



First Meeting GMS IMPLEMENTATION PLAN OF GMS 2 PROJECT

28-29 June 2017 • Ha Noi, Viet Nam



PART I: OVERVIEW OF LAO CAI PROVINCES AND ECONOMIC BORDER ZONE

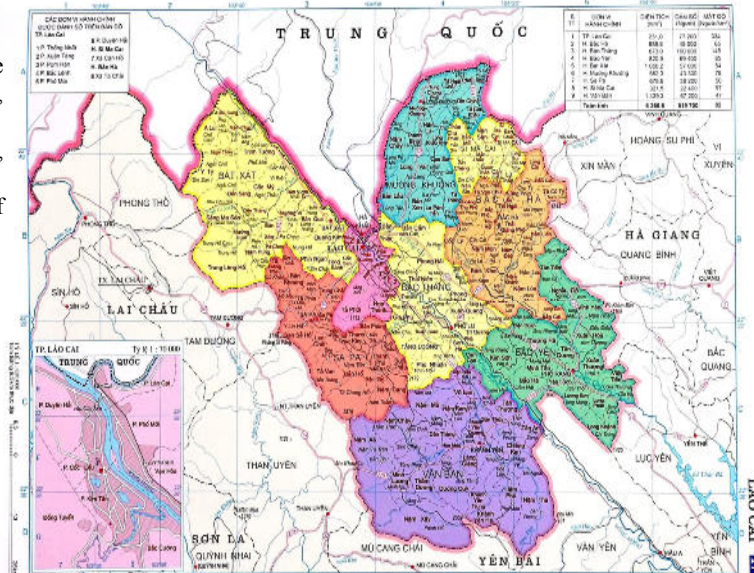
Overview of Lao Cai province

- Lao Cai is a mountainous province in the Northern border area of Vietnam, 6.389km²; 25 ethnic groups;
- Length of border line with Yunnan, China: 182.086 km
- Population: 659.600 peoples (2013), of which ethnic groups accounts for 64.09%.

Tỷ lệ dân tộc



- Dân tộc Kinh 35,91%
- Dân tộc thiểu số 64,09%



- Administrative Units: 08 districts, 01 city, 164 communes and towns, of which 125 communes at difficult situation and 06 districts are classified under the Program 30a and Decision 293/QĐ-TTg of the Vietnam Prime Minister.



PART I: OVERVIEW OF LAO CAI PROVINCES AND ECONOMIC BORDER ZONE

Lao Cai is the Gateway of Vietnam to ASEAN and Southwest of China

Lao Cai is « the Gateway » of Vietnam and ASEAN to access the market in Yunnan province (45 million people) and the vast North area of China, center point of the GMS North – South Corridor.



Boundary Point



Lao Cai International Border Gate



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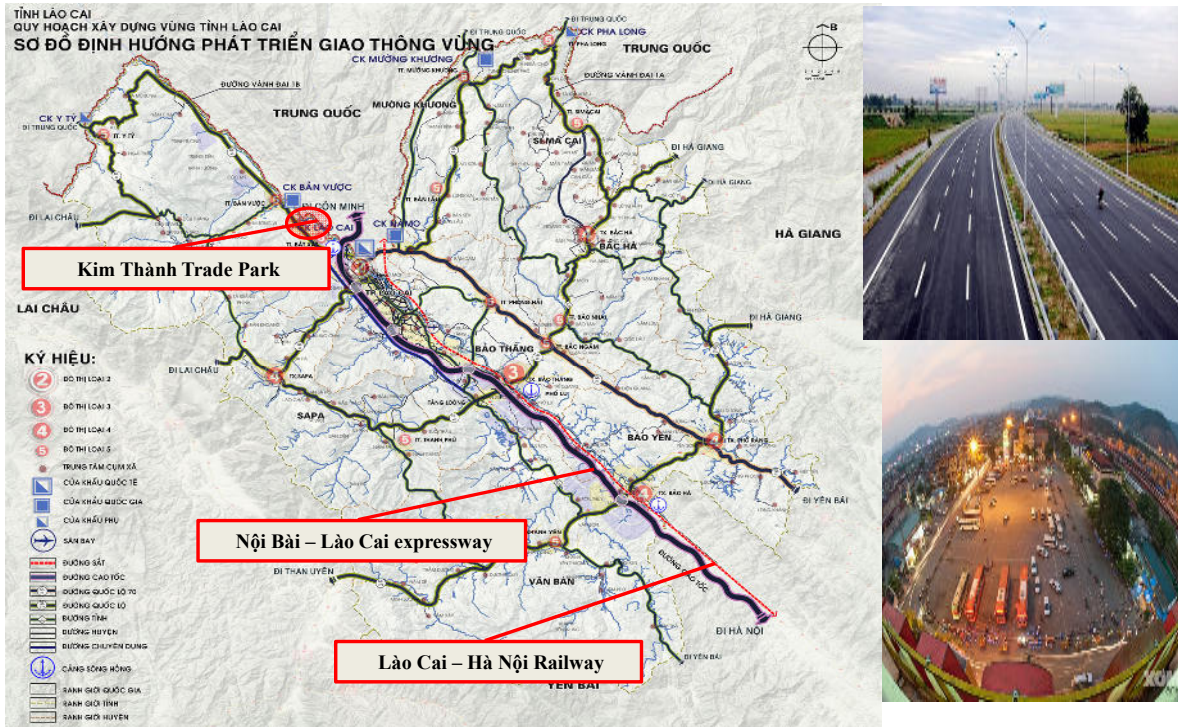
Special position of the Lao Cai Border Economic Zone between the Kunming–Lao Cai – Hai Phong Economic Corridor.





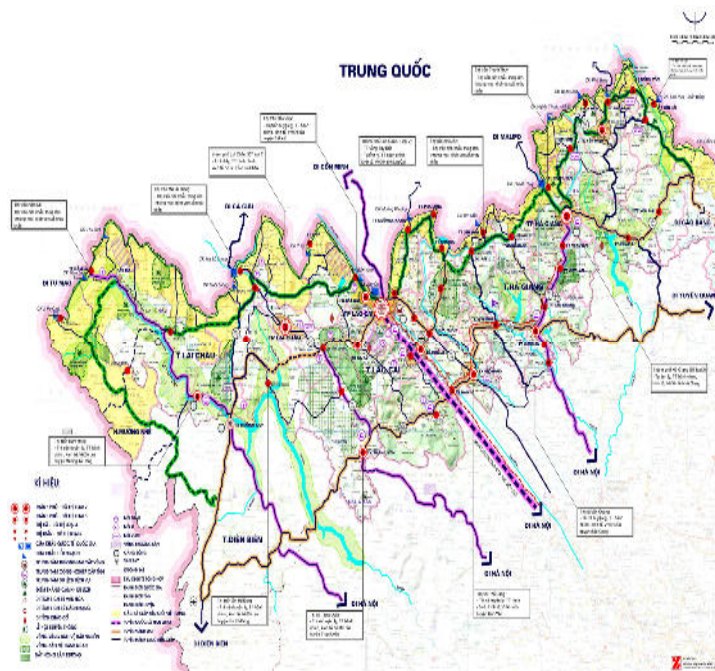
PART I: OVERVIEW OF LAO CAI PROVINCES AND ECONOMIC BORDER ZONE

Invested regional and international linkages of infrastructure system



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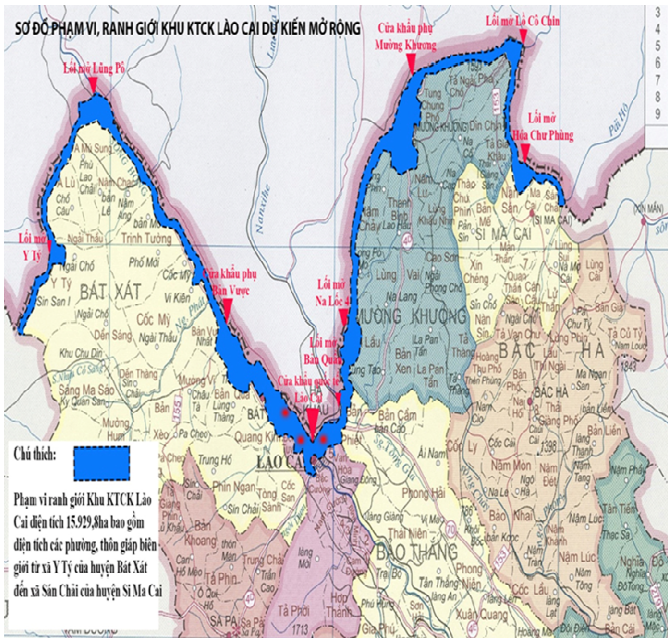
Strategic role of Lao Cai Border Economic Zone in GMS Connectivity



The distance between Kunmin (capital of Yunnan, China) and Hai Phong sea port would have a length of 854 km if travel through Lao Cai by railway and road. While the shortest domestic railway line to Phong Thanh port (China) lengthen more than 1,800km. The Kunmin – Lao Cai – Hanoi – Hai Phong route is the shortest way for transiting goods from Yunnan (China) to Vietnam and third countries. Therefore, it is considered as the arterial road connecting the Southwest of China to Hai Phong sea port thru Lao Cai. This is the closest door of the West of China to access markets of other countries and in the region.



**PART II: DEVELOPMENT DIRECTION OF
LAO CAI BORDER ECONOMIC ZONE**

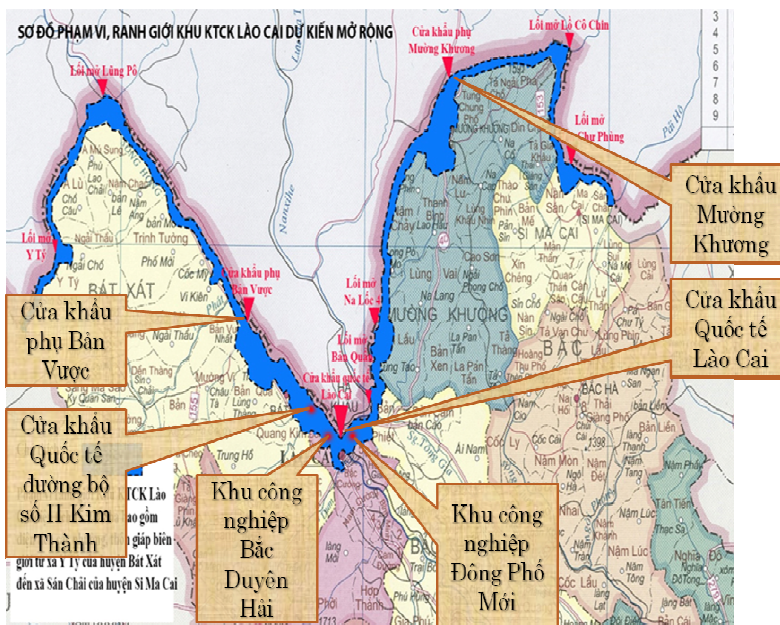


- The Prime Minister decided to select Lao Cai Border Economic Zone as one of 09 **Border Economic zones to be strongly invested in the period from 2016 to 2020.**

- Objectives: To make Lao Cai Border Economic Zone to become a **motivation economic zone** and world-class border economic zone in the context of international integration of Vietnam.



**PART II: DEVELOPMENT DIRECTION OF
LAO CAI BORDER ECONOMIC ZONE**



Development orientation of Lao Cai Border Economic Zone:

- (1) To make Lao Cai Border Economic Zone to become a **core goods transiting center** of Mekong Sub-region countries, ASEAN, China...;
- (2) A regional and international modern **logistics** center;
- (3) **Connecting** to the system of harbours, terminals, railway stations, roads, international border gates, industrial zones...;
- (4) Function as **the nucleus** and “the bridge” to connect Vietnam, ASEAN with the vast market in southwest area of China.



PART III: INVESTMENT NEEDS AND RECOMMENDATIONS

While the investment needs for the socio-economic development targets of Lao Cai Province toward 2022 are huge and critical, the Central and local funding budgets are limited. Therefore, to achieve the set out targets, Lao Cai Province is looking forward to receiving the concerns and investments from ADB with the estimated investment funds of about US\$ **200,000,000**



PART III: INVESTMENT NEEDS AND RECOMMENDATIONS

The Proposed investment categories:

1. Construction of a centralized goods checking area with adequate technical infrastructure and technical facilities serving for management and enhance capacity of the customs forces in charge of import and export goods controlling through Border Gate and Openings.
2. Investment to complete the technical infrastructure systems of the Border-gates, Opening areas and industrial parks within Lao Cai Border-gate Economic zone; Supporting for state management of goods import and export; Supporting for the export-import enterprises in terms of trade security, goods preservation in a right and sufficient manner (transport system improvement, ie. expanding Kim Thanh-Ngoi Phat road, and connecting routes within the Border Economic Zone; power supply, water supply and fencing system...)
3. Construction of a non-tariff zone in Ban Qua - Bat Xat (in replacement of Kim Thanh Commercial - Industrial Park): to serve the processing, import and export of goods for the enterprises, organizations and individuals (ie. Investments in infrastructure system: roads, power supply, water supply ...)



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OVERVIEW

Kunmin – Lao Cai – Hanoi – Hai Phong Economic Corridor is the arterial road connecting north mountainous provinces of Vietnam and west provinces of China, and creating a zone with a stable economic growth, 02 economic growth poles namely Kunmin and Hanoi, spreading points and spreading routes.



Thanks for important position in the economic corridor, 03 towns: Sa pa Town (Lao Cai), Bac Giang City (Bac Giang) and Mong Cai City (Quang Ninh) are selected by ADB to be financed to implement the GMS2 Project, period from 2016 to 2020.



GOAL OF THE PROJECT

Improve urban services in selected towns (Sa Pa, Bac Giang, Mong Cai) to promote economic development and trade connection among provinces located in the economic corridor

SCOPE OF THE PROJECT

Total investment for the project is US\$ 122.21 million, of which, US\$ 100 million from ADB fund and US\$ 22.21 million from the counterpart fund. The project comprises 03 sub-projects:

1

Bac Giang Sub-Project: US\$ 40.51 mil. Investments cover: Developing the urban traffic net (newly building 3.2 km of urban roads, and 01 bridge across Thuong River); Improving drainage system and environmental sanitation

2

Mong Cai Sub-Project: US\$ 40.07 mil; Investments cover: Drainage and waste-water treatment; riverside protection works and dredging for Ka Long River.

3

Sa Pa Sub-Project: US\$ 41.9 mil; Investments cover: Upgrading 14.3 km of route 152; Building 02 WWTPs in Sa pa Town; Upgrading urban infrastructure; and elaborating Green City Action Plan for Sa Pa



IMPLEMENTATION PLAN – BAC GIANG SUB-PROJECT

1

Sub-component: Urban Traffic network development:

- Building Tran Quang Khai road which is 1.6km long and a 365m long overbridge
- Building a northeast 1.6 km long beltway, meeting urban road standards

2

Sub-component: Drainage and environmental sanitation improvement:

- Dredging of canals, improving drainage capacity, newly building 02 pumping stations in two locations to protect Bac Giang from periodic flooding due to storm-water
- Upgrading 4 ponds, dredging, building lake embankment, increasing capacity of existing wastewater treatment plant from 10,000 m3/day to 20,000 m3/day, protecting Thuong River from pollution

Now, Bac Giang is preparing for bidding procedures for foresaid works that are going to be begun constructing in late 2017 and fully completed in 2020.



IMPLEMENTATION PLAN – SA PA SUB-PROJECT

1

Sub-component: Upgrading Route 152: Improving 14.3 km of rural road, standard of rural road class 5 (6.5m wide road-bed, 5.5m wide asphalted surface)

2

Sub-component: Construction of Waste Water Treatment System: Building waste water collection system and 02 WWTPs to ensure waste water treatment in Sa Pa

3

Sub-component: Sa Pa urban infrastructure improvement: undergrounding overhead cables, upgrading pavements, sidewalks for 11 urban routes, building road junctions for viewing scenes, and building a public lighting system in Sa Pa

4

Sub-component: Green City Action Plan for Sa Pa

Now, procurement procedures for civil works are being performed. In the plan, they will be started building in late 2017, early 2018, and fully completed in 2020.



IMPLEMENTATION PLAN – MONG CAI SUB-PROJECT

1

Sub-component: Drainage and waste water treatment:

- Building underground 5m long culverts to ensure drainage capacity and solve flooding situation in some parts of the city.
- Building a waste water collection system and 02 WWTPs for 02 basins of Ka Long River (in the east and te west); total capacity: 12,000 m3/day

2

Sub-component: Embankment and dredging Ka Long River: Building 02 embankments, 2.5km long, along 2 sides of Ka Long River, dredging for flood protection and improved shipping access.

Now, Mong Cai is preparing for bidding procedures for foresaid works that are all going to be begun constructing in early 2018 and fully completed in 2020.



BRIEF REMARKS

ADB financed GMS2 Project has been implemented in due course, and is expected to be completed by 2020; helping corridor province to:

- Facilitate localities to attract more investments, transfer new technologies, effectively take advantages of natural resources and human resources for economic development.
- Develop border economic zones, business centers and border markets
- Promote cooperation in institutional , cultural and tourism activities between Vietnam and China

Bac Giang, Quang Ninh, and Lao Cai would like ADB to continue your kind cooperation and support for us for the rest time of GMS 2 Project and consider an AF for the next period.

As for Lao Cai, we would like to propose the Project “Lao Cai Border Economic Construction” for ADB review

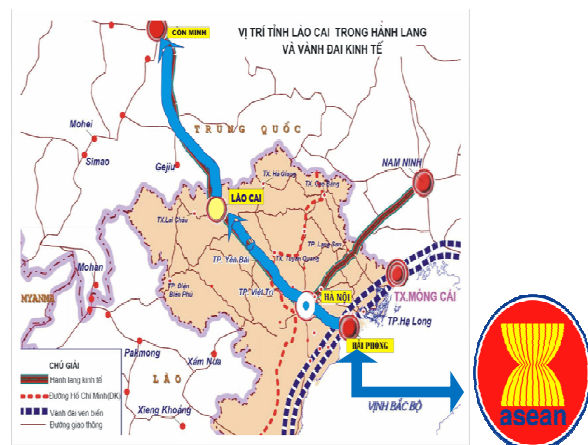


PROPOSAL ON LAO CAI BORDER ECONOMIC ZONE

Lao Cai is « the Gateway » of Vietnam and ASEAN and Lào Cai to access the market in Yunnan province (China, 45 million people) and the vast North area of China.

Objectives: To make Lao Cai Border Economic Zone to become a **motivation economic zone** and an **international class border economic zone** in the context of international integration of Vietnam.

Lao Cai proposes ADB to invest into following works:



1. Building a common checkpoint for all goods: equipped with infrastructure and equipment/tools for checking goods

2. Building logistics area: to keep and preserve goods in good manner during waiting time at the border gate.

3. Build a non-tariffs zone in Ban Qua commune: to process and produce goods for companies, organizations or individuals.





THANK YOU!