

CTF Vietnam Ha Noi Sustainable Urban Transport Program
ADB Responses to UK Queries
23 October 2014

- Assurance that MAC analysis has been carried out to look at the full range of options for decarbonising the Hanoi public transport system and that the interventions included in this project have been prioritised accordingly?

ADB: Yes, MAC analysis covers the full range of options. Interventions have been prioritized considering MAC as well as other urban transport design considerations. The Hanoi Sustainable Urban Transport program is focused on the infrastructure investments including urban rail, buses, and related accessibility and connectivity investments. Other developments are proceeding in parallel, e.g., increasing sales of electric 2-wheelers and hybrid cars, bicycle sharing scheme, and pedestrianization of inner city streets. The policy component will further develop and implement strategies to discourage private vehicle usage, including parking restrictions, improved enforcement systems and transport pricing increases – through fuel, vehicle or other levies.

- Details of specific **low-carbon** development design choices that have been included in this project as a consequence of CTF funds being provided. Are the bus feeder lines going to be electric, hybrid or other?

ADB: The investment project has been heavily influenced by availability of CTF support. The connectivity design features, such as park and ride, integrated bus information systems, and integration with bus lines, results specifically from CTF availability. Some hybrid buses are proposed to be part supplied and piloted on key routes supporting the project, and closely monitored and evaluated to ensure the expected benefits are clearly recognized, as a means to ensure expansion under future projects.¹ The expansive policy component was a direct result of CTF co-financing.

- Evidence of cross learning that has taken place between this project and the CTF co-funded HCMC transport project. In particular for the capacity building and planning components.

ADB: The Hanoi and HCMC investment programs were both included in the original CTF investment plan and as such have a common design heritage. The capacity building and planning components for each city are similar given the nature of SUT options and policy framework. ADB divisional mission team, sustainable (urban transport) department staff, and other donors are actively involved in both programs and there is *de facto* cross-fertilization among the planning and design components. During the project development under the CTF grant-financed technical assistance, key urban transport and other specialized consultants were the same for both Hanoi and HCMC, so cross-city examples of issues, possible solutions, and

¹ ADB's procurement guidelines generally favor performance-based specifications so that innovative and best available options are not "locked out."

adopted measures were shared at each stage. Inclusion of some policy features in the Hanoi project were a direct result of examples of the HCMC approach (and *vice versa* although to a lesser extent).

- Details of how lesson learning from the project will be captured to ensure the sustainability and replicability of public transport interventions in Ha Noi. In particular through opportunities for private sector actors through PPPs.

ADB: The Hanoi SUT program includes monitoring and evaluation so that lessons learned can readily inform future SUT investments. At the beginning of project implementation, baseline data will be established for the performance indicator and targets for evaluating performance in relation to project's impacts, outcomes, and outputs in the design and monitoring framework. The performance indicators and targets will be measured 6 months and 3 years after project completion, and compared with the baseline data. Public acceptance surveys will also be undertaken to assess public attitudes (i.e. existing and proposed bus services standards, management regulations for carriageways and footpaths) to ensure effectiveness and sustainability of interventions.

CTF funded transport interventions are already included in the ongoing technical assistance for project design of ADB's next planned urban transport investments in Hanoi (and HCMC). The concept stage paper of the future investments (expected in 2017 in Hanoi for Metro Line 3 extension and 2016 in HCMC for MRT Line 5/BRT) include the replication of similar investments as an integrated part of the project design. Other financier supported investments in Hanoi metro system (line 1 and 2) are expected to provide technical assistance to prepare and implement similar investments. CTF financing has clearly been a key factor in city government's recognizing an integrated approach is needed for a comprehensive urban transport solution, rather than usual separate uncoordinated project basis.

The design of one station's CTF funded intervention is phased so it can be expanded through future PPP development once the metro is in operation and passenger volumes are known, which will reduce risk and improve financial viability to potential private sector investors. Other proposed measures will allow concessioning to private sector to operate businesses around three stations, to provide a model for future expansion. Further development of PPPs will depend to a large extent on central and local government financial capacity, which can be supported by donors; considering the large contributions from donors for the ongoing SUT programs, PPPs are an obvious route for reducing the governments' future investment burden.