



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
VIETNAM LOGISTICS STATISTICAL SYSTEM
APPROVED ON SEPTEMBER 12, 2016
TO
SOCIALIST REPUBLIC OF VIETNAM

MACROECONOMICS, TRADE AND INVESTMENT

EAST ASIA AND PACIFIC

Regional Vice President:	Victoria Kwakwa
Country Director:	Ousmane Dione
Global Director:	Marcello De Moura Estevao Filho
Practice Manager/Manager:	Deepak K. Mishra
Task Team Leader:	Duc Minh Pham, Brian G. Mtonya, Charles Kunaka



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BASIC DATA

Product Information

Project ID	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 12-Sep-2016	Current Closing Date 26-Sep-2019

Organizations

Borrower Ministry of Transport	Responsible Agency Transport Development and Strategy Institute
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

Project Development Objective (PDO)

Original PDO

The development objective of this project is to establish a logistics statistical system to support strategic planning, evidence-based policy making, and monitoring the implementation of policies related to logistics in Vietnam. This would



be achieved through the establishment of a national system for collecting, processing and publishing logistics statistics on an annual basis in Vietnam.

Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-A4566	12-Sep-2017	26-Sep-2017	26-Sep-2017	26-Sep-2019	.50	.25	.25

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. The status of the project implementation

The grant was approved by Bank management on September 12, 2016, and the grant agreement was only countersigned by the client on September 26, 2017. The current closing date for the grant is September 26, 2019.

Despite the initially delays in signing and effectiveness, the project has recently been progressing well both in terms of procurement and disbursement (see below). Disbursement currently stands at 50.7 percent.

1. Component 1: Developing standardized logistics indicators and the methodology of collection, processing, and reporting logistics data on annual basis. All four individual consultant positions for Vietnam Logistics Statistical System (VLSS), namely IT and system expert (VLSS-Individual Consultant 1or VLSS-IC1), analysis and data expert (VLSS-IC2), transport and logistics consultant (VLSS-IC3), and transport and logistics statistics consultant (VLSS-IC4) have been hired, and the consultant services have been effectively used in accordance with the respective terms of reference. All contracts of local individual consultants have delivered required deliverables and will end by September 2019 as scheduled.

2. Component 2 and 3: Conducting one comprehensive pilot survey to collect data in accordance with the guidelines provided from the Component 1, preparing and disseminating the pilot annual report on logistics statistics. The largest contract (VLSS Firm 1 or VLSS-F1) costs US\$285,460 or 57.3 percent of the total cost, which is for a national field survey to collect data for the proposed logistics statistical system has been awarded in April 2019. The survey sample size covers 1,200 enterprises which belong to mining, manufacturing, and wholesales sectors in north-west, north-east, red-river delta, northern central, south-central coast, central highlands, south-eastern and Mekong delta regions. It has been proposed to conduct field-visit data collection (i.e., face-to-face interview) for 600 enterprises and survey another 600 enterprises using self-administered modes (i.e., mail/email-based survey). As of September 16, 2019, 960 enterprises out of 1,200 enterprises have been surveyed, in which 70 interviewed directly and 890 conducted by self-administered modes.



The project management is now focused on conducting remaining number of direct interviews and prepares for survey report.

The second package (VLSS-F2) under Component 3 costs US\$50,900 to collect and analyze key clustered-based freight flow data. The contract was signed from March 8, 2019. The survey report was circulated for comments, which were incorporated. The modeling report and final report have been prepared and submitted for review and comments and will be completed shortly.

3. The implementation status of Component 4: Project implementation support and capacity building:

This component which provides training and capacity building for project implementing agencies and independent audit for the project is progressing well. The project auditor was contracted and for the period from February 2019 to July 2020. Subject to the project extension, this contract will be extended to April 2021 and the amount will be adjusted due to the extension.

4. Other activities supporting project implementation. A framework agreement was signed in early 2018 (valid until December 31, 2019) between the World Bank and the OECD/International Transport Forum (ITF) for OECD/ITF to provide technical assistance to Transport Development Strategy Institute (TDSI) of Ministry of Transport in implementing the project. An international consultant based in the region was also engaged directly by the Bank to provide direct technical support to TDSI and ensure close technical support. The OECD/ITF has provided technical support to TDSI through an initial kick-off mission and subsequent implementation support missions that were jointly conducted with World Bank's team to develop key transport and logistics indicators, sources of transport and logistics data, sample selection and survey methodology.

B. Rationale for restructuring:

The grant was approved by Bank's management on September 12, 2016, and the grant agreement was countersigned by the government on September 26, 2017. This resulted in delayed implementation of agreed activities. Despite the initially delays in starting the project implementation, the project has recently been progressing well both in terms of procurement and disbursement. The project team has been working closely with the client in recent months to expedite the project implementation by providing technical assistance from OECD/ITF and an international consultant based in the region.

Progress has been made in the following areas: (i) development of key transport and logistics indicators, (ii) sources of transport and logistics data, (iii) sample selection and survey methodology as well as (iv) implementation of field work and actual data collection. However, there are outstanding activities which include data analysis of the survey data and report writing. Thus, the analysis of the survey data and the building of the database of the VLSS will go beyond the current closing date of September 26, 2019. During the last implementation support mission, the World Bank and the client recognized the need to extend the closing date of the grant in order to ensure achievement of the development objective of the grant and completion of all outstanding activities. Following internal Government of Vietnam processes to formalize the request for extension of the grant, the State Bank of Vietnam sent an official request to the World Bank on September 18, 2019, requesting the extension of the grant closing date to June 30, 2020. With the current disbursement rate at 50.7 percent of the total approved amount, it is projected that once the extension is approved, the disbursement rate should reach at least 80 percent in the next three months and fully disbursed by the proposed new closing date of June 30, 2020.



II. DESCRIPTION OF PROPOSED CHANGES

This restructuring paper is proposing: (i) to revise the PDO to be consistent with the agreed PDO in the Letter Agreement without any changes in substance (the agreed PDO was discussed and agreed with the Recipient at the signing); (ii) a no-cost extension of nine months of the closing date of the grant activity from the current closing date of September 26, 2019, to a new proposed date of June 30, 2020. There is no change in indicators but changes in disbursement estimates and the implementation schedule are being proposed to ensure achievement of the development objective and its indicators. The revised implementation schedule is attached to this paper.

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III. SUMMARY OF CHANGES

	Changed	Not Changed
Project's Development Objectives	✓	
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓



Other Change(s)		✓
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IV. DETAILED CHANGE(S)

PROJECT DEVELOPMENT OBJECTIVE

Current PDO

The development objective of this project is to establish a logistics statistical system to support strategic planning, evidence-based policy making, and monitoring the implementation of policies related to logistics in Vietnam. This would be achieved through the establishment of a national system for collecting, processing and publishing logistics statistics on an annual basis in Vietnam.

Proposed New PDO

The objective of the Project is to enhance the Recipient's capacity in strategic planning, evidence-based policy making, and monitoring and implementation of policies related to logistics development.

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-A4566	Effective	26-Sep-2019		30-Jun-2020	30-Oct-2020

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Year	Current	Proposed
2017	16,656.50	0.00
2018	39,692.50	0.00
2019	62,225.50	417,987.00
2020	118,659.50	79,516.00
2021	172,098.50	0.00
2022	90,667.50	0.00



The World Bank

Vietnam Logistics Statistical System ()

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