Early Warning System

ADB-48260-001

Ho Chi Minh City Integrated Public Transport Investment Program

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Quick Facts

Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	U
Voting Date	2014-12-18

Project Description

DESCRIPTION

The Investment Program will support the development of an efficient, integrated and sustainable public transport system for Ho Chi Minh City (HCMC) in Viet Nam. It will improve the extent and connectivity between bus systems, proposed Mass Rapid Transit (MRT) network and other modes of public and private transport, and strengthen urban transport policies and regulations in the city. By contributing to the overall public transport system, the investment program will support the objective of the HCMC's Urban Transport Master Plan (HUTMP) to increase the use of public transport and reduce dependency on private vehicles. Investments are expected to include MRT, bus rapid transit (BRT), multimodal interchange, other public transport integration and traffic works and services improvements. Support will be provided for transport planning, institutional and public transport policy reform and capacity development.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

The Government of Viet Nam is planning and implementing major public transport infrastructure investments intended to induce a substantive modal shift from private transport to public transport modes. Currently two MRT lines are being prepared in HCMC and four lines in Ha Noi, with all expecting to be operating by 2020. The Viet Nam Socio-Economic Development Plan for 2011-2015 supports investment in urban public transport systems to promote economic growth and protect the environment through a low carbon growth path. ADB's Viet Nam Country Partnership Strategy 2011-2015 supports the Government's program to improve urban transport infrastructure, including the proposed investment program.

HCMC is the largest city in Viet Nam, with a greater urban area population of more than 9.0 million that is expected to grow to 13.8 million by 2025. Urban transportation is dominated by private vehicles, mostly motorcycles, which account for 85% of all vehicles. The dominance of private vehicle use, combined with an inadequate road system, creates severe congestion and low travel speeds on many routes. The city's urban transport problem is worsening as incomes rise and many Vietnamese are able to shift from motorcycles to cars.

The rapid growth of private vehicle traffic is partly due to HCMC's inadequate public transport system. Public transport meets less than 10% of total transport demand in the city and consists of a poorly integrated, inefficient bus network that cannot compete with transportation by motorcycles and cars. Poor institutional arrangements for operating bus routes and unreliable service limits ridership. In addition, bus fares are kept low through heavy government subsidies. Planning, management, and control of traffic in the city are weak, and few policies or regulations exist that seek to reduce reliance on private vehicles or encourage the use of public transit. Even the pedestrian walkways are often congested, frequently because they are obstructed by poorly regulated motorcycle parking and other unauthorized private use.

HCMC is addressing these problems through the development of a city-wide mass transit system under the HUTMP, which also seeks to reduce greenhouse gas emissions, other pollution and otherwise improve the urban environment. Two MRT lines and one BRT line are currently under development. MRT Line 2 is being financed by ADB and is expected to be operational in 2020. If an expanded public transport network is to be financially and economically viable, integrated development is needed for all modes of public transit and private vehicle transport; to ensure that it is attractive, accessible, and affordable for the city's residents.

The investment program will compliment ongoing and proposed development partner projects for the MRT, BRT and bus systems (refer footnote 4). The lessons from ongoing ADB investments in HCMC for MRT development indicate that complex projects are subject to multiple external factors, so a longer phased implementation approach is required, and associated works need to be implemented in parallel but with more flexibility in timing. Additionally, construction costs in this new subsector will have a higher degree of uncertainty until contract experience is gained and local industry capacity and skills are further developed

Investment Description

- Asian Development Bank (ADB)

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Chuong trinh Dau tu Giao thong Cong cong Tich hop tai Tp Ho Chi Minh : Bang Du lieu Du an [Original Source]
- Ho Chi Minh City Integrated Public Transport Investment Program: Project Preparatory Technical Assis [Original Source]
- Project Disclosure PDF [Original Source]

Other Related Projects

- ADB-48260-002 Ho Chi Minh City Integrated Public Transport Investment Program (MFF)