

**Socialist Republic of Vietnam  
Ho Chi Minh City People`s Committee(HCMC-PC)  
Management Authority for Urban Railways(MAUR)**

**SAPI for Ho Chi Minh City  
Urban Railway Construction Project  
(Line 1) (Preparation of Management System)**

**Final Report**

**April 2016**

**JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)  
Japan International Consultants for Transportation Co., Ltd.**

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(Appendix 4.3) Response to correction for M/M of 2nd JCC Meeting for “SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City” (Official Letter from MAUR to JICA)

(Appendix 5) Minutes of JCC Meeting – Third Session of Joint Coordination Committee

**ACRONYMS AND ABBREVIATIONS**

Abbreviations	<i>Description</i>
AFC	<i>Automatic fare collection</i>
BS	<i>Balance sheet</i>
C/P	<i>Counterpart</i>
DF/R	<i>Draft final report</i>
DOT	<i>Department of Transport</i>
DPI	<i>Department of Planning and Investment</i>
EP	<i>Establishment plan</i>
F/R	<i>Final Report</i>
FY	<i>Financial year</i>
GC	<i>General Consultant</i>
HCMC	<i>Ho Chi Minh City</i>
HCMC-PC	<i>Ho Chi Minh City -People's Committee</i>
HOUTRANS	<i>Ho Chi Minh Urban Transport Master Plan</i>
IC/R	<i>Inception Report</i>
JCC	<i>Joint Coordination Committee</i>
JIC	<i>Japan International Consultants</i>
JICA	<i>Japanese International Cooperation Agency</i>
JR	<i>Japan Railways</i>
MAUR	<i>Management Authority for Urban Railways</i>
MOD	<i>Minute of Discussion</i>
MOLISA	<i>Ministry of Labor-Invalids and Social Affairs</i>
MOT	<i>Ministry of Transport</i>
MRB	<i>Hanoi Metropolitan Railway Management Board</i>
O&M	<i>Operation &amp; Maintenance</i>
OCC	<i>Operation Control Center</i>
P/R	<i>Progress Report</i>
PL	<i>Profit and Loss</i>
PMU	<i>Project management unit</i>
PTA	<i>Public Transport Authority</i>
PUC	<i>Preparation Unit for Setting up of the O&amp;M Company</i>
QC	<i>Quality Control</i>
RVC	<i>Railway Vocational College</i>
SAPI	<i>Special Assistance for Project Implementation</i>
TC	<i>Technical Cooperation</i>
UMRT	<i>Urban mass rapid transit</i>
VNRA	<i>Vietnam Railway Administration</i>

## 1. Outline of the SAPI

### 1.1 Background of the SAPI

The Population of Ho Chi Minh City (hereinafter referred to as “HCMC”) metropolitan area has increased to 10.54 million in 2010 compared with 6.59 million in 1995. The numbers of registered motorcycle and cars have been increasing substantially, the traffic volume of roads has been increasing accordingly. As the results of that, it causes serious traffic congestion; increase of traffic accidents, deterioration of air pollution and difficulty of the access to urban facilities. It has become the hindrance of the efficient economic and social activities. It will not be easy to provide a good transportation service to citizens without a mass transit system in a megacity as Ho Chi Minh City. Whereas, since it is difficult to upgrade the capacity of public transportation, such as buses and current railway, and in expanding substantially a road network in the central district developed already, The development of a new urban rail network by JICA study entitled “Ho Chi Minh Urban Transport Master Plan” (HOUTRANS, 2004) had been proposed JICA started to support HCMC Urban Railway Construction Project (Ben Thanh - Suoi Tien Section (Line 1)) (hereinafter referred to as “The Line 1 Construction Project”) from FY 2006. JICA has conducted ODA loan 65,189 million yen in total (Phase 1: 20,887 million yen, Phase 2: 44,302 million yen) hitherto.

On the other hand, this is the first urban railway project in Vietnam, the Management Authority for Urban railway (hereinafter referred to as “MAUR”) of the People`s Committee of HCMC (hereinafter referred to as “HCMC-PC”) does not have any experience and knowledge of urban railway operation and maintenance including the establishment of O&M organization. In such circumstances, responding to the request of HCMC-PC, JICA dispatched the Technical Cooperation Team (hereinafter referred to as “TC team”) for “the Project for Support on Setup of Operation and Maintenance Company of Urban Railways in Ho Chi Minh City” (hereinafter referred to as “the TC Phase 1” between March 2011 and March 2013. The TC Team with Counterpart team composed of MAUR members conducted preparation works for establishment of O&M Company and formulated the Establishment Plan for O&M Company (hereinafter referred to as “EP”). The HCMC-PC approved the EP in July 2013.

With a delay of the Line 1 construction work, it was revealed that the opening of service was delayed for at least two years (Originally it was expected to start partially in 2016 at the beginning of TC Phase 1). Therefore, the registration of company during the TC Phase 1 and the increasing of PUC members anticipated during TC Phase 1 has been postponed.

Even though, there remain some issues for the establishment of O&M Company, for example, the procedure for the establishment of a state-owned company and registration of O&M Company. It is required to cope with these issues. In particular, MAUR faces many issues as for rules and regulations regarding the training of train drivers, dispatchers and issuance of the certificate and license to them, further, there are some problems such as the setting of the regulatory organization (regulator agency) to supervise railway business and the supervision territory, that HCMC should cope with.

These are, not limited to a Line 1, and related with issues that the central government should cope with for policies and the legal systems to be equipped in all over the urban railway developed in Vietnam in the future. To analyze deeply these challenges and examine concrete countermeasures for the smooth enforcement and opening of Line I service, the JICA and MAUR agreed to conduct Special Assistance for Program Implementation (hereinafter referred to as “SAPI”) and concluded Minutes of Discussion (MOD) on December 16th, 2013.

## 1.2 Purpose of the SAPI

The management system of urban railways in HCMC is prepared. This survey is intended to provide specific advices for the concerned organization in order to achieve sustainable operation and maintenance in HCMC urban railway Line 1, which is supported by Japan ODA loan, by analyzing the delayed factor of setting up the O&M Company, proposing regulator function of urban railway and regulations for urban railways by formulating concrete countermeasures for them.

## 1.3 Target Area and Relevant Authority for this SAPI

**(1) Target area:** Ho Chi Minh City

**(2) Relevant Authority for this Survey**

① Implementing agency

Management Authority for Urban Railways (MAUR)

② Other Relevant Authority

• Ho Chi Minh City People’s Committee : HCMC-PC

(The Department of Planning and Investment, the Department of Transport, the Department of Finance and the Department of Interior Affairs)

• Viet Nam Railway Administration : VNRA

## 2. Contents of Action

### 2.1 Positioning of the SAPI, Main Actions and Flow of tasks

#### (1) Positioning of the SAPI

Main actions in this survey are 4 items, the positioning of TC Phase 1 and the TC phase 2 are shown in Figure 2. (1).

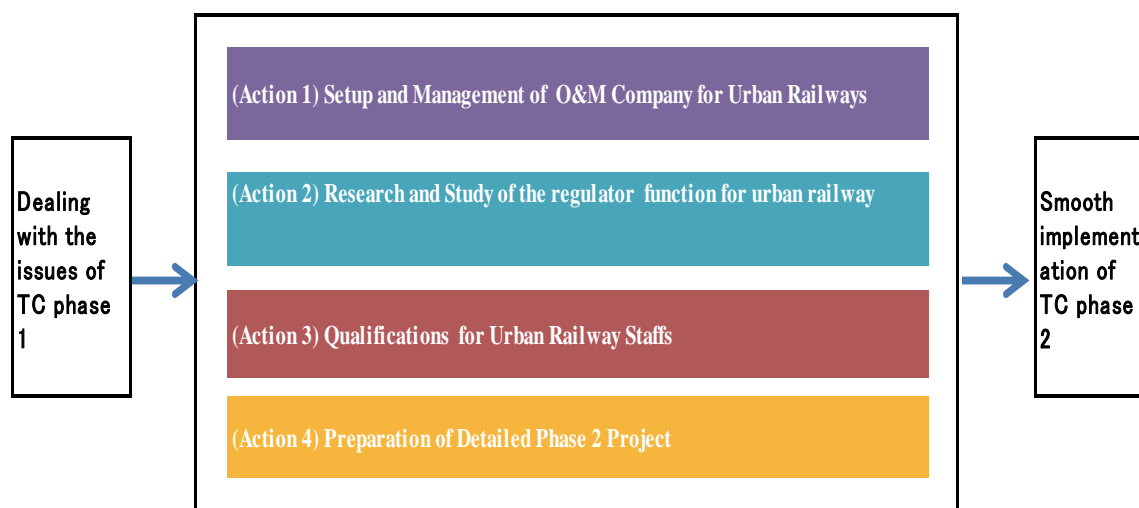


Figure 2. (1) Positioning of the SAPI

#### (2) Main actions and flow of tasks

Main actions in this survey are composed of each activity shown in Table 2. (1). As shown in "(Action 1) Setup and Management of the O&M Company for Urban Railways", this survey has the main purpose of establishing the O&M company and promoting to improve the initiative and capacity of the PUC staff. And this survey has also the agenda of "(Action 2) Research and study of the regulator function for urban railway" and "(Action 3) Qualifications for Urban Railway Staffs".

To push forward the work specifically, at first, it is necessary to clarify the period and procedures required to these, to set a milestone and to make schedule having the room allowing the period.

Regarding "(Action 2) Research and study of the regulator function for urban railway", though the understanding of setting up the O&M company for urban railway has progressed in the TC Phase 1, the regulator function for urban railway is not well understood by MAUR. Therefore, in this survey, it is necessary to promote understanding of requiring the regulator function. In addition, regarding the agenda of "(Action 3) Qualifications for Urban Railway Staffs" including Driver's License problem which is concerned, it shall be consulted the central government by coordination with Urban Railway Administration Advisor from JICA, and the results are to be reported and reflected to JCC as much as possible. Furthermore, in the 1st JCC meeting, it was decided that "(Action 4) Preparation of Detailed Phase 2 Project" was added.

The flow of tasks in this survey is shown in Figure 2. (2) including the matters mentioned above, the survey to coordinate with JICA is to be executed by submitting the reports, the reporting at returning to Japan

and the others to JICA.

Table 2. (1) Main activities in this survey

<b>(1)</b>	<b>(Action 1)</b>	<b>Setup and Management of O&amp;M Company for Urban Railways</b>
	(Action1-1)	Support for setup and registration (preparation of registration-related documents, negotiations, etc.) of O & M Company for urban railways
	(Action 1-2)	Reinforcement of the organization to prepare establishment of the O &M Company for urban railway and deployment of staff for operation division/ maintenance division
	(Action 1-3)	Information sharing and consultation with Line 1 Construction Project
	(Action 1-4)	Information sharing with the projects of Line 2 and other lines
	(Action 1-5)	Information sharing with the projects in Hanoi City
	(Action 1-6)	Coordination with acceptance of trainees by Japanese railway companies
<b>(2)</b>	<b>(Action 2)</b>	<b>Research and Study of the regulator function for urban railway</b>
	(Action 2-1)	Role sharing between the relevant authority agencies and MAUR
	(Action 2-2)	Organization and work assignment in MAUR
	(Action 2-3)	Company organization for safety management
<b>(3)</b>	<b>(Action 3)</b>	<b>Qualifications for Urban Railway Staffs</b>
	(Action 3-1)	Qualification, License, and Education for Urban Railway Staffs including Drivers
	(Action 3-2)	Coordination with Urban Railway Administration Advisor
	(Action 3-3)	Materials, Curriculum, Examination System and Other Issues for the Education for Urban Railway Personnel including Drivers
<b>(4)</b>	<b>(Action 4)</b>	<b>Preparation of Detailed Phase 2 Project</b>



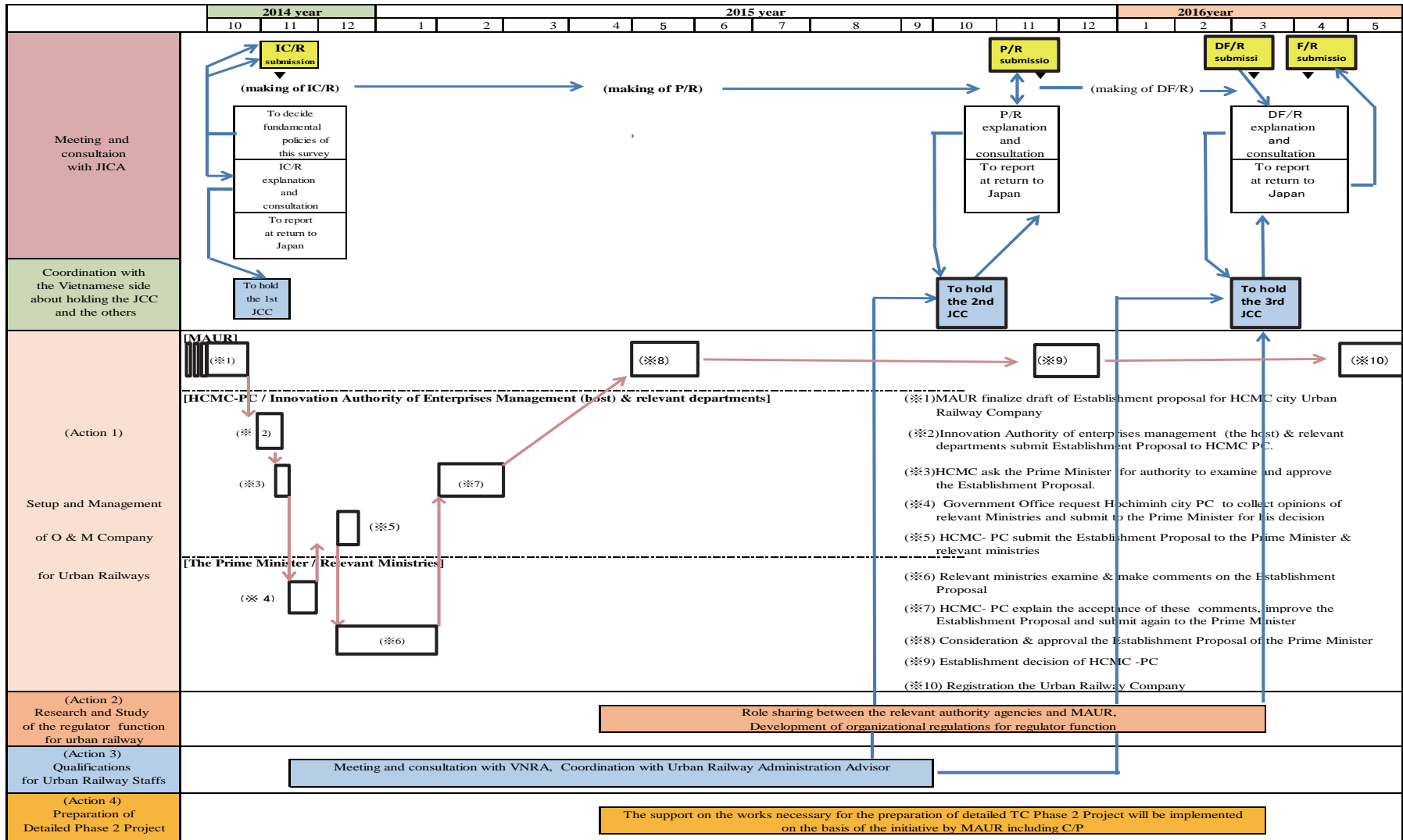


Figure 2. (2) The flow of tasks

## 2.2 Contents of each Action

### (1) (Action 1) Setup and Management of the O&M company for Urban Railways

(Action 1) includes the following 6 actions in preparation for the framework to finalize the establishment of the O&M Company for urban railways.

(Action 1-1)	Support for setup and registration (preparation of registration-related documents, negotiations, etc.) of O & M company for urban railways
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First of all, establishing a company requires its registration under the Enterprise Law. For the registration, the preparation of documents (including preparation of articles of incorporation, EP, etc.) is needed.

In January, 2013, the chairman of MAUR announced the policy of early establishment of the O & M company for urban railways. In accordance with the policy, the preparation for the registration of the O & M company for urban railways will be made in this (Action 1-1) including the procedures and other necessary works within the period of this SAPI project.

As mentioned above, the registration-related documents (including articles of incorporation, establishment plan of the company (EP), etc.) are required for MAUR to register establishment of the company for urban railways. The preparation of the EP and the articles of incorporation as a basis of the main documents was completed in the TC Phase 1. Now in order to push forward the procedure of registration, it has been approved by HCMC-PC to hear opinions on this EP from “Innovation Authority for Enterprises Management (subordinate organization of HCMC-PC)” and relevant regulatory authorities.

Hereafter, the negotiations with relevant regulatory authorities in HCMC/ the central government ministries will be necessary, among others, in order to go through the process shown in Figure 2. (3). Because of many subjects to negotiate and any possible contingencies, this SAPI will give support for the early start of the procedures for the registration. Considering such circumstances, how to progress this action is shown in Figure 2. (3)①. As this figure indicates, there are so many things to be done. Moreover, after the establishment of the company it is required to obtain “the approval of railway business” by the time of its opening of service. So, it must be noted that preparations for that are also needed.



Figure 2. (3) ①Concrete Progress of Action 1-1

SAPI for Ho Chi Minh City Urban Railway Construction Project (Line 1)  
(Preparation of Management System) • Final Report

**Procedures for establishment of the Urban Railway Company in Hochiminh city**

**Achievements on March 2016**



Figure 2. (3)② Achievements of Action 1-1 (October 2015)

**【Results of the Action】**

- In 1st Session of Joint Coordination Committee (JCC) On 7 November, it has been mentioned that the importance of the early establishment of the system which can accept the knowledge, the experience and the know-how necessary for the implementation of safety and sustainable operation of urban railway in HCMC, etc.
- On the basis of the above discussion and others, the concrete progress of this action as shown in Figure 2. (3) ① has been confirmed between SAPI Study Team and C/P. The above Figure shows the procedure necessary for the establishment of the first O&M Company in Ho Chi Minh City and the tentative schedule.
- This is very meaningful that C/P with their independence and their consideration of the schedule have made the above figure based on relevant laws and regulations, the preceding case in Hanoi, and others. In TC1, C/P depended on Experts too much and rarely implemented such actions with their independence and their consideration of the schedule.
- The actual achievement is shown in Figure 2. (3) ② HCMC-PC decided O&M Company Establishment on 1 December 2015, which is delayed about 8 months comparing to the schedule in Figure 2. (3) ①.
- The procedure for the establishment of O&M Company is the first effort of HCMC-PC as well as the second case which is following Hanoi for Vietnam Central Government, and the Line 1 construction project is not progressing on schedule. From the above situation, the procedure is considered to generally progress in smooth.
- In the period of TC1, the procedure for the establishment of O&M Company could be conducted just by the decision of HCMC-PC. However, in the present, the approval of the Prime Minister and the consideration of 5 relevant ministries (Ministry of Labor - Invalids and Social Affairs (MOLISA), Ministry of Home Affairs (MOHA), Ministry of Transport (MOT), Ministry of Finance (MOF), Ministry of Planning and Investment (MPI)) in advance have become necessary.
- For the registration for the establishment of O&M Company, C/P is working on Division of related departments towards solving the problems - such as management board, charter and payroll of staff.

**【Concerns and Suggestions for Improvement】**

- C/P seem to acknowledge “The importance of education, training and others” for realization of safe and sound management of urban railways in Ho Chi Minh City and “The importance of early establishment of O&M Company” for this education and training. However, it seems difficult to gain the understanding of HCMC-PC regarding this matter.
- It seems to be caused by that it is almost impossible to quantitatively evaluate the effectiveness of the early establishment of O&M Company in quantity, meanwhile, it is possible to quantitatively evaluate the loss (increase of personnel cost and others) due to the early establishment of O&M Company.
- It is necessary to have a “change in thinking” in which the increase expenses due to early

establishment of O&M Company is not “loss” but “anticipatory investment” for the future. How to encourage HCMC-PC to have the above “change in thinking” should be considered depending on the progress of the procedure for the establishment of O&M Company.

- In addition, from the case in Hanoi, expressly, how to decide the management board of O&M Company’s seem to affect the progress of the procedure for the establishment of O&M Company. Therefore, it is necessary to pay close attention to the moves of the decision of the management board of O&M Company.

**【Output】**

- Urban railways Operation and Maintenance Company Establishment Proposal (HCMC-PC → Prime Minister and relevant ministries): 9th December 2014 (No.1)
- Comments regarding Urban railways Operation and Maintenance Company Establishment Proposal (5 relevant ministries to HCMC-PC) (No.2-1~2-5)
- Urban railways Operation and Maintenance Company Establishment Proposal - Modified version based on comments from 5 relevant ministries (HCMC-PC → Prime Minister): 21st April 2015 (No.3)
- Approval from Prime Minister on Urban railways Operation and Maintenance Company Establishment Proposal (Prime Minister → HCMC-PC): 26th May 2015 (No.4)
- Decision on the establishment of Ho Chi Minh City Urban Railways Company from HO CHI MINH CITY PEOPLE’S COMMITTEE: 1st December 2015 (No.5)

(Action 1-2)	Reinforcement of the organization to prepare establishment of the O & M company for urban railway and deployment of staffs for operation division/ maintenance division
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In this Action, in order to reinforce the organization to prepare for establishment of the O&M Company for urban railway, the number of PUC staff will be increased and accounting system will be prepared.

**(1) Increase of the number of PUC staff**

In the TC phase 1, the number of PUC staff was planned to increase from 5 at the beginning to 19 at the end. However, the increase was called off because the O&M Company was not registered due to the delay of its commencement date which had been resulted from the delay of the Line 1 construction project. In this SAPI, the number of PUC staff needs to be increased as the Table 2. (2) following the establishment of the O&M Company planned in this (Action 1-1).

The members of having actual business experiences are required for additional staff members, who are expected to become middle managers. When “on-the-job training in Japan (being considered by JICA)” is executed, these additional staffs will be considered preferentially as the participants.

Table 2. (2) Number of PUC staff for Each Category of O&M Company

Category	Beginning of SAPI	(Increase after beginning of SAPI)		End of SAPI
			Subtotal	
Planning	1	0	1	3
Administration, Safety, Legal	1	(1) (*)	3	3
Human Resources	1			3
Finance	1	(1)	3	4
Business	1			2
Operation	0	(1)	1	2
Maintenance	0	(1)	1	2
<b>Total</b>	<b>5</b>	<b>(4)</b>	<b>9</b>	<b>19</b>

(\*) staff of being able to research law and regulations

## (2) Preparation of accounting system

When the O&M Company is established, it becomes necessary to carry out the financial accounting of the company. This accounting system is very simple because the real operation & maintenance are not carried out at this time. The items of expenses include salaries, rental expense of office, fuel and power expenses, expenses of procuring office supplies, etc. These expenses are financed by state budget of HCMC.

Table 2. (3) Drafts of Items for Expenses/ Revenues of O&M Company (tentative)

Expenses		Financed by
Personnel expenses	Arrangement of the following matters are needed Ex: external employment and staff transfer from MAUR to O&M company, etc.	Subsidy from HCMC (through MAUR)
Travel expenses	Business trip to Hanoi and overseas	
Expenses of office	Rental expense of office, fuel and power expenses, communications expenses	
Other expenses	Expenses of procuring office supplies, etc.	

Simplified accounting software in the market will be used for this accounting system as the Office IT System is not yet completed at this stage. As for the document forms for such administration affairs, the same ones as used in MAUR will be used for the time being. In addition, for the use of this simplified accounting

software, Local Management Consultant will be hired to train PUC until they become proficient in accounting system. These are very important simulations for development of Office IT System at the O&M Company.

Considering such circumstances, the concrete progress for preparation of accounting system is as shown in Figure 2. (4).

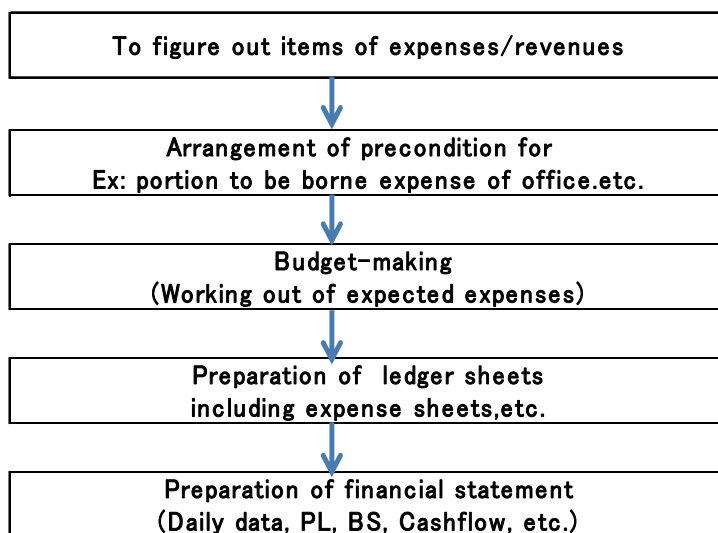


Figure 2. (4) Concrete Progress of Preparation of Accounting system in Action 1-2(2)

### **(3) Deployment of staff for Operation Division & Maintenance Division**

In the Line 1 construction project, training of operation staff including drivers will be provided by GC, and that of maintenance workers will be provided by contractor. However, education for staff of Operation Division & Maintenance Division in the headquarters of O&M Company is not included in the scope of GC.

Meanwhile, in the TC phase 1, PUC staff for Operation Division & Maintenance Division was not deployed, since the TC phase 1 project gave its priority to organizing O&M Company. As for the personnel of these divisions, it was also considered desirable to have them acquire the necessary knowledge related to operation or maintenance while working in GC/contractors before being transferred to PUC / the O&M Company.

Therefore, in the TC phase 2, preparation of staffing of these divisions must be started. Prior to that, information sharing and consultation with Line 1 Construction Project (GC/Contractor) will be done as mentioned in (Action 1-3) in this SAPI. Some related engineers will be needed to deal with the consultation with the contractor to discuss handling of emergencies including prevention of disaster. The concrete workflow of this action is as shown in Figure 2. (5).



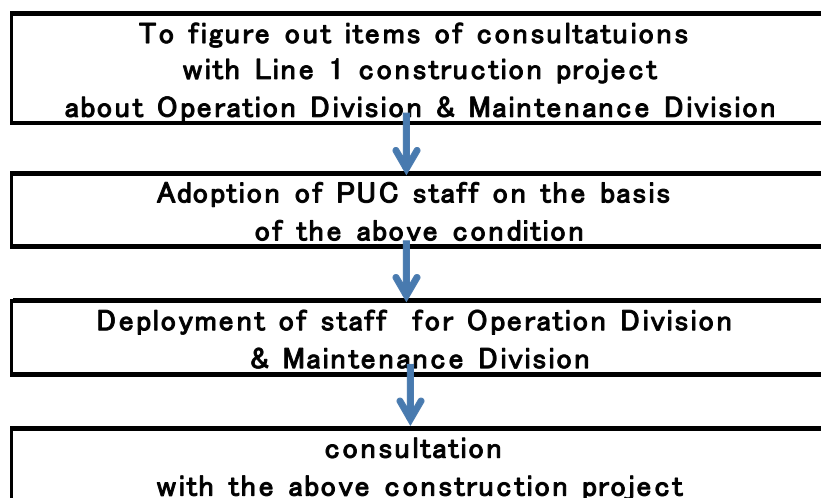


Figure 2. (5) Concrete workflow of Action 1-2 (3)

**【Results of the Action】**

(1) Increase of the number of PUC staff

- 4 PUC staffs have been increased in May 2015 (5 staffs → 9 staffs). These 4 increasing members work as part-time for PUC while still be in their real position at Office Division, PMU1, PMU2 and PMU5. It is not a net increase of PUC.
- Regarding the above increase of the number of PUC staff, when the SAPI Study Team have recommended “additional members of PUC staffs should not be part-time but full-time” and others in the exchange of opinions with C/P including MAUR Vice Chairman on 7th May 2015, their opinions have been generally expressed as follows:
  - MAUR intend to use these 4 additional members as part-time PUC staffs for the present because of the limitations of human and financial resources;
  - The request for the OJT which is planned to be implemented within SAPI period (the participation of 9 members of PUC staffs including 4 additional members);
  - The request of the implementation of the OJT in next TC (the participation of the members of PUC staffs who could not join in the OJT within SAPI period).
- Moreover, in the exchange of opinions with C/P including MAUR Chairman regarding the progress of the SAPI and others on 17th June 2015, their opinions about “the increase of the number of PUC staff” have been expressed as follows:
  - “Increasing the numbers of PUC staffs to 19” and “Transforming the current part-time staffs (4 persons increased in May 2015) into full-time ones” should depend on the progress of not the establishment of O&M Company but the construction project of Line 1;
  - It is difficult to increase the number of PUC staff in preparation for full opening of Line 1

planned in 2020;

- If JICA encourage Contractors to make efforts for partial opening in 2018, the above action (increase of the number of PUC staff) will be implemented accordingly.

## (2) Preparation of accounting system

- Regarding the software and local consultant of accounting system, considering the progress of the increase of PUC member, practical preparations such as holding the meeting with C/P, examining the specification and cost in conformity to the above meeting, the procedure for the contract and others have been implemented.
- At present, there is only 1 PUC's member who is in charge of financial affairs. On the basis of the above situation and the result of coordination with C/P regarding the specification of accounting software and others, the local consultant and the software for accounting system were mobilized in May 2015 and 42 times of training were implemented for the above member (basically 2 times/week). Accordingly, the above member's understanding of financial accounting has been increased.

## (3) Deployment of staff for Operation Division & Maintenance Division

- It seems that C/P do not intend to deploy the staffs for Operation Division & Maintenance Division for the present because of the limitations of human and financial resources as well as the progress of the Line 1 construction project.

### **【Concerns and Suggestions for Improvement】**

- C/P do not very intend to early implement “Increase of the number of PUC staff” and “Deployment of staff for Operation Division & Maintenance Division” because of the limitations of human and financial resources, etc. Instead, C/P have thought the countermeasure as described in action 1-3 without causing hindrance to the future preparation for the operation of urban railway.
- The above countermeasure depends heavily on GC and Contractors, limits the independence and the responsibility of C/P and raises the fear that reworking may be happened after the establishment of O&M Company.
- It is necessary to deepen C/P's understanding of the following matters through the opportunities of “the On Job Training conducted by acceptance of railways company in Japan” which is planned to be implemented during the period of the SAPI, etc:
  - Activities conducted and substantial efforts made by O&M Company itself in urban railway enterprise which consists of variety technology fields in order to provide safety, stable, comfortable and sustainable transport service;
  - It is important that C/P should not depend on GC and Contractors but conduct activities with independence and responsibility in order to realize the safety, stable, comfortable and sustainable urban railways transport service in Ho Chi Minh City.

**【Output】**

- Minute of meeting, exchange of opinions with C/P (including MAUR Vice Chairman and his subordinates): 7th May 2015 (No.6)
- Minute of meeting, exchange of opinions with C/P(including MAUR Chairman and his subordinates): 17th June 2015 (No.7)

(Action 1-3)	Information sharing and consultation with Line 1 Construction Project
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In accordance with the result of the study in the TC phase 1 project, the matters to require information sharing and consultation with Line 1 construction project are as shown in Table 2.(4).

Table 2. (4) The matters to require information sharing and consultation  
with Line 1 construction project

<b>The matters to require information sharing and consultation</b>	<b>Contents</b>
Check for functions of office IT system	The coordination between “functional specification of office IT system (to be made by GC/Contractor)” and “methods and rules for practical work (being studied by PUC)” will be mainly conducted. The coordination with PMU 1 about the timing for GC/Contractor to make the functional specification is needed.
Check for specifications of AFC system	“Specifications of AFC system (to be made by GC/Contractor)” should be determined on the basis of the coordination with “fare system, fare level, ticket-selling method, ticket examination method (studied by PUC)”.
Check for functions of train driving simulator	To determine “functions & programs prepared in train driving simulator”, the conference with trainers (Japanese Experts) is needed.
Check for functions of OCC equipment	The coordination between “functional specification of OCC equipment (to be made by GC/Contractor)” and “practical work of dispatcher” will be conducted by the conference with trainers (Japanese Experts). The coordination with the timing for making functional specification is needed.
Check for contents of operation rules	“Operation rules” will be made by GC. The early completion of these rules is efficient because these rules concern the training of drivers and can provide the concrete images of operation to Contractor at the timing of the determination of

	equipment specification of Line 1. The cooperation between PUC/O&M company and GC/Contractor, or the coordination about the timing are needed.
Layout planning of facilities in stations	The coordination between “planning of facilities in stations (made by GC/Contractor)” and “personnel assignment plan in stations and rules for station operation (studied by PUC)” will be mainly conducted. The modification of personnel assignment plan and others will be conducted as needed.
Others	Degraded/emergency operation with the manuals including prevent disasters and others will be dealt by GC/Contractor. However, listening to the opinion of operation side is assumed.

In this action, information sharing and consultation with Line 1 construction project about the matters relevant to the O&M Company’s business will be held whenever necessary to discuss the matters including those shown in Table 2. (4). The concrete procedure of this action is as shown in Figure 2. (6). The study is mainly held by GC/Contractor and TC experts/Trainers of Osaka Metro but PUC/O&M Company and PMU 1 will also join, as the primary leading players. In particular, PUC staff is expected to deepen the discussion, by understanding the contents of the related Tender Document in advance.

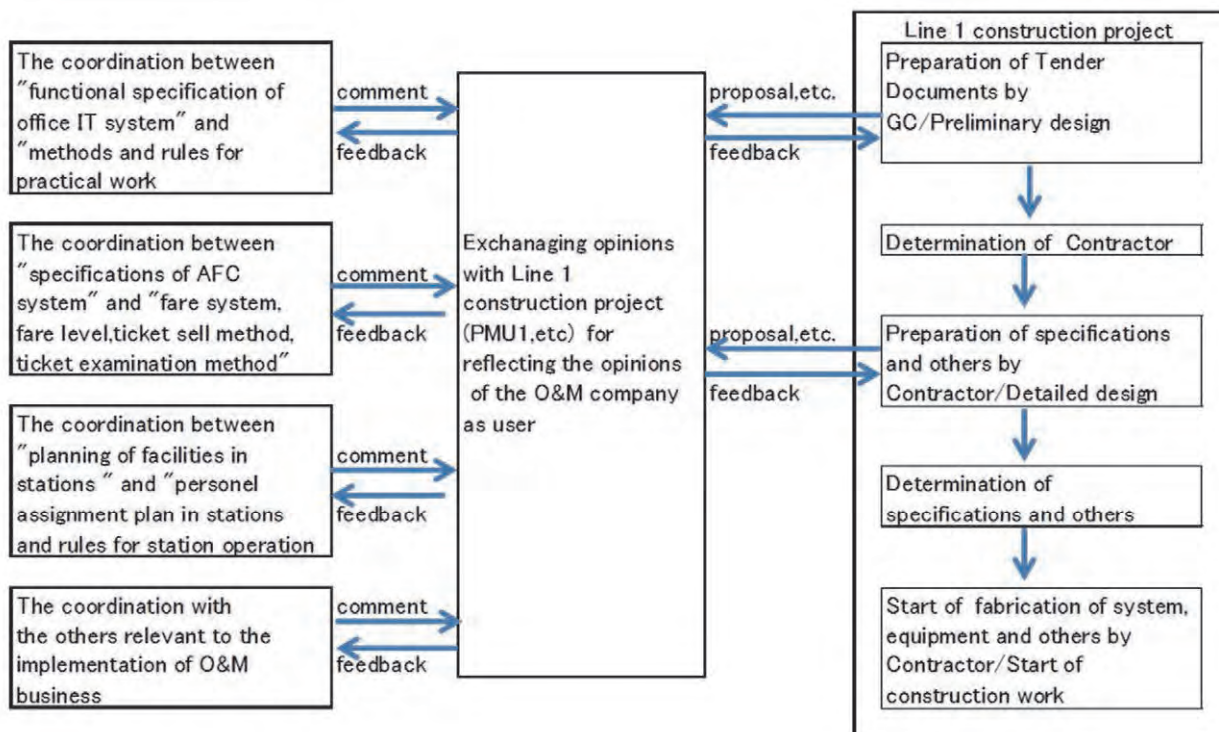


Figure 2. (6) Concrete Progress of (Action 1-3)

**【Results of the Action】**

- Under the situation in which the prospect of O&M Company establishment is not clear, in order to go ahead with the construction project of Line 1, as the result of the coordination between GC and CP-3 Contractor from October 2014 to November 2014 based on the intention of C/P, how to proceed is decided as follows:
  - “Issues that need the decision of O&M Company” will be proposed and designed as the assumption of CP-3 Contractor (Hitachi). And then, the above proposal and design will be reviewed by GC (NJPT) from “the viewpoint of O&M Company”;
  - “Coordination among each Contractor regarding issue related to O&M Company” will be discussed in the coordination meeting with the participation of the supervisors higher than CP manager class in GC, relevant Contractors on the practical initiative of PMU1 under the control of MAUR.
- Because of the above countermeasure, PUC staffs in charge of the preparation of the establishment of O&M Company hardly involve in “Information sharing and consultation with Line 1 Construction Project”.
- Meanwhile, regarding work sharing of making “manual for fire preventing” and others among each contractor, O&M Company and others, it is specified in “Tender document ~ Appendix 26 - Chapter7 REQUIRED MEASURES OTHER THAN INFRASTRUCTURE DEVELOPMENT” that O&M Company will implement the following; (1) Public relations activities for disaster prevention, (2) Organization for emergency in O&M Company, (3) Emergency contact system with external organization, (4) Preparation of manual for emergency.
- Therefore, O&M Company has to make the detailed manuals for fire preventing in the preparation works for opening of Line 1 in the future.
- However, making the detailed manuals takes up many works because the detailed procedures for operating and managing appropriately the facilities and equipment for fire preventing should be established after grasping and understanding accurately them provided by each contractor.
- Therefore, the seminar on “fire preventing” has been held in order to be able to give C/P the fundamental knowledge of counting towards making the detailed manuals for “fire preventing” in the future.

**【Concerns and Suggestions for Improvement】**

- Regarding “Information sharing and consultation with Line 1 Construction Project”, the above countermeasure depends heavily on GC and Contractors, limits the independence and the responsibility of C/P and raises the fear that reworking may be happened after the establishment of O&M Company.
- It is necessary to deepen C/P’s understanding of the following matters through the opportunities of “the On Job Training conducted by acceptance of railways company in Japan” which is planned to be

implemented during the period of the SAPI, etc:

- Activities conducted and substantial efforts made by O&M Company itself in urban railway enterprise which consists of variety technology fields in order to provide safety, stable, comfortable and sustainable transport service;
- It is important that C/P should not depend on GC and Contractors but conduct activities with independence and responsibility in order to realize the safety, stable, comfortable and sustainable urban railways transport service in Ho Chi Minh City.

**【Output】**

- Document related to the coordination between GC and CP-3 Contractor regarding “Issues that need the decision of O&M Company”, 15th October 2014(No.8-1)
- Document related to the coordination between GC and CP-3 Contractor regarding “Issues that need the decision of O&M Company, 1st November 2014(No.8-2)
- Document related to the coordination between GC and CP-3 Contractor regarding “Issues that need the decision of O&M Company”, 13th November 2014(No.8-3)
- Fire Prevention in Japanese Railways( No.9-1)
- PCCC-Strategy Report\_CP2( No.9-2)
- Fire Fighting and Prevention Plan for BEN THANH St.( No.9-3)
- Station Fire( No.9-4)

(Action 1-4)	Information sharing with projects of Line 2 and other lines
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Urban Railways consists of network of railway lines. Passengers travel from their homes to destinations including workplaces, schools, etc., by transferring from one line to another. Therefore, O&M company covers not only the management of Line 1 which is under construction, but also aims to the realize a centralized management of the all lines of Urban Railways that will be constructed in HCMC (invested by state budget).

From such a viewpoint, information sharing and coordination with each project’s issues will be important as described in “2.1.4 Basic Technical Policy (3)”.

The relationships between O&M company and Line 2 have wide-ranging matters including the following items as well as the company establishment:

1. To present the institutions and systems (proposed by the TC phase 1 and later studies, etc.) that must be developed in an integrated way by O&M company to the projects of Line 2;
2. To check how the presented contents are reflected to the specifications of the common equipment and others for the O&M company, to be developed in the Line 2 project, and to suggest modifications as needed”;
3. To check the consistency in the common equipment and others for O&M company, by comparing

those of Line2 project with those of Line 1.

Even though many documents are issued, the project will go in the wrong direction if the members do not understand the meaning of those documents. Finding the differences among each view not only by such documents, but also by face-to-face meeting to share the contents and the progress of each project is needed. Consequently, the regular meeting to share information between Line 2 project and PUC/O&M company lines will be held.

**【Results of the Action】**

- In the present, in Ho Chi Minh City, the urban railway lines which are planned concretely at a certain level are Line 2 and Line 5.
- Line 2 is implemented by the co-financing from KreditanstaltfürWiederaufbauBankengruppe (KfW), European Investment Bank (EIB) and Asian Development Bank (ADB). Line 5 is implemented mostly by the financing from Spain. In order to implement each line project, PMU2 (Project Management Unit for Line 2) and PMU5 (Project Management Unit for Line 5) was established.
- On the other hand, 4 members of PUC staffs were increased in May 2015 (5members → 9 members). 2 members of them are part-time appointed from PMU2 and PMU5.
- Therefore, the information related to Line 2 and Line 5 could be provided for the first time in June 2015 from the above 2 members of PUC staffs who are part-time appointed from PMU2, PMU5 to SAPI Study Team.
- The detailed coordination and others could not have been implemented because of the difference of the progress between Line 1 construction project which is implementing the detailed design and other lines or the difference of donor country.

**【Concerns and Suggestions for Improvement】**

- Paying close attention to the progress of Line 1 construction project and other lines, PUC should take the initiative in gathering and analyzing information about other lines, then base on that, if necessary, the advice on the matters particularly necessary for the coordination among each line should be given to PUC.

(Action 1-5)	Information sharing with the projects in Hanoi City
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Currently in Hanoi, “Project for support on enhancement of regulatory authority and setup of O&M Company of urban railways in Hanoi (Technical Cooperation)” has been executed. Hanoi aims to establish O&M Company of urban railways in 2014. Therefore, the action to establish O&M company is ahead of HCMC. When this SAPI will be implemented, information from MRB and Expert team of this Hanoi TC will be obtained and shared.

Knowing the progress of each other can be expected to lead to enhance the will to advance the

preliminary works. By the approach of Japanese experts involved in the supports to set up O&M Company both in Hanoi and in HCMC, MRB visited MAUR/PUC to get the information of results and others of the TC phase 1 in November, 2012. Consequently, the foundations for coordination and cooperation to establish O&M Company has established between MRB and MAUR/PUC.

Accordingly, in this action, the periodical meeting for exchanging opinions will be held in order to share information and cooperate closely and effectively.

#### 【Results of the Action】

- Three meetings for information sharing with the projects in Hanoi City have been held as follows;
  - 1st meeting: from 11th to 13th March 2015, 10 relevant members of MAUR visited to MRB in Hanoi City.
  - 2nd meeting: from 24th to 26th June 2015, 5 relevant members of MRB and the Director of O&M Company in Hanoi City visited to MAUR in HCMC.
  - 3rd meeting: from 7th to 8th January 2016, 4 relevant members of MAUR and other visited to MRB and O&M Company in Hanoi City.
- Through this action, MAUR could acquire the knowledge of the precedent MRB about issues and countermeasure for the implementation of the establishment procedure of O&M Company. Moreover, both sides could share the knowledge about safety measures, contract method and others related to construction projects.

Through these actions, the importance of close and effective information sharing as well as cooperation has been recognized between MAUR/PUC and MRB. Accordingly, independent and active information sharing as well as cooperation seem to be planned between MAUR and MRB regarding general urban railways matters (not only the establishment of O&M Company but also the construction project is included) from now on.

#### 【Concerns and Suggestions for Improvement】

- By getting the experience of preparatory tasks for operation and maintenance from Hanoi Metro Company and other issues happened after the opening of Line 2A, it would be very useful for the Ho Chi Minh City O&M Company for the implementation of TC2. Especially, there would be problems happened in the early stage of establishment such as equipment failure, etc. Therefore, these discussions play a useful role in TC-2.

(Action 1-6)	Coordination with acceptance of trainees by Japanese railway companies
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In parallel with this SAPI, the acceptance of the trainees including leaders of HCMC-PC and the future executives of O&M Company for urban railways in MAUR, by Japanese railway companies will be prepared to promote the understanding of urban railways. In this training, JICA will basically coordinate with Japanese railway companies; meanwhile, Japanese railway companies will provide necessary cooperation from



technical viewpoints. Moreover, Japanese railway companies accepting trainees will prepare the materials necessary for it.

(1) Support on acceptance of training for leaders of HCMC-PC and establishment of cooperative framework in HCMC-PC

For the leaders of HCMC-PC, observation-cum-study to promote the general understanding of urban railways will be prepared by inviting about 5 people to Japan for around 10 days.

Although the Line 1 project is expected to partially open commercial operation in 2018 at earliest, the schedule has been delayed. Since whether or not to open partial commercial operation will be decided by the HCMC-PC, its opening date is unknown at this time.

Moreover, though the Line 2 project (financed by ADB, EIB, KfW) aims to complete in 2020, the project has been tended to delay as same as Line 1. Therefore, it is important to promote the understanding of urban railway O&M Company's early establishment among the leaders of HCMC-PC.

While cooperating with HCMC-PC leaders' training, the endeavor to build early the cooperation scheme with HCMC-PC is required.

(2) Acceptance of training for future executives of O&M Company for urban railways in MAUR

The training for the future executives of O&M company for urban railways in MAUR, includes experience actual work of station staff, driver, dispatcher, maintenance worker, head office staff, etc. in railway company, and will be carried out 3 times by inviting 2 persons to Japan for around 1.5 months each time.

As mentioned in Action 1-2 (1), middle managers who are planned to be added are given the highest priority for these training.

(3) Preparation of materials necessary for training

The materials necessary for the training by Japanese railway companies are required to be prepared. The contents of the materials for the instructors should describe the points that the trainee have to master, taking the cause of O&M Company establishment delay and the issues to establish regulatory agencies for urban railway.

The materials for the trainee will include pictures and figures so that they can be shared with HCMC and MAUR after the training. If there are English documents for the contents that are not so complicated, the English documents will be utilized.

Specifically the materials related to technical issues of urban railway operation and maintenance, the preparation of the materials could be outsourced to the Japanese railway company's affiliated organization that are providing technical support to Line 1 project.

**【Results of the Action】**

(1) Support on acceptance of training for leaders of HCMC-PC and establishment of cooperative framework in HCMC-PC

- As the result of the consideration about the person who should be invited and the timing of invitation, assuming that Vice Chairman who hold the jurisdiction over MAUR in HCMC-PC will be invited for around 1 week in late October 2015, the cooperation for making the draft of the schedule has been implemented.
- On the base of the above draft of the schedule, the discussion and coordination with JICA HQ and relevant authority of Vietnam side have been implemented. Accordingly, the above Vice Chairman has turned out to be likely changed on January 2016.
- Therefore, the acceptance of training for leaders of HCMC-PC will be readjusted after the change of the above Vice Chairman.

(2) Acceptance of training for future executives of O&M company for urban railways in MAUR

- Considering the intention of JICA HQ and C/P, the cooperation for making the draft of the schedule for OJT has been implemented on the basis of the following conditions:
  - The scale of OJT is “3 persons/45 days/ time”;
  - The basic structure of one party of OJT is “total 5 persons which consist of 3 members of PUC staffs who are chosen for OJT, 1 Japanese – Vietnamese interpreter and 1 Japanese trainee”;
  - However, in case of OJT items (such as riding together in the driver seat, patrol at the platform, OJT in the headquarters office and others) which should be implemented in a confined space, there is a capacity limit number in each place used for OJT in terms of safety management or training effect. Therefore, “total 9 persons which consist of 3 members of PUC staffs who are chosen for OJT, 3 Japanese – Vietnamese interpreters and 3 Japanese trainees should be divided into 3 groups”.
- On the base of the above draft of the schedule, the discussion and coordination with JICA HQ and relevant authority of Vietnam side have been implemented, Accordingly, because of some issues such as budget restrictions and others, after revising the scale of OJT, the draft of the schedule for OJT is now being revised, etc.
- Even though he draft of training plan which there is one full training session in 40 days for 9 persons was reported in the 3rd session of Joint Coordination Committee (“JCC”), we received some requests from PUC for this plan. Therefore, the further adjustment is required to fix the schedule of training in the future.

(3) Preparation of materials necessary for training

- From the progress of action 1-2 and 1-3, it is necessary to deepen C/P’s understands of the following matters.

- Activities conducted and substantial efforts made by O&M Company itself in urban railway enterprise which consists of various technology fields in order to provide safe, stable, comfortable and sustainable transport service;
- It is important that C/P should not depend on GC and Contractors but conduct activities with independence and responsibility in order to realize the safe, stable, comfortable and sustainable urban railways transport service in Ho Chi Minh City.
- Making the materials necessary for promoting C/P's understanding of the above matters has been implemented by entrusting to Osaka Metro Service Co., Ltd.

**【Concerns and Suggestions for Improvement】**

- The above actions as well as the results of them should be revised as needed, coordinating with the implementation date, the contents and others of OJT.

**【Output】**

- Materials which is used in the On Job Training conducted by the acceptance of railways company in Japan. (No.10)

## (2) (Action 2) Research and study of the regulator function for urban railway

### (Action 2-1)

#### Role sharing between the relevant authority agencies and MAUR

The government's roles in the management of urban railways include follows, and the administrative organization undertaking them is the regulator agency:

- (1) to supervise whether safety is maintained;
- (2) to supervise whether adequate service level is maintained;
- (3) to approve draft of fare level (the government bears the responsibility of the result when the draft is not approved);
- (4) to formulate policies regarding urban railways (inducing conversion from motorcycle to urban railway), etc.

It is considered that the relevant authority agencies and HCMC share these roles, and the current Railways Act in Vietnam has some corresponding article, although provisions describing specific contents do not exist.

The regulator agency for Vietnam National Railway has been already established, but the management of urban railways is the local People's Committee's task. Meanwhile, the concrete matters related to the authority and the contents of task have not been yet stipulated by the laws and regulations. There is a situation not only in HCMC but also in Hanoi. Therefore, it is necessary to realize the authority and task contents without delay to establish the O&M Company for urban railway.

**【Results of the Action】**

- Gathering information about the progress, issues and others based on the preceding case in Hanoi City is being implemented through action 1-5.
- MAUR's acknowledgement regarding regulator authority is as follows:
  - The construction and preparation for urban railway operation and exploitation are currently under responsibility of MAUR. The authority having the close relations with urban railways currently is MAUR. Therefore, MAUR is currently the most applicable authority responsible for management and monitoring of urban railway company which shall be set up soon; urban railway operation and maintenance as well. Under performing the function of management and monitoring of urban railway operation and exploitation, MAUR for Urban Railways has to coordinate closely with Department of Transport (DOT), Public Passenger Transport Management and Operation Center;
  - In Hanoi, MRB set up Operation & Maintenance Division. This Division is currently responsible for Technical Cooperation Project for Support on enhancement of regulatory authority and setup of O&M Company of urban railways in Hanoi City. Then as the construction of urban railways is finalized, the Division shall be responsible for management of urban railway transport, infrastructure, devices and vehicles.
- The detailed study on “Role sharing between the relevant authority agencies and MAUR” for realizing the concept of regulator must be implemented in the future because of concentrating on the progress of the procedure for the establishment of O&M Company at the present.
- Therefore, the seminar on “Regulator authority (case in Japan / case of study in Hanoi)” has been held in order to be able to give C/P the fundamental knowledge of counting towards the detailed study on “Role sharing between the relevant authority agencies and MAUR” in the future.

**【Concerns and Suggestions for Improvement】**

- Gathering information about the progress, issues and others based on the preceding case in Hanoi City will be continued. On the basis of the analysis of the above information, considering the progress of construction project of Line 1 in HCMC and others, the advice on “Role sharing between the relevant authority agencies and MAUR” must be given to MAUR and others as needed.

**【Output】**

- Mechanism of the railway administration in Japan ( No.11-1)
- Proposed Functions and Responsibilities of Regulator for Metropolitan Railway Lines in Hanoi City( No.11-2)

(Action 2-2)

Organization and work assignment in MAUR

The administrative organization that has the tightest relation to urban railways in HCMC is MAUR. MAUR has actually established PUC and practically has studied the ideal situation of O&M Company for urban railways. Therefore, it is highly expected that MAUR will become to supervise O&M Company, when the O&M company is established and PUC staffs are transferred.

The public transportation system in the city is not comprised of only urban railway network. Coordination and cooperation with other public transportation modes such as bus is very important. The concept for the organization which supervises the public transportation as the government with such a broader perspective is “Public Transport Authority (PTA)” propounded by World Bank. Currently, the supervision of the bus in HCMC is conducted by Management and Operation Center for Public Transport under DOT. Therefore, if the concept of PTA is adopted, diverse discussions will arise; giving new roles to the existent organizations, establishing new organizations separately, etc.

Considerable efforts will be required for Vietnamese to be capable of managing the regulator agency themselves, because the mechanisms of urban railways are quite complicated. Moreover, the mechanisms differ significantly between urban railways and bus. Taking such circumstances into consideration, scheduling the concept of PTA to be the future task after the regulator agency is fixated, might be one option. In this SAPI, the draft of the organization regulations for the regulator function will be prepared after promoting the understanding of the necessity for the agency.

Considering the above, the progress to realize the concept of the regulator function is as shown in Figure 2. (7).

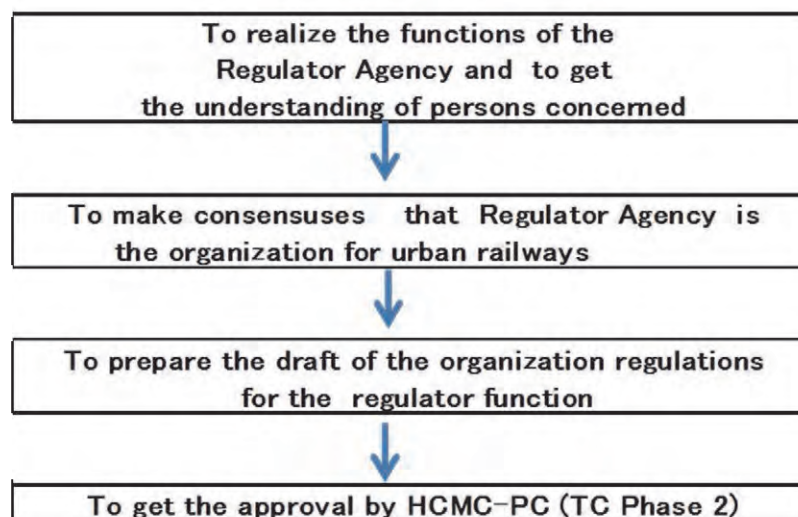


Figure 2. (7) Concrete Progress of (Action 2-2)

**【Results of the Action】**

- Gathering information about the progress, issues and others based on the preceding case in Hanoi City is being implemented through action 1-5.
- In the reference of Hanoi case, the Operation and Maintenance Division is set up as accordance with Decision No. 3005/QD-UBND of Hanoi City People’s Committee dated June 4th 2014. The position, function, responsibilities and personnel are regulated by MRB (tentative) at Decision No. 91/BQLDSDT-TCDDT dated August 19th 2014, details as below:
  - Position: is specialized division of MRB;
  - Function: in support of MRB in operation, maintenance and exploitation of urban railways in Hanoi City;
  - Responsibilities: Continuously carry out the Technical Cooperation Project for Support on enhancement of regulatory authority and setup of O&M Company of urban railways in Hanoi City, the management of urban railway transport, the management of urban railway infrastructure, the management of devices and vehicles, conduct Memorandum of understanding on friendship and cooperation between MRB and Tokyo Metro Co., Ltd. in Japan;
  - Personnel: initial 13 staffs. There are officers appointed from Hanoi urban railway Operation & Maintenance Division and from other Departments.
- In case of Ho Chi Minh City MAUR: Ho Chi Minh City Management Authority for Urban Railways is currently counseling to The City People’s Committee in regard of study on development orientation of MAUR since 2015 - 2020 and following years. Accordingly the relations between MAUR and the Urban Railway No. 1 one-member limited liability Company shall be clarified, being the basic for organizational re-structure of MAUR.
- The detailed study on “Organization and work assignment in MAUR” for realizing the concept of regulator must be implemented in the future because of concentrating on the progress of the procedure for the establishment of O&M Company at the present.
- Therefore, the seminar on “Regulator authority (case in Japan / case of study in Hanoi)” has been held in order to be able to give C/P the fundamental knowledge of counting towards the detailed study on “Organization and work assignment in MAUR” in the future.

**【Concerns and Suggestions for Improvement】**

- Gathering information about the progress, issues and others based on the preceding case in Hanoi City will be continued. On the basic of the analysis of the above information, considering the progress of construction project of Line 1 in HCMC and others, the advice on “Organization and work assignment in MAUR” must be given to MAUR and others as needed.

**【Output】**

- Mechanism of the railway administration in Japan ( No.11-1)
- Proposed Functions and Responsibilities of Regulator for Metropolitan Railway Lines in Hanoi City( No.11-2)

(Action 2-3) Company organization for safety management

The way to manage the safety of O&M Company has not been yet stipulated concretely as regulator agency at the local People's Committee, which is responsible for the urban railway management.

Study from Japanese railways companies' experience about safety management will be applied to safety management in O&M Company.

In Japan, the safety management system of urban railway's O&M Company has been changed drastically after the accident which many casualties occurred on the JR Fukuchiyama Line in 2005. The contents are as follows:

(1) Establishment of safety management system by uniting from the top management to work sites to one body

- 1) Responsibilities of the top management;
- 2) Safety policy, etc;
- 3) Appointment of a safety manager;
- 4) Report of information on accidents, etc;
- 5) Response to serious accident, etc;
- 6) Compliance with related legislation;
- 7) Education, training, etc. necessary to maintain the safety management system;
- 8) Internal audits, etc.

(2) Evaluation by the Government for safety management system established in railway company

While using examples in Japan as aforementioned, the safety management system of O&M Company for urban railways will be examined.

It should also be noted that the study on "common supervising regulations for related lines regarding train operation and maintenance of rolling stock/ facilities in the O&M Company" will be needed as future issues.

**【Results of the Action】**

- Gathering information about the progress, issues and others based on the preceding cases in Hanoi City is being implemented through action 1-5.
- Based on the study in Technical Cooperation Project Phase 1 in support of setting up urban railway operation and maintenance Company (2011 - 2013), the organizational model of Company consists of Safety – Operation Division with main responsibilities as follows:

- Drawing up train operation diagram;
- Documenting the operation plan of locomotive - railcar in each line, train driving schedule;
- Coordinating in investigation and solution to the incidents, railway accidents;
- Maintaining and enhancing the safety in the Company's operation.
- In addition to safety management, Viet Nam Ministry of Transport (MOT) is drawing up Circular providing regulations on passenger transport in urban railways; amending and modifying Circular No. 02/2009/TT-BGTVT providing the regulations on inspection of quality, technical safety and environmental protection for railway vehicles; drawing up Circular providing regulations on dealing with incidents, accidents in urban railways.
- The detailed study on "Company organization for safety management" for realizing the concept of regulator must be implemented in the future because of concentrating on the progress of the procedure for the establishment of O&M Company at the present.
- Therefore, the seminar on "Safety management system in Japan" has been held in order to be able to give C/P the fundamental knowledge of counting towards the detailed study on "Company organization for safety management" in the future.

#### **【Concerns and Suggestions for Improvement】**

- Gathering information about the progress, issues and others based on the preceding case in Hanoi City will be continued. On the basic of the analysis of the above information, considering the progress of construction project of Line 1 in HCMC and others, the advice on "Company organization for safety management" must be given to MAUR and others as needed.

#### **【Output】**

- Materials for the seminar on "Safety management system in Japan" (No.12)

### **(3) (Action 3) Qualifications for Urban Railway Staffs**

#### **(Action 3-1) Qualification, License, and Education for Urban Railway Staffs including Drivers**

The parties concerned with the education and training for the staffs related with train operation are Viet Nam Railway Administration (VNRA), the organization which has the authority for the construction on the laws regarding the education of the drivers, and MAUR, the organization which actually requires the staffs related with train operation. As there are differences between Japan and Vietnam in terms of the circumstances of the training for the staffs related with train operation, experts involved in the TC Phase 1 activities and the General Consultant for UMRT Line 1 participated in the discussions with VNRA and MAUR to explain the situation in Japan. Based on the discussions, VNRA issued a letter to MAUR including



the special draft regarding the education of the drivers at the commencement of the line operation, which could cover the conditions of Japan as well as satisfy the regulations of the Railway Law in Vietnam; that is, since the education in Japan cannot include driving training on actual lines, it is acceptable to run driving training on the infrastructure of UMRT Line 1 after the construction of the line is finished, and the certificates issued in Japan are the certification only for the theoretical lessons in Japan.

However, the education based on this draft by VNRA will burden much on Vietnam side as all the drivers-to-be at the commencement of the line operation will have to be sent to Japan. Also, it will be a considerably challenging issue for a Japanese railway company to issue certificates to them when the current Japanese systems for the education of the drivers and for the issue of driver's licenses are considered. If the certificates guarantee that the trainee has completed certain trainings, but does not guarantee his ability as a train driver, a Japanese railway operator could issue the certificate. Although there is a possibility that the MOT will not accept such certificates as the certificates for necessary theoretical training, The Ministry of Land, Infrastructure, transportation and Tourism, MLIT, in Japan is currently ascertaining to VNRA that any railway operator that has issued the certificates to a driver will not be blamed when the driver causes an accident, if the operator has provided necessary training which MOT approved.

On the other hand, the MOT showed the view to educate urban railway personnel including drivers in Vietnam by reinforcing the Railway Vocational College (RVC) and utilizing it in the Decision, No.127/QD-BGTVT - On approving the "Training Urban Railway Personnel for 2014-2020 Period" Project of Railway Vocational College, dated January 14, 2014. It specifies the view concretely that Japanese instructors will educate first Vietnam drivers in the frame of the RVC and the RVC will issue the Certificate for the education. However, if urban railway personnel including drivers are educated based on this Decision, there is a concern that the education will not finish by the commencement of the line operation, including the approval of materials, curriculum, and facilities of the education.

As is mentioned above, the matter of the education of urban railway personnel including drivers is deadlocked. To find a solution to this problem is urgent since the problem might affect the service opening of the line.

It is urgent to organize the principles of the qualification, license, and education for urban railway personnel including drivers that should be in time for the service opening of the line. This will require the consistency of related laws and the coordination with other urban railway lines' cases, as well as the hearing from the MOT and the VNRA.

**【Results of the Action】**

- Based on "No.127/QD-BGTVT" by MOT issued on 14th January, 2014, stating the guideline that RVC should be utilized for the education of train drivers for urban railways, and also based on the memorandum between MAUR and the RVC in October, 2014, the SAPI Team has studied the education system by utilizing the RVC.
- The most concerned matter in this education system was the case that education itself would not finish

by the time of commercial operation due to the delay of the approval by Ministry of Labor - Invalids and Social Affairs, MOLISA, regarding the curriculum and textbooks, as MOLISA manages vocational trainings. It was found that, according to the hearing to the principal of the RVC and an official of VNRA in June, 2015, this problem could be avoided by the reasons as follows:

- The graduates of the RVC will be recruited as the candidates of train drivers for Line 1 for the time being. In this case, this education will be regarded as “reeducation” and thus will not be required to be accepted by MOLISA but only by MOT;
  - Regarding the approval for the curriculum and textbooks, as the law regarding vocational trainings, was revised; the approval could be conducted by the principal of the RVC, which used to be the responsibility of MOLISA.
- On the other hands, as there are various issues to be solved in the education system by utilizing the RVC, the SAPI Team has discussed about this issue with JICA in order to solve these issues. However, due to the problem related with JTC, it is difficult for the time being to adopt this education system.
  - There held a meeting at the request of MAUR where MAUR, GC, and JIC joined and discussed about the shortage of Man-months of training drivers. In this meeting, MAUR mentioned the following official letters:
    - (1) No. 1344 / BQLDSDT-TCDT, “Training drivers and Granting Training Certificates to Train Drivers for HCMC Urban Railways Line No. 1”, April 27th, 2015
    - (2) No. 1001 / CDSVN - VTATGT-, “Re: Training drivers and Granting Training Certificates to Train Drivers for HCMC Urban Railways Line No. 1”, 12th May, 2015
  - The official letter (1) is the letter in which MAUR asked VNRA whether it is possible to shorten training hours or not. The official letter (2) is the reply to (1) by VNRA stating that it could be possible only when Japanese contractors including consultants make a commitment on the training period and quality ensuring absolute safety for urban railways operation. As the letter (2) is relatively ambiguously worded, JIC suggested MAUR to make sure how the certificates are effective to the license.
  - After the meeting, MAUR sent an official letter to VNRA and then VNRA replied to MAUR by sending the following official letter (3).
  - (3) No. 272 / CDSVN - VTATGT, “Re: Granting training certificates to train drivers for HCMC Urban Railways Metro Line 1”, March 4th, 2016
  - This letter stated that, if the training course completion certificate is not as valid as a train driving license granted by a Japanese competent agency, VNRA requests the examination regulated by MOT. For Japanese side, it is necessary to find a Japanese railway operator which can provide training equivalent to the training for license in Japan and can issue the certificate.
  - There was a meeting in Japan on 16th February, 2016 where MLIT, JICA and JIC joined. This meeting concluded that the three parties will discuss again after getting the response of VNRA to the letter by MLIT ascertaining to VNRA that any railway operator that has issued the certificates to a driver will not

be blamed when the driver causes an accident, if the operator has provided necessary training which MOT approved.

- Mr. Khoi, Director of VNRA, who attended the Third Session of JCC on fourth March, 2016, mentioned that VNRA's opinion on the certificate is stated in the above official letter (2).

#### **【Concerns and Suggestions for Improvement】**

- As the education of train drivers and other operation staffs requires a few years to be completed, it is necessary to decide the education system as soon as possible while considering the schedule of the commercial operation of Line 1.

#### **【Output】**

- No. 1344 / BQLDSDT-TCDT, “Training drivers and Granting Training Certificates to Train Drivers for HCMC Urban Railways Line No. 1” , April 27th, 2015(No.13-1)
- No. 1001 / CDSVN - VTATGT-, “Re: Training drivers and Granting Training Certificates to Train Drivers for HCMC Urban Railways Line No. 1” , 12th May, 2015(No.13-2)
- No. 272 / CDSVN - VTATGT, “Re: Granting training certificates to train drivers for HCMC Urban Railways Metro Line 1” , March 4th, 2016(No.13-3)

(Action 3-2)

Coordination with Urban Railway Administration Advisor

The VNRA is responsible for the development of the legal systems regarding the qualification of the urban railway staffs including drivers and the safety management required for the opening of Ho Chi Minh City Line 1. However, due to the poor incentive of the VNRA toward developing such systems in accordance with the schedule of the opening of service in this line, there is a possibility that the work will be delayed. For this issue, it will be necessary to provide timely information to a JICA expert, an urban railway administration advisor, seconded to the VNRA and to share common subjects to be solved, in order to urge the VNRA to precede their task toward developing the legal systems required for the opening of service.

#### **【Results of the Action】**

- The SAPI Team has been contacting with the JICA expert in VNRA periodically, such as November 2014, March 2015 and through other opportunities, to share information. Also, the SAPI Team invited him to the JCC meetings in HCMC.
- In other JICA training programs, management class officers of VNRA had the opportunities of on-site observation of train driver education in Japanese railways as the result of the coordination with the expert, which were beneficial for both sides:
  - Education and training facilities of East Japan Railway Company (JR East), December 2014, in “training program to support legislation regarding urban railways”;
  - Education and training facilities of Osaka Metro, as well as the on-site observation of practical

training at a drivers' depot of Osaka Metro, October 2015, in "training program to support the implementation of practical test of train drivers in urban railways".

- The SAPI Team has been obtaining information regarding the progress of the legislation that the expert is involved in. The followings are the regulations regarding train drivers of urban railways:
  - Regulation of office organization for train operation staffs in urban railways (MOT No. 05/2015/TT-BGTVT, 30<sup>th</sup> March, 2015);
  - Regulation of train driver license (31/2015/TT-BGTVT, 17<sup>th</sup> July, 2015).
- On the other hand, VNRA usually inquiries opinions to MAUR before a law or a regulation is laid down on the process of legislation. The SAPI Team receives opinion papers to VNRA by MAUR in advance and offers it to the expert.
- Also, the expert attended the three JCC meeting, namely, the First Session on 7th November, 2014, the Second Session on 2nd October, 2015, and the Third Session on 4th March, 2016, and gave advices as urban railway transport administration advisor.

**【Concerns and Suggestions for Improvement】**

- The SAPI Team will coordinate with the expert like it has done thus far.

(Action 3-3)

Materials, Curriculum, Examination System and Other Issues for the Education for Urban Railway Personnel including Drivers

If the Japan side supports the issue of the qualification, license and education for urban railway personnel including drivers, it will be necessary to prepare required materials and curriculum and to apply them to the MOT, and the Ministry of Labor – Invalids and Social Affairs (MOLISA) in case the RVC is used for this purpose for two years, to obtain their approval, irrespective of the contents of the final conclusions of (Action 3-1).

There have been some cases in former technical supports to Vietnam that obtaining the approvals for materials, curriculum and other issues for a particular qualification takes quite a long time because of the strictness of qualification systems in Vietnam. This will be true in the case that the RVC is utilized as is described in the MOT Decision. Also, it will be necessary to assess the results of the educations by examination, although the Vietnam side does not have the knowledge concerning the contents of the examination and its pass-fail criteria as far as the urban railway is concerned.

Therefore, it is necessary for the Japan side to provide drafts for the examination system to the Vietnam side. To start the work for this concretely is urgent so that this issue will not affect the schedule for the commencement of the Line 1 operation.

**【Results of the Action】**

- It has been already authorized that the curriculum should consist of classroom lessons and practical lessons. However, the curriculum itself has not been specified since the organization responsible to the classroom lessons has not been decided.
- On the other hand, Regulation of train driver license (31/2015/TT-BGTVT) issued on 17th July, 2015, which is mentioned on Action 3-2, shows the examination with quite difficult requirements. The difficulty level of the requirements is almost the same as that of Japan. Followings are the examples:
  - In the test of inspection before departure at depot, 5 malfunctions have to be set intentionally and examinees are expected to find all of them;
  - The time limit of the test of inspection before departure at depot is quite short;
  - In the test of actual driving, examinees have to drive a train by manual, not by ATO;
  - In the test of actual driving, examinees are expected to stop a train at each station within the error range of 1 meter. Also, they are expected to stop without strong brake;
  - In the test of actual driving, examinees are expected to drive each section between stations for the scheduled time within the error range of 10 seconds. In order to keep this driving time together with the above-mentioned brake operation, examinees are required to acquire extremely high driving techniques;
  - In the test of actual driving, examiners are expected to estimate the distance by eye to the point of 300 meters further within the error range of 10 meters;
  - In the test of actual driving, examiners are expected to estimate train speed without seeing the speed meter within the error range of 5 km/h.

#### 【Concerns and Suggestions for Improvement】

- As the specifications of the examination are quite severe, GC, which are responsible to the training directly, will have to consider enriched education. First of all, the increase in MM of training experts will be urgent. The SAPI Team will discuss with GC about these items and are required to cooperate with GC further more.
- Considering these circumstances, it is important to determine the education system as soon as possible while considering the schedule of the commercial operation of Line 1.

#### (4) (Action 4) Preparation of Detailed Phase 2 Project

First of all, it is important for MAUR to secure the organization in which “the SAPI experts can transfer their experiences and know-how to C/P.” Meanwhile, it is important for MAUR to implement the preparation for the next TC Project so that the project can be started in 2016 with the precondition that the registration of O&M Company and increasing PUC member up to 19 are completed within the implementation period of SAPI.

Therefore, considering the progress of the registration of O&M company and increasing PUC member, the support on the following works as preparation of detailed the next TC Project will be implemented on the basis of the initiative by MAUR including C/P:

- To make the application form for the next TC project;
- To make PDM, PO, WBS for the next TC project.

**【Results of the Action】**

- As the part of the preparation of the next TC, the support on PUC's making "Application Form for Japan's Technical Cooperation for Next TC" as well as the necessary coordination with JICA Vietnam Office have been implemented.
- Meanwhile, as the procedure in Vietnam, "Registration of Technical Cooperation Project sponsored by JICA in FY 2016 (in order to ensure state budget for C/P)" has been submitted from HCMC-PC to MPI on 30th July 2015.
- The support on the works (making PDM, PO and WBS) as preparation of detailed the next TC Project has been implemented on the basis of the initiative by MAUR including C/P. As the result, the draft of PDM, PO and WBS could have been completed at a certain level

**【Concerns and Suggestions for Improvement】**

- The current draft of PDM, PO and WBS for the next TC must be revised as needed on the basis of the progress of the procedures necessary for the implementation of the next TC in the future.

**【Output】**

- Application Form for Japan's Technical Cooperation for Next TC (No.14)
- Registration of Technical Cooperation Project sponsored by JICA in FY 2016 (No.-5-1, No.15-2, No.15-3, No.15-4)
- (Draft) PDM, PO, WBS for Next TC (No.16-1, No.16-2, No.16-3)

### 3. Issues, Ingenuity and Lessons for the Project Implementation

#### 3.1 Establishing the initiative of Vietnamese side by reinforcing the staff such as middle managers

With the delay of the construction works of Line 1, it was revealed that the opening of service shall be delayed for at least two years (Originally at the beginning of TC Phase 1, the Line 1 was scheduled to open partially in 2016). Therefore, the registration of O&M Company and the increase of the number of PUC members to 5 at first and finally to 19 planned during TC Phase 1 have been postponed.

In this SAPI, the following items are required based on the Japanese side's policy in the 1st JCC Meeting.

1. Reinforce the PUC staffs by involving middle managers;
2. In order to drive forward this project, Vietnamese side is required to take the leading role while JICA experts are in the role of supporters so that Vietnamese side would have the ability to manage effectively the urban railway system by themselves in the future.

After the 1st JCC Meeting, 4 additional PUC staffs were appointed in May 2015. They are concurrently in charge of other projects in MAUR i.e. PMU 1 or 5, which has not driven force toward the actual enhancement of the preparation for establishing the O&M Company. However, the requirement of reinforcing the PUC staffs by involving middle managers with practical experience is not necessarily satisfied based on lesson learnt from the preparation works for the establishment of the O&M Company until now.

#### 【Issues, ingenuity and lessons obtained through the actual experience】

##### (1) The establishment of O&M Company

- Regarding the establishment of O&M Company, it came to “the Approval for Establishment proposal by the Prime Minister” in May 2015. HCMC-PC has made the decision about the establishment of O&M Company on 1st December 2015. After that, upon the issuance of this Decision, the registration works shall be implemented accordingly. However, it remains cumbersome procedures for the registration of the O&M Company; as the previous experience of Hanoi MRB cases, it took about six months since the Prime Minister's approval. Therefore, the additional PUC members with practical business experiences are required. In the 1st JCC Meeting, Vietnamese side declared that the registration of O&M Company would be obtained by the end of SAPI. In spite of some unavoidable delays to the original schedule, the preparation for the company establishment has been made considerably based on the initiative of Vietnamese side.

##### (2) The On Job Training (referred to as “OJT”) for PUC staffs in Japan

- During the implementation period of SAPI, the OJT in Japan for the newly appointed PUC staffs was

planned to conduct separately by JICA training program. However, this is concurrent employment mainly for staffs added, which has not driven force toward the actual enhancement of the preparation works for establishing the O&M company. Therefore, the matter whether only the newly appointed PUC staffs join in the OJT in Japan was discussed. Accordingly, the final decision on the OJT members including the existing PUC staffs is under consideration with the cooperation of JICA.

### 3.2 Utilizing Local Consultants

The local consultant for management and legal is aimed to mobilize at the timing which is effective for contributing in smooth progress of “Procedure of establishment permission for new State-owned enterprise (Urban railway Operation and Maintenance Company)”.

Regarding “Procedure of establishment permission for new State-owned enterprise (Urban railway Operation and Maintenance Company)”, the Company Establishment Proposal was submitted to Prime Minister and Central government ministries by HCMC-PC on 9th December 2014 and the comments from Central government ministries were expected to be issued from January 2015.

Therefore, the local consultant for management and legal was mobilized from January 2015 and has contributed in the smooth progress of “Procedure of establishment permission for new State-owned enterprise (Urban railway Operation and Maintenance Company)” by her legal advice necessary for C/P when they were corresponding to the comments from the Central government ministries.

Moreover, the above consultant has provided the support for the actions of Japanese Experts by her legal advices such as confirmation of the consistency of Vietnamese relevant laws and regulations when they were implementing “(Action 3) Qualifications for Urban Railway Staffs”.

The local consultant for accounting system will be mainly mobilized for the PUC’s member who is in charge of financial affairs. Therefore, the timing and period for mobilizing the above consultant should be decided taking the progress of increasing the above PUC’s member into consideration.

At present, there is only 1 PUC’s member who is in charge of financial affairs (as same as the time SAPI started). On the basis of the above situation and the result of coordination with C/P regarding the specification of accounting software and others, the local consultant and the software for accounting system were mobilized in May 2015 and 42 times of training were implemented for the above member (basically 2 times/week). Accordingly, the above member’s understanding of financial accounting has been increased.

#### 【Concerns and Suggestions for Improvement】

No other comments



**【Output】**

- Accounting System Consulting Report(No.17)
- Management and Legal Affairs Consulting Report,[Consulting item sheet ,27 Jan 2015] (No.18-1)
- Management and Legal Affairs Consulting Report[Memo on the Enterprise Law 2014 ,10 Mar 2015( No.18-2)
- Management and Legal Affairs Consulting Report,[Summarized Comments on the Establishment Proposal,23 July 2015((No.18-3))

### 3.3 Holding continuously the Joint Coordination Committee (JCC)

After around 1 month from the start of the SAPI, on 7 November, at MAUR, 1st Session of Joint Coordination Committee (JCC) has been held with the attendance of MAUR, Home Affairs Department, Division of related departments and the Central - Organizing Board of Ho Chi Minh City Party Committee, Department of Planning and Investment, JICA Vietnam Office, JICA HQ and JICA Urban Railway Transport Administration Advisor. At 1st JCC, the draft of Inception Report which includes the fundamental policies, the specific method of the implementation and others of the SAPI has been explained by the SAPI survey team and discussed by the attendance.

In 1st JCC, it has been mentioned that the importance of the early establishment of the system which can accept the knowledge, the experience and the know-how necessary for the implementation of safety and sustainable operation of urban railway in HCMC, etc. the fundamental consensus on the draft of Inception Report, making the effort for the registration of O&M Company within 2015 and the step-by-step increasing of PUC members within the SAPI period and others have been built among the attendance.

The 2nd Session of JCC planned to be held in May 2015 (after around 8 months from the start of the SAPI) was postponed from the comprehensive standpoint such as the progress of the responses to the requests from C/P in 1st Session of JCC (addition of support for preparation of detailed phase 2 project and support for PUC regarding interpretation and translation work), the procedure for the establishment of O&M Company, the increase of PUC member, etc.

On 2 October, at MAUR, 2nd Session of JCC has been held with the attendance of MAUR, Home Affairs Department, Division of related departments and the Central - Organizing Board of Ho Chi Minh City Party Committee, Department of Planning and Investment, JICA Vietnam Office and JICA Urban Railway Transport Administration Advisor. At 2nd JCC, the progress, issues and others of the SAPI has been explained by PUC and the SAPI survey team and discussed by the attendance.

In 2nd JCC, the importance of the ownership of MAUR including PUC for the promotion of the SAPI has been confirmed between Japanese side and Vietnam side. And, discussion about the time for full opening/partial opening of Line 1, the establishment of O&M Company, the increase of PUC member and others has been deepened among the attendance.

On 4 March 2016, at MAUR, 3rd Session of JCC has been held with the attendance of MAUR, Home Affairs Department, Division of related departments and the Central - Organizing Board of Ho Chi Minh City Party Committee, Department of Planning and Investment, JICA Vietnam Office, JICA HQ and JICA Urban Railway Transport Administration Advisor. At 3rd JCC, the progress, issues and others of the SAPI has been explained by PUC and the SAPI survey team and discussed by the attendance.

In 3rd JCC, the all results of the SAPI have been confirmed by the attendance. And the debate on the early realization of the establishment of O&M Company, the increase of PUC member, the next TC and others could have been deepened among the attendance.

**【Concerns and Suggestions for Improvement】**

No other comments

### 3.4 JICA Project Team composition

The composition of the JICA Project Team is shown in Figure 3.(1). In this project, an expert will stay in HCMC to the extent possible. This expert will carry out the proper progress of each Action considering the local situation, based on close cooperation with the chief advisor in this research. Still more, another expert is deployed for (Action 3), which is the Action regarding the qualifications of urban railway staffs including training problem of drivers.

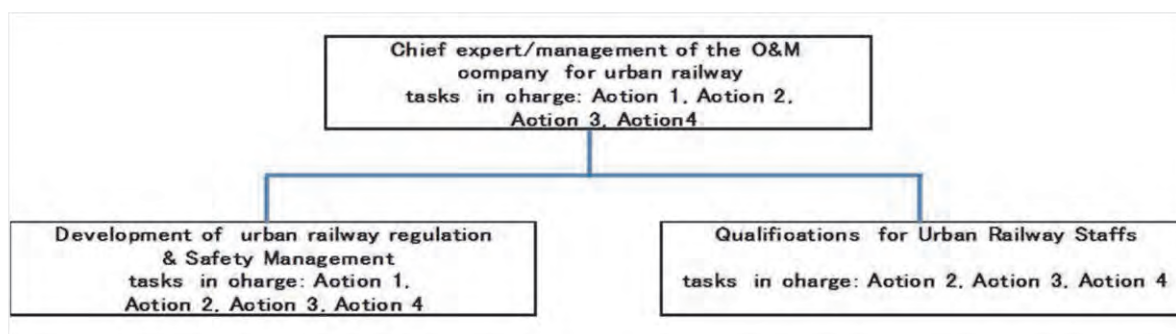


Figure 3.(1) Survey Implementation Scheme

**【Issues, ingenuity and lessons obtained through the actual experience】**

- In this project, a long-term assignment JIC expert is dispatched from Osaka City Metro to Ho Chi Minh City and JIC covered partly this expert dispatch cost.
- In order to carry out close exchange of information with MAUR, the dispatch for SAPI Chief was extended within the scope of budget.

**【Concerns and Suggestions for Improvement】**

- No other comments

### 3.5 The seminar supporting PUC in preparation for opening of HCMC Line 1

In each action of SAPI to implement the specific action, there are “Information sharing and consultation with Line 1 Construction Project” described in “Action 1-3”, and “Research and study of the regulator function for urban railway” described in “Action 2”. However, these specific actions could not be performed due to the delay of construction project.

Therefore, SAPI Study team held the seminar supporting PUC in preparation for opening of HCM Line 1. This seminar aims to facilitate the preparatory work in future by providing the basic knowledge on necessary matters related to these actions.

Moreover, in addition to MAUR-PUC, PMU and other MAUR officials who would be involved in the preparatory work for HCM Line 1 are also recommended to attend this seminar as this is the primary sources for preparatory works for the operation of HCM Line 1. The content of seminar is described in Table 3.(1).

(1) Fire protection policy

Regarding the disaster prevention described in “Action 1-3”, especially fire protection policy, it requires to equip with evacuation Manual for passengers and provide evacuation training, etc., thus, the early research and preparation prior to the opening of Line 1 is needed because it would take time and effort for preparation.

(2) The regulator function for urban railway and Company organization for safety management

Regarding “Action2 - Research and study of the regulator function for urban railway”, despite of the delay the concrete consideration of the authority matters and the contents of task, we still proceed the introduction of (1) the examples in Japan, and (2) the preceding examples in Hanoi regarding regulator function for urban railways, (3) Safety management system of transportation in Japan.

**【Results of the Action】**

- Regarding fire protection policy, SAPI Team could hold the seminar with the cooperation of contractors of CP-2 and CP-1, and could get the latest updates of knowledge of the concrete fire protection. We suspect that the preceding examples of the regulator function for urban railway in Hanoi will become to be useful for preparatory works in future.

**【Concerns and suggestions for improvement】**

- The matters presented in this seminar are the mainly issues that the specific actions could not be performed due to the delay of construction project. This issue shall be continuously addressed in next TC-2.

**【Output】**

- The materials of seminar

Table 3.(1) The seminar supporting PUC in preparation for opening of HCMC Line 1

Content	Sub Content	By	Time	Note
<b>The seminar supporting PUC in preparation for opening of HCMC Line 1</b>				
18th February, 2016				
1. Time: 26 <sup>th</sup> February, 2016 (13:00 - 16:50)				
2. Place: MAUR Meeting Room				
3. The persons targeted for the seminar: PUC & PMU and other interested participants - about 50 members				
1,Opening Speech		The representative of MAUR	5 minutes	
<b>2,Fire prevention</b>				
	Fire prevention in Japanese Railways	The former expert of JIC	40 minutes	
	Fire prevention in CP-2	The expert of SCC(Contractor)	20 minutes	
	Fire prevention in CP-1	The expert of NSC(Contractor)	20 minutes	
	Facilities & equipment for fire prevention	The expert of NJPT	30 minutes	
(Discussion)			15 minutes	
(Break time)			15 minutes	
<b>3,Regulator function &amp; Management system for safety in railway</b>				
	Regulator function in Japanese Railways	The expert of former MLIT official	40 minutes	
	Regulator function in Hanoi	The expert of JIC	20 minutes	
	Management system for safety of transport in Japan	The expert of JIC	15 minutes	
(Discussion)			10 minutes	
(Total)			3 hours 50 minutes	

## 4. An overview of the achievements of SAPI Project and Recommendations

### 4.1 Achieving goals and objectives

In this SAPI, the Evaluation Team by JICA is not available, which usually was implemented at the end of TC project. Therefore, we implemented the project self-assessment for each action. The results are shown as Table-4.1.

**Table-4.1 The Evaluation Summary of SAPI actions**

Action	Description	Future problems/ Recommendations	Level of Evaluation
<b>Action 1</b>	<b>Setup and Management of O&amp;M Company for Urban Railways</b>		
<b>Action 1-1</b>	<b>Support for setup and registration (preparation of registration-related documents, negotiations, etc.) of O &amp; M Company for urban railways</b>		
	Regarding the establishment of Operation and Maintenance (“O&M”) Company, we received the Decision on the establishment of Ho Chi Minh City Urban Railways No.1 Company Limited on 01 December 2015 after finishing the complicated procedure required by Vietnamese Government and HCMC-PC from July 2013 to December 2015.	After this, it is expected that the enterprise registration shall be conducted soon on the basis of integrated consideration of opening of Line 1. Therefore, MAUR shall clarify this schedule.	<b>A</b>
<b>Action 1-2</b>	<b>Reinforcement of the organization to prepare establishment of the O&amp;M Company for urban railway and deployment of staff for operation division/ maintenance division</b>		
	Regarding Action 1-2 on the requirement to MAUR for the increase of PUC staffs (total of 19 members) at the end of SAPI, currently there are 4 additional concurrently staffs appointed except for 5 current staffs on duty which does not comply with the requirements due to the delay of construction project and etc.	MAUR should establish organizational structure in the preparation for the start of TC-2.	<b>C</b>
<b>Action 1-3</b>	<b>Information sharing and consultation with Line 1 Construction Project</b>		
	Regard to Action 1-3: Information sharing and consultation with Line 1 Construction Project, we could not initiate the wide-ranging discussion as planned about the facilities,	In the TC-2, it is needed to continue working on this issue.	<b>B</b>

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	<p>equipment and systems, etc., which will be explored during operation, due to the delay of construction project.</p> <p>However, we complied with a part of this action requirement through studying this topic and tasks required the efforts from the O&amp;M Company in the future by holding the seminar supporting PUC in preparation for opening of HCMC Line 1 in February 2016 and etc.</p>		
<b>Action 1-4</b>	<b>Information sharing with the projects of Line 2 and other lines</b>		
	Information sharing with projects of Line 2 and other lines, we could not conduct this action due to the difference of implementation process of Line 1 and others (i.e. detailed design, etc. are being drawn up).	This issue shall be continuously addressed in next TC-2.	<b>C</b>
<b>Action 1-5</b>	<b>Information sharing with the projects in Hanoi City</b>		
	<p>During the implementation period of this SAPI, we held 3 discussions with Metropolitan Railway Management Board (“MRB”) in Hanoi and Hanoi Metro Company.</p> <p>We could get the valuable experience from Hanoi to prepare tasks for the opening of HCMC Line 1.</p>	Therefore, these discussions play a useful role in TC-2.	<b>A</b>
<b>Action 1-6</b>	<b>Coordination with acceptance of trainees by Japanese railway companies</b>		
	<ul style="list-style-type: none"> <li>• The observation-cum-study trip for the leaders of HCMC-PC could not be realization due to the personnel changes of HCMC-PC executives.</li> <li>• Regarding training for future executives of O&amp;M Company for urban railways in MAUR, the detailed plan was submitted in the 3<sup>rd</sup> session of Joint Coordination Committee (“JCC”).</li> </ul>	For the leaders of HCMC-PC, the observation-cum-study trip should be continuously considered.	<b>B</b>
<b>Action 2</b>	<b>Research and study of the regulator function for urban railway</b>		
<b>Action 2-1</b>	<b>Role sharing between the relevant authority agencies and MAUR</b>		
	Regarding regulator function for urban railway, SAPI Team organized the seminar supporting	This issue shall be continuously addressed in	<b>B</b>

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	C/P(PUC) to get the basic knowledge, by introducing examples of Japan and Hanoi.	next TC-2.	
<b>Action 2-2</b>	<b>Organization and work assignment in MAUR</b>		
	ditto	ditto	<b>B</b>
<b>Action 2-3</b>	<b>Company organization for safety management</b>		
	ditto	ditto	<b>B</b>
<b>Action 3 Qualifications for urban railway staffs</b>			
<b>Action 3-1</b>	<b>Qualification, license, and education for urban railway staffs including drivers</b>		
	Regarding qualification, license and education for Urban Railway staffs including drivers, the discussions were held with MAUR and between MLIT, JICA and JIC in Japan; especially, there are some pending problems about “the driver-training method” necessary for the line opening.	It is proposed to continuously hold discussions with MAUR and VNRA regarding this issues.	<b>C</b>
<b>Action 3-2</b>	<b>Coordination with urban railway administration advisor</b>		
	The SAPI Team has been obtaining information regarding the progress of the legislation that the JICA expert in VNRA involved.  On the other hand, the SAPI Team provided information about the examples and etc. in Japan to this expert.	This issue shall be continuously addressed in next TC-2.	<b>B</b>
<b>Action 3-3</b>	<b>Materials, curriculum, examination system and other issues for the education for urban railway personnel including drivers</b>		
	In particular, for the train drivers of the examination system, etc., we could have contributed to the development of relevant laws and regulations of Vietnam by providing information about the examples and etc. in Japan.	Regarding materials, curriculum and other issues for the education for urban railway personnel including drivers, this issue shall be continuously addressed in next TC-2.	<b>B</b>
<b>Action 4 Preparation of Detailed Phase 2 Project</b>			
<b>Action 4</b>	C/P(PUC) could proactively make “Application Form, PDM, PO and WBS for TC-2 ” within a certain period of time, only by	However, regarding PDM, PO, WBS of this TC-2, actually there will	<b>A</b>

	the minimum support of the Japanese expert.	be the discussion between Detailed Plan Survey Mission and MAUR before the start of TC-2,.	
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## 4.2 General recommendations

### (1) Planned implementation of work

The procedure for the establishment of O&M Company is the unexperienced work for HCMC including MAUR as well as the complicated work including the negotiation and the coordination with relevant ministries. Regarding such an affair, researching and studying the preceding case in Hanoi and relevant laws and regulations, MAUR could have made the schedule of the above procedure in advance. And then, the above procedure could have been implemented on the above schedule at a certain level. Such a planned implementation of work should be kept and strengthened in the preparation work for opening of Line 1 in the future.

### (2) Cooperation with relevant authority

Three meetings for information sharing with the projects in Hanoi City which has gone ahead regarding the preparation for opening of urban railway and others have been held in this SAPI project. As the result, the importance of close and effective information sharing as well as cooperation has been recognized between MAUR/PUC and MRB. Accordingly, independent and active information sharing as well as cooperation seem to be planned between MAUR and MRB regarding general urban railways matters (not only the establishment of O&M Company but also the construction project is included) from now on. Cooperation with relevant authority without the support of the project should be kept and strengthened in the preparation work for opening of Line 1 in the future.

### (3) Independent implementation of work

The support on the works (making PDM, PO and WBS) as preparation of detailed the next TC Project has been implemented on the basis of the initiative by MAUR including C/P. As the result, the draft of PDM, PO and WBS could have been completed within a definite period of time with the essential support from Japanese experts. Such an Independent implementation of work should be kept and strengthened in the preparation work for opening of Line 1 in the future.



### 4.3 Lessons Learned

The lessons learned from the process of performing this SAPI project as follows.

(1) The start of preparatory works depends on the opening time of urban railway line.

The delays in the construction will directly affect TC project activities and achievement. If the opening time of Line 1 is not determined, we could not proceed the preparatory works including training for train-drivers and so on. In a sense, there would be multiple meaning of "the decision of the opening time " varied depending on the progress of the construction. Until now, the opening of Line 1 could not meet the initial opening time due to the delay of the construction project, however the reliable opening time is necessary to arrive at final decision soon.

(2) The preceding examples in Hanoi is the definite reference for performing the next project in Ho Chi Minh City.

During the implementation period of this SAPI, we held 3 discussions with Metropolitan Railway Management Board ("MRB") in Hanoi and Hanoi Metro Company.

We achieved positive results including (1) the realization of the long gap period between the time issuance of the Establishment Decision by the Provincial People's Committee and the start of registration of enterprise, (2) a method for building the salary structure and (3) the instruction of preparatory tasks for operation and maintenance, etc.

By getting the experience of preparatory tasks for operation and maintenance from Hanoi Metro Company and other issues happened after the opening of Line 2A, it would be very useful for the Ho Chi Minh City O&M Company for the implementation of TC2. Especially, there would be favorable for solving problems happened in the early stage of establishment such as equipment failure, etc. Therefore, these discussions play a useful role in TC-2.

(3) In Vietnam, it is very important to understand or acknowledge the complicated procedures to obtain the approval of the central government and HCMC-PC.

Regarding the establishment of Operation and Maintenance ("O&M") Company, we received the Decision on the establishment of Ho Chi Minh City Urban Railways No.1 Company Limited on 01 December 2015 after finishing the complicated procedure required by the Government and HCMC-PC from July 2013 to December 2015.

This complicated procedure in Vietnam might be peculiar, however, we who have the desire to promote technical cooperation, should understand or acknowledge this fact.

(4) Information Sharing and Coordination with the Regulatory agency (MOT/VNRA and others.) is important.

The UMRT is planned to be introduced to HCM city for the first time. It leads to the setup of a railway O&M company as the first step. Meanwhile, the relevant laws and regulations, as well as the institutional framework for urban railway operation, is also being drawn up.

Thus, it is very crucial for information sharing and coordination with the Regulatory agency (MOT/VNRA and others) for performing this new project.

## **5. Remain issues needed to be addressed in next TC-2 after the finalization of SAPI project**

After the finalization of SAPI project, remain issues are needed to be addressed in next TC-2 as follows.

(1) The enterprise registration for Operation and Maintenance (“O&M”) Company

Regarding the establishment of O&M Company, we received the Decision on the establishment of Ho Chi Minh City Urban Railways No.1 Company Limited on 01 December 2015 after finishing the complicated procedure required by the Government and HCMC-PC from July 2013 to December 2015.

Accordingly, the enterprise registration shall be conducted for the actual operation of O&M Company. In the discussion with “Hanoi Metro Company” in January this year, the Director of Hanoi Metro Company also averred that there are many required preparatory tasks for the operation of urban railway in the future; it is expected that the enterprise registration shall be conducted soon on the basis of integrated consideration of opening of Line 1. Therefore, MAUR shall clarify this schedule.

(2) Reinforcement of the organization to prepare establishment of the O&M Company for urban railway and deployment of staffs for operation division/maintenance division

Regarding Action 1-2 on the requirement to MAUR for increase of PUC staffs (total of 19 members) at the end of SAPI, currently there are 4 additional concurrently staffs appointed except for 5 current staffs on duty which does not comply with the requirements due to the delay of construction project and etc.

MAUR should establish organizational structure in the preparation for the start of TC-2. For example, in the research of Application Form for TC-2, there are many required preparatory tasks for the opening of line.

(3) Clarification of opening time of Line 1

The implementation of the preparation work schedule depends on the opening time of Line 1. If the opening time of Line 1 is not determined, we could not proceed the preparatory works including training for train-drivers and so on. In a sense, there would be multiple meaning of "the decision of the opening time " varied depending on the progress of the construction. Until now, the opening of Line 1 could not meet the initial opening time due to the delay of the construction project; however, the reliable opening time is necessary to arrive at final decision soon.

(4)The driver-training method

Currently there is difference of opinion to the train-driving certificate and training method between Japanese side and Vietnamese side, and it ends in deadlock now. However, it is necessary that we should reach the final agreement at the end of this year for the implementation of preparatory works .

Therefore, the in-depth discussion among Japanese sides including MLIT, JICA and JIC will be initiated in the future. On the other hand, it is necessary that these opinions of Japanese side shall be passed to MAUR and the discussions between MAUR and VNRA also is stimulated meanwhile.

(5)Tasks required proactive performance from the counterpart (PUC) until the opening of the Line 1

The Japanese side could only provide the majority support about technical works relevant to urban railways in preparatory tasks for Line opening. Thus, the counterpart (PUC) is required to proactively perform preparatory tasks as follows.

- 1) The tasks compliant with Vietnamese different legal system and custom.
- 2) The tasks of Operation and Maintenance Phase

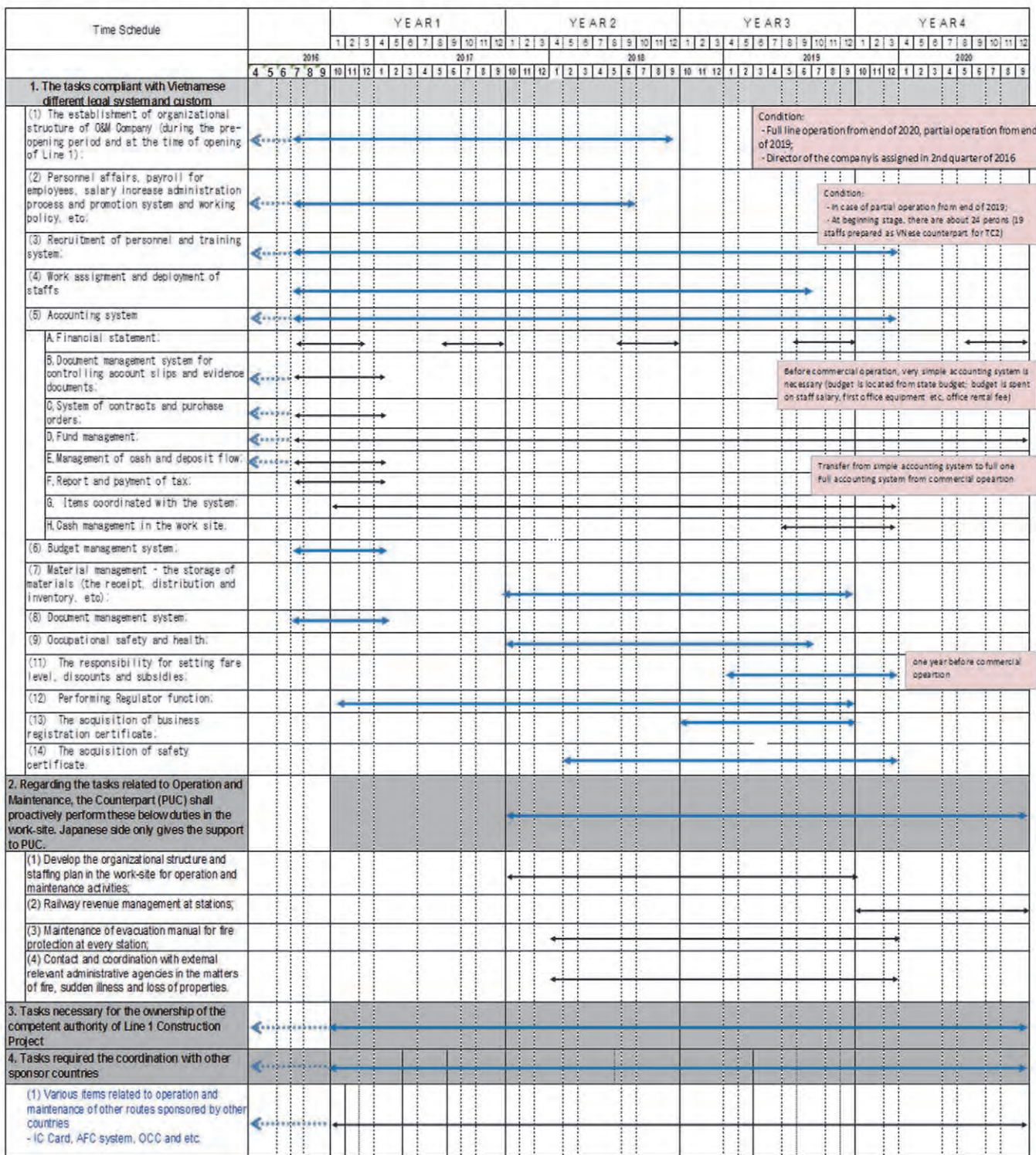
PUC shall proactively conduct tasks and activities of the Operation and Maintenance Phase in the work-site and Japanese side will play the support role. However, the most important responsibility for PUC is to learn technologies and know-how relevant to urban railway operation and maintenance.

- 3) The tasks necessary for the ownership of the competent authority of Line 1 Construction Project
- 4) The tasks required the coordination with other sponsor countries

In addition, the work schedule until the opening of Line 1 as Figure 5.1.

SAPI for Ho Chi Minh City Urban Railway Construction Project (Line 1)  
 (Preparation of Management System) • Final Report

Schedule of TASKS REQUIRED PROACTIVE PERFORMANCE FROM THE COUNTERPART (PUC) IN TC2



(Note) There are some parts of non-adjustment with PUC in the parts of the dotted line and so on.

Figure 5.1—SCHEDULE OF TASKS REQUIRED PROACTIVE PERFORMANCE FROM THE COUNTERPART (PUC) IN TC2

## 6 .Appendix

- (Appendix 1) Plans / Results of Experts' Mobilization
- (Appendix 2.1) Overview report (In regard of 2 visits on study and experience exchange in 2015 between Ho Chi Minh City Management Authority for Urban Railways and Hanoi Metropolitan Railway Management Board)
- (Appendix 2.2) Report (Regarding the study trip of Ho Chi Minh City Mission to exchange and learn the experience with Hanoi Metro one-member limited liability Company)
- (Appendix 3.1) Minutes of JCC Meeting – First Session of Joint Coordination Committee
- (Appendix 3.2) Request for the Further Progress of SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City (Official Letter from JICA to MAUR)
- (Appendix 4.1) Minutes of JCC Meeting – Second Session of Joint Coordination Committee
- (Appendix 4.2) Request for correction for M/M of 2<sup>nd</sup> JCC Meeting for “SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City” (Official Letter from JICA to MAUR)
- (Appendix 4.3) Response to correction for M/M of 2<sup>nd</sup> JCC Meeting for “SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City” (Official Letter from MAUR to JICA)
- (Appendix 5) Minutes of JCC Meeting – Third Session of Joint Coordination Committee

## Appendix

Plans / Results of Experts' Mobilization

Title of Contract: SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City (Ben Thanh- Suoi Tien Section (Line 1))  
(Preparation of Management System of Urban Railways)

1. Overseas Activities

Name (Assignment tasks)	Grading	Number of Mobilization	Fiscal Year 2014						Fiscal Year 2015						Days Total	MM Total									
			10	11	12	1	2	3	4	5	6	7	8	9			10	11	12	1	2	3	4		
Tadamasa Nagai (Chief expert/management of the O&M company for urban railway)	2	Plan	5	(28)				(21)		(28)			(25)			(28)							130	4.33	
		Result	6	10/13 (28)	11/9					4/13 (18)	4/30			7/26 (22)	8/16		9/27 (14)	10/10	12/9 (15)	12/23		2/23 (18)	3/11	10/4/14 (5)	120
Tadashi Nakano (Development of urban railway regulation)	3	Plan	5	(76)			(66)			(109)					(124)						1/4 (15)			390	13.00
		Result	5	10/6 (78)		12/22	1/4		3/16 (72)		4/7			7/26 (11)	8/21					12/24	1/21/5 (3)	3/15 (71)	4/9/4/15 (7)	390	13.00
Kiyohiro Takemoto Qualifications for Urban Railway Staffs	3	Plan	4	(11)		(7)		(7)					(7)											32	1.07
		Result	4	11/4 (11)	11/14			3/3/11 (10)						5/19 (8)	7/26							1/14 (4)	1/13		33
																	Subtotal of Overseas Activities		Plan		552	18.4			
																	Result				543	18.10			

2. Domestic Activities

Name (Assignment tasks)	Grading	Number of Mobilization	Fiscal Year 2014						Fiscal Year 2015						Days Total	MM Total									
			10	11	12	1	2	3	4	5	6	7	8	9			10	11	12	1	2	3			
Tadamasa Nagai (Chief expert/management of the O&M company for urban railway)	2	Plan	(4)																			4/4 4/5	8	0.40	
		Result	10/7 10/1 (4)																			3/15 3/18 3/22 3/25 (4) (4) (2)		14	0.70
Tadashi Nakano (Development of urban railway regulation)	3	Plan			(4)			(4)																8	0.40
		Result															12/25 (4)	12/2				3/16 3/19 (4)		8	0.40
																	Subtotal of Domestic Activities		Plan		16	0.80			
																	Result				22	1.10			

Explanatory Note: Result Plan Burden by JIC

Total	Plan	19.20
	Result	19.20

Report & JCC meeting		△													△	△			△			
		JCC													JCC	P/R			JCC			F/R
		IC/R																	DF/R			

**MANAGEMENT AUTHORITY FOR  
URBAN RAILWAYS  
TRAINING AND ORGANIZING  
DIVISION**

**SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom- Happiness**

*Ho Chi Minh City, day month year 2015*

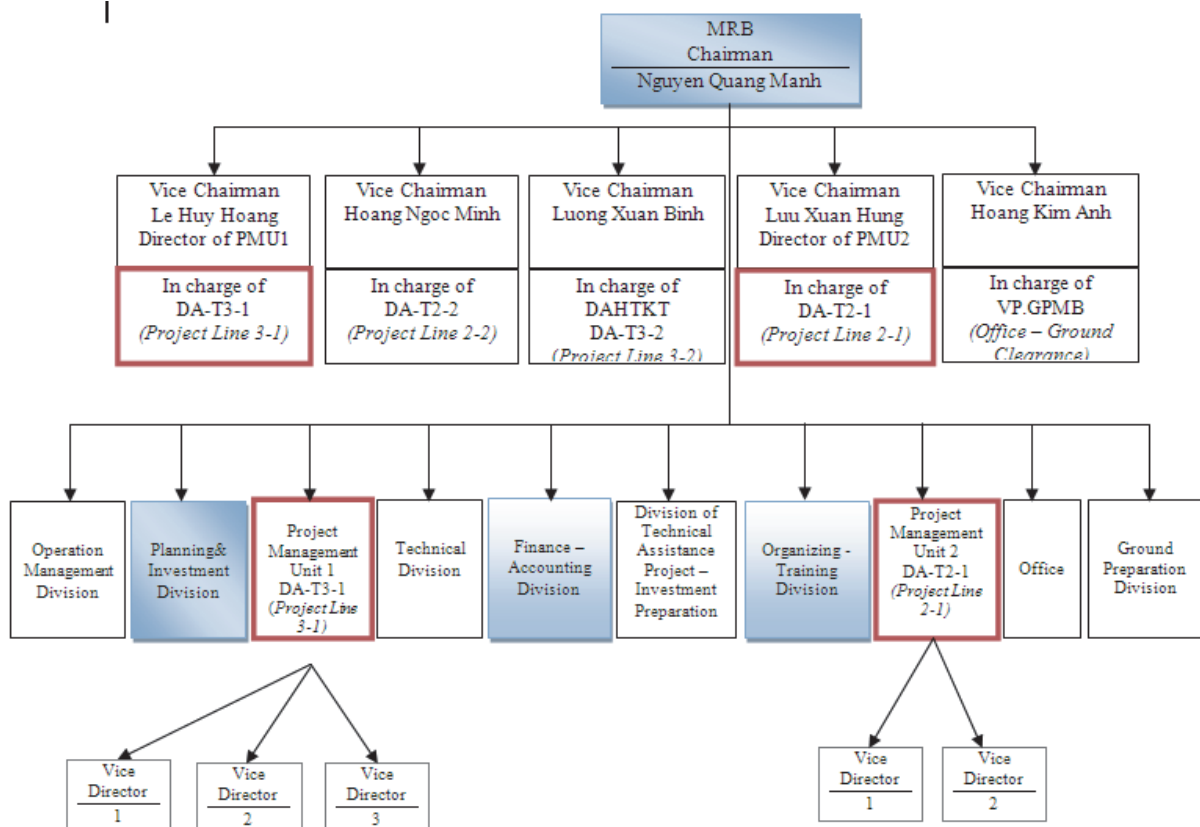
**OVERVIEW REPORT**

**In regard of 2 visits on study and experience exchange in 2015 between Ho Chi Minh City Management Authority for Urban Railways and Ha Noi Metropolitan Railway Management Board**

In scope of SAPI Project “Preparation for management system of Ho Chi Minh City Urban Railways”, Ho Chi Minh City Management Authority for Urban Railways (MAUR) and Ha Noi City Metropolitan Railway Management Board (MRB) carried out 2 visits on study and experience exchange (session No.1 in March 11<sup>th</sup> – 13<sup>th</sup> 2015 and session No. 2 in June 24<sup>th</sup> – 26<sup>th</sup> 2015). The brief summary of both visits as below:

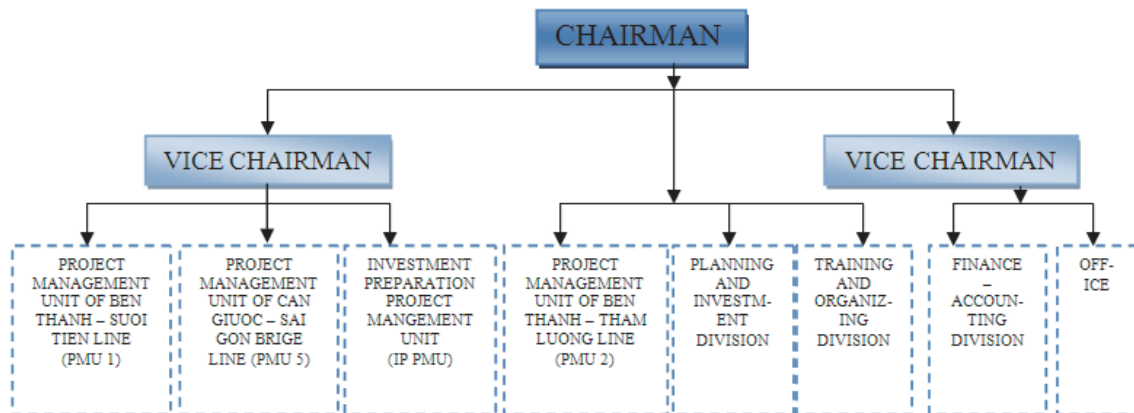
**1. The organizational structure of MRB and MAUR**

In MRB there are currently 130 staffs; including Chairman, 05 Vice Chairmen, 10 Divisions; details as below:





In MAUR currently there are approximate 227 staffs; including Chairman, 02 Vice Chairmen and 08 Divisions; details as below:



Compared to the organizational structure of MAUR, there are more 02 specific divisions in MRB, including Ground Preparation Division and Operation – Maintenance Division:

\* The Ground Preparation Division: in Ha Noi City, Metropolitan Railway Management Board is in charge of the ground preparation for urban railway projects (in contrast, in Ho Chi Minh City the payment of compensation for ground clearance is divided into separated subprojects and conducted by local authorities);

\* The Operation - Maintenance Division: is set up as accordance with Decision No. 3005/QD-UBND of Ha Noi City People’s Committee dated June 4<sup>th</sup> 2014. The position, function, responsibilities and personnel are regulated by Ha Noi Metropolitan Railways Management Board (tentative) at Decision No. 91/BQLSDT-TCDT dated August 19<sup>th</sup> 2014, details as below:

Position: specialized division of MRB;

Function: in support of MRB in operation, maintenance and exploitation of urban railways in Ha Noi City;

Responsibilities:

+ Continuously carry out the Technical Cooperation Project for Support on enhancement of regulatory authority and setup of O&M Company of urban railways n Ha Noi City;

+ The management of urban railway transport:

Coordinate with relevant Departments in setting out the regulations on safe operation and fare policy (ticket fare, subsidies and fare adjustment) for urban railways and others if required;

Draw up the charter, policy, technical-economic indicators, its norms and unit price in the field of urban railway transport;

Evaluate train operation plan and safety plan; inspect, monitor and report on safe operation of urban railways;

Counsel to the Chairman on the regulations of quality management of urban railway transport service; evaluate quality plan and control the implementation of quality plan for urban railway company;

Convey the views about feasibility report on the projects which Ha Noi Metropolitan Railways Management Board is the owner and other projects if requested from the City People's Committee;

Convey the views about operation, maintenance and exploitation on the projects which Ha Noi Metropolitan Railways Management Board is the owner and other projects if requested from the City People's Committee;

Involved in the acceptance test and performance of the trial operation on urban railways which Ha Noi Metropolitan Railways Board is the owner and other projects if requested from the City People's Committee;

Monitor the implementation of policies, incentive schemes for investment, development and exploitation of urban railway system;

Convey the views about training policies, plan, program and human resources development for urban railways.

Counsel on the implementation of programs and activities in term of disseminating and attracting the road users in urban railway usage.

+ The management of urban railway infrastructure

Convey the views about maintenance and exploitation plan of urban railway infrastructure.

Involved in releasing the capital of maintenance and exploitation of urban railway infrastructure.

Inspect and monitor the maintenance of urban railway infrastructure.

+ The management of devices and vehicles

Evaluate the maintenance plan of system of urban railway vehicles and devices.

Involved in the maintenance of system of vehicles and devices for O&M Company aimed to meet the requirement and regulations.

+ Conduct Memorandum of understanding on friendship and cooperation between MRB and Japanese Joint Stock Company.

+ Conduct other affairs assigned by Chairman.

## 2. The urban railway projects as planned in Ha Noi and Ho Chi Minh City

### 2.1 The status of implementation

In Ha Noi the current status of urban railway projects as planned is presented as the below table:

No.	Project	Sponsor	Current status
1	Line No. 1: Yen Vien – Ngoc Hoi	JICA	In progress of drawing up Technical design
2	Line No.2		
	South Thang Long - Tran Hung Dao	JICA	Waiting for the approval of project adjustment
	Tran Hung Dao – Thuong Dinh – Hoang Quoc Viet	JICA	In progress of drawing up Feasibility Study (F/S)
	South Thang Long - Noi Bai		Not yet studied
	Line No. 2A: Cat Linh – Ha Dong	China	Under construction
3	Line No. 3		
	Nhon –Ha Noi station	ADB, AFD, EIB, DGT	Under construction
	Ha Noi station - Hoang Mai	ADB, etc.	In progress of drawing up Feasibility Study F/S
4	Line No. 4: Me Linh – Sai Dong – Lien Ha		Not yet studied
5	Line No. 5: South Ho Tay – Hoa Lac – Ba Vi		In the progress of receiving the project from MOT
6	Line No. 6: Noi Bai - Ngoc Hoi		Not yet studied
7	Line No. 7: Me Linh – Ha Dong		Not yet studied
8	Line No. 8 Son Dong – Mai Dich – Duong Xa		Not yet studied

In Ho Chi Minh City, the current status of urban railway projects as planned is presented as the below table:

<b>No.</b>	<b>Project</b>	<b>Sponsor</b>	<b>Current status</b>
1	Line No. 1: Ben Thanh – Suoi Tien	JICA	Under construction
2	Line No. 2: Tay Bac urban area – Thu Thiem		
	Ben Thanh – Tham Luong	ADB, KFW, EIB	In progress of ground clearance, relocation of public structure and tendering work
	Ben Thanh – Thu Thiem and Tham Luong –Tay Ninh bus station - Tay Bac urban railway (Cu Chi)		Finalized the final report of feasibility study.
3	Line No. 5: New Can Giuoc bus station – Sai Gon Bridge		
	Bay Hien crossroad – Sai Gon Bridge	The Government of the Kingdom of Spain, ADB, EIB KfW	The basic design has already been drawn but according to the new regulations of Law on Public Investment, MAUR is carrying out the registration of investment policy.
	Bay Hien crossroad – New Can Giuoc bus station		In the progress of drawing up the basic design
4	Line No. 3a: Ben Thanh – Tan Kien		
	Ben Thanh – Past Mien Tay bus station		Finalized the basic design
	Past Mien Tay bus station – Tan Kien		In progress of drawing up the basic design
5	Line No. 3b: Cong Hoa roundabout – Hiep Binh Phuoc		Finalized the basic design
6	Line No. 4: Thanh Xuan – Hiep Phuoc urban area		In progress of drawing up the basic design
7	Line No. 4b: Gia Dinh park station – Lang Cha Ca station		The City registers the Technical Cooperation from the Government of South Korea to study

8	Line No. 6: Ba Queo – Phu Lam roundabout		Finalized the basic design
9	Tramway Line No. 1: Ba Son – Mien Tay bus station		In progress of studying BRT line as replaced
10	Monorail Line No. 2 (National way No. 50 – Binh Quoi Urban area)		In progress of preparation for basic design
11	Monorail Line No. 3 (Phan Van Tri crossroad, Nguyen Oanh - Tan Chanh Hiep station)		

In Ha Noi there are 02 lines under construction and only one line in Ho Chi Minh City. As planned, Cat Linh – Ha Dong Line in Ha Noi City shall finalize the construction and conduct the exploitation earlier than Ben Thanh – Suoi Tien Line in Ho Chi Minh City.

## **2.2 The obstacles and difficulties during the implementation of urban railway project**

Through discussion and information exchange, it is found that MRB and MAUR generally encounter some obstacles or difficulties during the implementation of urban railway project, details as below:

### **- The investment preparation:**

+ The new regulations on management of construction investment is basically promulgated (e.g. Law on Public investment); accordingly the additional time at the urban railway project formulation and approval would be extended as the urban railway projects belong to the list of national important projects;

+ The content of F/S between the Sponsors and Viet Nam side has the differences;

+ There is no detailed master plan for urban railways; therefore, the time at F/S formation overruns.

### **- The tendering:**

+ The tendering period is extended because of soliciting the views from sponsors (especially in case of many sponsors involved) in regard of related contents; therefore, the time overrun is in document clarification (many times);

+ Some packages have the compulsory requirement of the contractor's nationality/origin, when there is only one contractor submitted bid during the tendering process: in accordance with the regulations of Viet Nam, the tendering is re-organized which results in which time and cost overrun;

+ The tendering process requires to deals with some situations (i.e. there is only one contractor submitted bid, the contractor offered much higher price than the one approved, etc.) results in that the contract packages is proceeded late and

asynchronous, cause the impacts to other contract packages in same project as well as some aspects required the deal among Contractors. This is also one of the reasons leading to the claims from Contractors and simultaneously increasing cost for General Consultant and contractors;

+ The administrative board has no lack of experience of international tendering and depends on the Consultants.

- The adjustment of urban railway project investment: due to the long project preparation time (from the timing which the project is approved until the timing of execution), the relevant regulations is usually amended or promulgated by the competent authorities, etc.; therefore, it results in which the adjustment registration of investment project and investment capital in 02 Cities shall be carried out. This requires much time and effort as well as causes the considerable impact on the implementation;

- The cost of investment project management is calculated as a prescribed proportion with relatively small value which results in not being applicable to the long period of project implementation. In addition to this cost, MAUR and MRB shall simultaneously carry out the preparation for investment of other lines. To remedy for this issue, Nhon –Ha Noi Station Line proposed that the cost of investment project management is calculated by the base cost estimation and approved by Ha Noi City People’s Committee. This is the precedent for urban railways in Ho Chi Minh City then.

- In regard of the payment for contractors and consultants: Document review and delayed payment for the contractors would lead to the claims from them (according to the articles regulated at FIDIC contract, within 56 days the contractor does not receive payment then the contractor shall be entitled to receive financing charges due to delayed payment). However, the payment for Contractor is mainly responsible by the Ministry of Finance.

### **3. The study and preparation for urban railway operation and exploitation, setting up urban railway Company.**

#### **3.1 The projects and programs for study and preparation for urban railway operation and exploitation; setting up urban railway Company.**

Both cities are supported by JICA in studies and preparation for urban railway operation, exploitation and setting up urban railway Company.

In Ha Noi city JICA sponsored the Technical Cooperation Project Phase 1 (from the year of 2010 with the aim of support for urban railway operation and maintenance in Ha Noi City; the proposal of organizational structure for O&M Company including: establishment proposal, milestone of exploitation, working mechanism of management unit) and Technical Cooperation Project Phase 2 (from December 2012 with the aim of strengthening the capability of Ha Noi Urban Railway Management Unit, building the fare policy, building the safety monitoring system and the procedure for getting approval for operation plan, handover plan of Line No. 2A,

drawing up the Establishment proposal of Ha Noi Railway Company and the regulations for its Company).

In Ho Chi Minh City, JICA sponsored the Technical Cooperation Project - Phase 1 (in the implementation period of 2011-2013 with outcome of the Establishment proposal for urban railway company) and SAPI Project (in the implementation period of 2014-2016 with the aim of preparation for management system of Ho Chi Minh City urban railways).

### **3.2 Setting up urban railway Company.**

In Ha Noi City, the Establishment proposal for Ha Noi railway Company is drawn up by MRB. After soliciting the views from related Departments, MRB finalized the Establishment proposal for Ha Noi Railway Company. This Establishment proposal was approved by Prime Minister on November 13<sup>th</sup> 2014. Then Ha Noi City People's Committee gave Decision on the establishment of Ha Noi Railway Company on November 27<sup>th</sup> 2014. Ha Noi City Party Committee and People's Committee appointed the top management positions of the Company. Then the Company continued to carry out the following necessary tasks such as conducting the enterprise registration, seeking for office building, arrange financing and submit the Company Charter to the owner for approval, etc.

In Ho Chi Minh City, the Establishment proposal for Ho Chi Minh City urban railway No. 1 one-member limited liability Company was approved by the Prime Minister on May 26<sup>th</sup>, 2015. Ho Chi Minh City Management Authority for Urban Railways is counseling to the City People's Committee on issuing the Decision on Company establishment. In the course of submitting the Establishment proposal for urban railway company, MAUR had gained the experience from MRB, especially by 02 visits on study and experience exchange during SAPI Project period "Preparation for the management system for Ho Chi Minh City urban railways".

### **3.3 The results of discussion between MRB and MAUR on study and preparation for urban railway operation and exploitation, setting up the urban railway Company.**

- In case of Cat Linh – Ha Dong urban railway project in Ha Noi City: it currently is taken by Railway Project Management Unit (RPMU) – Ministry of Transport (MOT) as Owner, then after the completion of construction work, Cat Linh - Ha Dong urban railway line shall be handed over from MOT to Ha Noi City People's Committee (Ha Noi City PC) for managing and conducting business. Since 2013 MRB coordinated with RPMU - MOT to draw the handover plan of line No. 2A. The handover plan of line No. 2A is approved by Ha Noi City PC and MOT and then assigned to relevant authorities for implementation. This plan defines relations, responsibilities between Ha Noi City PC (MRB, Company, etc.) and MOT. In case of Ho Chi Minh City, Management Authority for Urban Railways and the Company belong to Ho Chi Minh City People's Committee. The Ho Chi Minh City People's Committee continuously gives the comprehensive advice on construction and following operation.

- In regard of the authority responsible for providing Ha Noi City urban railways regulations (e.g. service quality, ticket fare, transport safety, promotion plan for public passenger transport by urban railways, conversion of personal vehicles into public transport, etc.), MRB studied and proposed:

+ Department of Transport: Instruct and inspect the implementation of measures to ensure traffic safety; Appraise the regulations of state management on safety and quality in providing, participating and using Urban Railways transport service and fare policy applicable for urban railways;

+ Ha Noi Metropolitan Railway Management Board: Draw up the regulations regarding safety and maintenance in management and exploitation of urban railways; the policies and regulations on urban railways management and maintenance, program for the promotion of passengers participating in Urban Railways transport network, the promotion of Urban Railways investment; policies on revenue mobilization for Urban Railways operation; policies on management, utilization, attraction and promotion of Urban Railways human resource development;;

- MRB shared about the procedure of application after Prime Minister's approval of the Company's establishment; the grant of Decision of the Company establishment, initial Organizational - personnel structure; enterprise registration: After Prime Minister approved the Company's establishment, Ha Noi City Department of Home Affairs prepared Statement submitted to Ha Noi City PC for consideration and decision on Ha Noi railways Company establishment. On the basis of the Statement submitted by Department of Home Affairs, Ha Noi City PC makes decision on the establishment of Ha Noi City Railway one-member limited liability Company. At that time, MRB coordinated with Department of Home Affairs to prepare the Statement and Documents to Ha Noi City for approval. In the Decision on the establishment of Company, Ha Noi City PC guides relevant authorities to conduct affairs for Company establishment (such as human resources, financing and etc.).

#### **4. The field trip on the construction site of urban railways**

##### **4.1 The Nhon – Ha Noi Station urban railway line**

###### **\* The overview of line:**

- The start point: Nhon Station (Tu Liem Ward); the end point: Ha Noi railway terminal station located in Tran Hung Dao Street (ahead of Ha Noi Station);

- The length is 12.5 km from Nhon Station to Ha Noi Station, including: viaducts and special bridges of 8.5 km in length; pit and open trench in 4 km;

- There are 12 stations; including 08 elevated stations and 04 underground stations;

- Depot: approximate 15 hectare (located in Minh Khai & Tay Tuu Ward, Tu Liem District); consisting of OCC, the section of maintenance, major overhaul, berths, administration buildings and etc.);

###### **\* The current status of project implementation:**



- The elevated section, elevated stations and Depot technical infrastructure: the footing and some columns are under construction; the construction of Depot infrastructure including footing and cutting ground is also being carried out.

- The underground section: it has not yet deployed and the implementation of ground clearance is carried out.

\* The comparison with urban railways in Ho Chi Minh City:

- The Nhon – Ha Noi Station Railway Line has the same railway infrastructure with Ben Thanh – Suoi Tien line (including the underground, the subway to elevated rail connector and elevated section itself consisted of viaducts and special bridges). However, there is the disadvantage of construction of escalated rail between Nhon – Ha Noi station line compared to the Ben Thanh - Suoi Tien line is that Nhon – Ha Noi station line happens to be located in the current operation route ( while the reserved land along Ha Noi Highway is granted for Ben Thanh – Suoi Tien line);

- For Nhon – Ha Noi Station Railway Line, there are many different sponsors in separated contract packages. There are one to two sponsors for each package. Therefore, the difficulties happen in negotiation and decision making with many sponsors. This characteristic is similar to Ben Thanh – Tham Luong Railway Line in Ho Chi Minh City;

- The ground clearance and resettlement for underground railway, especially for underground stations has difficulties and spends much time. That is also similar to Ben Thanh – Tham Luong Railway Line.

#### 4.2 Ben Thanh – Suoi Tien urban railway line

\* The overview of line:

- The start point: Ben Thanh (The district 1 of Ho Chi Minh City); The end point: Suoi Tien Bus Station (The district 9 of Ho Chi Minh City and Binh Duong Province);

- The length is approximate 19.7 km including underground section with the length of 2.6 km (03 underground stations) and elevated section with the length of 17.1 km (11 elevated stations)

- Depot: approximate 25 hectare in the district 9 of Ho Chi Minh City and Binh Duong Province;

\* The status of implementation: the elevated section, depot and underground section from Ben Thanh to Opera House are under construction;

\* The field trip is carried out on construction site of contract package of underground section CP1B from Opera House to Ba Son Station; contract package of elevated section CP2 (the technology of segment casting, casting yard, moving segments from casting yard to construction site, the construction site and technology of span erection); the presentation and discussion on construction technology of elevated section of Line No.1 in Ho Chi Minh and Nhon –Ha Noi Station./.

## REPORT

### Regarding the study trip of Ho Chi Minh City Mission to exchange and learn the experience with Hanoi Metro one-member limited liability Company

In December 2015, Ho Chi Minh City People's Committee issued the Decision on the establishment of Ho Chi Minh City Urban Railways No.1 Company Limited and assigned to Department of Home Affairs, Department of Finance, etc., and Management Authority for Urban Railways to arrange the studies and provide the recommendations to Ho Chi Minh City People's Committee about the guidance on the implementation of relevant actions with the aim of the upcoming smooth and swift operation for the newly-established Company. In the context of the Hanoi Metro one-member limited liability Company established earlier with the same organizational structure, function, responsibilities, scopes of business, etc., it is the suitably precedent for learning. After discussing and reaching the agreement with Department of Home Affairs, Ho Chi Minh City Management Authority for Urban Railways intends to dispatch the Mission to visit and conduct the studies with Hanoi Metro one-member limited liability Company.

#### I. Overview

1. Time: 07<sup>th</sup> and 08<sup>th</sup> January 2016.
2. Detailed schedule

Date	The content	
	AM	PM
07 <sup>th</sup> January 2016 (Thu)	Departure to Hanoi	The Mission exchanges the information and learns the experience from Hanoi Metro one-member limited liability Company.
08 <sup>th</sup> January 2016 (Fri)	Field trip in one urban railway line in Hanoi	Departure to Ho Chi Minh City

#### 3. Participants

No.	Full name	Position
1	Hoang Nhu Cuong	Vice Chairman – Ho Chi Minh City Management Authority for Urban Railways;
2	Le Dac Huy	Chief of Personnel and Organizing Division - Department of Home Affairs
3	Vu Minh Huyen	Chief of Training and Organizing Division – Ho Chi Minh City Management Authority for Urban Railways

No.	Full name	Position
4	Tran Dang Thanh	Official of Management Authority for Urban Railways
5	Tadashi Nakano	Expert of SAPI – Preparation on management system of urban railways
6	Huynh Thi Lan Chi	Vietnamese-Japanese interpreter
7	Tran Nguyen Kim Ngan	Vietnamese-English interpreter

## II. Results of the study trip

### 1. Gathering information and gaining experience from Hanoi Metro one-member limited liability Company

#### 1.1 Overview

- Hanoi Metro one-member limited liability Company (Hanoi Metro - HMC) is established according to the Decision No. 6266/QĐ-UBND dated November 27th 2014 of Hanoi People's Committee (Hanoi-PC). The function and main responsibilities are: management of operation and maintenance of urban railway lines assigned.

- Location of office: Main office at Depot in Phu Luong ward, Ha Dong district, Hanoi; temporary office: No. 8 Ho Xuan Huong Street, Nguyen Du ward, Hai Ba Trung District, Hanoi. While the Company is waiting for getting the handover of office at No. 8 Ho Xuan Huong Street, the temporary rental workplace is at 315 Truong Chinh Street, Thanh Xuan Ward, Hanoi.

- The amount of charter capital at the establishment of the Company is 1,781,817 million VND.

- The organizational structure of the Company:

+ *The organizational structure of the Company includes 8 divisions and 3 operation units, detailed as below:*

- (1) Administrative Division,
- (2) Organizing - Personnel Division;
- (3) Finance - Accounting Division;
- (4) Business - Public relations Division;
- (5) Planning - Project Division;
- (6) Operation Division;
- (7) Technical - Maintenance Division;
- (8) Safety - Quality Division.
- (9) Operation Unit of urban railway line No. 2A
- (10) Operation Unit of urban railway line No. 2
- (11) Operation Unit of urban railway line No. 3

+ The initial structure of the Company includes 5 divisions:

- (1) Administrative - Organizing Division;
- (2) Finance - Accounting Division;
- (3) Planning - Project Division;
- (4) Operation Division;
- (5) Technical - Infrastructure Division.

## 1.2 The key milestones

- On November 13th 2014: the Government approved the Establishment Proposal of the Company;
- On November 27th 2014: Hanoi-PC issued the Decision on the Company establishment;
- On May 13th 2015: Hanoi-PC issued the Decision on appointment of Board of Director including: Chairman of Member's Council cum General Director and 2 Vice General Directors;
- On June 15th 2015: Hanoi-PC approved the Charter on organization and operation of the Company;
- On June 19th 2015: Department of Planning and Investment (DPI) issued the first Enterprise Registration Certificate;
- On June 22th 2015: The certificate of registered seal specimen and seal is issued;
- On July 27th 2015: Hanoi-PC approved the organizational structure and human resource planning of the Company;
- On July 29th 2015: Hanoi-PC issued the advance expense to the operation of the Company in 2015;
- From August 01st 2015: The Company officially set up the recruitment;
- On December 14th 2015: Hanoi-PC approved the salary scales and tables of the Company.

## 1.3 The results of activities from establishment of the Company

### a. Advantages

- The Company received the support, detailed instruction from Hanoi-PC and relevant Departments during the startup and early-stage period.
- The initial staffs are enthusiastic, have passion at work and devote to the development of public transport in Hanoi.

b. Disadvantages

- At the very first stage of establishment without the office, operating budget and staffs; the Company had to ask the initial support from other agencies. The other difficulties also happened due to the distributed workplaces and personnel combined with the enormous workloads.

- Due to it is a new sector without precedents, the staffs do not have experience and the Departments have the certain difficulties to give the decisions and instructions.

- Most of salaries for the Officials relocated from other agencies are reduced initially.

- The number of personnel employed for training based on the implementation of project has to experience the long time-off period for job available after the training due to the extension of project implementation.

1.4 Until now, the Company has finished some tasks and continues implementing others, as below:

a. Finalize the legal procedure

- Finalize and submit the Charter on Organization and Operation: the Company drew up the Charter on Organization and Operation and submitted to inter – departmental group for evaluation (Department of Home Affairs (DHA) is the main responsible Department); then, DHA submitted it to Hanoi-PC for issuance. The implementation period is approximately 15 days.

- Business registration: After the issuance of the Charter, the Company went through business registration process with DPI. The implementation period is approximately 05 days.

- Seal specimen registration: the Company registered the seal specimen in compliance with the instruction of PA64 Division under the City Police. (*The procedure of seal specimen registration is linked to business registration*). The implementation period is approximately 03 days.

- Opening a business bank account: The Company complied with the account opening requirements of the Commercial Bank.

b. Facilities and office

- Pursuant to the Decision on the Company establishment, the temporary office is at No. 8 Ho Xuan Huong Street, Nguyen Du Ward, Hanoi. However, MRB is managing this office.

- Submit the inter-Departmental report: determining how much square footage needed and unit price per square foot, then the inter-Department group submitted to Hanoi-PC for approval of renting another office for start of the Company operation.

c. Draw up the operating plan to submit to Hanoi-PC for approval of expense in 2015 for the Company

- The Company drew up and submitted the estimate of operating expense to Department of Finance for evaluation, then reported and submitted to Hanoi-PC for approval, the implementation period is approximately 02 months from June to July 2015.

- After gaining the Decision on advance expense, the Company followed the procedure for registration for Enterprise Code Number with the Budget Office under Department of Finance. Until August 19th 2015, Hanoi-PC issued the advance expense for

operation of the Company.

d. Draw up and submit the organizational structure, human resources planning and salary mechanism to Hanoi-PC for the issuance

- The organizational structure and personnel: in the basis of approved Establishment Proposal, the Company drew up detailed organizational structure and human resource planning and submitted to inter-departmental group for evaluation (DHA is the main responsible Department), then DHA submitted it to Hanoi-PC for issuance.

- The salary mechanism:

+ The salary scales and tables for managerial personnel are implemented in accordance with Decree No.51/CP;

+ The salary scales and tables for non-managerial personnel: Firstly, the Company drew salary scales and tables for the officials according to the new regulations of the State (Decree No. 49/2013/ND-CP dated May 14th 2013 of the Government and Circular No.17/2015/TT-BLDTBXH dated April 22nd 2015 of Ministry of Labour, Invalids and Social Affairs (MOLISA)) and then submitted them to inter-Departmental group for evaluation (Department of Labour, Invalids and Social Affairs is the main responsible Department), then Department of Labour, Invalids and Social Affairs submitted it to Hanoi PC for issuance.

e. The issues of attracting employees to positions in the Divisions

In addition to the Board of Leaders appointed by Hanoi PC, during the startup and early-stage period, the staffs of the Company are transferred from the agencies as below: Hanoi Transport & Service Cooperation, Hanoi Urban Transport Development Project Management Unit, Hanoi Metropolitan Railway Management Board (the staffs trained by JICA in the formed of Technical Assistant Project) and additional staffs are employed in accordance with the organizational structure and human resource planning approved by Hanoi-PC.

f. Accept and continue the implementation of personnel recruitment and training for Line No. 2A, Cat Linh - Ha Dong

- Receive the staffs originally recruited and being in the training: 37 train drivers in the first recruitment were handed over to the Company for management (DHA was responsible for recruitment and Hanoi Transport and Service Cooperation took responsibility for training). Until now, the training for drivers has been finished and it is currently the waiting time for next instruction from the Owner.

- Continue the recruitment: the Company is responsible for the recruitment in compliance with implementation milestones of the project, until now the Company continued to conduct two recruitments with 152 personnel employed and assigned for training. 461 people is planned to be employed at the end of Quarter I and II of 2016.

- Regarding the recruitment: the Company announced the vacancies in the broadcast such as the Vietnam and local News Agency; send the notification to the relevant Universities and provinces along the line;

- Regarding the examination: The Examination Council has been set up, comprising of members from Board of Leaders, specialist from Divisions; representatives of Departments and Ministers and specialists from Universities.

g. In September 2015, the Company accepted the Technical Assistance Project “to

strengthen the capacity of regulator and to establish Operation and Maintenance Company of metropolitan railway lines in Hanoi City” sponsored by JICA as the role of employer from MRB and continue the implementation of project.

h. The Company is finalizing propagation manual, building a website and brand.

i. Coordinate with Railway Project Management Unit (RPMU) under Ministry of Transport, MRB and Technical Assistance Project of JICA to check all items/facilities and requirements of handover of Line. 2A;

j. Coordinate with VNRA and relevant agencies to forward the comments on urban railways.

### 1.5 Initial lessons

- To make use of support from Hanoi-PC and Departments;

- The motto for deployment is “running and queuing”, both implementing and asking the approval of the operation mechanism (it is difficult for the newly-established Company to operate if still waiting for the approval of mechanism);

- Initial resources: At the very first stage of establishment without operating expense assigned, the Company made use of the external support, such as: support from other Departments for requisition for their employees and salary payment, deal with the landlord for the agreement of late rent fee, with the provider for facilities as well in order to maintain the operation of the Company;

- To take the initiative: It is required to proactively formulate the recommendations in the areas of responsibilities which the tasks are normally conducted after receiving the instruction from competent Departments. It is also required to coordinate and follow closely the process of evaluation and approval of Departments.

## **2. The field trip on urban railway line Nhon –Hanoi train station**

### 2.1 The general information

- The start point: Nhon station (Tu Liem Ward); end point: Hanoi railway terminal station located in Tran Hung Dao Street (ahead of Hanoi Station).

- The length of the line is 12.5 km from Nhon Station to Hanoi Station, including: viaducts and special bridges of 8,5 km in length; pit and open trench in 4 km;

- There are 12 stations in the line; including 08 elevated stations and 04 underground stations;

- Depot: approximately 15 hectare (located in Minh Khai & Tay Tuu Ward, Tu Liem District); consist of OCC, maintenance workshop, major overhaul, berths, and administrative building, etc.).

### 2.2 The current status of implementation

- The elevated section, elevated stations and Depot technical infrastructure: the footing some columns, beam are under construction; the construction of Depot infrastructure including footing and cutting ground is also proceeding.

- The underground section: it has not yet deployed, ground clearance is being proceeded.

### 2.3 Comparison between urban railway lines in Hanoi and Ho Chi Minh City

- The Nhon –Hanoi Station Railway Line has the similar railway infrastructure with Ben Thanh – Suoi Tien line (including the underground, the subway to elevated rail connector and elevated section itself consisted of viaducts and special bridges). However, there is the advantage of construction of elevated rail between Nhon – Hanoi station line with Ben Thanh - Suoi Tien line for the reason that its Nhon – Hanoi station is located in the current operation route ( while the reserved land along Hanoi Highway is granted for Ben Thanh – Suoi Tien line).

- There are many different sponsors in divided bidding packages for Nhon – Hanoi Station Railway Line. There are one to two sponsors for each package. Therefore, the difficulties happen in negotiation, decision making with many sponsors. This characteristic is similar to Ben Thanh – Tham Long Railway Line in Ho Chi Minh City.

- The ground clearance and resettlement for underground railway line, especially for underground stations, is difficult and requires much time. That is also similar to Ben Thanh – Tham Long Railway Line.

### **III. Translate the results of study trip to actions for Ho Chi Minh City Urban Railway Company No.1**

#### **1. The tasks required**

To consult on the case of Hanoi Metro One Member Company Limited, Ho Chi Minh City Urban Railway Company No.1 which has just been established at the beginning of December 2015 needs to identify the various tasks to be performed:

- Coordinate with DHA to provide recommendations to Ho Chi Minh City People’s Committee (HCMC-PC) regarding Decision on the appointment of Board of Leaders (the first priorities are: chairperson of Member’s Council, Director and Vice Directors);

- Finalize the draft then coordinate with relevant Departments (DHA is the main responsible Department) to provide the recommendations to HCMC-PC regarding issuance of the Charter on organization and operation of the Company;

- Follow through on the steps to gain the first Business Registration Certificate issued by DPI;

- Follow through on the steps to gain the seal specimen registration certification;

- Coordinate with relevant Departments (DHA is the main responsible Department) to provide the recommendations to HCMC-PC for approval of the organizational structure and human resource planning of the Company;

- Coordinate with relevant Departments (DOF is the main responsible Department) to provide recommendations to HCMC-PC for issuance of the advance expense for operation of the Company in 2015;

- Coordinate with relevant Departments (MOLISA is the main responsible Department) to provide recommendations for approval of the salary scales and tables.

#### **2. The implementation**

The practical experience of Hanoi Metro One Member Company Limited is useful to Ho Chi Minh City Urban Railway Company No.1. The Company shall:

- To report all relevant above tasks and to anticipate all advantages and difficulties in



the implementation to Departments and HCMC-PC for better understanding of requirements of tasks and make use of the support from HCM City-PC and Departments;

- To follow in compliance with the procedure, while seeking the solution to reduce the time of implementation and submission to Departments and HCM City-PC for approving the appropriate mechanism;

- Initial resources: In the early stage of establishment without the operating expense, the Company shall make use of the external support (i.e. requisition of employees from MAUR; and MAUR would take responsibility for salary payment on behalf of the Company in the early stage);

- To take the initiative: learning from experience of Hanoi Metro One Member Company Limited, Ho Chi Minh City Urban Railway Company No.1 shall proactively submit to HCMC-PC the proposal of all tasks in the areas of responsibility and put it in action. Simultaneously, the Company continues coordinating and following closely to the process of evaluation and approval of Departments and HCMC-PC./.

#### **MANAGEMENT AUTHORITY FOR URBAN RAILWAYS**

PEOPLE'S COMMITTEE OF  
HO CHI MINH CITY  
JOINT COORDINATION COMMITTEE  
TO SUPPORT SAPI FOR PREPARATION  
OF MANAGEMENT SYSTEM OF  
URBAN RAILWAYS IN HCM CITY

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SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

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Code: ..01...../BB-UBĐPC

Ho Chi Minh City, December 22<sup>nd</sup>, 2014

## MINUTES OF MEETING

### First Session of Joint Coordination Committee

**Time:** 8:30 – 13:00, November 7, 2014

**Place:** Hall of Management Authority for Urban Railways – 29 Le Quy Don, Ward 7,  
District 3, Ho Chi Minh City, Vietnam.

#### **Participants:**

##### **❖ Joint Coordination Committee (JCC):**

- Mr. Hoang Nhu Cuong, Vice Chairman of Management Authority for Urban Railways (MAUR) – chairing the meeting
- Mr. Le Van Lam, Deputy Director of Home Affairs Department;
- Mr. Do Hao Hiep, Deputy Head of Division of related departments and the Central, Organizing Board of Ho Chi Minh City Party Committee;
- Ms. Pham Thuy Phuong, Department of Planning and Investment (on behalf of Mr Lam Nguyen Khoi, Deputy Director of Department of Planning and Investment);
- Ms. Vu Minh Huyen, Head of Training and Organizing Division, MAUR;
- Mr. Nguyen Phuoc Thinh, Head of Finance-Accounting Division, MAUR;
- Mr. Tadamasu Nagai, Leader of SAPI team.

##### **❖ JICA Representative:**

- Mr. Takema Sakamoto, Deputy Director General and Group Director for Transportation and ICT, Infrastructure and Peace Building Department, JICA Tokyo;
- Mr. Yasuaki Shoji, Deputy Director of Transport and ICT Division 1,

Transportation and ICT, Infrastructure and Peace Building Department, JICA Tokyo;

- Mr. Toshifumi Sakai, Director of JICA Liaison Office in Ho Chi Minh City;
- Mr. Masatomo Toyoda, Senior Project Formulation Advisor, JICA Liaison Office in Ho Chi Minh City;
- Mr. Akira Yamazaki, JICA Urban Railway Transport Administration Advisor;
- Ms. Vu Thi Thai Ha, Program Coordinator, JICA Vietnam Office;
- Ms. Tran Thi Tuyet Phuong, Senior Assistant, JICA Liaison Office in Ho Chi Minh City;
- Ms. Nguyen Hoai Bao, Senior Assistant, JICA Liaison Office in Ho Chi Minh City.

❖ *SAPI experts:*

- Mr. Kiyohiro Takemoto;
- Mr. Tadashi Nakano.

❖ *Preparation Unit (PUC):*

- Mr. Tran Dang Thanh;
- Ms. Nguyen Thi Huong Tra;
- Mr. Phan Hong Quan;
- Ms. Nguyen Thi Hoang Hai.

❖ *Other participants:*

- Mr. Huynh Hong Thanh, Director of PMU5, MAUR;
- Mr Duong Huu Hoa, Vice Director of PMU1, MAUR;
- Mr Hoang Ngoc Tuan, Vice Director of PMU2, MAUR;
- Mr Le Tan Dat, Official of PMU1, MAUR;
- Mr Le Duong Trung, Official of PMU2, MAUR;
- Mr Tran Hong Duong, Official of PMU5, MAUR;
- Mr. Bui Anh Huan, Official of The Office, MAUR;
- Ms Huynh Thi Lan Chi, Translator;
- Ms Nguyen Bui Anh Thy, Translator.

**Meeting contents:**

1. Mr. Hoang Nhu Cuong delivers welcome speech.
2. Mr. Takema Sakamoto delivers speech on behalf of JICA:

The aim of the SAPI is to support HCM City to prepare for the O&M Company and to solve problems relating to the staffs who will concern with train operation, safety management, and the enhancement of the capability of urban railway management authority (MAUR) as a future regulator. Therefore, Vietnamese side is required to take the initiative with its full ownership while the JICA experts play a role of support. The experts will make all possible efforts to transfer their experiences and know-how so that Vietnamese side will be expected to become able to effectively manage urban railway system by themselves in future.

Please note that JICA has spent huge money for this project, which was originally from Japanese people and thus JICA is required accountability to the public and the Diet in Japan. So, I would like to emphasize two points.

Firstly, to aim those objectives, the establishment of the road map toward starting operation of Line 1 and establishing the new O&M company, and moreover the execution of the road map thereafter are important. To establish the road map, JICA requests Vietnamese side (MAUR) to identify within this year the realistic time of starting operation of Ben Thanh – Suoi Tien Line (Line 1) and the realistic time of the O&M Company registration and thereafter to make a detailed operation plan for the above activities. And then, JICA and MAUR must agree on this road map so that the schedule of each activity of the SAPI can be clarified. If necessary, both sides can adjust the roadmap accordingly.

Secondly, in order to execute the road map, JICA requests MAUR to increase the number of PUC members up to 19 persons during the SAPI implementation period. In order for MAUR to achieve this, MAUR is required to increase the number of PUC members up to at least 9 persons by May, 2015 when the 2nd session of JCC is scheduled so that the registration of the O&M Company will be completed by March, 2016. These requests are considered reasonable and proper from the viewpoints of the intent of higher authorities of HCM side, construction progress of Line 1, and actual achievement in the Hanoi case. If these requests will not be done, the experts cannot transfer their experience and know-how to MAUR, which means that JICA cannot implement the effective support through this SAPI.

➤ *Mr. Hoang Nhu Cuong:*

MAUR acknowledges the establishment of the O&M Company is the responsibility of Vietnamese side. Since this is the first urban railway project in HCM City, there are a number of objective causes leading to obstacles in project implementation process. Regarding the time of the completion of the Line 1 construction, despite the previous agreement with JICA about the project completion of 2018, the schedule will be delayed due to the difficulties in tender procedures. On evaluating the cause of this delay, MAUR supposes that because many Japanese bidders did not participate in tenders, it took much time for the project to carry out tenders many times.

Currently, the remaining tender package CP1a (Ben Thanh station), which is in the process of technical design verification, will be opened in 1<sup>st</sup> Quarter, 2015 if the design is qualified. Based on the schedule which was agreed with General Consultant, Line 1 construction work will be completed at the end of 2019 and Line 1 will be operated in the middle of 2020. The HCMC-PC has reported this schedule to the Central Government when deputy premier has made on-the-spot observations of Line 1. This schedule will be discussed and confirmed between JICA and the HCMC-PC at the time of discussion on the 3rd Loan Agreement. However, this schedule may be changed due to the tender situation. Hence, MAUR requests JICA to support MAUR by encouraging on more Japanese bidders to join the tender for Package 1a. If this tender is successful, MAUR promises to finish the construction work of Line 1 in 2019 and to start its operation in 2020 as scheduled.

➤ *Mr. Takema Sakamoto:*

JICA requests MAUR to make efforts to open tender for CP1a in the 1st Quarter, 2015, as scheduled. JICA will also make efforts to encourage many Japanese bidders to participate in the bidding. At first, anyway, JICA and MAUR must agree the above road map on the assumption that the construction of Line 1 will be completed by the end of 2019 then its operation will be started in the middle of 2020. This road map could be adjusted if situation changes in future. Does MAUR have any ideas that Line 1 will be put into partial operation first?

➤ *Mr. Hoang Nhu Cuong:*

Theoretically, the elevated section is able to be operated partially because the construction of this section will be completed in 2018. But this issue will be determined later by the HCMC-PC after considering actual situation.

The Proposal for O&M company establishment was reviewed by related authorities and submitted to HCM PC at the end of October 2014. However, HCM PC intends to ask the Prime Minister for authority to examine and approve the Proposal for time saving. At present, Department of Home Affairs is examining the Proposal for HCM PC. If all goes well, O&M Company can be registered for establishment by the 1<sup>st</sup> quarter of 2015 or in 2015 at the latest. Thus, O&M Company will be surely established by the end of SAPI.

3. SAPI experts make presentation for ICR Draft.

4. Ms. Vu Minh Huyen expresses opinions of MAUR about ICR Draft and the cooperation between PUC and the SAPI experts:

In general, MAUR concurs with the main contents of the ICR Draft. Besides, MAUR would like to report issues that have not been agreed with the SAPI experts so that JCC can consider and make decision for them:

- Request of the SAPI experts regarding increasing PUC members in Action 1-2: During the implementation of the SAPI, basing on actual work amount and competence of staffs, MAUR will discuss appropriately with the experts about timing and number of staffs increased.
- Preparation work for TC 2 is not displayed in the ICR Draft: Previously, JICA Task Teams planned to provide technical assistance for HCM City to establish the O&M Company as following: Stage I (TC 1) in 2011-2013 with the purpose of establishing (=registering) the O&M Company, Stage II (TC 2) following TC 1 with the aim to support a newly established (=registered) O&M Company to do preparation work for Line 1 operation in 2016. However, due to the delay of Line 1 construction, the establishment (=registration) of the O&M Company was postponed accordingly. Therefore, JICA provided the SAPI as the connection period between TC 1 and TC 2 to perform preparation work for TC 2. The HCMC-PC and JICA agreed in Meeting of Discussion that preparation work for TC 2 would be carried out in this SAPI. For those reasons, MAUR suggests to include preparation work for TC 2 in this SAPI.
- In terms of the cooperation with the experts in the SAPI: Direct cooperation and discussion between PUC and the experts should be enhanced during the experts' stay in Vietnam. The working method that the experts provide instructions for PUC to follow and carry out works on their

own then the results will be checked or revised by the experts, should not be applied in the SAPI. (4.5 Staffing plan in the ICR Draft);

- An English – Vietnamese interpreter for supporting the SAPI should be hired by JICA’s budget.

➤ *Mr. Tadamasa Nagai:*

- The initiative for the establishment of the O&M Company should be taken by Vietnamese side. Our role is support. We will work in such a way that Vietnamese side could work independently without our support, considering the future when we go back home. Thus, we will implement the working method which is different from TC 1 to encourage Vietnamese side’s self-help efforts. However we will discuss it with PUC.
- Since there are some misunderstandings between PUC and the experts about the necessity of an English-Vietnamese interpreter, we will review ICR Draft.

5. Opinions of other participants:

➤ *Representative of Department of Planning and Investment :*

Agree with the ICR Draft. Moreover, the following issues need to be clarified:

- Operational model of the O&M Company because it concerns especially the training of staffs and the Public Transport Authority (PTA) which is currently considered to be established in the future.
- Regulator functions of MAUR
- Solutions for the issue that Japanese railway companies cannot issue certificates for Vietnamese trainees.
- Instruction manuals for safety of each line in operation, especially, countermeasures for emergency
- If undertakings by the Vietnamese implementing agency relate to HCM state budget, MAUR needs to cooperate with Department of Planning and Investment for such budget planning.

➤ *Mr. Hoang Nhu Cuong:*

- Referring to other countries’ experience, Vietnam will establish PTA in the future. According to experts, how is the relationship between PTA and this company?
- There is no undertaking related with HCM state budget. Also, MAUR only plays supporting role for those undertakings.

➤ *Mr. Tu Lamusu Nugui:*

These issues such as the company structure, training of staffs, details of regulator function, instruction manuals for safety of each line in operation, etc. may be dealt with in TC 2.

➤ *Mr. Nguyen Phuoc Thinh:*

Agree with ICR Draft. Besides, some comments are given as below:

- Action 1 scheme should be updated accordingly to the O&M Company establishment plan in 2015 on the basis of Mr. Cuong's explanation.
- The accounting system: Finance-Accounting Division of MAUR will cooperate with PUC to do budget planning for operation expenses of O&M company and accounting system model to submit to HCM PC.
- Figure 3-4: Initially, a simple system is shown in this figure. Finance-Accounting Division of MAUR will help to better this system.
- Finance-Accounting Division of MAUR will support procedure necessary for duty exemption for the SAPI experts.

➤ *Ms. Vu Thi Thai Ha:*

Tax benefits in Vietnam don't concern the SAPI experts because their income arises in Japan and they pay income tax only in Japan.

➤ *Mr. Le Van Lam (Department of Home Affairs):*

Agree with ICR Draft. If there is no obstacle and the HCMC-PC is authorized by the Prime Minister to approve the proposal of the O&M Company establishment, decision for the establishment of the O&M Company will be issued in the 1<sup>st</sup> Quarter, 2015. However, this decision isn't for starting O&M Company's operation. The HCMC-PC also shall study the expenses and personnel plan for the O&M Company's operation according to the progress of the O&M Company establishment. Various kinds of procedures including the decision of management personnel are necessary for starting the O&M Company's operation.

➤ *Mr. Yasuaki Shoji:*

How is staff recruitment planned to do?

➤ *Mr. Le Van Lam (Department of Home Affairs):*

After the decision of the O&M Company establishment, staff recruitment can be carried out as plan very easily because it is recruitment from not outside but relevant authorities in HCM City.

➤ *Mr. Yasuaki Shoji:*



JICA is worried about the implementation ability of the O&M Company registration because increasing the number of mid management level staffs is invisible. Therefore, preparation work for TC 2 is not included in the SAPI. JICA would deal with this matter flexibly as watching the progress of the O&M Company registration.

➤ *Mr. Akira Yamazaki:*

As I am currently supporting VNRA to establish a legal framework for urban railway in Viet Nam, I have concerns on the SAPI and am willing to support if needed. At first, actions from the comprehensive viewpoints are more important than detailed actions such as making safety instruction manuals. For example, in what kind of structure should the O&M Company be established? Next, actions which needs a lot of time to implement should be proceeded by priority. It takes a lot of time to establish the O&M Company and the driving license system. From the above viewpoints, the ICR is well-made. Therefore, MAUR should trust the SAPI experts.

➤ *Mr. Hoang Nhu Cuong:*

MAUR highly appreciates JICA's efforts to support VNRA. MAUR will closely cooperate with VNRA to propose urban railway regulations. MOT has assigned Railway Vocational College (RVC) to be mainly in charges of human resources training for urban railway sector and requested JICA to support this school. Hence, we request JICA to push your support on enhancing capability for RVC.

➤ *Mr. Takema Sakamoto:*

I recommend 3 major points:

- Firstly, C/P and the SAPI experts should often consult with each other very closely during the SAPI implementation period. Line 1 Project including construction is supported by a number of concerned parties including the GC and each contractor. Support on the coordination among the above parties will be implemented in the SAPI. However, the SAPI experts cannot deal with every issue.
- Secondly, C/P has to present the ownership strongly in this project and enhance the initiative, on the other hand the SAPI experts will make possible efforts to support C/P. However, if C/P depends heavily on the SAPI experts, this support should be stopped because such a depending attitude is harmful to C/P. JICA will not maintain the support that isn't useful for C/P.

- Thirdly, to increase the number of PUC members must be implemented. It has the major influence on not only the progress of the SAPI but also the implementation of TC 2. At first, increasing PUC members up to at least 9 persons by the next May should be implemented. JICA could make side support this by sending a letter to the HCMC-PC if necessary. Anyway, if increasing the number of PUC members cannot be implemented, reexamination of the SAPI schedule or stopping implementing the SAPI at worst has to be considered because it will be difficult to implement the SAPI as planned. Again, I would like to refrain that MAUR is also required to often consult with the SAPI experts to understand the reasons of increasing the number of PUC members. This issue can be discussed with JICA in HCM and reported to JICA in Tokyo regularly if necessary. Ad hoc JCC meetings would be hold if needed.

➤ *Mr. Hoang Nhu Cuong:*

- Salary for PUC including supplementary personnel will be arranged under MAUR budget without problem. Salary for PUC is paid by MAUR because PUC staffs belong not to the O&M Company but to MAUR.
- MAUR totally agrees on the opinion that C/P has to present the ownership in this project and enhance the initiative. If C/P will depend solely on the SAPI experts, the SAPI experts may demobilize.

6. Conclusions of meeting:

➤ *Mr. Hoang Nhu Cuong:*

JCC members generally agree on ICR Draft.

By May 2015, MAUR will make every effort to increase 4 more staffs who will work for MAUR departments and for SAPI at the same time. These persons will officially become PUC members or the O&M Company staffs when TC 2 starts. Meanwhile, increasing PUC staffs up to 19 persons should be considered after the establishment of the O&M Company and the implementation of TC 2. Vietnamese side temporarily gets consensus that after the official decision for the O&M Company establishment is issued in the 1st Quarter, 2015 by the HCMC-PC as Department of Home Affairs has confirmed, the O&M Company shall be established in 2015. This plan is based on the presumption that HCMC-PC is approved by the Prime Minister for authority to examine and approve the proposal.

➤ *Mr. Takema Sakamoto:*

Concerning the increase in the PUC members, JICA will discuss with MAUR again later because JICA has no time to do it today. I would like to ask MAUR to pay attention that these 19 persons are essential for the smooth operation of the O&M company just from the beginning time, and thus I am worrying about the timing of securing of total 19 persons. It might be too late if the 19 persons would be deployed after the establishment of the O&M Company.

➤ *Mr. Hoang Nhu Cuong:*

As JICA mentioned that “the establishment of the O&M Company” and “the increase in PUC members” are the preconditions for the implementation of TC 2, we temporarily agree that O&M Company will be established in 2015 and starting operation in the partial line in 2018.

We request SAPI experts and PUC to obtain JCC members’ comments to adjust the ICR Draft and study deeply issues such as company operational structure and coordination scheme with PTA (if needed), safety operation management.

➤ *Mr. Takema Sakamoto:*

Concerning the implementation of TC2, if MAUR could add one more assumption that MAUR will secure the organization in which the SAPI experts can transfer their experiences and know-how to C/P, JICA would agree on it tentatively. For more details, JICA will discuss with MAUR again later. To construct the structure to be able to absorb the experiences and know-how of them is important. Also, it will be necessary to apply for TC 2 within 2015. Therefore, MAUR should frequently consult with the SAPI experts for preparing an official request for TC2 in a timely manner. Of course, if these preconditions are not realized, the application will not be accepted.

➤ *Mr. Hoang Nhu Cuong:*

Can MAUR understand that preparation work for TC 2 is included in the SAPI and displayed in the ICR?

➤ *Mr. Takema Sakamoto:*

As I said JICA has plan to provide TC2 so we will request the experts to add preparation work for TC 2 into this SAPI and revise ICR. Moreover, all actions in the SAPI are preparation works for TC 2. Besides, in order to make the application for TC 2, MAUR should take the initiative and consult with the SAPI experts frequently. Also, concerning the PTA (Activity 2.2), the experts will study further.

➤ *Mr. Hoang Nhu Cuong:*

MAUR understands that the preparation work for TC2 includes the application for TC2. Thus, MAUR feels confused because this work was described in Minute of Discussion but it isn't displayed in ICR. But thanks to Mr. Sakamoto's confirmation, MAUR understands that the application for TC 2 is included in this SAPI. Concerning this work, MAUR will play main role with the support of SAPI experts.

The meeting ended at 13:00 on the same day.

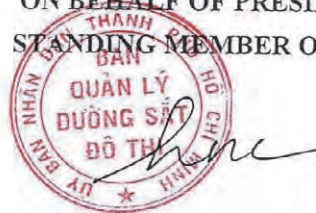
Above are the contents which were discussed and agreed at the 1<sup>st</sup> JCC meeting./.

SECRETARY



Nguyen Thi Huong Tra

ON BEHALF OF PRESIDENT  
STANDING MEMBER OF JCC



Vice chairman of MAUR  
Hoang Nhu Cuong



Japan International Cooperation Agency  
Transportation and ICT Group,  
Infrastructure and Peacebuilding Department,  
5-35 Niban-cho, Chiyoda-ku, Tokyo 102-8012, JAPAN

Date: May 18, 2015

Ref.No.: JICA/EB5-18001

Subject: Request for the Further Progress of SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City

**Mr. Bui Xuan Cuong**  
Chairman  
Management Authority for Urban Railways  
Ho Chi Minh City People's Committee

Dear Sir:

We would like to present our compliments and gratitude to your continuous collaboration with JICA's support, and also appreciate your letter (Ref.no. :1448/MAUR-DTO) regarding with assignment of four new Vietnamese staffs for the SAPI.

It is our pleasure to inform you that last month we have approved an amendment of the consulting service contract between JICA and the SAPI study team, for the SAPI for preparation of management system of urban railways in Ho Chi Minh City, to add (i) "Preparation of Detailed Plan of Technical Cooperation Project Phase 2" as Action 4 and (ii) engagement of one English-Vietnamese interpreter for the SAPI study team, as per your request.

JICA side would like you to kindly understand that those actions taken by JICA side, mentioned above, are what is responding to your request.

Taking this occasion, on the contrary, we would like to reiterate that your following appropriate and timely actions would be kindly requested for smoother implementation or acceleration of the SAPI:

- (1) To deepen understanding of all Vietnamese staffs for the SAPI that the above English-Vietnamese interpreter will work under instructions by the SAPI study team;
- (2) To provide relevant information for the SAPI study team in a timely manner, such as the progress of the establishment of an O&M Company and the exchange of information among the relevant organizations in charge of the Line 1, Line 2, Line 5, and others;
- (3) To establish an O&M Company according to the schedule shown in IC/R with consideration of the progress of the Line 1 construction project; and
- (4) To arrange four Vietnamese staffs newly assigned for the SAPI from a part-time basis to a full-time basis as PUC staffs, in order that those new staffs also could concentrate on the work for establishment of an O&M Company.

We appreciate your understanding and necessary actions on these points.

Sincerely Yours,

**Takema SAKAMOTO**

Deputy Director General

Group Director for Transportation and ICT Group  
Infrastructure and Peacebuilding Department

CC: JICA Vietnam Office

PEOPLE'S COMMITTEE OF  
HO CHI MINH CITY  
**JOINT COORDINATION COMMITTEE  
TO SUPPORT SAPI FOR PREPARATION  
OF MANAGEMENT SYSTEM OF  
URBAN RAILWAYS IN HCM CITY**

**SOCIALIST REPUBLIC OF VIETNAM**  
Independence – Freedom – Happiness

Code: ...01...../BB-UBDPC

Ho Chi Minh City, October 02<sup>st</sup>, 2015

**MINUTE OF MEETING**  
**Second Session of Joint Coordination Committee**

**Time:** 13:30 – 17:00, October 02, 2015

**Place:** Hall of Management Authority for Urban Railways – 29 Le Quy Don, Ward 7,  
District 3, Ho Chi Minh City, Vietnam.

**Participants:**

❖ **Joint Coordination Committee (JCC):**

- Mr. Hoang Nhu Cuong, Vice Chairman of Management Authority for Urban Railways (MAUR) – chairing the meeting;
- Ms. Nguyen Thuy Tuong Linh, Organizing Board of Ho Chi Minh City Party Committee;
- Mr. Pham Minh Tri, Board of Enterprise Innovation and Management;
- Mr. Le Dac Huy, Deputy Director of Home Affairs Department;
- Ms. Pham Thuy Phuong, Department of Planning and Investment;
- Mr. Le Hoang Minh, Department of Transport;
- Mr. Le Hoan, Public Transport Management and Operation Center;
- Ms. Vu Minh Huyen, Head of Training and Organizing Division, MAUR;
- Mr. Nguyen Phuoc Thinh, Head of Finance-Accounting Division, MAUR;
- Mr. Tadamas Nagai, Leader of SAPI team.

❖ **JICA Representative:**

- Mr. Kotaro Taniguchi, JICA Office in Vietnam;
- Mr. Akira Yamazaki, JICA Urban Railway Transport Administration Advisor;

- Ms. Vu Thi Thai Ha, Program Coordinator, JICA Vietnam Office;

❖ *SAPI experts:*

- Mr. Tadamasa Nagai, Expert;

- Mr. Tadashi Nakano, Expert.

❖ *Preparation Unit (PUC):*

- Mr. Tran Dang Thanh;

- Ms. Nguyen Thi Huong Tra;

- Mr. Vu Minh Duc;

- Mr. Phan Hong Quan;

- Ms. Nguyen Thi Hoang Hai;

- Mr. Bui Anh Huan;

- Mr. Bui Dai Thang;

- Mr. Dao Nhat Tan.

❖ *Other participants:*

- Mr Cao Van Hung, Director of Preparation Project Management Unit;

- Ms. Huynh Thi Thuy An, Official of The Office, MAUR;

- Ms Huynh Thi Lan Chi, Translator;

- Ms Nguyen Bui Anh Thy, Translator;

- Ms Anh Hong Ngan, SAPI Team.

**Meeting contents:**

1. Mr. Hoang Nhu Cuong delivers welcome speech.

2. Mr. Kotaro Taniguchi delivers speech on behalf of JICA Office:

In this JCC meeting, the work progress in SAPI will be reported. Besides, we would like to confirm 3 following issues:

The first issue is about the official decision of HCM PC and other relevant agencies in terms of whether the Line 1 will operate partially or fully. In the meeting on August 18<sup>th</sup> 2015 between Deputy Prime Minister Hoang Trung Hai and donors, Mr Hoang Nhu Cuong confirmed the full operation. However, in July 2015, JICA Project Mission for Line 1 requested the feasibility study for partial operation.

The second issue is the establishment progress for O&M Company. JICA Project Mission set a goal for establishing O&M Company within 2015. Moreover, if

the O&M Company is established on schedule, it is more likely for JICA to provide TC2. Furthermore, postponement of O&M Company establishment may affect the design schedule of O&M Company's office building.

The third issue is the increase of PUC members. We would like to remind that the increase up to 19 PUC members until March 2016 was agreed in the first JCC meeting. Four new staffs who are working part time in SAPI should also work full time soon.

➤ *Mr. Hoang Nhu Cuong:*

We would like to explain for 3 above issues:

Although we reported to Deputy Prime Minister about the possibility of full operation at the end of 2020, we are requesting General Consultant to conduct feasibility study of elevated section operation at the end of 2018. The partial operation at the end of 2018 will affect the construction plan of the constructors, which likely leads to arising costs. Therefore, we will base on the report of General Consultant to decide partial operation at the end of 2018 or not. However, MAUR are still implementing preparation works in assuming for elevated section operation at the end of 2018. We understand the O&M Company need to be established in 2015.

We maintain the goal of O&M Company establishment in 2015. The Prime Minister authorized HCM PC to decide the O&M Company establishment. Then HCM PC requested relevant departments to study this issue. About 1 week ago, we reported to HCM PC the opinions of departments. Generally, there are 2 different viewpoints on this one member limited 100% state owned O&M Company: HCM PC will directly manage the company or HCM PC will authorize some rights for MAUR to manage the company in the early stage. Therefore, HCM PC possibly call for a meeting to hear opinions of departments before deciding this case. We assume that the result can be seen in the 4<sup>th</sup> quarter of 2015, then the decision for establishing the O&M Company can be issued in 2015. MAUR will make effort to speed up the progress so that the design of office building will not be affected. The departments of HCMC have also agreed to use city budget instead of JICA funds to build the office building because the Ministry of Finance confirmed that it is illegal to use ODA fund to build the office. HCM PC is currently considering opinions of the departments.

In terms of PUC staffs, we have different viewpoints with JICA. We think that it is not difficult to select PUC members out of 220 staffs in MAUR but the problem is working volum. We increased 4 more persons on the request of JICA but they are working part time due to insufficient work in SAPI. When TC2 begins, we are willing to allocate sufficient staffs to work fulltime as the workload increases.

3. Mr Tran Dang Thanh (on behalf of PUC) makes presentation for Part A.



#### 4. Opinions of participants:

➤ *Mr. Tadamasa Nagai:*

The first thing is about the OJT training for PUC in Japan. We plan to increase up to 9 PUC members to join the training course which is divided into 2 phases, 35 days per phase. We are doing preparation works for the first training phase from March, 2016.

Secondly, in Appendix 3 regarding modified regulations in urban railways, there are regulations that were issued but still be modified in future. The change of these regulations requires the participation of relevant agencies, thus it is essential to contribute opinions based on the viewpoints of O&M Company.

The third issue is preparation work for TC2 (later part in Appendix 3). Because in the 1<sup>st</sup> JCC meeting, MAUR requested us to add preparation works for TC2 in Initial Report, we included the Action 4. We suggested the preconditions for TC2 are O&M Company's establishment and the increase of 19 PUC members (this was requested from TC1). From our experience in Japan railway operation, it is necessary to increase more PUC staffs because from preparation stage until line operation stage, there are many works that need to prepare such as ticket selling work at stations, handling unusual breakdown, etc.

➤ *Mr. Hoang Nhu Cuong:*

We cannot imagine what 19 persons will do during the time from March 2016 until TC2. Even we can provide 19 persons, we are not sure TC2 can start on schedule. We must look at the matter rationally because when TC2 officially begins, we will allocate 19 persons or more to meet the workload requirement. Furthermore, previously we estimated 19 persons on the assumption that TC2 would be implemented right after TC2 but due to the plan change, we have to change the personnel plan accordingly.

➤ *Mr. Kotaro Taniguchi:*

We understand that Mr Cuong feels anxiety that there are not many things for 19 persons to do after March 2016. In this meeting, SAPI experts will explain shortly future work items. However, if both sides cannot get agreement, MAUR and SAPI experts should discuss further after this meeting.

➤ *Mr. Tadamasa Nagai:*

In my opinion, it might be unreasonable to consider that there are not many works for 4 new persons during that time because there are many things to do but we have not finished yet. From my experience in JR East Company, it took 5 years for doing hard preparation works before a new line went into operation. Therefore, what I am worried most is that some people in Japanese side when considering financial

support for TC2 may think that Vietnamese side do not show sufficient concern about preparation works due to the postponement in recruiting more PUC staffs. This issue was also discussed in TC1. However, we will discuss with MAUR on concrete tasks which must be implemented soon.

➤ *Mr. Hoang Nhu Cuong:*

We appreciate if SAPI experts can allocate more work for PUC. In case the workload is not heavy we will provide the list of PUC staffs by March 2016 and they will only work for the project once TC2 starts.

➤ *Mr. Kotaro Taniguchi:*

The SAPI experts need to identify work items so that MAUR can allocate suitable staffs. Besides, we would like to confirm some information as follows:

- We acknowledge that whether the elevated section will go into operation in 2018 or not depends on study result of General Consultant. If MAUR sent official request to General Consultant, we would like MAUR to send letter to JICA to inform about this.

- We feel assured that MAUR reported the O&M Company establishment to HCM PC. We hope MAUR will work with HCM PC to accelerate the appointment of the leaders of the company.

- If HCM PC issue official announcement regarding using city budget to build the office, we would like MAUR to send letter to JICA to inform about this.

➤ *Mr. Hoang Nhu Cuong:*

When we requested General Consultant to study the possibility of partial operation (the study may last 2 months), the General Consultant warned us this might arise more costs. However, because this issue was requested verbally by the former Chairman of MAUR, I have not updated the situation. I will check the study status and inform JICA if there is official request letter.

Regarding the appointment of O&M Company's leaders, in case HCM PC give some rights to MAUR, MAUR will work directly with JICA temporarily. In case HCM PC manage the company, HCM PC will allocate the leaders soon. As Home Affair Department have member in JCC, we will request Home Affair Department to help HCM PC in choosing the leaders.

Concerning using city budget to construct the building, although we have not received the official document from HCM PC, the relevant agency submitted the report which includes opinions of departments for HCM PC. Because all departments agreed the use of HCMC budget, HCM PC will certainly accept this idea. After receiving the official letter of HCM PC, we will inform to JICA. As SCC have not

completed the design of this building, we will work with SCC to identify the design completion time and time for opening of bids, then we will inform to JICA.

(Mr Cuong provided 2 documents of Department of Finance and Department of Planning and Investment for JICA side.)

➤ *Mr. Kotaro Taniguchi:*

Because this building will be used by O&M Company, O&M Company staffs should give opinions for the design of the building.

➤ *Mr. Hoang Nhu Cuong:*

PUC regularly attend the meetings and share opinions with Hitachi constructor because they have better knowledge in urban railway than those who lately join O&M Company.

➤ *Mr. Yamazaki Akira:*

Some railway regulations in Appendix 3 are drafts so far, so we should not spread to outside. We hope MAUR will contribute opinions to complete those drafts.

➤ *Mr. Hoang Nhu Cuong:*

We frequently make comments for drafts as requested by VNRA and MOT. However, as our opinions are sent to these agencies through Department of Transport, Japanese experts do not receive those letters.

5. Mr Tran Dang Thanh makes presentation for Part B.

6. Opinions of the participants:

➤ *Mr. Tadamasu Nagai:*

With the experience in TC1, I hope PUC will make good PO and WBS for TC2.

➤ *Mr. Yamazaki Akira:*

PUC and the experts should contact more regularly and intimately during the study.

➤ *Mr. Hoang Nhu Cuong:*

Although PUC completed PO and WBS in TC1, they also need the support from SAPI experts for TC2. We hope the Japanese side to enhance number of experts and the experts discuss with PUC more regularly to do good works in TC2. Especially, we hope the experts to share experience in preparation works and staff qualifications for O&M Company. This will help us in reporting to HCM PC and relevant authorities to support us in preparing best resources.

➤ *Mr. Kotaro Taniguchi:*

We would like to know when the Final Report will be done.

➤ *Mr. Hoang Nhu Cuong:*

It might take much time for both sides to compose and modify the Final Report. We intend to hold the 3<sup>rd</sup> JCC meeting on 19 February 2016.

➤ *Mr. Kotaro Taniguchi:*

I will report to JICA and we will decide the official date for the 3<sup>rd</sup> JCC meeting.

7. Conclusions of the meeting:

➤ *Mr. Kotaro Taniguchi:*

SAPI experts will do their best to support PUC. On the other hand, PUC need to maintain the initiative in the study. We also request the support of JCC members and frequent discussions between PUC and SAPI experts.

➤ *Mr. Hoang Nhu Cuong:*

We would like to express our gratitude for the support of JICA. PUC will make all efforts to obtain valuable experience from the experts. We hope JCC members acknowledge the importance of urban railway to support us in studying operation and maintenance for the first line in HCMC. We highly appreciate the continuous support of JICA for us to operate the urban railway system smoothly.

The meeting ended at 17:00 on the same day.

Above are the contents which were discussed and agreed at the 2<sup>nd</sup> JCC meeting./.

***Attn:***

- JICA Office in Vietnam;
- Organizing Board of HCMC Party Committee;
- DOHA, DPI, DOF, DOT;
- Board of Enterprise Innovation and Management;
- MOCTT;
- MAUR:
- +Vice Chairman: Mr. Huynh, Mr. Cuong;
- +Training and Organization Dep., Finance and Accounting Dep.;
- SAPI experts;
- Filed.

**ON BEHALF OF PRESIDENT  
STANDING MEMBER OF JCC**



**Vice chairman of MAUR**

**Hoang Nhu Cuong**



Japan International Cooperation Agency  
**JICA Vietnam Office**  
11th Floor, CornerStone Building  
16 Phan Chu Trinh Str., Hanoi, Vietnam  
TEL: (844)-38315005 FAX: (844)-38315009  
URL: <http://www.jica.go.jp/vietnam/index.html>

Hanoi 2nd November, 2015  
No: ~~1692~~2015/JICA-RQ

**Mr. Hoang Nhu Cuong**  
Vice Chairman  
Management Authority for Urban Railways  
Ho Chi Minh City People's Committee

***Re: Request for correction for M/M of 2nd JCC Meeting for "SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City,,***

Dear Mr. Hoang Nhu Cuong,

Regarding the Minutes of 2nd JCC Meeting for "*Special Assistance for Program Implementation (SAPI) for Ho Chi Minh City Urban Railway (Ben Thanh – Suoi Tien Section) (Preparation of Management System of Urban Railways)*" issued by MAUR dated October 21, 2015, in our opinions, we think that some parts relating to JICA's remarks at the meeting should be edited to avoid the discrepancy between Vietnamese side and Japanese side. We attach herewith our comments and request for correction.

From now on, we hope that the coordination between MAUR and JICA SAPI Team will be more efficient and close for the smoothly implementation of SAPI. It is highly appreciated if the MAUR could review and adjust the contents of the JCC Minutes with SAPI Team before submitting it to relevant agencies.

Thank you for your cooperation and understanding.

Sincerely yours,

  
  
**TANIGUCHI Kotaro**  
Representative  
JICA Vietnam Office

**CC: Ho Chi Minh City People's Committee  
JICA SAPI Team**

Comments to M/M of 2nd JCC

Page	Line	Original	Request/Correction	Remarks
N/A	N/A	N/A	As before (1st JCC meeting), we would like to ask MAUR to discuss and review the contents of JCC minutes with SAPI Study Team in advance of the finalization and submission of the minutes in order to gain the meeting minutes without any conflicts. We request MAUR shall adjust the contents of the JCC minutes with SAPI team before submitting it, because the contents must not have discrepancy.	
1	Participants	<p>- Mr. Hoang Nhu Cuong - Vice Chairman of Management Authority for Urban Railways (MAUR) -chairing the meeting;</p> <p>- Ms. Nguyen Thuy Tuong Linh, Organizing Board of Ho Chi Minh City Party Committee Party;</p> <p>- Mr. Pham Minh Tri - Board of Enterprise Innovation and Management;</p> <p>- Mr. Le Duc Huy - Deputy Director of Home Affairs Department;</p> <p><b>- Ms. Pham Thuy Phuong, Department of Planning and Investment;</b></p> <p>- Mr. Le Hoang Minh, Department of Transport;</p> <p><b>- Mr. Le Hoan, Public Transport Management and Operation Center;</b></p> <p>- Ms. Vu Minh Huyen, Head of Training and Organizing Division, MAUR;</p>	<p>- Mr. Hoang Nhu Cuong - Vice Chairman of Management Authority for Urban Railways (MAUR) -chairing the meeting;</p> <p>- Ms. Nguyen Thuy Tuong Linh, Organizing Board of Ho Chi Minh City Party Committee Party;</p> <p>- Mr. Pham Minh Tri - Board of Enterprise Innovation and Management;</p> <p>- Mr. Le Duc Huy - Deputy Director of Home Affairs Department;</p> <p>- Mr. Le Hoang Minh, Department of Transport;</p> <p>- Ms. Vu Minh Huyen, Head of Training and Organizing Division, MAUR;</p> <p>- Mr. Nguyen Phuoc Thinh, Head of Finance - Accounting Division, MAUR;</p> <p><b>- Mr. Kotaro Taniguchi, JICA Office in Vietnam;</b></p> <p>- Mr. Tadamasa Nagai, Leader of SAPI team;</p>	<p>We would like to ask MAUR to check carefully the participants in 2nd JCC Meeting due to some changes of JCC members's position</p> <p>- Ms. Pham Thuy Phuong and Mr. Le Hoan attend for whom?</p> <p>- Mr. Kotaro Taniguchi is a member of JCC as the representative of JICA</p>
2	6 from bottom	In the meeting on August 18th 2015 between Deputy Prime Minister Hoang Trung Hai and donors, Mr. Hoang Nhu Cuong confirmed the full operation. However, in July 2015, JICA Project Mission for Line 1 requested the feasibility study for partial operation.	JICA Appraisal Mission on 3rd loan for Line 1 and MAUR agreed in M/D that MAUR instruct the General Consultant to start the feasibility study on partial commercial operation within July 2015. I would like to know the progress. However, on the other hand, in the meeting on <u>September 18th 2015</u> between Deputy Prime Minister Hoang Trung Hai and donors, Mr. Hoang Nhu Cuong mentioned that HCMC side is considering full commercial operation. I would like to clarify whether it is official decision of HCMCPC or not.	
2	bottom	JICA Project Mission set a goal for establishing O&M Company within 2015. Moreover, if the O&M Company is established on schedule, it is more likely for JICA to provide TC2.	Even if HCMCPC chooses full commercial operation, JICA still request HCMCPC to establish O&M Company within 2015 as scheduled, which was agreed in 1st JCC in November 2014, and reconfirmed in M/D between JICA Appraisal Mission on 3rd loan for Line 1 and MAUR in July 2015. If the O&M Company is established on schedule, it will be a good factor when Japanese Government considers whether to approve requested TC phase 2 or not.	
3	bottom 2-3	When TC2 begins, we are willing to allocate sufficient staffs to work fulltime as the workload increases.	Accordingly, the list of 19 full-time staffs shall be submitted at the end of SAPI but officially appointed at the beginning of TC2.	



Page	Line	Original	Request/Correction	Remarks
4	11-18	The third issue is preparation work for TC2 (later part in Appendix 3). Because in the 1st JCC meeting, MAUR requested us to add preparation works for TC2 in Initial Report, we included the Action 4. We suggested the preconditions for TC2 are O&M Company's establishment and the increase of 19 PUC members (this was requested from TC1).	Finally, I would like to inform about "The preparation for Technical Cooperation Project Phase 2 (TC2)" modified in Action 4 of the Inception Report. This content is showed on last page of Annex 3. This content is modified pursuant to the request from MAUR in the first JCC Meeting in November last year. We kindly suggest 2 preconditions for the start of TC2 including: (1) The successful accomplishment of the registration of the O&M Company, (2) The increase to 19 PUC staffs. Especially, regarding the increase to 19 PUC staffs, this precondition was offered since the TC1 at the same time as the start of SAPI.	
4	15 from bottom	Furthermore, previously we estimated 19 persons on the assumption that TC2 would be implemented right after <u>TC2</u> but due to the plan change, we have to change the personnel plan accordingly.	Furthermore, previously we estimated 19 persons on the assumption that TC2 would be implemented right after <u>TC1</u> but due to the plan change, we have to change the personnel plan accordingly.	TC2 →TC 1 (Typing error)
4 5 4	bottom 5	Therefore, what I am worried most is that some people in Japanese side when considering financial support for TC2 may think that Vietnamese side do not show sufficient concern about preparation works due to the postponement in recruiting more PUC staffs. This issue was also discussed in TC1. However, we will work with MAUR on concrete tasks which must be implemented soon.	Therefore Japanese partner might re-consider the necessity to start TC2 in case that MAUR have no active preparation, i.e. appointing the number of 19 full-time staffs as committed in the agreement of TC1. It is definitely difficult for Japanese party to accept this suggestion regarding the staff number from MAUR. However, if necessary, we would like to keep discussing more regarding this matter in future.	
5	12	We acknowledge that whether the elevated section will go into operation in 2018 or not depends on study result of General Consultant. If MAUR sent official request to General Consultant, we would like MAUR to send letter to JICA to inform about this.	It is encouraging to hear that MAUR is still seeking the possibility for partial commercial operation at the end of 2018. I would like to clarify whether MAUR has instructed General Consultant to start feasibility study on partial operation officially in a written form or not. Since it was agreed in M/D for appraisal mission on 3rd loan of HCMC Line 1 that MAUR would do so within July 2015 and report it to JICA, we would like MAUR to take action.	
5	17	We hope MAUR will work with HCM PC to accelerate the appointment of the leaders of the company.	I do understand that appointment of board members of the Company will take time, however since it was also agreed in M/D for appraisal mission on 3rd loan of HCMC Line 1 that HCMCPC would not only establish O&M Company but also assign management board members of the company within 2015, we would like HCMCPC to take action as much as possible.	
5	19	If HCM PC issue official announcement regarding using city budget to build the office, we would like MAUR to send letter to JICA to inform about this.	I would like to clarify whether using city budget to build the office has been decided by official document or not. Since it was agreed in M/D for appraisal mission on 3rd loan of HCMC Line 1 that MAUR would inform HCMCPC's final decision regarding the financing source for construction of O&M Building by the end of September 2015, we would like MAUR to take action. In addition, I would like to also clarify whether the budget has been secured or not, and would like to know procurement schedule of contractor as well as construction schedule. Please describe this information in the letter to JICA as far as you can.	
6	6	Because this building will be used by O&M Company, O&M Company staffs should give opinions for the design of the building.	Because this building will be used by O&M Company, O&M Company leaders should give opinions for the design of the building. Therefore, I would like to once again emphasize the importance of establishment of O&M Company as early as possible. We have only three months for preparation of establishment of the Company until the end of 2015.	

HO CHI MINH CITY PEOPLE'S COMMITTEE  
MANAGEMENT AUTHORITY FOR URBAN RAILWAYS  
29 Le Quy Don Street, Ward 7, District 3  
Ho Chi Minh City, Vietnam  
Tel: (84-8) 39.309.495; Fax: (84-8) 39.309.497

Date: 11<sup>th</sup> November 2015  
Ref. No.: 3785/MAUR-DTO  
Total No. of pages (s): 01 page

Attention to: JICA Vietnam Office

**Sub: Correction for Meeting Minutes of 2<sup>nd</sup> JCC Meeting for "SAPI for Preparation of Management System of Urban Railways in Ho Chi Minh City".**

Dear Mr. Taniguchi Kotaro,

With regards to the Minutes of 2<sup>nd</sup> JCC Meeting, we acknowledge that the contents must be accurate and focused on main points. Therefore, we willingly accept all your comments on opinions of Japanese sides in the meeting and typing error. Your list of request for correction will be attached with the Minutes issued on 21<sup>st</sup> October for reference in future.

From the next JCC meeting, we are also pleased to discuss with JICA for the minutes without discrepancy.

Thank you for your understanding and cooperation.

Yours sincerely,



*Hoang Nhu Cuong*  
Hoang Nhu Cuong  
Vice Chairman

Cc: JICA SAPI Team



PEOPLE'S COMMITTEE OF  
HO CHI MINH CITY  
**JOINT COORDINATION COMMITTEE  
TO SUPPORT SAPI FOR PREPARATION  
OF MANAGEMENT SYSTEM OF  
URBAN RAILWAYS IN HCM CITY**

Code: .01...../BB-UBDPC

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

Ho Chi Minh City, March 18<sup>th</sup>, 2016

**MINUTE OF MEETING**  
**Third Session of Joint Coordination Committee**

**Time:** 14:00 – 17:30, March 4, 2016

**Place:** Hall of Management Authority for Urban Railways – 29 Le Quy Don, Ward 7,  
District 3, Ho Chi Minh City, Vietnam.

**Participants:**

❖ *Joint Coordination Committee (JCC):*

- Mr. Hoang Nhu Cuong - Vice Chairman of Management Authority for Urban Railways (MAUR) – chairing the meeting;
- Mr. Vu Quang Khoi - Director of Vietnam Railway Authority under Ministry of Transport;
- Mr. Nguyen Hoang Minh - Deputy Director of Department of Planning and Investment;
- Ms. Nguyen Thuy Tuong Linh - Deputy Chief of Division in charge of city - central units under Organizing Board of Ho Chi Minh City Party Committee;
- Mr. Le Dac Huy, Chief of Organization and Personnel Division under Home Affairs Department;
- Mr. Le Nam Thanh (substitute for Mr. Pham Minh Tri, Board of Enterprise Innovation and Management);
- Mr. Dau An Phuc - Director of the Public Transport Management and Operation Centre;
- Mr. Le Hai Phong (substitute for Mr. Le Hoang Minh, Department of Transport);
- Mr. Le Khac Huynh, Vice Chairman of MAUR;

- Ms. Vu Minh Huyen, Head of Training and Organizing Division, MAUR;
- Mr. Nguyen Phuoc Thinh, Head of Finance-Accounting Division, MAUR;
- Mr. Kotaro Taniguchi, Representative of JICA Vietnam Office;
- Mr. Tadamasu Nagai, Leader of SAPI team.

❖ ***JICA Representative:***

- Mr. Akira Yamazaki, JICA Urban Railway Transport Administration Advisor;
- Mr. Kotaro Kuramoto - Assistant Director of Transportation and ICT Group, Infrastructure and Peace building Department of JICA Head Office;
- Ms. Iwaoka Izumi - Project Formulation Advisor of JICA Liaison Office in HCMC;
- Ms. Vu Thi Thai Ha - Program Coordinator - Transport Sector of the JICA Vietnam Office;
- Ms. Tran Thi Tuyet Phuong - Senior Assistant of JICA Liaison Office in HCMC.

❖ ***SAPI experts:***

- Mr. Tadashi Nakano, Expert.

❖ ***Preparation Unit (PUC):***

- Mr. Tran Dang Thanh;
- Ms. Nguyen Thi Huong Tra;
- Mr. Phan Hong Quan;
- Ms. Nguyen Thi Hoang Hai;
- Mr. Vu Minh Duc;
- Mr. Bui Anh Huan.

❖ ***Other participants:***

- Ms. Dong Thi Hoai Phuong - Specialist of the Public Transport Management and Operation Centre;
- Ms. Huynh Thi Thuy An, Official of The Office, MAUR;
- Ms. Huynh Thi Lan Chi - Japanese Interpreter;
- Ms. Nguyen Hong Nhat - Japanese Interpreter;
- Ms. Tran Nguyen Kim Ngan - English Interpreter.

**Meeting contents:**

- I. Mr. Hoang Nhu Cuong delivered welcome speech.**
- II. Mr. Kotaro Kuramoto delivered speech on behalf of JICA Office.**
- III. Mr. Tran Dang Thanh gave the report of implementation of actions in SAPI project.**
- IV. Mr. Tadamasa Nagai delivered the report on the On-Job-Training (OJT) and implementation of actions in SAPI project.**

In December 2015, SAPI proposed that the OJT is divided into 2 sessions with 35 days per session for totally 9 staffs from MAUR.

After receiving the concerns and request of modification from PUC, the previous content of OJT was edited on the basis of consideration between short time of each training session, limited budget and the requirement from PUC. Accordingly, in February 2016 the modified content of OJT was sent to MAUR which there is only one full training session in 40 days, included modified items for training as the request from MAUR and location of training in JR East or other companies in Tokyo. Until now, the schedule of training shall be delayed for 1 month compared to the original one and there will be some modifications in the content of schedule after the review from MAUR.

**V. Opinions of participants:**

**1. Mr. Hoang Nhu Cuong clarified the concerns from JICA**

• *The partial opening of Line 1*

MAUR reported to Prime Minister that the opening of line 1 shall be at the end of 2020. However, there is possibility for the early partial opening for elevated section at the end of 2018 or in 2019. Therefore, MAUR assigned NJPT for estimate of cost incurred in case of the partial opening. After that, it will require contractors to change the schedule of implementation and the arrangement for bus from elevated section to the center of City, etc if the partial opening is approved. In this subject, the final decision from HCMC-PC would be shared with JICA and relevant authorities once it is available. However, he advised that we should stick to the original plan which the line 1 shall become fully operational at the end of 2020.

• *The operation of HCM Urban Railway Company 1*

Department of Home Affairs and MAUR are coordinating to submit the proposal concerning the appointment of top management of Ho Chi Minh City Urban Railways No.1 Company Limited (“HCM Urban Railway Company 1”); this effort frustrated by the challenges presented of the newly appointed Chairman of Ho Chi Minh City People’s Committee (“HCMC-PC”). MAUR and Department of Home

Affairs and MAUR will report the situation to HCMC-PC. Generally, MAUR also expressed their desire for the early appointment of top management for HCM Urban Railway Company 1 because the hand-over of TC2 and the transfer of staffs from MAUR will be accelerated accordingly once this appointment is available.

Regarding the skeleton staffs for HCMC Urban Railway Company 1, at first 09 MAUR staffs involved in the training in May and June and some managers of MAUR would be transferred to this Company; then, the Company and MAUR would recruit enough number of staffs as requirement (19 persons) after receiving TC2. Then, at that time the Director of the Company would be responsible for the recruitment. The Director and skeleton staffs would take responsibilities for building the regime of operation and organization for the Company in the future and during the period of next TC. MAUR and the Company will set up regulation of cooperation, especially issues of staffs, training, operation and maintenance for Line 1.

MAUR also suggest that JICA should discuss the above matters with Chairman of HCMC-PC during his visit to Japan at the end of March.

## **2. Mr. Taniguchi**

- *The early partial opening of Line 1*

Mr. Taniguchi would like to ask the confirmation about the process of discussion between NJPT and MAUR because Mr. Taniguchi was informed by NJPT and the contractors about the possibility of early partial opening of Line 1 from Suoi Tien to Opera House.

- *Clarification of the role of DOT, MAUR and HCM Urban Railway Company 1*

Mr. Taniguchi emphasized the task of enhancing ability of regulatory authority during the implementation period of TC2. He suggested that HCM Urban Railway Company 1, MAUR and Department of Transport (“DOT”) shall be involved in the discussion on responsibilities and rights of each party in urban railway sector.

- *Registration of Enterprise*

Mr. Taniguchi concerned about the schedule of registration of Enterprise and appointment for top management of the Company.

## **3. Mr. Cuong fulfilled the concerns from Mr. Taniguchi**

- *Registration of Enterprise*

This registration shall be implemented after General Director of the Company is appointed because ones of important tasks for General Director at the early stage of Company establishment are to draw up the Charter on organization and operation

then to conduct the registration of Enterprise. Actually, MAUR skeleton staffs have the abilities and already made some preparation to conduct this registration but this task is currently pending until the appointment of General Director in accordance with standard procedure.

- ***The appointment of top management for HCM Urban Railway Company 1***

Mr. Cuong could not confirm the appointment time of General Director of HCM Urban Railway Company 1 for some reasons. Due to many upcoming tasks after company establishment, Director of the Company must possess positive virtue and considerable expertise. Furthermore, the appointment of leaders for each Department such as Management Board of ODA projects, Chairman of MAUR, etc is also the top priority for the city. However, MAUR expect Department of Home Affairs and Organization Board of HCMC Committee Party to provide appropriate recommendations for HCM PC.

- ***The early partial opening of Line 1 to Opera House***

Mr. Cuong confirmed there is the possibility of early operation of line 1 to Opera House in 2019. However, in practice it is difficult for the operation of line 1 from Suoi Tien to Opera House station because the train could not turn back at Opera House station. The Opera House station layout is parallel up-down track with platforms serving two rail routes which cross at different level. Technically, the route for partial operation of line 1 comprises only elevated section to Tan Cang station and the arrangement for bus from Tan Cang station to the city center is required. However, the operation to only Tan Cang station shall not bring any benefits.

#### **4. Mr. Taniguchi**

- ***The early partial opening of Line 1 to Opera House***

Mr. Taniguchi also confirmed that the train could not turn back at Opera House based on the explanation from the contractors. This will also lead to the incurred cost for signal system. However, in the point of view of contractors, the number of passengers shall be increased in case of the operation of train to Opera House station. He acknowledged that it is difficult for MAUR to give the decision on the partial or whole operation of Line 1 but he requested to MAUR and HCMC-PC shall come to final decision early to favorably change the schedule of implementation of contractors accordingly.

#### **5. Mr. Cuong**

- ***The early partial opening of Line 1 to Opera House***

Mr. Cuong confirmed that MAUR had already assigned General Consultant (“GC”) for research on the early partial opening of Line 1 and would pay for incurred cost. Therefore, he requested JICA would approve the addendum of contract soon once it is available. However, at the moment GC do not have enough information and data items for the research because it is frustrated by the argument between contractors of CP 2 and 3 on the interfaces of contract package.

#### **6. Mr. Huy – Department of Home Affairs**

- ***The appointment of top manager for HCM Urban Railway Company 1***

There are considerable difficulties to appoint the top management of the Company currently. Pursuant to Decision of Company establishment, HCMC-PC requested relevant Departments provide support for the early establishment of Company. Learning the organizational structure of Hanoi Metro Company which set up one year earlier, this aggravation of human resources still happen. In case of Hanoi Metro Company, the Chairman of Member’s Council holds concurrent General Director Position. However, this is not longer legitimate to the amended Enterprise Law which regulated that the General Director could not be concurrently the Chairman of Member’s Council. Therefore, as the agreement with Mr. Nagai, MAUR and JICA shall provide the report on difficulties and results in Phase 1 to newly Chairman of HCMC-PC; while Department of Home Affairs and Organization Board of HCMC Committee is providing the recommendations to HCMC-PC about human resources of MAUR and the Company in Quarter 2 (April - June).

#### **7. Mr. Khoi – Director of VNRA**

- ***Clarification of the role of DOT, MAUR and HCM Urban Railway Company 1***

There is requirement to clarify the role of 03 parties including DOT, MAUR and HCM Urban Railway Company 1 in urban railway sector because the confusion of role of these parties shall make the difficulties for operation in case the opening of line 1. Currently, the role of DOT is not clear and this is same aggravation of situation in Hanoi.

- ***The responsibilities of regulatory authority***

The available 14 relevant legal documents are sufficient for operation and maintenance of urban railways. In detailed, in 2015 the regulations on urban railway Operation and Maintenance applicable to the Japanese urban railway technology which is being explored in Vietnam was built in support of JICA. Accordingly, the Circular on standards of urban railways is built in 2016. Regarding the Circular on

the issuance of train-driving license, VNRA received the request for instruction for the matter that trainees could receive only the training course completion certificate after finishing the training course in Japan, not the train-driving license. Then, VNRA have already issued the official letter regarding the instruction on this matter. He further informed the purpose of the Circular is that driver possessed train-driving license could operate the train safely.

- ***The early establishment of HCM Urban Railway Company 1***

He suggested that HCM Urban Railway Company 1 shall be set up early based on his experience of the establishment of Hanoi Metro Company. The reason is that HCM Urban Railway Company 1 shall be directly responsible for recruitment and training, carrying out inspection of items and facilities serving urban railway business, performing product testing and evaluation that ensures that the contractor can furnish a product that conforms to all contract requirements for acceptance because the Company 1 is the final user. The Company is further responsible for drawing the operational policies of the Company. The top management of company should propose to HCMC-PC the budget for payroll for the Company allocated from the urban railway project and local HCM City budget during the period prior to the opening of Line 1. Then, the Company shall be responsible for payback.

#### **8. Mr. Cuong**

He appreciated Mr. Khoi's support, especially for instruction on train-driving license. He suggested that there shall be another meeting with VNRA in case JICA need to clarify some issue. Other matters such as the clarification of role of three above-mentioned parties shall be included in the content of TC2. He also shared to DOT and Organization Board of HCMC Committee Party that the management of urban railways is not officially stated in the function and duties of DOT. Moreover, Mr. Khoi's idea of the early establishment of HCM Urban Railway Company 1 will be mentioned in the report to HCMC-PC for accelerating the procedure of company establishment. In accordance with the suggestion from Mr. Khoi, Mr. Cuong stated that the engagement of HCM Urban Railway Company 1 in process of design, manufacture and operation instruction is very important as the Company shall be the final user. Therefore, currently there is arrangement for PUC members to hold the meeting with contractors responsible for provision of railway equipments for exchange of information and knowledge leading to learning.

#### **9. Mr. Kuramoto**

- *The content of next TC and clarification of the role of DOT, MAUR, HCM Urban Railway Company 1, General Consultant and contractors in urban railway sector*

There shall be the detailed investigation in Action 4 “Preparation of Detailed Phase 2 Project”. On basis of the request from Mr. Khoi regarding further clarification of the function and responsibilities of DOT, MAUR and HCM Urban Railway Company 1, he suspected that there shall be 5 parties included (DOT, MAUR, HCM Urban Railway Company 1, General Consultant and Contractors). Until now, the function of each party is not clear in Action 4. In case of promulgating the fare policy and subsidies, he would like to confirm whether the Company is responsible for this mission at present and then it would be transferred to DOT. He affirmed one of the essential tasks in TC 2 is strengthening management ability of urban railway operation and maintenance and regulator function. He also emphasized the purpose for dispatch experts is that JICA would like to give support for Vietnamese side the favorable working environment.

- *The increase of number of PUC staffs*

In his opinion, there would be many tasks required MAUR to conduct itself early in preparation for TC 2. Therefore, Vietnamese side shall coordinate with JICA experts to plan the schedule of implementation based on the table about tasks required proactive performance from the counterpart (PUC) in TC2 compatible with the requirement of number of PUC staffs in each period. Moreover, we could also provide the support to MAUR during the time gap in preparation for TC2.

- *On-Job-Training (“OJT”)*

He suspected that OJT would be very favorable for MAUR to understand the operational activities of Japanese urban railway Company. As the implementation for SAPI Project and OJT is separated, the continuous coordination in OJT content and receiving agency is required.

#### **10. Mr. Nagai**

- *On-Job-Training (“OJT”)*

Concerning Mr. Kuramoto’ above opinion, the arrangement based on the coordination among relevant internal Japanese parties until now shall be conducted.

#### **11. Mr. Kuramoto**

- *Train-driving license*



It is proposed in-depth discussion on train-driving license for drivers because this is the major issue required the involvement of not only JICA and GC but also MLIT.

## **12. Mr. Cuong**

- *Train-driving license*

In the summary of instruction from VNRA on train-driving license, training course completion certificate issued by Japanese side could not be approved as train-driving license which meant that the drivers have to take the examination for train-driving license after completing the training course in Japan. In case of this certificate with the commitment of sufficient competencies for operating train safely, it could be transferred as train-driving license. Based on the above instruction, the current problem is posed by Japanese side because Japanese agencies do not agree to issue the train-driving license for the foreigners. Therefore, JICA and MLIT should persuade to Vietnamese MOT into accepting the proposal from Japanese side. If Vietnamese MOT does not accept this proposal, it will require another solution for fulfilling the requirement of MOT.

- *The content of next TC and clarification of the role of DOT, MAUR, HCM Urban Railway Company 1, General Consultant and contractors*

It requires in-depth discussion between PUC and SAPI experts on the relations among relevant parties in urban railway sector.

- *The increase of number of PUC staffs*

Regarding the table about tasks required proactive performance from the counterpart (PUC) in TC2 provided by Mr. Nagai, the information exchange and discussion could be conducted daily later. Mr Cuong appreciated the efforts of PUC and confirmed MAUR top management could also be involved in discussion if there are any problems.

- *On-Job-Training (“OJT”)*

MAUR ensures to assign staffs possessed sufficient expertise to participate in OJT because the staffs who receive this training would be transferred to HCM Urban Railway Company 1 as the skeleton staffs.

## **13. Mr. Taniguchi**

- *Clarification of the role of DOT, MAUR, HCM Urban Railway Company 1, General Consultant and contractors*

It shall be five parties included General Consultant and contractors in clarification of the role relevant to urban railways. In addition, there are miscellaneous functions of GC and contractors described in PDM and PO.

- *Train-driving license*

Regarding training course completion certificate and certificate with the commitment of efficient competencies, he expects that the full discussion between MLIT and Vietnamese MOT shall be hold.

- *The coordination with JICA Vietnam Office*

Even though it comes to the end of SAPI, the coordination between MAUR and JICA Vietnam Office shall be conducted in the future if there are any matters.

#### **14. Mr. Cuong**

- *The coordination with JICA Vietnam Office*

MAUR would forward to JICA including the detailed report to HCMC-PC as well as any decisions from HCMC-PC.

#### **15. Mr. Yamazaki**

- *Train-driving license*

In his opinion, SAPI team shall directly discuss with VNRA. VNRA shall be responsible for the interpretation and administration of related regulations regarding certificate.

Regarding the Circular\* on transfer of train-driving certificate to train-driving license, from the view point of assisting to the circular drafting, it was understood to be established for trainees of drivers involved in the training by China side\*\*.In Beijing (China), the train-driving license is issued by railway companies. However, train-driving license in Japan can only be issued by National Government. Based on my experience of assisting to the circular drafting, the licensing process is that trainees who finish training course can enter the examination for getting train-driving license issued by National government. In addition, regarding the issuing of any document including a training course completion, there is no discrimination between the foreigner trainees and Japanese trainees.

\*Clause 3 of the Article 25 of Circular 31/2015/BGTVT on the examination contents and procedures for the issuance of train-driving license in urban railways.

\*\*Candidates of drivers belonging to Hanoi Urban Railway line (Cat Linh to Ha Dong) had been given training in driving in Beijing Metro company.

#### **16. Mr. Cuong**

- *Train-driving license*

He proposed that these matters shall be discussed in others meetings with VNRA.

**VI. Closing speech of Mr. Cuong**

He expressed the sincerely thanks to support from JICA, SAPI experts, especially Mr. Nagai and Mr. Nakano in the implementation period of SAPI project. He expected the experts continue to cooperate with MAUR to finalize TC2 contents and OJT and appreciated the continuous support from JICA.

Above are the contents which were discussed and agreed at the 3<sup>rd</sup> JCC meeting./.

**Attn:**

- Joint Coordination Committee;

-Filed. 17

**ON BEHALF OF PRESIDENT  
STANDING MEMBER OF JCC**



**Vice chairman of MAUR**

**Hoang Nhu Cuong**