

2. Upgradation of the Cho Gao canal - Phase 2

a. Location of investment: Tien Giang and Long An provinces

b. The necessity of investment:

Cho Gao Canal is an arterial route connecting Ho Chi Minh City and Mekong Delta region with the total route length of 28.6km, crossing territory of Cho Gao District of Tien Giang province and a part of Long An province including 03 sections:

+ Rach La section with the length of 10.2km: from Km0+000 to Km10+200

+ Cho Gao section with the length of 11.6km: from Km10+200 to Km21+800

+ Rach Ky Hon section with the length of 6.8km: from Km21+800 to km28+600

Previously, Cho Gao canal was upgraded to grade III of inland waterway standards under the two projects of upgrading two southern inland waterway routes with shipping lane width $B = 30\text{m}$, reinforced embankment with stone carpet of 2.5km on the serious landslide locations of the Northern shore. After the project is completed and went into operation in 2004, with the strong social-economic development, numbers and volumes of waterway vehicles through Cho Gao canal increased sharply. According to the statistics, an average of 1,400 visits/ day with tonnage from 200DWT - : - 1000DWT through the canal (on peak days, it can be up to 1,800 visits/ day) resulted in frequent congestion. There occurred many incidents of collision and overturned ships, accompanied by the phenomenon of bank river landslide, causing remarkable loss of lives and property.

To promote regional economic development in the Mekong River delta and secure navigation safety for waterway vehicles, the Ministry of Transport approved the construction project on upgrading Cho Gao canal in the Decision No. 3178/ QD-BGTVT dated 30 October 2009 with total investment of 4,221 billion dong.

However, since 2010 the global economic crisis led to fluctuations, price changes and changes of the state's regimes and policies. As the investment capital in infrastructure construction is limited, MOT approved the adjustment of the project in the Decision No. 1738/QD-BGTVT dated 21 June 2013 with total investment of 2,263 billion dong and are divided into two phases (including 786 billion dong for phase 1 and 1,477 billion dong for phase 2. Currently, phase 1 has been completed and was put into operation.

c. Objectives of the project

Investment in upgrading Cho Gao canal (phase 2) aims to ensure the standards as regulated in the Decision No.1738/QD-BGTVT by the Ministry of Transport dated 21 June 2013, thoroughly overcome overload and congestion to increase throughput capacity, and timely meet to current and long- term waterway transport demand on the route.

d. Scale and plan of construction

- Investment in the construction of the items on Southern riverbank from Km12 - : - Km21 + 800 (Cho Gao Section) and bending at Rach La section to ensure $R > 500m$.
- Dredging of Cho Gao canal section with the scale of $B = 55m$, $H = 3.1m$ and construction of dump for containing dredged soil.
- Construction of riverbank protection embankment
- Construction of access roads
- Bending at Rach Gia section to ensure normative navigation channel of curvature radius $R > 500m$.

e. Total investment (expected): 1,477 billion dong

f. Form of investment (expected): BOT

g. Payback period: expected 25 years

h. Preliminary evaluation of the payback plan

The source of revenue: Revenues can be from vehicles throughput the route with tonnage $> 300T$ and from the use of dredged products.

i. Planned implementation period: 2016-2018