

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. In the transport and information and communication technology sectors in Viet Nam, the Asian Development Bank (ADB) focuses on the road, railway, and urban transport subsectors, and capacity development of the Ministry of Transport and its line agencies. ADB's major development partners are Agence Française de Développement, the Government of Australia, the Export-Import Bank of Korea, the Japan International Cooperation Agency (JICA), and the World Bank. The table shows major active projects financed by development partners.

<b>Major Development Partners</b>			
<b>Development Partner</b>	<b>Project Name</b>	<b>Duration</b>	<b>Amount</b>
<b>Road Transport</b>			
ADB	GMS Kunming-Haiphong Transport Corridor – Noi Bai-Lao Cai Highway Project	2005–2015	\$200.0 million
	GMS Southern Coastal Corridor Project	2008–2019	\$896.0 million
	GMS Southern Coastal Corridor (cofinanced with the Government of Australia and KEXIM)	2007–2015	\$25.0 million
		2007–2015	\$75.0 million
	Ho Chi Minh City–Long Thanh–Dau Giay Expressway (cofinanced with JICA)	2008–2016	\$410.0 million
	GMS Ben Luc–Long Thanh Expressway	2011–2017	\$636.0 million
	Second Northern GMS Transport Network	2011–2016	\$75.0 million
	Transport Connections in Northern Mountainous Provinces	2012–2016	\$80.0 million
	Central Mekong Delta Region Connectivity Project	2013–2019	\$410.0 million
	World Bank	Northern Delta Transport Infrastructure Improvement	2008–2014
Da Nang–Quang Ngai Expressway Construction		2011–2016	\$630.0 million
JICA	North–South Expressway: Ho Chi Minh City–Dau Giay (cofinanced with ADB)	2008–2014	¥16.6 billion
		2011–2015	¥25.0 billion
	Ha Noi–Thai Nguyen	2012–2015	¥16.49 billion
	National Highways and Provincial Roads Improvement	2004–2016	¥27.5 billion
	Ha Noi City Third Ring Road	2008–2014	¥28.1 billion
	North–South Expressway Construction Project (Da Nang–Quang Ngai)	2011–2016	¥15.9 billion
		2014–2017	¥30.0 billion
	North–South Expressway Construction Project (Ben Luc–Long Thanh)	2012–2017	¥14.1 billion
	2015–2019	¥31.33 billion	
<b>Rail Transport</b>			
ADB	GMS Kunming–Haiphong Transport Corridor: Yen Vien–Lao Cai Railway Upgrading (cofinanced with AFD and DGTPE)	2006–2015	\$60.0 million
JICA	Ha Noi–Ho Chi Minh City Railway Line Bridges Safety Improvement	2004–2014	¥20.0 billion
<b>Urban Transport</b>			
ADB	Ha Noi Metro Rail System Line 3 (cofinanced with AFD, DGTPE, and EIB)	2010–2018	\$293.0 million
	Ho Chi Minh City MRT Line 2 (cofinanced with KfW and EIB)	2010–2018	\$540.0 million
JICA	Ha Noi City Urban Railway Construction (Line 1)	2008–2014	¥4.7 billion
	Ha Noi City Urban Railway Construction (Line 2)	2009–2020	¥14.7 billion
	Ho Chi Minh City Urban Railway Construction (Line 1)	2007–2019	¥20.9 billion

Development Partner	Project Name	Duration	Amount
<b>Others</b>			
JICA	Noi Bai International Airport Terminal 2 Construction	2010–2014	¥12.6 billion

ADB = Asian Development Bank, AFD = Agence Française de Développement, DGTPE = Direction Générale du Trésor et de la Politique Économique, EIB = European Investment Bank, GMS = Greater Mekong Subregion, JICA = Japan International Cooperation Agency, KEXIM = Export-Import Bank of Korea, MRT = mass rapid transit.

Sources: ADB publications; JICA publications; World Bank publications.

2. JICA has been the most active bilateral funding agency for the transport sector in Viet Nam. It often prepares master plans to identify and prioritize related projects, with a focus on urban and national transport network development, traffic safety enhancement, and operation and maintenance capacity development. JICA's portfolio covers a wide range of projects, including urban public transport, roads and expressways, ports, and airports. ADB and JICA are currently cofinancing the Ho Chi Minh–Long Thanh–Dau Giay Expressway Construction Project and the Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project.

3. The World Bank has been supporting the government with systematic reforms and innovative actions such as initiating public–private partnership (PPP) projects, establishing road maintenance funds, and reforming government organizations, as well as providing loans to transport projects for urban public transport, roads and expressways, and inland waterways. Private sector participation has been slow to materialize mainly due to the lack of an adequate legal and procurement framework for PPPs. The World Bank is working with the Ministry of Planning and Investment to put in place institutional arrangements to manage the overall PPP program in Viet Nam. This work includes preparing a regulatory framework to guide the identification, appraisal, and implementation of PPP projects. The government issued regulations on pilot investments under PPPs in 2010.<sup>1</sup> Apart from PPPs, the World Bank is supporting the Vietnam Road Safety Program and preparing the Da Nang–Quang Ngai Expressway Project in the country's central region under cofinancing arrangements with JICA and the Vietnam Road Asset Management Program. The World Bank is also implementing the Third Rural Transport Project, which is rehabilitating 3,100 kilometers of rural roads (district, commune, and village roads) in 33 provinces in northern and central Viet Nam, and the Mekong Delta Transport Infrastructure Development Project, which includes a component for the improvement of national roads.

## **B. Institutional Arrangements and Processes for Development Coordination**

4. The annual consultative group meetings, chaired by the Ministry of Planning and Investment and the World Bank, are the main platform for the government and development partners to review progress and issues related to socioeconomic development and official development assistance. Transport partnership group meetings, organized by JICA, are held every 6 months to discuss development issues in the transport sector. Recent group meetings discussed the medium- to long-term transport strategies of the government and its development partners. They identified the large gap in financing required to meet Viet Nam's urgent needs in the transport sector to sustain its socioeconomic development.

## **C. Achievements and Issues**

5. ADB has coordinated closely with development partners to address emerging transport

<sup>1</sup> Government of Viet Nam. 2010. *Decision No. 71/2010/QĐ-TTg of the Prime Minister approving the regulations on pilot investment under the form of public–private partnership on 9 November 2010*. Ha Noi.

issues in its loan and technical assistance projects. In the expressway subsector, ADB has provided technical and financial assistance to the Vietnam Expressway Corporation since its establishment in October 2004 through the preparation of an expressway master plan and the preparation and implementation of two expressway projects: the Ho Chi Minh City–Dau Giay Expressway project; and the Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project, both cofinanced with JICA. Subsequently, JICA joined the financing of the Vietnam Expressway Corporation’s expressway projects in 2008. In addition, ADB has supported improving the Viet Nam Road Administration’s capacity and its restructuring to manage the road subsector effectively through several technical assistance projects.

#### **D. Summary and Recommendations**

6. ADB’s interventions in the transport sector, alongside the efforts of its development partners, will contribute to the government’s socioeconomic development efforts. The government has large medium- to long-term investment needs in the transport sector. Continuous coordination with development partners is recommended to solve transport sector issues such as PPPs, government organization reforms, and operation and maintenance of roads.