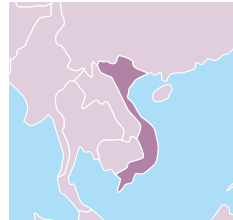




# Hanoi - Ho Chi Minh City Railway Bridge Rehabilitation Project (1) - (3)

Asia **Vietnam**



Contributing to better safety and reliability of railway services between Hanoi and Ho Chi Minh by replacing aged bridges

**[External evaluator]**

Vietnam-Japan joint evaluation study team 2007\*

Rating		Overall rating <b>A</b>
Effectiveness, Impact	a	
Relevance	a	
Efficiency	a	
Sustainability	b	

**Project Objectives**

To provide safe and reliable train services and to improve the transport efficiency by replacement or reinforcement of nine deteriorated railway bridges along the Hanoi-Ho Chi Minh City railway line which need urgent safety countermeasures, thereby improving the transport of goods between the north and south and contributing to the development of regional economies.

**Outline of the Loan Agreement**

- Loan amount / disbursed amount: 11,437 million yen / 9,332 million yen (total)
- Loan agreement: January 1994 (I)
- Terms and conditions: Interest rate: 1.0% (1.8% for Phase II, 2.3% for Phase III); 30-year repayment period (including a 10-year grace period); general untied
- Final disbursement date: July 2005 (Phase III)
- Executing agency: Vietnam Railways Corporation (VNR)
- Website URL: <http://www.vr.com.vn/English/>

**Effects of Project Implementation (Effectiveness, Impact)**

After the completion of this project, the travel time between Hanoi and Ho Chi Minh was reduced 20% or by 7 hours from 36 hours to 29 hours. The speed limit for the target bridges increased significantly, from 15 to 30 km/h to 60 to 80 km/h. Above all, the project increased the structural strength of the target bridges, enhancing the safety and reliability of railway services. Between 1994 and 2006, the passenger traffic volume of the Hanoi - Ho Chi Minh line rose significantly; 60% in terms of the number of passengers and 210% in terms of passenger-kilometers. Likewise, the freight traffic volume grew 60% in terms of tons and 140% in terms of ton-kilometers. The number of trains per day on the same section in both directions increased three-fold, from four in 1993 to 12 in 2007.

The 21 provinces / municipalities along the Hanoi - Ho Chi Minh line with a total population of 38.4 million or about 46% of the national population have been experiencing rapid industrial development. A total of 46 industrial parks are already in operation and 24 others are in the works in these provinces / municipalities. Some impacts include development of tourism in the southern central coastal region, especially Nha Trang, one of the most famous beach resorts in the country, and private sector participation in the railway passenger and freight sectors. According to a beneficiary survey, 93% of the passengers are satisfied with the current railway services, citing shortened travel times, comfortable train rides, and enhanced safety.

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. The Hanoi - Ho Chi Minh line is extremely important, accounting for 80% of the passenger traffic and 60% of the freight traffic of the entire railway system of Vietnam as of 2007.

**Efficiency**

The project period took much longer (6 years) than planned while the project cost was less than planned despite the inclusion of additional works; therefore, the evaluation of efficiency is moderate. It should be noted that the period needed to produce the planned outputs was almost the same as the planned period.

**Sustainability**

Although no major problems have been observed with the capacity of the executing agency nor its operation and maintenance system, the O&M budget is not at reasonable levels; therefore, sustainability of this project is fair.

**Conclusion, Lessons Learned, Recommendations**

In light of the above, this project is evaluated to be highly satisfactory. The evaluation team proposes three major recommendations to Vietnam Railways (VNR). First, they should upgrade project planning and design capabilities to international standards. Second, they should increase procurement management capacity. Third, they should continue efforts to secure financial sources for the operation and maintenance.



Interviews with officials at the People's Council of Binh Thuan Province



Interviews with passengers at Hue Station

\* The ex-post evaluation of this project has been conducted jointly with the Ministry of Planning and Investment (MPI) and the Ministry of Transport (MOT) of Vietnam, together with the National Highway No.1 Bridge Rehabilitation Project (I-1) (I-2) (I-3) (II-1) (II-2) (II-3) and the National Highway No.5 Improvement Project (I) - (III). The joint evaluation team for this project has ten members, including eight 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.