



Viet Nam: Second Northern Greater Mekong Subregion Transport Network Improvement Project - Additional Financing

Project Name	Second Northern Greater Mekong Subregion Transport Network Improvement Project - Additional Financing	
Project Number	41444-024	
Country	Viet Nam	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3317-VIE: Second Northern Greater Mekong Subregion Transport Network Improvement Project - Additional Financing concessional ordinary capital resources lending / Asian Development Fund US\$ 71.13 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Transport - Road transport (non-urban)	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The GMS Northeastern Corridor (encompassing Nanning in Guangxi Province, People's Republic of China; Hanoi and Thanh Hoa in Viet Nam; Louang Phrabang, Lao Peoples Democratic Republic; and Bangkok, Thailand) is one of the corridors identified in the GMS Transport Sector Strategy Study and links northeastern Lao PDR and northern Viet Nam. Many of the roads in the transport corridor have been improved including the sections of the corridor in northeastern Lao PDR and northern Viet Nam under the ongoing project (L2703 VIE) to maximize the economic potential of the GMS Northeastern Corridor and to improve northern Lao PDR with year-round access to seaports. As the road conditions between km 59.8 (where Highway 217 intersects with Ho Chi Minh Highway which connects Hanoi and Ho Chi Minh cities) and km 104.9 have significantly deteriorated due to the increased traffic (coming from Na Meo, Hanoi, and Ho Chi Minh cities) and the vehicle overloading, the Government of Viet Nam requested ADB to consider providing additional financing for full scale improvement of the road section km 59.8-104.9 rather than simple repair as originally planned under L2703.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The additional financing is included in the country operations business plan, 2015_-2017 for Viet Nam. The additional financing meets the eligibility criteria for additional financing as the project is (i) technically feasible, economically viable, and financially sound based on the due diligence assessments; (ii) accorded high priority by the Government as in June 2015 the Project Outline was approved by the Government; (iii) consistent with the development objectives as it will enhance the outcome and outputs of the ongoing project, and (iv) consistent with the current country partnership strategy which aims to enhance transport connectivity in GMS countries.</p>	
Impact	International trade on the GMS Northern Corridor increases	

Project Outcome

Description of Outcome	Efficient transport across LAO PDR-Viet Nam border and on the project road sections of the GMS Northeastern Corridor
Progress Toward Outcome	
Implementation Progress	

Description of Project Outputs	The project components of the GMS Northeastern Corridor in Viet Nam and Lao PDR are improved Road safety on the project road sections of Northeastern Corridor is improved
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	The adverse environmental impacts will come largely during construction from dust and noise, surface run-off, erosion, traffic and utility disruptions, potential occupational and community health and safety risks, and disposal of excavated materials.
Involuntary Resettlement	About 1,500 households will be affected. Of these, an estimated 76 households will be required to relocate while 105 households may lose a significant amount of paddy land due to the proposed flyover in Ha Trung District and proposed realignment in the town of Cam Thuy and Ba Thuoc districts.
Indigenous Peoples	The ethnic groups found in the three districts are Kinh, Thai, Muong, Mong, and Dao. Ethnic groups have lived along the project road for many years, allowing them to be assimilated into the general population. Therefore, the adverse impacts and benefits the ethnic groups may experience will not be different from the Kinh people or other vulnerable households. It is unlikely that they will be disadvantaged or vulnerable because of their social or cultural identity.

Stakeholder Communication, Participation, and Consultation

During Project Design	Several consultations have been carried out in communes and villages that are located along the project road sections during the project preparation by the consultants and at loan fact finding mission in March 2015.
During Project Implementation	Further consultations will be carried out as reflected in the Stakeholders Communication Strategy Matrix

Business Opportunities

Consulting Services	Consulting services will be provided for (i) construction supervision including monitoring the implementation of the environmental management plan; undertaking, monitoring, evaluation of project performance, and reporting; implementing, evaluating, and reporting the HIV/AIDS and human trafficking awareness and prevention program, community-based road safety awareness program, and gender action plan; (ii) financial auditing, and (iii) external resettlement monitoring.
Procurement	Procurement will be undertaking for two contract packages for improving road (with two lots) and constructing a flyover using international competitive bidding method, and four and three packages for utility relocation using national competitive bidding and shopping method, respectively.

Responsible Staff

Responsible ADB Officer	Le Dinh Thang
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<i>Ministry of Transport RU-PMU1@FPT.VN 80 Tran Hung Dao Hanoi, Viet Nam</i>

Timetable

Concept Clearance	-
Fact Finding	09 Mar 2015 to 20 Mar 2015
MRM	22 Jun 2015

Approval	16 Nov 2015
Last Review Mission	-
Last PDS Update	09 Jul 2015

Loan 3317-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
16 Nov 2015	19 Feb 2016	10 May 2016	30 Jun 2019	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	77.85	Cumulative Contract Awards				
ADB	71.13	16 Nov 2015	0.00	0.00	0%	
Counterpart	6.72	Cumulative Disbursements				
Cofinancing	0.00	16 Nov 2015	1.50	0.00	2%	

Project Page	https://www.adb.org/projects/41444-024/main
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