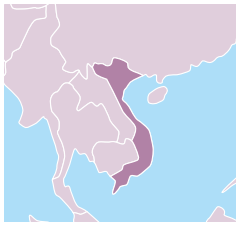
Asia Vietnam



National Highway No.1 Bridge Rehabilitation Project (I-1) (I-2) (I-3) (II-1) (II-2) (II-3)

Contributing to more efficient road transport in Vietnam by rehabilitating and replacing bridges

【External evaluator】
Vietnam-Japan joint evaluation study team 2007*1

Rating

Effectiveness, Impact	a	Overall rating A
Relevance	a	
Efficiency	a	
Sustainability	b	

Project Objectives

To improve road traffic along National Highway No. 1 by rehabilitating and replacing 62 of its aging bridges, thereby contributing to regional development and better living standards.

Outline of the Loan Agreement

- Loan amount / disbursed amount: 35,853 million yen / 31,562 million yen (total)
- Loan agreement: January 1994 (Phase I-1)
- Terms and conditions: Interest rate: 2.3% (I-1: 1.0%; I-2 and II-3: a combination of 1.8% and 0.75%); repayment period: 30 years, including a 10-year grace period (parts of II-3: 40 years, including a 10-year grace period); tied status: partially tied (II-2: general untied; II-3: general untied [consulting services: bilateral tied])
- Final disbursement date: October 2006 (Phase II-3)
- Executing agency: Project Management Unit No. 18 (PMU18), Ministry of Transport (MOT)
- Website URL: http://www.mt.gov.vn/eDefault.aspx?tabid=8

Reductions in travel times and improvements in average travel speeds

Sections along National Highway No. 1	Before the project		After the project	
	Travel time	Average travel speed	Travel time	Average travel speed
Lang Son - Hanoi (170 km)	5h	34km/h	2.5h	68km/h
Dong Ha - Nha Trang (630 km)	21h	30km/h	10h	63km/h
Nha Trang - Ho Chi Minh City (550 km)	18h	31km/h	9h	62km/h

Source: PMU18

Effects of Project Implementation (Effectiveness, Impact)

After the completion of this project, travel time on National Highway No. 1 fell by half and average travel speed doubled on National Highway No. 1. For example, the travel time between Dong Ha and Nha Trang (630 km) dropped from 21 hours to 10 hours, while the average travel speed for the same section rose from 30 km/h to 63 km/h. The annual average daily traffic for 2006 between Dong Ha and Hue and the subsection between Hue and Da Nang fared well, recording 170% and 300% of the planned values, respectively. However, the same data fared badly in most sections and subsections along the highway (20-60% of the planned values). Major factors for this may include overestimated traffic demand forecasting, and some discrepancies between the traffic monitoring points for the planned values and those for the actual values. Overall traffic on National Highway No. 1 has been on the rise.

A total of 27 provinces / municipalities along the highway sections covered by this project have been experiencing rapid industrial development. A total of 55 industrial parks are already in operation and 34 others are in the works in these provinces / municipalities (with a total population of 44 million or half of the national population). A beneficiary survey of residents and enterprises along these sections has shown that improvements in transportation, logistics and socioeconomic conditions, as well as increased business opportunities, are among the recognized positive changes resulting from the project. Negative changes that have been noted in the survey include an increase in traffic accidents and increased flood hazards in the rainy season due to poor drainage associated with this project.*2

Therefore, this project has largely achieved its objectives and its effectiveness is high.

Relevance

This project has been highly relevant with Vietnam's national policies and development needs at the times of both appraisal and ex-post evaluation.

Efficiency

The project period was longer than planned while the project cost was lower than planned; therefore the evaluation of efficiency is moderate. The project completion was two years and ten months behind schedule. It cost less than planned although additional works resulted in more outputs than expected. Yet the period needed to produce the planned outputs was almost the same as the planned duration.

Sustainability

No major problems have been observed with the technical and structural aspects of the executing agency or the organizations responsible for the operation and maintenance (O&M) of the highway. However, O&M budget allocations should be increased to reasonable levels. Therefore, the sustainability of this project is fair.

Conclusion, Lessons Learned, Recommendations

In light of the above, this project evaluated to be highly satisfactory. The evaluation team proposes three recommendations. First, it is necessary to build the capacity of the executing agency and organizations responsible for land acquisition and the resettlement of the residents, especially that of local governments. Second, road authorities should take measures to ensure traffic safety in both physical (e.g., grade-separation of intersections) and non-physical (e.g., information campaigns) forms. Third, continued efforts should be made to secure financial sources for O&M, including the setting up of a fund dedicated to road maintenance.

*1 The ex-post evaluation of this project was conducted jointly with the Ministry of Planning and Investment (MPI) and the Ministry of Transport (MOT) of Vietnam, together with the Hanoi - Ho Chi Minh City Railway Bridge Rehabilitation Project (I) - (III) and the National Highway No.5 Improvement Project (I) - (III). The joint evaluation team for this project is made up of eight members, including seven Vietnamese evaluators (from MPI, MOT, the executing agency and other organizations concerned, and an evaluation consulting firm) and Keishi Miyazaki, an external evaluator from OPMAC Corporation of Japan.

*2 These changes are considered part of the combined impact of road rehabilitation projects for National Highway No. 1 by the World Bank and the Asian Development Bank and this project.