



Viet Nam: Power Transmission Investment Program - Tranche 3

Project Name	Power Transmission Investment Program - Tranche 3								
Project Number	42039-036								
Country	Viet Nam								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 3374-VIE: Power Transmission Investment Program - Tranche 3</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 231.31 million</td> </tr> <tr> <td colspan="2">Loan: Power Transmission Investment Program - Tranche 3</td> </tr> <tr> <td>KfW Bankengruppe</td> <td>US\$ 71.01 million</td> </tr> </table>	Loan 3374-VIE: Power Transmission Investment Program - Tranche 3		Ordinary capital resources	US\$ 231.31 million	Loan: Power Transmission Investment Program - Tranche 3		KfW Bankengruppe	US\$ 71.01 million
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Strategic Agendas	Inclusive economic growth								
Drivers of Change	Private sector development								
Sector / Subsector	Energy - Electricity transmission and distribution								
Gender Equity and Mainstreaming	No gender elements								
Description	<p>The investment program will contribute to meeting electricity demand growth of industrial, commercial, and residential consumers in an economically and environmentally sustainable manner. The outcome of the investment program is enhanced capacity of the transmission network to balance power load. The investment program also supports partial implementation of National Power Sector Development Master Plan VII to meet growing electricity demand of industrial, commercial and residential consumers throughout Viet Nam, and improve the operational effectiveness and efficiency of the National Power Transmission Corporation (NPT)-the entity responsible for financing, managing and operating the transmission network to ensure reliable electricity supply.</p> <p>Tranche 3 will finance part of each of the two outputs: Output 1: Expanded Transmission Network (Physical investment) Output 3: Project Implementation Support (Non-physical investment)</p>								
Project Rationale and Linkage to Country/Regional Strategy	Recognizing the need to overcome current constraints in the power sector to ensure that rapidly growing electricity demand can be met in an economically and environmentally sustainable manner to sustain economic growth, the government of Viet Nam approved in 2011 the PDMP VII . With PDMP VII, the government approved multiple power generation and transmission projects to be implemented during 2011_-2020 and laid out a detailed road map and reform framework for (i) strengthening financial capacity, (ii) improving the operational performance of power sector entities, (iii) enhancing human resource capacity and development, (iv) improving the technological optimization and modernization of power sector infrastructure, and (v) enhancing energy efficiency in generation and consumption to sustainably develop and modernize Viet Nam's power sector.								
Impact	meeting electricity demand growth of industrial, commercial and residential consumers throughout Viet Nam by 2025.								

Project Outcome

Description of Outcome	enhanced capacity of transmission network to balance power load.
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Progress Toward Outcome	<p>Although there are some delays in approval of Technical Design of sub-projects by EVN and NPT, project's progress is on track.</p> <p>SPMB has commenced preparatory procurement prior to loan effectiveness. Out of the 7 subprojects, 2 subprojects have commenced construction prior to ADB's approval of the updated resettlement plans and completion of payment to affected households. Four (4) subprojects also commenced construction without confirmation on activities that had been implemented according to the corrective action plans included in the approved DDRs.</p> <p>The subprojects under CPMB are still in the process of finalizing the detailed designs by end Q1 2017. Further, the resettlement plan and ethnic minority development plan (REMDP) for the 220kV Binh Long-Tay Ninh Transmission Line have been disclosed in the provinces of Binh Phuoc and Tay Ninh in June 2015 and June 2016, respectively.</p>
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Implementation Progress

Description of Project Outputs	Expanded Transmission Network Improved Operational Effectiveness and Efficiency of NPT (deferred to tranche 4) Project Implementation Support
Status of Implementation Progress (Outputs, Activities, and Issues)	As of 28 February 2017, contracts for 6 SPMB's subprojects (out of 7 subprojects) have been signed, and construction works of the subproject _extension of 500kV Cau Bong substation_ has started on 29 December 2016.
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	

Stakeholder Communication, Participation, and Consultation

During Project Design	A total of 1495 people (1,014 males and 481 females) directly affected by this Project were consulted in public meetings in district and commune centers in each the nine Subproject areas, including representatives of 17 out of 19 affected ethnic minority households. The opinions and suggestions of participants in the consultations, such as those pertaining to the restricted use of land within the right-of-way of transmission lines, were reflected in the RPs.
During Project Implementation	

Business Opportunities

Consulting Services	A total of 48 person-months through individual consultant selection will be engaged under Tranche 3. These project implementation support (safeguards) will be financed under ADB loan following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The project implementation support who will handle construction management will be financed entirely by NPT.
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Procurement The documents that will govern all procurement actions of goods, works and services will include (i) the Financing Framework Agreement; (ii) the Loan and Project Agreement; (iii) ADB's Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time); and (iv) ADB's Standard Bidding Documents.

International Competitive Bidding procedures (ICB) will be used for civil works and goods contracts (except those to be procured through Direct Contracting). The estimated values of nearly all contracts exceed the ICB thresholds of \$10.0 million (for civil works) and \$2.0 million (for supply contracts). While the estimated values of several contracts fall slightly below these thresholds, ICB will be used for these contracts due to the Implementing Agencies' preference to use standardized Bidding Documents in the project. Therefore, National Competitive Bidding procedures (NCB) are not expected to be used. Qualification and eligibility requirements will be specified in the procurement plan and bidding documents.

In the event that any procurement is conducted through National Competitive Bidding, , before the start of the procurement, ADB and the Government will review the public procurement laws to ensure consistency with ADB's Procurement Guidelines. National Competitive Bidding procedures applicable to Viet Nam are attached with the Procurement Plan.

International shopping will be authorized for procurement of goods and works with a contract price equivalent of \$100,000 or less.

Secondary equipment for expansion of existing 500 kV and 220 kV substations under operation using computerized control system (ST-G03 and ST-G04), may be procured on the basis of direct contracting or through shopping, as appropriate.

Where the equipment is procured directly, prior to such procurement, a list of individual items to be procured, an estimate of their costs, an indication of potential sources of supply and any related documents shall be submitted to ADB for approval. Unit rates for the equipment procured through direct contracting will be established on a valid, reasonable and verifiable basis. After award, three copies of each contract for such items shall be furnished to ADB.

Responsible Staff

Responsible ADB Officer	Jung, Choon Sik
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Viet Nam Resident Mission
Executing Agencies	<i>National Power Transmission Corporation TUONGDP@NPT.EVN.VN 18 Tran Nguyen Han Street, Hoan Kiem District, Hanoi-Vietnam Ha Noi</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	15 Sep 2015
Approval	18 Dec 2015
Last Review Mission	-
Last PDS Update	30 Mar 2017

Loan 3374-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
18 Dec 2015	06 Oct 2016	29 Dec 2016	30 Jun 2020	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	307.69	Cumulative Contract Awards			
ADB	231.31	18 Dec 2015	30.39	0.00	13%
Counterpart	76.38	Cumulative Disbursements			
Cofinancing	0.00	18 Dec 2015	0.15	0.00	0%

Project Page	https://www.adb.org/projects/42039-036/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=42039-036
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