



## 1. Project Data

<b>Project ID</b> P111548	<b>Project Name</b> VN-Haiphong Urban Transport Project	
<b>Country</b> Vietnam	<b>Practice Area(Lead)</b> Transport	
<b>L/C/TF Number(s)</b> IDA-49000	<b>Closing Date (Original)</b> 31-Dec-2016	<b>Total Project Cost (USD)</b> 152,310,658.32
<b>Bank Approval Date</b> 29-Mar-2011	<b>Closing Date (Actual)</b> 29-Feb-2020	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	175,000,000.00	0.00
Revised Commitment	175,000,000.00	0.00
Actual	152,529,765.36	0.00

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## 2. Project Objectives and Components

### a. Objectives

The Project Development Objective (PDO) as stated in the Financing Agreement (Schedule 1, page 4) was "**to improve urban accessibility and strengthen urban management planning capacity in Haiphong City**".



The PDO as stated in the Project Appraisal Document (PAD, page 4) was similar, although not identical " to improve urban accessibility and strengthen urban transport management and planning capacity in Haiphong City".

This review is based on the two objectives in the Financing Agreement: (i) to improve urban accessibility in Haiphong City; and (ii) to strengthen urban management planning capacity in Haiphong City. For the purpose of this review, these objectives will be referred to, respectively, as objective 1 and 2 below.

**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

There were three components (PAD, pages 5 - 6). The ICR does not provide any reasons for why the estimated and actual costs are reported the same for all the components, while the total actual cost was lower than the estimated (see section 2e below).

**1. Urban Main Road Development** (estimated and actual cost US\$263.6 million). This component planned to finance activities aimed at improving access to cross-town traffic within Haiphong and long-distance freight to and from Haiphong's port system. Activities in this component included: (i) construction of the new urban arterial road in Haiphong (Bac Son - Nam Hai East - West link); (ii) replacement of the deck structure of Niem 1 Bridge and surface treatment of Truong Chinh road; (iii) compensation and resettlement of project affected persons; and (iv) support for design, procurement and construction supervision.

**2. Public Transport Improvement** (estimated and actual cost US\$8.0 million). This component planned to finance activities aimed at improving public transportation services in Haiphong city. Activities in this component included: (i) developing an institutional framework, a regulatory model, and operational procedures for establishing a public transport management authority, developing a strategic approach to service delivery (including route optimization reviews, implementing fare setting measures, and public awareness campaigns); (ii) transforming the line 2 bus services along the Tam Bac - Kien An corridor (including acquiring new vehicles and introducing global positioning system-based fleet management operations); (iii) infrastructure and facilities upgrade along the Tam Bac - Kien An corridor (including installing bus shelters, road markings, improving pedestrian sidewalks and constructing a bus depot in the Au Lao area); and (iv) support for design and construction supervision.

**3. Capacity Building** (estimated and actual cost US\$5.0 million). Activities in this component included: (i) implementing the first phase of the rollout of an integrated Geographic Information System (GIS) based application for transport planning (including installing equipment, establishing institutional arrangements, providing technical support to the Department of Transport, training, and developing a strategic plan for expanding system functionality to other urban management and planning agencies; (ii) human resource development of relevant Haiphong entities through training programs; and (iii) support to the Regional Transport Works Project Management Unit.



**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project cost.** The estimated cost at appraisal was US\$276.6 million. The actual cost was US\$254.1 million (ICR, Data Sheet, page 3).

**Project financing.** The project was financed by an IDA Credit of US\$175.0 million. The amount disbursed at closure was US\$152.5 million. According to the information provided by the team, as of November 15, 2020, about US\$22.0 million was not disbursed due to the delays in payments to foreign contractors. The Bank processed an extension of the grace period for disbursements. According to the clarifications provided by the team, by the deadline of the extended grace period for disbursements (December 31, 2020), most of the disbursements were completed, with the Bank disbursing US\$174.7 million (out of US\$175.0 million). The undisbursed amount of US\$219,107 was refunded to the bank.

**Borrower contribution.** The actual borrower contribution was US\$101.6 million, as planned.

**Dates.** The project was approved on March 29, 2011, became effective on July 28, 2011, and was scheduled to close on December 31, 2016. The project closed 38 months behind schedule on February 29, 2020.

**Restructurings.** The project went through five Level 2 restructurings. The changes made through these restructurings were minor, and none of them changed any of the project objectives, components, or monitoring framework.

The first restructuring on August 29, 2014, introduced changes to the Financing Agreement to increase eligible financing percentage for civil works from 85% to 100%. A portion of the credit proceeds originally intended to refinance the Project Preparation Advance (PPA) was reallocated to fund road construction activities.

The **second restructuring on June 9, 2015**, reallocated funding between disbursement categories, following a request from the recipient to use IDA financing for resettlement activities.

The **third restructuring on June 9, 2016**, took place as part of an amendment for 13 World Bank projects in the Vietnam portfolio. This change was intended to simplify the results framework during implementation. The performance indicators were removed from the Loan Agreement. The project objectives, components and the monitoring and evaluation framework however remained unchanged.

The **fourth restructuring on December 22, 2016**, extended the closing date by 20 months (from December 31, 2016 to August 31, 2018) to complete the longer-than-expected resettlement activities.

The **fifth restructuring on August 16, 2018**, extended the closing date further by 18 months (from August 31, 2018, to February 29, 2020) to complete component one activities, which were delayed for a combination of factors including: land acquisition delays, delays in payments to contractors, and unsatisfactory performance of some subcontractors.

### 3. Relevance of Objectives



## Rationale

**Country Context.** Rapid economic growth in the years before appraisal, with 7.3% average economic growth between 2001 and 2010, enabled Vietnam to reduce the incidence of extreme poverty. This growth also fueled urbanization. Haiphong city is the second-largest urban center in Northern Vietnam, with a population of 1.8 million. Given the rural to urban migration trends, Haiphong's population was projected to double by 2030. Haiphong also had Vietnam's largest seaport in the Northern region serving as a key transport hub connecting several northern provinces, and linking the northern and southern regions.

**Sector Context.** The urban road network of Haiphong city was relatively limited. Most port-related traffic volumes crossed the city via the NH5 route. Traffic forecasts indicated growing inter-city traffic volumes through the inner-city road network, with the volumes estimated to triple by 2020 (from 52,000 trips per day in 2011 to 150,000 by 2020). The growing volume was expected to increase congestion and traffic accidents. Alongside this, despite the city's relatively high urban density, less than a percent of trips in Haiphong were through public transport. The main reasons for the low ridership being, poor service frequency, sub-optimal network designs, and inadequate public transport services. Therefore, improving connectivity and traffic patterns for vehicles transiting between the western area of Haiphong, improving access to affordable public transport services, and strengthening the institutional capacity for managing urban infrastructure was important to the Haiphong municipality.

**Alignment with the Government Strategy.** At the national level, Vietnam's *Socio-Economic Development Strategy (SEDS)* for the 2011-2015 period articulated the need for developing favorable conditions for private sector development and foreign direct investment. Vietnam's *SEDS* strategy for 2016-2020 underscored the need for enhancing the quality of infrastructure planning, and prioritizing funding for transport projects. At the sub-national level, Haiphong city's 2006 - 2020 *Master Plan on Socio - Economic Development* identified construction of three belt roads and extending inner roads to improve traffic around the city, as priorities.

**Alignment with the Bank Strategy.** The PDOs are well-aligned with the Bank strategy. At appraisal, the first pillar of the *Country Partnership Strategy (CPS)* for 2012 - 2016 highlighted the need for improving delivery of transport services. This pillar specifically called for integrated urban development initiatives, and investments in urban transport and mass transit systems in larger cities for efficient management of road assets (CPS, paragraph 65, page 21). The PDOs are well-aligned with two focus areas of the Bank's current *Country Partnership Framework* for 2018 - 2022. The first focus area of the CPF articulated the need for inclusive growth and private sector development, through improving planning, management and infrastructure service delivery in cities. The third focus area of the CPF highlighted the need for ensuring environmental sustainability and resilience, through among other things, reducing greenhouse gas emissions.

The Bank had executed several urban projects in Vietnam in the past. These included activities associated with implementing Geographic Information Systems (GIS) in several agencies and cities, with different priorities and approaches (such as application of the GIS system with cadastral mapping for the Ministry of National Resources and Environment, and piloting the implementation of GIS at the municipal level in the cities of Ho Chi Minh, Hue and Da Nang in 2006, 2007 and 2008 respectively). This project aimed at piloting the GIS technique for urban road and pavement management in Haiphong city through the integrated planning management information system (Planning Connect System). This system, besides aiding in formulating infrastructure systems, was also expected to aid other areas of socio economic development (such as, land titling, monitoring and climate change factors). Given that Vietnam's rapid



economic growth in the past decade had resulted in serious transport bottlenecks and called for investments that were beyond the government's own resources to meet municipal demands, the relevance of the PDO is rated as substantial.

## Rating

Substantial

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

To improve urban accessibility in Haiphong City.

#### Rationale

**Theory of change.** The results framework was clear. Constructing a new urban arterial road for cross-town traffic and longer distance freight, improving bridges, road surface treatment, providing buses with Global Positioning System (GPS), constructing bus depot/ terminals and increasing the frequency of buses - were aimed at improving urban accessibility. While construction of the new urban arterial road was likely to reduce traffic congestion in the existing road, introducing new bus service with more frequencies was likely to increase the number of passenger trips through the public transport system. The combination of these activities were likely to improve urban accessibility in Haiphong city. The causal chain between the project activities, outputs and outcomes were logical, and the intended outcomes were monitorable.

#### Outputs (ICR, page 42).

- These activities were completed as targeted: 20 km of urban road on the Bac Son - Nam Hai East-West Link was constructed; two bridges were rehabilitated; and surface treatment was provided on 14 km of roads.
- Twenty new buses equipped with Automatic Vehicle Location Systems (AVLS) were procured, and twenty GPS tracked buses were operational on July 2015; two bus routes were optimized; a new bus depot/terminal was constructed; twenty bus stops were upgraded; and six traffic engineering measures were implemented.
- The project delivered disabled-accessible infrastructure and fleet, including and improved boarding and alighting geometry for the disabled. The ICR notes (para 51) that the Bus Line #2 is considered Haiphong's first accessible public transport service, benefiting the elderly and disabled populations,

#### Outcomes (ICR, paragraphs 28 - 34).

The outputs of the project activities were expected to reduce travel times on the two road segments (the existing NH5 - Nam Hai segment and the Bac Son Nam Hai segment). The ICR notes that the Bac Son Hai Link was to be launched in 2015, however it opened only in March 2020 due to delays in the resettlement



process of the project affected people. The ICR team carried out field surveys to document traffic counts, traffic volumes, travel time savings, and road user's socioeconomic profile to estimate travel time savings (as discussed below):

- 78,206 people (city residents residing in the proximity of the NH5 Nam Hai road corridor) benefitted from project activities (baseline was 50,030 and target was 74,207).
- The construction of the new road link was expected to increase traffic flows on the new road and also reduce traffic volumes on the existing road corridor (NH5). The ICR (page 16) notes that the mode disaggregated traffic flows (from motorcycles, cars, buses, and trucks) did show an increase in traffic in the new road more than anticipated at appraisal. However, the diversion of traffic from the existing road was not to the extent expected, as traffic volumes on the existing road were still higher than on the new road (the new road opened only on March 2020). The ICR (page 15) notes that limited diversion of traffic from the existing road could be due to the larger percentage of users continuing to use the traditional route. The traffic counts were based on "16-hour traffic counts" during three weekdays.

The results of the field survey are as follows.

- There was a 20% reduction in travel time between NH5-NH10 (at the west of the project to Nam Hai (port area), compared to the baseline scenario (NH5 - Nam Hai connection).
- According to the survey, the highest travel time savings occurred for light vehicles (cars and motorcycles), with travel time reductions close to 21%. Reduction in travel times for trucks was less, and there was nearly no change in travel time for buses, presumably due to the frequent stops and limited speeds.
- Despite the improvements made on Bus line # 2, the target for ridership indicator was not met. The improved bus line # 2 was launched in 2016, with fifteen-minute frequencies, as compared to the thirty-minute frequencies on old buses. The travel time on the entire line was around 38 minutes per direction in regular traffic conditions. Information from passenger counts showed an average of 3,066 passengers per day on the bus line, which was less than the baseline established in 2009 of 3,410 passengers, and did not meet the target of a 22.5% increase, or 4,177 passengers per day. Manual passenger traffic carried out in June 2020, while economic activity was still fraught due to the impacts of the COVID -19 pandemic, reflected a continual fall in passenger demand numbers at 1,900 (the ICR acknowledges that the trendline showed that even without COVID - 19, passenger counts would not have significantly increased relative to the baseline).

Although, the ridership on the critical bus route was lower than at baseline and the diversion of traffic from the existing road was not to the extent expected, the construction of the new urban arterial road in Haiphong, facilitated travel across the city, and enhanced connectivity to the port. Given the reduction in travel time, urban accessibility in Haiphong improved. However, given the relative shortcomings against various outcome measures, efficacy of this objective is rated as modest.

**Rating**  
Modest



## **OBJECTIVE 2**

### **Objective**

To strengthen urban management planning capacity in Haiphong City.

### **Rationale**

**Theory of change.** The results framework was logical. Activities discussed above entailed construction of a new arterial urban road to reduce traffic congestion and improved bus service to facilitate accessibility in urban areas. Capacity building activities aimed at implementing an integrated GIS for supporting urban transport planning and optimizing bus routes, and institutional and human capacity development in urban management and planning were aimed at strengthening planning capacity. The outcomes of these activities were likely to strengthen urban management planning in Haiphong city.

### **Outputs**

These activities were completed as targeted.

- The GIS-based Planning Connect Software system for urban roads was established and human resource development plans were developed as targeted.
- The institutional framework for a Public Transport Authority was developed.
- A Public Transport Unit within the Haiphong Department of Transport (DOT) was created.
- Specialized on the job and structured training was provided to 78 staff of the DOT on subjects, including fiduciary management, project management and environmental management. Training included visits to Ho Chi Minh, Da Nang and Can Tho cities, and a three-year training plan that included visits to Brisbane, Melbourne, Sydney in Australia, Singapore and Malaysia.

### **Outcomes**

- An onboard satisfaction survey of 209 passengers was carried out during 2020 to gauge user satisfaction with the service of bus line two. Nearly 40% of the users were commuting for work, followed by 20% of users commuting to school, and 15% commuting to medical-related duties. 95% of the bus users expressed satisfaction with the quality of bus services (on aspects such as safety and security, cleanliness of buses, distance between stops, cost of ticket, driver attitude, punctuality and seat availability).

The project assisted in strengthening the institutional capacity for urban transport management and planning in Haiphong. The efficacy of this objective is rated as substantial.

### **Rating**

Substantial



## OVERALL EFFICACY

### Rationale

The overall efficacy of the project is substantial as the project improved urban accessibility and strengthened urban management planning capacity in Haiphong City, although there were some moderate shortcomings in selected outcomes, ie, low ridership on the bus line and limited diversion of traffic from the existing road.

### Overall Efficacy Rating

Substantial

## 5. Efficiency

**Economic analysis.** An economic analysis was conducted for activities associated with the construction of the new urban arterial road using the Highway Development and Management Model (HDM - 4). This component accounted for about 96% of the cost at appraisal and at closure. The methodology entailed comparison of the costs and benefits of "with project case", to "without the project". The project costs included the investment and operational and maintenance costs. The project benefits were assumed to come from time savings in Vehicle Operations Costs (VOC) and travel time savings. The other unquantified benefits of the project were assumed to come from lower traffic accidents. The Net Present Value (NPV), at 10% discount rate was US\$159.5 million at closure, compared to US\$60.5 million at 12% discount rate at appraisal. The ICR (page 48) notes that the lower discount rate at closure was in line with the World Bank Guidelines of 2016 (*Technical Note on discounting in economic analysis of World Bank Projects*). The ex-post Economic Rate of Return (ERR) was 17.4%, substantially higher than the ex-ante ERR of 13.8%. This was because the traffic flows on the new urban arterial road were higher than estimated at appraisal (although still lower than on the existing road).

**Administrative and operational efficiency.** Delays in completing the land acquisition and resettlement activities, due to inadequate counterpart funding, delayed implementation in the initial years. There were delays in completing the road activities, with the new road launched only in May 2020 (almost three and half years behind schedule), and the project closed 38 months behind schedule on February 2020.

In sum, efficiency is rated as substantial, in view of the economic justification for the project.

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

Rate Available?	Point value (%)	*Coverage/Scope (%)
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Appraisal	✓	13.80	96.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	17.40	93.00 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

The relevance of the PDO to the Government and the Bank strategies is substantial. Efficiency is substantial in view of the economic justification for the project. Overall efficacy is rated as substantial, as the project improved urban accessibility and strengthened urban management planning capacity in Haiphong City. However given that there were moderate shortcomings, with a lower ridership on the new bus service and traffic diversion from the existing road, overall outcome is rated as moderately satisfactory.

### a. Outcome Rating

Moderately Satisfactory

## 7. Risk to Development Outcome

**Operations and Maintenance Risk.** The Bank team ensured that the assets acquired and created through the project had proper maintenance arrangements. Public transport assets are being maintained by the Haiphong Road (Bus) company, and road assets are maintained under an asset management strategy and through the project-financed GIS tool (ICR, paragraph 80). The operational and maintenance risk is likely to be modest.

**Technical risk.** According to the information provided subsequently by the team, the major investment under the project - development of the new arterial road was relatively straightforward in terms of technical feasibility. The team also clarified that this road was fully completed, and maintenance arrangements for the new road were in place. The technical risk is likely to be modest.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

This project design incorporated lessons from prior Bank-financed projects in Vietnam. The lessons included: (i) given that past projects in the transport portfolio had shown the need for timely funding for preparing project activities (government regulations prevented agencies from initiating procurement activities without confirmed financial commitment), the design included a Project Preparation Advance (PPA). This enabled the implementing agency to initiate the procurement process a year before approval; (ii) establishing a Grievance Address Redress Committee (GRC), with civil society members and



representatives of affected households; and (iii) having an independent land appraiser to determine the prevalent market rates for the affected assets (including land) (PAD, paragraphs 24 - 26).

Several risks were identified at appraisal, including implementation of social and environmental safeguards and lack of implementing agency's experience with the Bank's fiduciary policies. Mitigation measures incorporated at design, included setting independent land appraiser and on-the-job training for the implementing agency's fiduciary staff. With mitigation measures, risk was rated as medium at appraisal (PAD, paragraph 39). The implementation arrangements were appropriate, with the Department of Transport (DOT) and the Project Management Unit of Regional Transportation Works (PMURTW) responsible for supervision (PAD, paragraph 28). Appropriate arrangements were made at appraisal for fiduciary compliance (discussed in Section 10).

There were shortcomings in M&E design (discussed in section 9).

### **Quality-at-Entry Rating**

Satisfactory

#### **b. Quality of supervision**

The ICR (paragraph 79) reports that fifteen supervisions were held over the project lifetime. The continuity of leadership was maintained, with two Task Team Leaders (TTLs) during implementation. The core supervision team, included fiduciary management, environmental and social safeguards specialists, and this aided in maintaining regular and close communications with the DOT and the Project Management Unit (PMU). In the face of delays in resettlement issues due to inadequate counterpart funding, the supervision team appropriately reallocated funding between disbursement categories, following a request from the recipient to use IDA financing for resettlement activities. This, along with the proactive support to the Project Management Unit (PMU), aided in resolving resettlement activities. Although a mission at project closure was not possible due to the worldwide COVID - 19 related travel restrictions, follow-up was done by the supervision team remotely. The support provided by the supervision team aided in fiduciary compliance (discussed in section 10).

Given the M&E design shortcomings, the supervision team could have addressed the M&E design shortcomings issues following the mid-term review (MTR) of the project.

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

## **9. M&E Design, Implementation, & Utilization**



### **a. M&E Design**

The Project Management Unit (PMU) of the Regional Transportation Works (PMURTW) was responsible for data collection. The baseline data and targets were specified at appraisal (PAD, paragraph 33). The M&E design also envisioned customer satisfaction surveys for determining the effectiveness of public transportation services and facilities financed by the project (PAD, paragraph 34). The Aligned Monitoring Tool (AMT) developed by the Ministry of Planning and Investment (MPI) in collaboration with the Bank and other donors, was to be used for monitoring project performance.

The results framework had three key outcome indicators. Of the three outcome indicators, the first indicator "reduction in travel time on project corridors" although appropriate for the objective of improving urban accessibility, could have included a clear methodology, such as when the travel time was to be measured (that is, on a weekday at rush hour, or between points A and B).

The second key outcome indicator "annual ridership on a specific (Bus line #2)" also had methodological issues. The methodology could have defined, for example, if the daily ridership included all boarding along the route in both directions, the operating hours of the route, and if the daily ridership resulted from an average of weekly ridership of weekdays in a calendar year.

The third key outcome indicator "establishing a Geographic Information System (GIS) to improve urban sector management issues" aimed at monitoring the capacity building activities of the project, was output-oriented. Given that the project road was in a densely populated urban center, the M&E design could have formally included an indicator for monitoring road safety issues. Given that land acquisition and resettlement was foreseen at appraisal, the M&E design could have incorporated an indicator for monitoring progress in land acquisition and resettlement activities.

### **b. M&E Implementation**

The M&E design shortcomings were not addressed during project implementation. The ICR (paragraph 65) notes that there were several challenges during implementation: an M&E contract was signed in 2013 after a minor delay (the ICR does not provide any additional information); and the poor performance of the M&E consultant (the contract was not renewed, discussed in section 10b). The ICR also notes that the M&E reports submitted by the consultant did not provide accurate information on indicators consistent with the project status.

### **c. M&E Utilization**

The ICR notes that the utilization of the M&E framework was hampered due to a combination of factors, including little details on the monitoring methodologies, and inadequate understanding of indicator values (ICR, paragraph 66). According to the clarifications provided subsequently by the team, despite shortfalls in the performance of the M&E consultant, M&E was carried out throughout the life of the project, reporting primarily on intermediate indicators, and that the M&E system was utilized with the frequency required by the project supervision team.

In sum, M&E is rated modest, given the shortcomings in M&E design, and shortfalls in implementation.



## M&E Quality Rating

Modest

### 10. Other Issues

#### a. Safeguards

The project was classified as a Category A (Full Assessment) project under World Bank Safeguard Policies: Three safeguard policies were triggered: Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12). No other safeguard policies were triggered during implementation.

**Environmental Assessment and Physical Cultural Resources.** An Environmental Impact Assessment (EIA) was conducted at appraisal (PAD, paragraph 56). Adverse environmental impacts were expected, given that construction of the proposed urban arterial road was expected to intersect with local roads that had fairly heavy pedestrian traffic. The project's potential adverse environmental impacts were associated with construction activities and included: increased dust, noise and vibration, worker and community health safety, temporary disturbance of small household business, soil erosion, spoil disposal and water pollution. No adverse effects were expected on any known sites with archeological, historical, religious or unique natural values. An Environmental Management Plan (EMP) was prepared and publicly-disclosed to address issues pertaining to environmental and physical cultural resources.

There was compliance with environmental safeguards during implementation (ICR, paragraph 69). The ICR notes that good practice in workers and community health and safety was maintained, and there were no worksite accidents during implementation. The project complied with the safeguards on physical cultural resources. The ICR also notes that when the project closed, there were no outstanding environmental issues.

**Involuntary Resettlement.** Land acquisition was expected for activities associated with constructing the Bac Son - Nam East West Link Road (PAD, paragraph 48). Preliminary survey results indicated relocation of 3,307 households or 12,605 persons living in 13 communes/wards of five urban/rural districts. A Resettlement Policy Framework (RPF) was prepared and publicly-disclosed at appraisal. The Project Management Unit of Regional Transport Works (PMURTW) also identified potential resettlement sites covering an area of 37.5 hectares (ha). Land acquisition for these resettlement sites was expected to affect an additional 871 households (4,233 persons). A standalone Resettlement Plan (RP) for the affected people was prepared and publicly disclosed at appraisal (PAD, paragraph 54).

The ICR (paragraph 71) notes that there was compliance with social safeguards during implementation, although significant delays in land acquisition and resettlement activities contributed to implementation delays. The ICR notes that complaints raised by Project Affected Persons (PAPs) were addressed in a timely fashion by the Grievance Redress Mechanism (GRM). By October 2019, 109 cases were resolved, with three outstanding cases remaining. Two cases were resolved when the project closed. The ICR (paragraph 71) notes that one resettlement case which was outstanding at project closure, was resolved as of October 1, 2020.



**b. Fiduciary Compliance**

**Financial management.** An assessment of the Haiphong Project Management Unit of the Ministry of Regional Transport Works (PMURTW) was conducted at appraisal. This assessment concluded that financial arrangements were satisfactory (PAD, paragraph 46). The financial risk was rated as medium, as the PMURTW had no experience with IDA funded projects. Mitigation measures incorporated at design, included developing a draft Project Financial Management Manual and training the relevant PMURTW staff.

The ICR (paragraph 73) notes that financial management was rated as either satisfactory or moderately unsatisfactory for most of the project implementation period. The ICR notes that in the initial years, there were delays and inaccuracies in setting the accounting software, delays in submission of interim financial reports (IFRs), and delays in payments to contractors. To overcome this, on the job training was provided to the staff of the PMURTW during Bank supervision missions. The ICR notes that annual project audit reports were provided in a timely fashion since then and the audits were unqualified.

**Procurement.** A procurement capacity assessment of the PMURTW conducted at appraisal, concluded that the procurement arrangements were satisfactory (PAD, paragraph 47). However, PMURTW had no prior experience with IDA-funded projects. The mitigation measures incorporated at design, included targeted training and capacity building of the staff of PMURTW.

The ICR (paragraph 74) notes that procurement management was rated as moderately satisfactory during implementation. The ICR notes that procurement for goods, services, and works was carried out under international competitive bidding. However, there were procurement delays which affected the procurement rating during implementation. The ICR notes that PMURTW staff were trained by the Bank procurement specialist during implementation.

There were two Integrity Vice Presidency (INT) investigations on allegations of corruption, fraudulent, coercive and obstructive practices in connection with the Bank-financed contracts in Vietnam (ICR, paragraph 75). The investigations conducted during 2014-2015, examined whether firms working on contracts in Vietnam and East Asia had engaged in World Bank sanctionable practices. This investigation affected the firm awarded with the M&E consultancy contract for this project in 2013. The ICR (paragraph 75) notes that this investigation influenced the task team's decision not to renew the M&E contract to the firm.

**c. Unintended impacts (Positive or Negative)**

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**d. Other**

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**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
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Outcome	Moderately Satisfactory	Moderately Satisfactory
Bank Performance	Satisfactory	Satisfactory
Quality of M&E	Modest	Modest
Quality of ICR	---	Substantial

## 12. Lessons

Following lessons are taken from the ICR with some modification of the language:

**1. Appropriate measures need to be incorporated at design to ensure compliance with environmental and social safeguards.** This project faced significant delays during implementation, due the difficulties associated with counterpart funding for land acquisition and resettlement activities. The lesson from this is that future projects need to raise the visibility of situations where land acquisition and resettlement activities are involved, and intensify additional supervision efforts towards resolving these issues. This is especially so for projects classified as Category A (full assessment) projects.

**2. M&E framework need to be comprehensive and incorporate all features of project activities.** Given that project activity on the construction of a new urban arterial road was in areas of urban agglomeration with heavy pedestrian traffic, the M&E framework could formally have incorporated a key outcome indicator for monitoring road safety incidents. Further, where the M&E framework at design had shortcomings (unclear methodology) as in this project, they could have been identified and addressed during project implementation.

**3. Urban transport components need to include a more robust set of measures to amplify the demonstrative effect of interventions.** This project provided technical inputs for supporting the creation of a Public Transport Unit (PTU) within the Department of Transport. The efforts to improve the fleet, operations and infrastructure could have been articulated as part of a broader public transport strategy. This aspect of design is particularly important given growing urbanization in many countries in Africa and Asia.

## 13. Assessment Recommended?

No

## 14. Comments on Quality of ICR

The ICR is clear. The analysis provided in the ICR on shortcomings in the M&E design under this urban transport project is exemplary. The ICR also candidly discusses the issues associated with land acquisition and resettlement, which contributed to significant delays during implementation. The theory of change articulated in



the ICR provides a good analysis of the links between project activities, outputs and outcomes. It also specifically notes the assumptions under which these outcomes are likely to be realized.

There were a few shortcomings in the ICR: (i) it provides no information on whether there are risks to development outcomes (although this information was subsequently provided by the team); (ii) the table on "Project Cost by Component" in Annex 3 is incomplete and erroneous on actual costs that should add up to US\$254.1 million; and (iii) the ICR does not provide justification of the overall outcome rating of MS in Section D, based on the table with ratings.

**a. Quality of ICR Rating**  
Substantial