Medium Cities Development Project (P116398)

**Implementing Agencies:** Project Management Unit (PMU) in Lao Cai, Project Management Unit (PMU) in Phu Ly, Ha Nam PPC, Lao Cai Provincial People's committee, Nghe An Provincial People's committee, Project Management Unit (PMU) in Vinh

### Key Dates

**Key Project Dates**

- Bank Approval Date: 15-Dec-2011
- Effectiveness Date: 11-Apr-2012
- Planned Mid Term Review Date: 30-Apr-2015
- Actual Mid-Term Review Date: 21-May-2015
- Original Closing Date: 30-Dec-2017
- Revised Closing Date: 30-Dec-2017

### Project Development Objectives

**Project Development Objective (from Project Appraisal Document)**

The project development objective is to increase access to improved urban infrastructure services in three selected medium sized cities, Lao Cai, Phu Ly, and Vinh, in a sustainable and efficient manner.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

- Basic Urban Infrastructure Upgrading and Service Improvement: (Cost $19.41 M)
- Urban Water Supply and Environment Sanitation: (Cost $60.80 M)
- Urban Roads and Bridges: (Cost $65.87 M)
- Project Management Support and Technical Assistance: (Cost $13.72 M)

### Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
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<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
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<td>Moderate</td>
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</table>
Implementation Status and Key Decisions

The Project is on track to achieve the Project Development Objective (PDO). The Results Framework expected little by way of achievements in the first three years, which were devoted to procurement, resettlement and undertaking major civil works. To improve access to sanitation, the project has completed all 50 planned school sanitation systems. Due to early completion of 25 km of box culverts and combined sewer and drainage collection systems, as well as interceptor pipeline under all subprojects to connect to the existing wastewater treatment plants (WWTPs), the number of people with access to improved sanitation has risen from zero at baseline to 74,170 as at November 2016, well exceeding the 2016 target of 62km. Construction of water intake and distribution pipelines in Lao Cai is on schedule for completion in 2017. The road investment packages in Lao Cai and Phu Ly are either completed or being implemented, and are on schedule to be fully completed in early 2017. Road investments in Vinh have been slightly delayed, but are also scheduled to be completed in 2017. To-date, 44.3km of roads have been newly constructed or improved. Vehicle operating times in Lao Cai and Phu Ly have been reduced by 15%. As for the adoption of comprehensive and sustainable urban asset management plans, cities have submitted the draft plans for review, and the plans are being considered for formal adoption by end-2016.

The client is preparing an Additional Financing proposal of US$53 million for the cities of Lao Cai and Phu Ly, in order to meet the financing gap due to exchange rate losses (approximately US$13 million) and to scale up the project in two of the three MCDP cities.

Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
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<th>Current Rating</th>
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<tr>
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<td>Macroeconomic</td>
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<td>● Moderate</td>
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<tr>
<td>Sector Strategies and Policies</td>
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<tr>
<td>Technical Design of Project or Program</td>
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<td>● Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>● Moderate</td>
<td>● Moderate</td>
</tr>
<tr>
<td>Fiduciary</td>
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<td>● Substantial</td>
</tr>
<tr>
<td>Environment and Social</td>
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<td>Stakeholders</td>
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<td>Other</td>
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<tr>
<td>Overall</td>
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Results

Project Development Objective Indicators

- Number of people in urban areas provided with access to Improved Water Sources under the project (Number, Core)

<table>
<thead>
<tr>
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<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
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<tbody>
<tr>
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<th>35,000.00</th>
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<tbody>
<tr>
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<td>31-Dec-2015</td>
<td>30-Nov-2016</td>
<td>30-Dec-2017</td>
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#### Number of people in urban areas provided with access to Improved Sanitation under the project (Number, Core)

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<td>Date</td>
<td>17-Nov-2011</td>
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<td>30-Nov-2016</td>
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#### Reduction in vehicle operating time on new roads (Percentage, Custom)

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#### Adoption of comprehensive and sustainable urban asset management plan (Number, Custom)

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<td>Date</td>
<td>17-Nov-2011</td>
<td>31-Dec-2015</td>
<td>30-Nov-2016</td>
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**Overall Comments**

**Intermediate Results Indicators**
### Length of water supply pipeline laid (Kilometers, Custom)

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<td>30-Nov-2016</td>
<td>30-Dec-2017</td>
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### Additional treated water supply capacity made available (Cubic Meter(m3), Custom)

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<td>31-Dec-2015</td>
<td>30-Nov-2016</td>
<td>30-Dec-2017</td>
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### Number of schools with completed sanitation facilities (Number, Custom)

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<td>49.00</td>
<td>50.00</td>
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<td>31-Dec-2015</td>
<td>30-Nov-2016</td>
<td>30-Dec-2017</td>
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### Length of drainage channel constructed or rehabilitated (including interceptors) (Kilometers, Custom)

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</table>
### Additional wastewater treatment capacity made available (Cubic Meter(m3), Custom)

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<th>End Target</th>
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<td>30-Nov-2016</td>
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### Length of primary roads and bridges constructed or improved (Kilometers, Custom)

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### Length of waste water pipeline laid (Kilometers, Custom)

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### Roads constructed, non-rural (Kilometers, Core)

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Direct project beneficiaries (Number, Core)

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<td>30-Nov-2016</td>
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Female beneficiaries (Percentage, Core Supplement)

<table>
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<th>End Target</th>
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Overall Comments

Data on Financial Performance

Disbursements (by loan)

<table>
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<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
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<tbody>
<tr>
<td>P116398</td>
<td>IDA-50310</td>
<td>Effective</td>
<td>XDR</td>
<td>132.50</td>
<td>132.50</td>
<td>0.00</td>
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<td>51.67</td>
<td>61%</td>
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Key Dates (by loan)

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<th>Loan/Credit/TF</th>
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<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements
Restructuring History

Level 2 Approved on 31-May-2016

Related Project(s)

P159426-Vietnam - Additional Financing for Medium Cities Development Project