bidding documents in accordance with the requirements of ADB's Procurement Guidelines (2010, as amended from time to time) for the project sections of the RR3 to be funded with assistance from ADB.
- (ii) Prepare bidding documents for civil works to construct the Tan Van – Nhon Trach section of the HCMC RR3 and linking road to NH1. These documents will include, as necessary, prequalification documents, prequalification evaluation documents, and bidding documents for the civil works, including the road traffic information and toll collection systems. Bidding documents will include bill of quantity items for environmental mitigation measures, and HIV/AIDS awareness and prevention programs for contractors' workers. The bidding documents will also include provisions regarding any aspects of the updated environmental management plans and gender strategy that should be included, and employment opportunities for project-affected women.
- (iii) Prepare procurement plans, setting out details of proposed contract packages, procurement methods, and a proposed schedule for procurement. Each plan is to cover a period of no less than 18 months and is to be updated on a regular basis.
- (iv) As applicable to the consultant's term of contract assist Cuu Long CIPM in (a) evaluating prequalification of potential bidders in line with the prequalification evaluation document approved by ADB, and prepare a prequalification evaluation report; (b) evaluating bids and preparing a bid evaluation report; and (c) answering inquiries from bidders during the prequalification and bidding exercise. Responsibility for the content of evaluation reports and responses to inquiries will remain with Cuu Long CIPM.

### C. Required Expertise

84. The consultant's total expected expertise inputs are 446 person-months (138 person-months of international and 308 person-months of national consulting services). The consultants should have expertise shown in Table A.

**Table A: Total Expected Expertise Inputs to the Consulting Services for the Tan Van–Nhon Trach Section and an Extension Road to NH1**

<b>Expertise</b>	<b>Persons</b>	<b>Person-months</b>
<b>International Consultants</b>		
Team Leader	1	16
Transport Specialist	1	4
Highway Engineer	1	13
Geotechnical Engineer	1	13
Structural/ Bridge Engineer	1	13
Pavement/ Materials Specialist	1	13
Traffic System Engineer	1	4
Mechanical/ Electric/ Street Lighting Engineer	1	4
Building Engineer	1	4
Transport Economist	1	3
Finance Specialist	1	3
Environmental Specialist	1	1
Social Safeguards/Resettlement Specialist	1	20
Social Development/ Gender Specialist	1	5
Gender Specialist	1	5
HIV/AIDS and Human Trafficking Specialist	1	5
Climate Change Specialist	1	6
Procurement Specialist	1	6



<b>Subtotal</b>	<b>17</b>	<b>138</b>
<b>National Consultants</b>		
Deputy Team Leader	1	16
Highway Engineer	2	32
Structural Engineer	1	16
Bridge Engineer	2	22
CAD operator (highway)	2	30
CAD Operator (structure)	2	22
CAD Operator (Bridge)	2	22
Geotechnical Engineer	1	12
Pavement/ Materials Specialist	1	12
Traffic System Engineer	1	4
Mechanical/Electric/ Street Lighting Engineer	1	4
Building Engineer	1	5
Cost Estimator	2	14
Environmental Specialist	1	4
Social Safeguards/ Resettlement Specialist	2	38
Social Development/Gender Specialist	2	10
HIV/AIDS and Human Trafficking Specialist	1	8
Climate Change Specialist	1	10
Procurement Specialist	1	6
Office Manager	1	21
<b>Subtotal</b>	<b>27</b>	<b>308</b>
<b>Total</b>	<b>44</b>	<b>446</b>

Source: Asian Development Bank estimates.

*\*Note that social safeguards and social/gender planning will require the engagement of surveyors, enumerators and will be supervised by the safeguards and social devt/gender consultants. A budget in the provisional sums should be allocated for these surveys, including cost for training as part of the capacity building interventions stated in the TOR.*

*\*Note that topographical surveys and ground investigations will require the engagement of surveyors for which a budget should be allocated in the provisional sums.*

#### **D. Schedule and Reporting Requirements**

85. A period of 16 months is required to carry out the detailed design for the Tan Van – Nhon Trach section of the RR3 and linking road to NH1, including 4 months for procurement support. The consultant's assistance to Cuu Long and the provincial authorities in implementation of the land acquisition and resettlement plan is expected to last 12 months after the detailed design period. The 12 months period also includes 10 months of intermittent support to the EA/IA on procurement activities. The consulting services contract period is expected to start in Q1 2016.

86. The consultants will prepare the following reports and submit them to Cuu Long CIPM and ADB:

- (i) an inception report;
- (ii) monthly progress reports;
- (iii) a RR3 final alignment report and drawings;
- (iv) district-level updated resettlement plans, and other social development plans, based on the final alignment;
- (v) a detailed engineering design report and drawings on the RR3 and its associated facilities, including climate change aspects and recommendations for appropriate adaptation measures and associated costs;
- (vi) a project cost estimate report,

- (vii) a prequalification document, a prequalification evaluation report, a bidding document, and a bid evaluation for the civil works of the expressway project; and
- (viii) a project completion report to present records of the project implementation in all aspects, and give a summary of the preconstruction activities and the consultant's activities.
- (ix) all documentation required for preparing the ensuing investment project

## **Outline Terms of Reference for the Preparation of Detailed Design Appraisal and Road Safety Audit for the Tan Van – Nhon Trach section of the HCMC Ring Road 3**

### **A. Introduction**

87. HCMC is the largest city in Viet Nam, with a population of the greater urban area of over 9 million that is expected to grow to 13.8 million by 2025. The metropolitan area is a primary engine for Viet Nam's economic development, accounting for nearly 40% of the country's gross domestic product. However, due to rapid traffic growth and low road densities, many major roads and highways in the project area have reached their capacities. Severe traffic congestion and rising logistics costs pose serious constraints to HCMC's continued economic growth and competitiveness.

88. The construction of ring roads on the periphery of HCMC is a strategic priority and included in the HCMC transport master plan. The proposed HCMC Third Ring Road (RR3), to be constructed at a radius of about 25 km from the city center, will facilitate the diversion of through-traffic and reduce traffic congestion in HCMC. The RR3 will also improve connectivity with the cities and towns around HCMC, help reduce transport costs and travel times for the movement of passengers and goods in and around HCMC. Once operational, it will relieve the stress from other arterial routes and provide the needed capacity. The economic benefit of the RR3, in terms of travel time savings, is estimated to be more than \$350 million in 2020. HCMC is also a hub for the primary regional and national transport corridors such as the Greater Mekong Sub-region (GMS) Eastern Corridor and Southern Corridor, and the national North–South expressway. ADB, together with other donors, has provided assistance to develop these radial corridors, which will be linked together via the RR3.

89. The project area, especially the coastal area, is vulnerable to climate change impact because of low elevation, high population growth, as well as current extreme climate and hydrodynamics. Climate change related risks to the project include rise in temperatures, more intense monsoon rainfall, increase of tide amplitude, more intense winds, more intense droughts, greater inland reach of saline intrusion, sea level rise, more frequent tropical storms, and more intense storm surges. One of the most significant climate change impact in the project area is flooding. Without proper flood controls, by 2050, only land more than 3 m high will not be affected by floods. While flooding areas may be slightly smaller, the increase in depth and duration of future floods is predicted to be more significant. Projected average maximum flood depths will increase by 20–40%, and the average maximum flood durations will increase by 10–20%.

90. The ADB-financed GMS Ben Luc–Long Thanh Expressway Project connects with the Ben Luc (ending point of RR3) to Nhon Trach (starting point of RR3). The Tan Van-Binh Chuan section North of HCMC, of which about 16.7 km has been completed in 2013, and with expected full completion in 2014, is implemented through a build-operate-transfer (BOT) arrangement by a provincial State-owned Enterprise (SOE). ADB, with other donors, is requested to finance the following three remaining sections of the RR3: (i) Tan Van–Nhon Trach section (28.4 km) and a linking road to National Highway (NH) 1 (5.9 km); (ii) Ben Luc–NH22 section (29.2 km); and (iii) NH22–BinhChuan section (17.5 km).

91. The S-PPTA study, completed in December 2012, confirmed that: (i) the RR3 Project Sections require an access-controlled 4-lane toll expressway and access-free 2-lane service roads on both sides of the expressway, and (ii) the estimated base cost for the remaining RR3

Project sections is \$2.2billion. The Project sections have an EIRR comprised between 13.1% and 22.4%. The TA Project's Detailed Outline (PDO) was approved by the Prime Minister of the Socialist Republic of Viet Nam on 27 March 2013.

92. The Government of Viet Nam has requested a loan from ADB to help finance the ensuing TA Project that will ensure the readiness of the proposed loan for the HCMC RR3 Project. The TA Project's outputs will be (i) completed feasibility studies for the Ben Luc–NH22 and NH22–Binh Chuan sections of RR3, and (ii) updated due diligence, and completed detailed design, and project and safeguards documents required to finance construction of the Tan Van–Nhon Trach section and the linking road to NH1.

93. MOT will be the Executing Agency (EA) and Cuu Long Corporation for Investment, Development and Project Management of Infrastructure (Cuu Long CIPM) will be the implementing agency (IA) for the TA Project. Cuu Long CIPM, on behalf of MOT, will carry out all day to day activities, including recruitment of consultants, under the TA Project. Cuu Long CIPM will consult and report to MOT, and seek MOT's approvals for recruitment of consultants, feasibility studies and detailed design. It will consult and seek any necessary approvals from other line ministries and provincial authorities on project documentation, especially on environmental and social safeguards documentation. Cuu Long CIPM will collaborate with HCMC, and Dong Nai, Binh Duong, and Long An Provincial People's Committees on detailed design study and preparation of resettlement plans to ensure that the designs of the project sections fit into the city/ provincial transport master plans and address the needs of the local communities.

## **B. Objectives**

94. The objectives of the detailed design appraisal and road safety audit services are (i) to ensure the detailed design of the Tan Van – Nhon Trach section of the HCMC RR3 and linking road to NH1 satisfies the requirements set down in the Terms of Reference for the Detailed Design Consulting Services, with the requirements of the Client and financiers being fully met.

## **C. Reference Documents**

95. The detailed design appraisal and road safety audit will be of the detailed designs prepared for the Tan Van – Nhon Trach section of HCMC RR3 and linking road to NH1 by the Detailed Design Consultant, including all surveys and investigations on which the designs are based, with reference as necessary to the basic designs and studies prepared during the project's feasibility study.

## **D. Outline Terms of Reference for the Consulting Services**

96. The consultants will (i) carry out a review of detailed designs for the Tan Van – Nhon Trach section of HCMC RR3 and linking road to NH1 prepared by the Detailed Design Consultant; (ii) carry out a road safety audit following the ADB Road Safety Audit Toolkit 2003<sup>28</sup>; (iii) instruct any revisions required; (iv) supervise that the Detailed Design Consultant carries out the revisions as requested timely and in accordance with the respective international requirements; and (v) submit a Detailed Design Clearance Report to the Government and ADB for the Government to provide no-objection for the civil works bidding to commence immediately after completion of the review.

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<sup>28</sup> Road Safety Audit for Road Projects – An Operational Toolkit, ADB, June 2003

97. The consultant's analytical work will be independent of that of the DD Consultant and carried out without exchange of calculation sheets or similar information with the DD Consultant.

98. Specifically, the Design Appraisal Consultant will review and comment on the following:

- (i) Design drawings
- (ii) Design statements or reports
- (iii) Design Criteria documents including design assumptions
- (iv) Site survey and geotechnical, hydrological, morphological, and other investigation reports
- (v) Scope and requirements of all additional studies and special investigations proposed
- (vi) Construction method and sequence assumptions
- (vii) Design criteria for major elements of temporary works
- (viii) Other reports relating to the design and construction
- (ix) Design program and design management information
- (x) Contract documentation, which will follow the requirements set out in ADB's Standard Bidding Documents, to include Conditions of Contract, Specifications, Drawings, Bills of Quantities, and others as appropriate
- (xi) Constructability
- (xii) Safety and Maintainability

99. The Road Safety Audit will include the following:

- (i) Dimensional and level checks of the drawings and setting-out information
- (ii) Follow procedures, outline TOR and tasks for Detailed Design Road Safety Audit as described in the ADB Road Safety Audit Operational Toolkit June 2003.

## **J.**

### **E. Time Schedule**

100. The detailed designs and contract documentation for the Tan Van – Nhon Trach section of HCMC RR3 and linking road to NH1 will be delivered in stages over a period of approximately 16 months, and are expected to commence in Q1 2016. Within these overall periods, the Detailed Design Appraisal and Road Safety Audit Consultant will co-ordinate its schedule with the Detailed Design Consultant's schedule.

101. The Cuu Long CIPM will provide, based on the DD Consultant's program, an up-to-date design program at the commencement of the Design Appraisal and Road Safety Audit Consultant's assignment, together with dates of proposed delivery of documents and drawings.

### **F. Deliverables**

102. The Design Appraisal and Road Safety Audit Consultant will provide a brief progress report to Cuu Long CIPM each, copied to ADB/AusAID, summarising progress made and any outstanding issues to be resolved. For the detailed design drawing and reports, and bidding documents, the Design Appraisal and Road Safety Audit Consultant will provide its initial review within 14 days of receiving them from the DD Consultant, highlighting matters that may require more detailed review. The intention is that for aspects of the design and documentation that are not at issue between the IPC and the DDIS Consultant, the DDIS Consultant may continue work without delay. Following resolution of any outstanding issues, the DD Consultant will prepare draft detailed design drawings and bidding documents for final review and acceptance by the

Design Appraisal and Road Safety Audit Consultant.

103. On acceptance of the drawings and documents, the Design Appraisal and Road Safety Audit Consultant will provide a Design Appraisal Certificate in a format acceptable to cuu Long CIPM.

104. The Design Appraisal and Road Safety Audit Consultant will prepare a separate Road Safety Audit Report following the guidance given in the ADB's Road Safety Audit Toolkit.

### **G. Team Composition and Personnel**

105. The consulting services for the design appraisal/road safety audit will be provided by a consulting firm, joint venture, or consortium of consulting firms, which will be recruited in accordance with the Asian Development Bank's (ADB's) Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (April 2010, as amended from time to time), using Quality Cost Based Selection (QCBS) with Biodata Technical Proposal (BTP). The consultant should have strong experience in all aspects of highways detailed design and international and Vietnamese design standards, including bridges and structures and traffic information systems. The consultant should have knowledge and experience on computer aided design, quality control and monitoring, FIDIC and civil works contract documents and be familiar with the Vietnamese legislative framework for highways design, operation and maintenance. For the road safety audit the consultant should pose particular experience and knowledge of road safety engineering in both developed and developing countries. About 17 person months of international and 18 person months of national consultant inputs are required.

**Table A: Total Expected Expertise Inputs to the Consulting Services**

<b>Expertise</b>	<b>Persons</b>	<b>Person-months</b>
<b>International Consultants</b>		
Team Leader/ Highway Engineer	1	4
Structural Engineer (bridge, culvert and other structures)	1	4
Pavement and Geotechnical Specialist	1	4
Contract Document Specialist	1	1
Road Safety Specialist	1	4
<b>National Consultants</b>		
Highway/ Electrical cum Street Lighting Engineer	1	4
Structural Engineer (bridge, culvert and other structures)	1	5
Pavement and Geotechnical Specialist	1	5
Road Safety Specialist	1	4

## VII. SAFEGUARDS

106. The primary objective of safeguards is to avoid adverse impacts of projects on the environment and affected people. If impacts become unavoidable to realize the intended positive projects, adverse impacts shall be minimized, mitigated or affected people compensated. Approved and acceptable planning instruments shall be used and will be recorded as project covenants. Such instruments are approved by approving authorities of Vietnam and by ADB. They will be disclosed in local languages and posted on ADB and EA/IA websites. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of SPS.

### A. Resettlement

107. The TA Project will not cause any adverse involuntary resettlement impacts and impacts on indigenous peoples. However, construction of the RR3 will have significant involuntary resettlement due to loss of agricultural and residential land. A draft resettlement plan was prepared for the Tan Van – Nhon Trach Section under the KEXIM financed feasibility study in 2012. Using a corridor-of-impact of 66.5 m to 74.5 m, about 285 ha of land will be acquired, and an estimated 1,200 households will be physically and economically displaced. As part of the TA Project, detailed design consultants will work with MOT, CIPM and local authorities in the preparation of final resettlement plans for Ho Chi Minh City and Dong Nai Provinces in accordance with ADB SPS, 2009. For the two sections: Binh Chuan – NH22 and NH22 – Ben Luc, MOT and Cuu Long CIPM will prepare a draft resettlement plan per section in accordance with ADB SPS.

108. On the safety corridor for RR3, it was confirmed that Decree 100/2013/ND-CP for urban areas, issued on 3 September 2013, will be applied since the RR3 has yet to be approved. The new decree states that the Government will have to permanently acquire a total of 17 meters from the toe of the embankment of the highway construction. The service roads both side of the highway will be built inside the safety zone. HCMC People's Committee, however, has requested a safety zone not to be applied in their respective sections of the RR3. The current typical cross-section for the RR3 design in Binh Duong, Dong Nai and Long An provinces includes a safety zone of 40 m each side the carriageway, which is in accordance with the Decree No. 11/2010/ND-CP issued on 24 February 2010. ADB requested and MOT confirmed that the new decree with 17 m safety zone will be applied throughout the three provinces and this detail will be finalized in the Feasibility Report.

### B. Environment

109. The TA Project is a preparatory step for the HCMC RR3. The TA Project will involve preparation of an EIA, and will not cause any adverse environmental impacts. The TA Project will include careful determination of the alignment by avoiding environmentally sensitive areas, and developing environmentally friendly highway designs. An EIA has been prepared for the Tan Van-Nhon Trach section of RR3 Project under the KEXIM financed feasibility study in 2012. The said EIA is currently being reviewed by the Ministry of Environmental and Natural Resources (MONRE) and approval is expected by the end of 2013. The feasibility study consultant will prepare an EIA, based on ADB's Safeguard Policy Statement (ADB SPS, 2009), covering all three sections of the RR3 project as well as separate EIAs for the Binh Chuan-NH22 section and NH22-Ben Luc section following Vietnamese environmental requirements. The detailed design consultant will ensure that relevant aspects of the environmental

management plan included in the EIA (based on ADB's SPS) are included in the bidding and contract documents for civil works.



## **VIII. GENDER AND SOCIAL DIMENSIONS**

110. A social impact assessment, including gender analysis, will be carried out during implementation of the TA Project and a social action plan will be prepared to ensure that social benefits are maximized in a gender-responsive and culturally-appropriate manner.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

### A. Design and Monitoring Framework

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Enhanced construction of the HCMC RR3, contributing to reduced traffic congestion in and improved connectivity of HCMC with surrounding cities and towns.</p>	<p>Funding for the RR3 secured from various resources secured by 2017</p> <p>(Baseline data: as per ADB COBP, 2015-2017, \$287 million from ADB and \$200 million from cofinancing earmarked for HCMC RR3 in the 2017 pipeline)</p> <p>Completion of the Tan Van–Nhon Trach section including an extension road to NH1 by 2021 (Baseline data: 0 km completed in 2014)</p>	<p>Project progress reports to be prepared by Cuu Long CIPM</p> <p>Annual operational plan of Cuu Long CIPM</p>	<p><b>Assumptions</b> Adequate cofinancing and private sector investment are committed and materialize.</p> <p>Cuu Long CIPM has adequate capacity to manage the HCMC RR3 project.</p> <p><b>Risks</b> The government is unable to provide project counterpart funds.</p>
<p><b>Outcome</b> Design readiness of the HCMC RR3 project for financing</p>	<p>Project documents for the HCMC RR3 project completed by Q2/ 2017 (Baseline data: none)</p>	<p>Meetings with the Government of Viet Nam, Cuu Long CIPM, and cofinanciers</p>	<p><b>Assumptions</b> The government's priorities and agreements regarding project designs remain unchanged.</p> <p>Funding sources for the HCMC RR3 project are identified.</p> <p>Knowledge of corporate financing and investment transferred to MOT and Cuu Long CIPM</p>
<p><b>Outputs</b> 1. Completed detailed feasibility and social safeguard studies for the Ben Luc–NH22 and NH22–Binh Chuan sections</p>	<p>Engineering, economic, and financial feasibility studies of the Ben Luc–NH22 and NH22–Binh Chuan sections completed by Q3/2016</p> <p>Resettlement plan (and indigenous peoples plan as required) prepared and satisfactory to both ADB and the government by Q3/2016 (Baseline data: pre-feasibility study completed)</p>		<p><b>Assumption</b> RR3 alignment is approved by MOT, HCMC, and relevant provincial transport departments before consulting services begin</p> <p><b>Risks</b> Consultant recruitment is delayed.</p> <p>Consultants fail to perform as required.</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
2. Updated due diligence, completed detailed design, and project and safeguard documents required to finance construction of the Tan Van–Nhon Trach section and extension road to NH1	<p>Detailed designs of RR3 and its auxiliary facilities for the section completed by end Q2/2017 (Baseline data: basic design completed in 2012)</p> <p>The project's economic and financial assessment completed by end Q2/2017</p> <p>EIA prepared by end Q2/2017</p> <p>Resettlement plan (and indigenous peoples plan as required) prepared and satisfactory to both ADB and government by end Q2/2017</p>	<p>Consultants' reports</p> <p>Consultations with project stakeholders</p> <p>Technical meetings with the government and Cuu Long CIPM</p> <p>Review missions with Cuu Long CIPM</p>	
<b>Activities with Milestones</b>			<b>Inputs</b>
<p>1. Completed detailed feasibility and social safeguard studies for the Ben Luc–NH22 and NH22–Binh Chuan sections</p> <p>1.1 Recruit feasibility study consultant by June 2015</p> <p>1.2 Submit draft feasibility study report, master bidding documents and social safeguard documents for government and ADB's review and comments by February 2016</p> <p>1.3 Submit final feasibility study report, master bidding documents and social safeguards documents for government's and ADB's approval by June 2016</p> <p>2. Updated due diligence, completed detailed design, and project and safeguards documents required to finance construction of the Tan Van–Nhon Trach section and extension road to NH1</p> <p>2.1 Recruit detailed design and safeguard consultant by March 2016</p> <p>2.2 Recruit consultants for detailed design appraisal and road safety audits by March 2016</p> <p>2.2 Recruit consultants for detailed design appraisal and road safety audits by March 2016</p> <p>2.3 Submit draft due diligence, detailed design, safeguards and bidding documents, and road safety audit reports for the government's and ADB's review by December 2016</p> <p>2.4 Submit final due diligence, detailed design, safeguards and bidding documents, and road safety audits for the governments and ADB's approval by March 2017</p> <p>2.5 Carry out detailed design appraisal and submit final clearance report to government by June 2017</p>			<p>Technical Assistance Loan</p> <p>ADB: \$12.58 million</p> <p>Government: \$0.63 million</p>

ADB = Asian Development Bank, CIPM = Corporation for Investment, Development, and Project Management of Infrastructure, EIA = environmental impact assessment, HCMC = Ho Chi Minh City, km = kilometer, MOT = Ministry of Transport, NH = national highway, Q = quarter, RR3 = third ring road.

Source: Asian Development Bank.

## B. Monitoring

111. Cuu Long CIPM, assisted by the project implementation consultants, will establish systematic project performance monitoring and analysis throughout the life of the TA Project in accordance with the TA Project Design and Monitoring Framework (included in PAM) and ADB's Project Performance Management System Handbook. The project performance monitoring and

evaluation surveys will be carried out at the midterm of implementation and 6 months after completion. The performance monitoring for the project will be harmonized with government's format from Decision 803/QD-BKH dated 30 July 2007.

112. In addition to the regular review mission every six months, ADB will field numerous project review missions. First, an inception review mission will be fielded to review the recruitment of consultants and address issues that Cuu Long CIPM is encountering and expects to encounter for the Project. Second, a midterm review will be undertaken to assess overall progress in project implementation and achievements, when reports of the detailed design study, feasibility studies, and social and environmental studies are completed. Third, a project completion review mission will be fielded after Project completion. There will also be special reviews as required to address issues that arise during the project implementation.

113. **Compliance monitoring.** Compliance for all the loan agreement undertakings and loan covenants – social and environmental safeguards, financial, economic and others – will be jointly monitored by Cuu Long CIPM and ADB through monthly updates provided by Cuu Long CIPM. In this respect, Cuu Long CIPM will submit to ADB a status report on the covenants summary with the explanation and time-bound actions on partly or non-complied covenants.

### **C. Evaluation**

114. Within 6 months of the loan effectiveness, Cuu Long CIPM will establish baseline data for the performance indicators and targets for evaluation project performance in relation to the project's impacts, outcomes and outputs. Within 6 months of physical completion of the project, Cuu Long CIPM will submit a project completion report to ADB. The performance indicators and targets will be measured 6 months and 3 years after project completion, and compared with the baseline data. Cuu Long CIPM will submit a report summarizing key findings of the project performance monitoring and evaluation to ADB.

115. ADB will field an inception mission within 3 months after signing of the loan agreement. Review missions will be carried out on a semiannual basis jointly by representatives of ADB, Borrower, and Cuu Long CIPM. The review missions will assess the status of the project implementation including procurement, financing, compliance to environmental and social safeguards. A mid-term review will evaluate compliance with the terms, conditions, and undertakings set out in the environmental and social safeguards, and loan covenants set out in the loan agreements. The review will allow for any necessary midcourse corrections to ensure successful implementation and the achievement of the project objectives. Within 6 months of physical completion, Cuu Long CIPM will submit a project completion report to ADB.

### **D. Reporting**

116. Cuu Long CIPM will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the Project. To ensure projects continue to be both viable and sustainable, project accounts and the executing agency AFSs, together with the associated auditor's report, should be adequately reviewed.

## **E. Stakeholder Communication Strategy**

117. Under *ADB's Public Communication Policy (2012)*, all TA Project information will be disclosed unless specific information meets the Policy's exceptions to presumed disclosure. Under ADB's Public Communication Policy prior government approval to disclose reports or other documents <sup>29</sup> is not required. However, if Cuu Long CIPM advises that a document contained information that is confidential and meets the requirement of the Policy's exceptions, then that information may be withheld from the document before it is disclosed. The Mission advised Cuu Long CIPM that full copies of the Policy are available on ADB's website.

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<sup>29</sup>The scope of the Policy includes all project documentation including TA final reports, resettlement plan, initial environmental examination, social impact plans, legal agreements, RRP, progress reports, and project completion reports.

## X. ANTICORRUPTION POLICY

118. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.<sup>30</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.<sup>31</sup>

119. To support these efforts, relevant provisions are included in the loan agreement and request for proposals for the Project.

120. The Government and Cuu Long CIPM will comply with ADB's Anticorruption Policy (1998, as amended to date) and the Combating Money Laundering and the Financing of Terrorism Policy (1998) The Government (i) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the project; (ii) agrees to cooperate fully with, and to cause Cuu Long CIPM to cooperate fully with, any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation; and (iii) agrees to refrain, and cause the HPC to refrain, from engaging in money laundering activities or financing of terrorism and shall allow, and cause Cuu Long CIPM to allow, ADB to investigate any violation or potential violation of these undertakings.

121. Cuu Long CIPM will conduct periodic inspections on the consultants activities related to fund withdrawals and settlements, and the Government and Cuu Long CIPM will ensure that all consultants financed by ADB in connection with the Project include provisions specifying the right of ADB to audit and examine the records and accounts of all consultants and other service providers as they relate to the Project.

122. Cuu Long CIPM will publicly disclose on the website information how loan proceeds are being used, presenting (i) procurement contract awards, including for each such contract (a the list of participating bidders, (b) name of the winning bidder, (c) basic details of bidding procedures adopted, (d) amount of the contract awarded, (e) list of goods and/or services purchased, (f) intended and actual utilization of loan proceeds under each contract, and (ii) internal and external resettlement reports. The website will be updated within 2 weeks after (i) each contract award, (ii) each submission of the EMA's quarterly resettlement report, and (iii) each submission of Cuu Long CIPM's internal quarterly resettlement report.

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<sup>30</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>31</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

## **XI. ACCOUNTABILITY MECHANISM**

123. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>32</sup>

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<sup>32</sup> For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

## **XII. RECORD OF PAM CHANGES**

124. This PAM describes the essential administrative and management requirements to implement the TA Project. ADB, the government, and Cuu Long CIPM prepared this PAM during the fact-finding from 4 to 29 November 2013. This PAM was discussed during the loan negotiations for the TA Loan on 20 October 2014. All revisions/updates during course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

125. This document was reviewed and agreed between Cuu Long CIPM and the Asian Development Bank on 20 October 2014. During the project implementation, if any discrepancies are found, they will be reviewed and discussed by both Cuu Long CIPM and ADB to ensure correctness, harmonization and compliance with the relevant regulations.