

**STATEMENT OF PRINCIPLES BETWEEN THE GOVERNMENT
OF THE SOCIALIST REPUBLIC OF VIETNAM AND THE
GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA
ON THE CENTRAL MEKONG DELTA CONNECTIVITY
PROJECT**

1. On the occasion of the visit by the Hon Julia Gillard MP, Prime Minister of the Commonwealth of Australia, to the Socialist Republic of Vietnam, the Governments of Australia and Vietnam have today agreed to work together on a major new transport infrastructure project. Ten years after the opening of the My Thuan bridge, this new Central Mekong Delta Connectivity Project (CMDCP) will further enhance growth, trade and poverty reduction opportunities for the people of the Mekong Delta region.

2. Australia will provide AU\$160 million for this important project, which demonstrates the strength of the bilateral relationship. The CMDCP comprises two high cable-stay bridges at Cao Lanh and Vam Cong of a combined length of 5,000 metres and around 25 kilometres of access and inter-connector roads between the two bridge sites. Australia's grant contribution will help finance the engineering, design and construction supervision of the project, as well as providing a major contribution to the costs of building the Cao Lanh Bridge across the Mekong River in Dong Thap province. The Government of Vietnam, the Republic of Korea and the Asian Development Bank (ADB) are also considering providing significant co-financing for the project. Australia's financing for the CMDCP is contingent on this co-financing.

3. Australia has a long and proud history of working in the Mekong Delta, one of Vietnam's most important sources of agricultural and industrial production and exports. The Delta is known as the region's "rice basket" and is Vietnam's third largest industrial centre, after Ho Chi Minh City and Hanoi. Despite growing traffic volumes, the transport network remains in its early stages of development and this is constraining access to markets and poverty reduction efforts. The CMDCP will deliver improved transport facilities to an estimated 170,000 daily road users within five years of completion, directly benefiting the 5 million people that live in the provinces of Dong Thap, An Giang and Can Tho by connecting them to markets and trade routes in the Greater Mekong Sub-region.

4. The Governments of Australia and Vietnam will work in close partnership to implement this major new development assistance initiative. The Government of Vietnam will oversee the design and implementation of the CMDCP with the assistance of international engineering firms and experts. To ensure strong coordination, the Government of Vietnam will establish and lead a high-level Project Coordinating Committee comprising all the proposed co-financiers.

5. The CMDCP will meet the highest standards of accountability and transparency. All procurement under the AusAID financed components for design and supervision and the civil works will be governed by the ADB's *Procurement Guidelines* and will be subject to international competitive bidding procedures where required. In line with the Government of Vietnam's clear determination to fight corruption, project specific anti-corruption measures, including public disclosure of project information, will be incorporated into the supervision work. Social and environmental impacts will be managed in accordance with ADB's *Safeguards Policy Statement*.

6. Climate change poses a significant threat to the lives and livelihoods of communities living in the Mekong Delta. To support Vietnam's climate change mitigation and adaptation efforts, Australia's contribution to the CMDCP includes provision to pursue engineering design innovations and technology transfer to help protect this important piece of infrastructure from the impacts of climate change and sea level rise.

7. The CMDCP will play an important role in Australia's ongoing development assistance as Vietnam moves to implement a new Socio-Economic Development Plan for 2011-15. In line with the 2009 Australia-Vietnam Comprehensive Partnership, the CMDCP will provide the platform for strengthened bilateral policy dialogue focused on Vietnam's key development priorities of institutional reform, infrastructure development and boosting human resource capacity.

Signed in duplicate at Hanoi on the 31st day of October 2010 in Vietnamese and English languages; both texts being equally valid.

**For the Government of the
Socialist Republic of Vietnam**



**Mr. Ho Nghia Dung
Minister of Transport**

**For the Government of the
Commonwealth of Australia**



**Mr. Allaster Cox
Ambassador Extraordinary and
Plenipotentiary of Australia to Viet Nam**