Second Transport Sector Loan for National Road Network Improvement

Background and Necessity
Vietnam has relied greatly on roads for domestic traffic. 74.3 percent of freight transport and 92.1 percent of passenger transport were made on roads as of 2011. Especially in recent years, there has been a rapid increase in traffic on roads including highways, which connect big cities and provincial cities. The pavement rate of its road networks, including national roads, provincial roads/regional roads and village roads (rural roads), stayed at 57.3 percent (2007). Many of the roads and bridges need to be widened, renovated and repaved, not only because they have not fully maintained and repaired over the years, but also because there has been an increase in traffic and heavy vehicles. Aging and less strong bridges on the national roads and provincial roads have become a bottleneck in smooth logistics network. They have become an issue from a perspective of promoting industrial development and foreign investments from Japanese companies and others. Besides this, in the provincial areas, traffic on those bridges is often blocked by damages due to inundation and flood disasters in the rainy season, and this problem has disturbed the lives of local people. Roads and bridges are the major modes of transportation in Vietnam. It is also necessary to rehabilitate the bridges on the national roads and provincial roads from a perspective of traffic safety and stronger connectivity within the ASEAN/Mekong region.

Objective and Summaries
The objective of the Project is to improve the national road network, to strengthen transport capacity, and to improve safety by replacement or reconstruction of deteriorated bridges, thereby contributing to efficient logistic network including ASEAN and Mekong region connectivity and social economic development in urban and rural areas.

Loan funds will be allocated for the civil engineering work, equipment and materials needed to repair and replace high-priority bridges connecting the country’s national highways and provincial roads. Funds will also go to consulting services to develop a more efficient bridge maintenance system.

Candidate bridges will be selected based on economic value. Factors such as traffic volume and road importance, as well as the impact on regional economic development will be considered. Priority will be determined by technical requirements and urgency including load limits, road width and construction date.

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Planned Implementation Schedule
(i) Completion of project: July 2017 – when the facilities are put into service
(ii) Issuing of letters of invitation for consulting services: April 2013
(iii) Tender announcement of initial procurement package for local competitive bidding on project construction: May 2013