



Credit agreement signed to support more efficient transport in northern Vietnam

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January 14, 2014 - The State Bank of Vietnam and the World Bank today signed a credit of US\$ 250 million to improve the efficiency and sustainability of the road asset management and maintenance practices in Vietnam. The funding, to support the Vietnam Road Asset Management Project - VRAMP, will come from the International Development Association, the World Bank Groups funding resource for low income country. "The road sector has significantly contributed to Vietnams recent rapid socioeconomic development by providing basic access for communities to markets, education, and health facilities, connecting provinces to national centers and reducing the cost of moving people and goods across the country, said Victoria Kwakwa, the World Bank Country Director for Vietnam. "The Project that the World Bank is supporting today will further contribute to the improvement and maintenance of the existing road network to maintain Vietnams strong economic performance, local business development, and improved social capital. The Australian Government will also provide 1.7 million Australian dollars to this project through a Trust Fund, managed by the World Bank, to the development and implementation of a comprehensive Road Asset Management System. Australia is providing assistance to Vietnam to build much needed transport infrastructure that will connect farmers and manufacturers to both domestic and international markets, said Australian Ambassador Hugh Borrowman. "Australias support for the VRAMP project will complement this assistance by helping establish a system that will monitor the condition of roads and bridges throughout Vietnam and prioritize maintenance to ensure a long and safe service life. Apart from the Road Asset Management System, the Project will help advance the reform agenda with increased usage of performance-based contracts and support the performance of the Road Maintenance Fund. It is anticipated that successful implementation of the VRAMP will lead to a more effective road preservation strategy, a more optimal road asset management, and the efficient programming of road network operations. The project will directly benefit road users in 13 provinces in northern Vietnam that will be improved and maintained under the project. Improvement and preventive maintenance of these sections will result in reduced vehicle operating costs, a reduction of travel time, and a reduction in road accidents due to improved road safety features. It will improve critical links in the national highway network and increase efficiency of public expenditure on road asset management through targeting of funding to sections of the highway network that are most in need.

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