

Resettlement Due Diligence Report

Stage of the document: Implementation
Project Number: 46391-001
February 2016

Viet Nam: Ha Noi and Ho Chi Minh City Power Grid Development Sector Project

EVN HCMC: 110 kV Tham Luong Substation subproject and the
underground cable section connecting to Tham Luong Substation
subproject

CURRENCY EQUIVALENTS

(as of Feb 2016)

USD \$ 1 = VND \$22,400

ABBREVIATIONS

ADB	:	Asian Development Bank
AH	:	Affected Household
DCC	:	District Compensation Committee
EVN	:	Vietnam Electricity
EVN HCMC	:	Ho Chi Minh City Power Corporation
EVNNPT	:	National Power Transmission Corporation
GoV	:	Government of Vietnam
NH	:	National Highway
ss	:	Substation
PC	:	People's Committee
PMB	:	Project Management Board

ELECTRICAL TERMINOLOGY

kV	(kilovolt)	-	1,000 volts
MW	(Megawatt)	-	1,000 kW
MVA	(Megavolt-ampere)	-	1,000 kVA
Transmission System		-	500 kV, 220 kV, 110 kV lines
Medium Voltage Distribution (MV)		-	35 kV, 22 kV or 10 kV lines supplying distribution substations
Low Voltage Distribution (LV)		-	400/230 V distribution and service lines
Load Factor		-	Ratio of average power demand to maximum power demand
Electrical Losses		-	Difference between energy delivered and energy sent out

REMARKS

In this report, "\$" refers to US dollars.

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Executive Summary

1. 110 kV Tham Luong Substation (SS) and 110 kV underground cable connecting to Tham Luong SS are two among four core-subprojects of the Ha Noi and Ho Chi Minh City Power Grid Development Sector Project financed by the Asian Development Bank (ADB).
2. This Due Diligence Document is prepared for the 110 kV Tham Luong SS subproject and the 110 kV underground cable section of the 110 kV transmission line connection subproject.
3. Tham Luong 110 kV SS is built on the area of the 38-hectare designated for urban resident area in District 12. The entire 38 hectares were acquired and compensated before the project (since 2002 - 2014) by the People's Committee of the District 12 for urban housing development and assigned to the Le Minh Limited Company (Ltd.) for investment.
4. The 110 kV connection line has a total length of 2,016.2m, of which 1,768m are underground.
5. Therefore, construction of the 110 kV Tham Luong SS and 1,768m of the 110 kV underground cable section connecting to Tham Luong SS will not cause any land acquisition impact.
6. During the project preparation phase, Ho Chi Minh Power Project Management Board (HCMPPMB) has conducted consultation with the Tan Thoi Nhat Ward People's Committee (Ward PC), Le Minh Ltd., and the local communities living around the project area. The consultation results confirm that there is no household to be affected by land acquisition for the two above mentioned components because they are constructed within the acquired area.
7. However, in order to ensure that the project's impacts are well managed, a due diligence report (DDR) is prepared to serve as a social safeguard document of the subproject.

I. Subprojects Introduction

I.1. Objectives of the Project

8. The 110 kV Tham Luong SS aims to meet the load development needs of the area near District 12, the neighboring area of Hoc Moc District, and Tan Binh Industrial Park area, and to increase power supply reliability and quality, and reduce the capacity and power losses of the system by shortening the power supply radius to the loads.

I.2. Salient Features of the subproject

9. **110 kV Tham Luong SS:** The 110 kV Tham Luong SS is located in the technical infrastructure area of the 38-hectare resettlement site in Tan Thoi Nhat Ward, District 12. This location was approved by the People's Committee of District 12. The area is relatively flat, open, and thinly populated. The SS is:

- Bounded by the A1 planned road (60m right of way) to the North;
- Bounded by the planned area for primary school to the East;
- Bounded by the planned area for technical infrastructure to the South;
- The main side and main gate of the SS are arranged to face the 60m planned road.

- There is currently no access road to the proposed SS; therefore, it is required to build an access road of about 223m long. The road will start at the intersection with the existing 4-metre-wide road to the residential area and terminate at the station gate. The road will be a temporary one following the planned route; the road surface is 4m wide, using water-bound macadam construction method. The total area required for the access road to the SS (including slope) is 2,222.0 m².

10. **110 kV underground cable connecting to Tham Luong SS.** The 110 kV connection line supplying power for the 110 kV Tham Luong SS is under another project which is implemented in parallel with the 110 kV Tham Luong SS project. The route of the connection line is as follows:

- 73m crossing over NH1A from the Alley 58 NH1A in Tien Lan Hamlet, Ba Diem Commune, Hoc Moc District to reach the address 29-39B NH1A Tan Thoi Nhat Ward, District 12;
- The line then runs for about 175m along the NH1A in Tan Thoi Nhat Ward, District 12 (from the address 29-39B NH1A to the NH1A-Phan Van Hon-Provincial Road 14 junction);
- About 898m of the connection line goes underground of Phan Van Hon Road in Tan Thoi Nhat Ward, District 12 (from NH1A-Phan Van Hon junction to Phan Van Hon-Tan Thoi Nhat 1B junction);
- 278m passes through the residential group No. 5 on Tan Thoi Nhat Road 1B in Tan Thoi Nhat Ward, District 12;
- 116m passes through the 38-hectare resettlement site on Tan Thoi Nhat 1B Road (the non-asphalted road section), the Project will asphalt this road section as requested by the People's Committee of District 12 according to the Announcement No. 313/TB-VP dated June 27 2013;
- About 228m passing through the resettlement site and then connecting to the 110 kV Tham Luong SS in Tan Thoi Nhat Ward, District 12.

I.3. Mitigation Measures

11. During the basic engineering design process, the design consultant conducted surveys and discussions with the PMB to select an optimal option for mitigating land acquisition impacts. The cable connection to be placed underground and the locations of the cable connection boxes were discussed and agreed with the local authorities to avoid land acquisition activities.
12. During the project preparation phase, the design consultant and HCMPPMB has organized consultations with the City Department of Planning and Architecture, District 12 People's Committee, Tan Thoi Nhat Ward PC, and local residents on Phan Van Hon Road to inform about the scope of the project, its environmental impacts as well as to find out whether the project causes any social impact and measures to avoid or mitigate impacts.

13. The design consultant also prepared construction measures to minimize impacts on the local traffic. Accordingly, the construction measure applied is successive method, in which the construction will be carried out by each 50m at night. The cable canals will be placed underground and then immediately restored and returned to original conditions to ensure traffic and not cause impact on people's daily lives.

Figure 1. Location of the 110 kV Tham Luong SS and 110 kV underground cable



II. Methodology for preparation of DDR

14. A number of research methods were utilized for the purpose of the due diligence review, including:
- Desk study method was utilized to review the project documents including (i) Feasibility Study Report of 110 kV Tham Luong ss and 110kV underground cable connect to Tham Luong ss subprojects; (ii) Decisions on compensation, assistance and resettlement applied to the 38ha resident project.
 - In-depth interviews were conducted to collect information and data related to the project from the stakeholders in order to ascertain the implementation of compensation, assistance and resettlement of the 38 ha Resident Project. Interviews were conducted with representative of (i) HCM DPMB; (ii) Tan Thoi Nhat Ward People Committee and (iii) 12 District PMU 38ha-resident and 12 District Compensation and Land Clearance (DCC) was also interviewed to further enhance the information obtained from the field.

15. Field visits were organized to the project area in order to observe and assess the project impacts.

Annex 2 is presented the list of people met.

III. Scope of Impacts of the Subproject

Tham Luong SS

16. Total area required for the construction of the SS and its access road is 3,196.6 m². All of this affected area was already compensated for affected households and cleared since 2002 to 2014. Therefore, no compensation required under this subproject.

. 110 kV underground cable section

17. Most of the cable connection line will go underground along Phan Van Hon Road in Tien Lan Hamlet, Ba Diem Commune, Hoc Mon District and in Tan Thoi Nhat Ward, District 12.

The sections of the 110 kV underground cable are as follows:

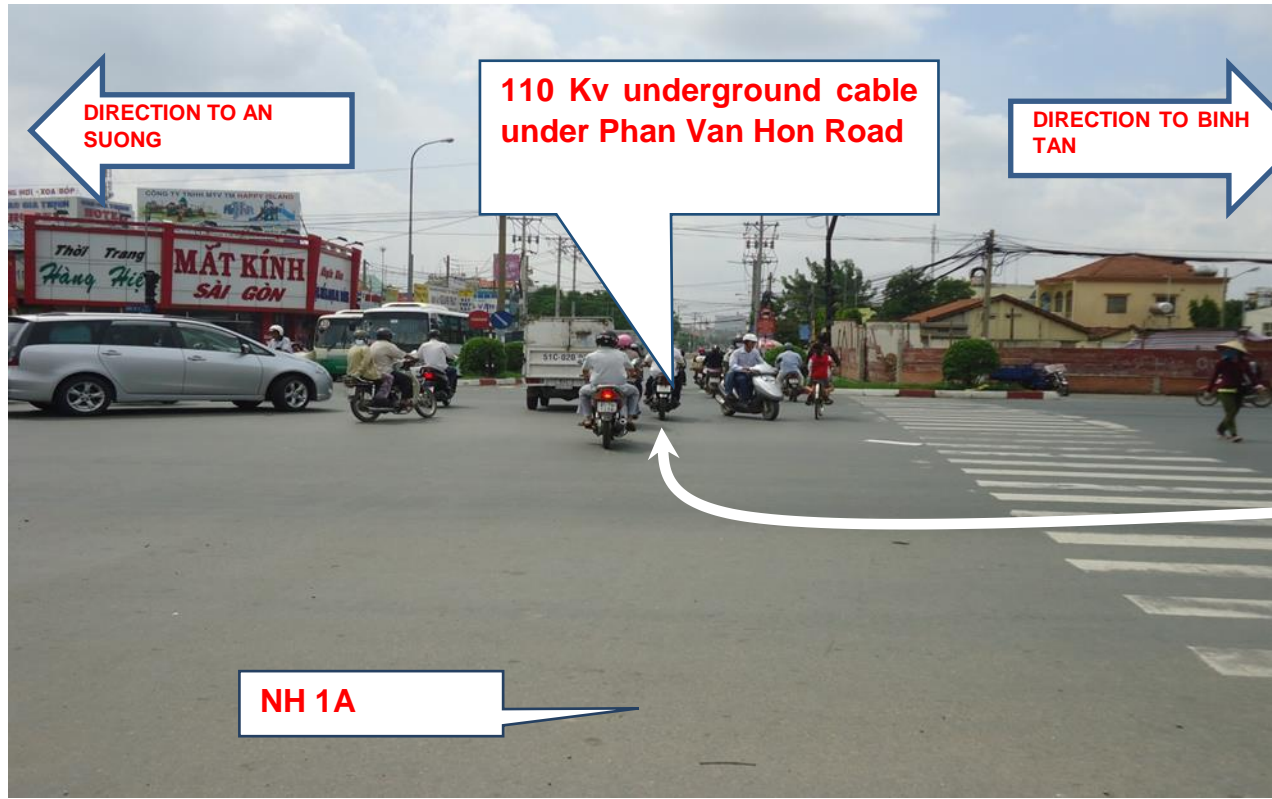
The section crossing NH 1A – about 73m long

18. After reaching the alley 58, the connection crosses over the NH1A, using horizontal directional drilling method, and then turns left to the NH1A-Phan Van Hon intersection. The connection will not cause any land acquisition impact.

From the NH 1A to NH 1A- Provincial 14 junction– 175m long

19. After crossing the NH1A, the cable connection continues running under the NH1A towards 1A-Phan Van Hon junction (for this section, excavation about 1m from the curb), and then turns right to Phan Van Hon Road in Tan Thoi Nhat Ward, District 12. For this section, the cable is arranged underground of the NH1A (the NH1A sections where the cable passes through are 33m to 40m wide) and does not cause land acquisition impact.

Figure 2. The underground cable section traversing the NH1A



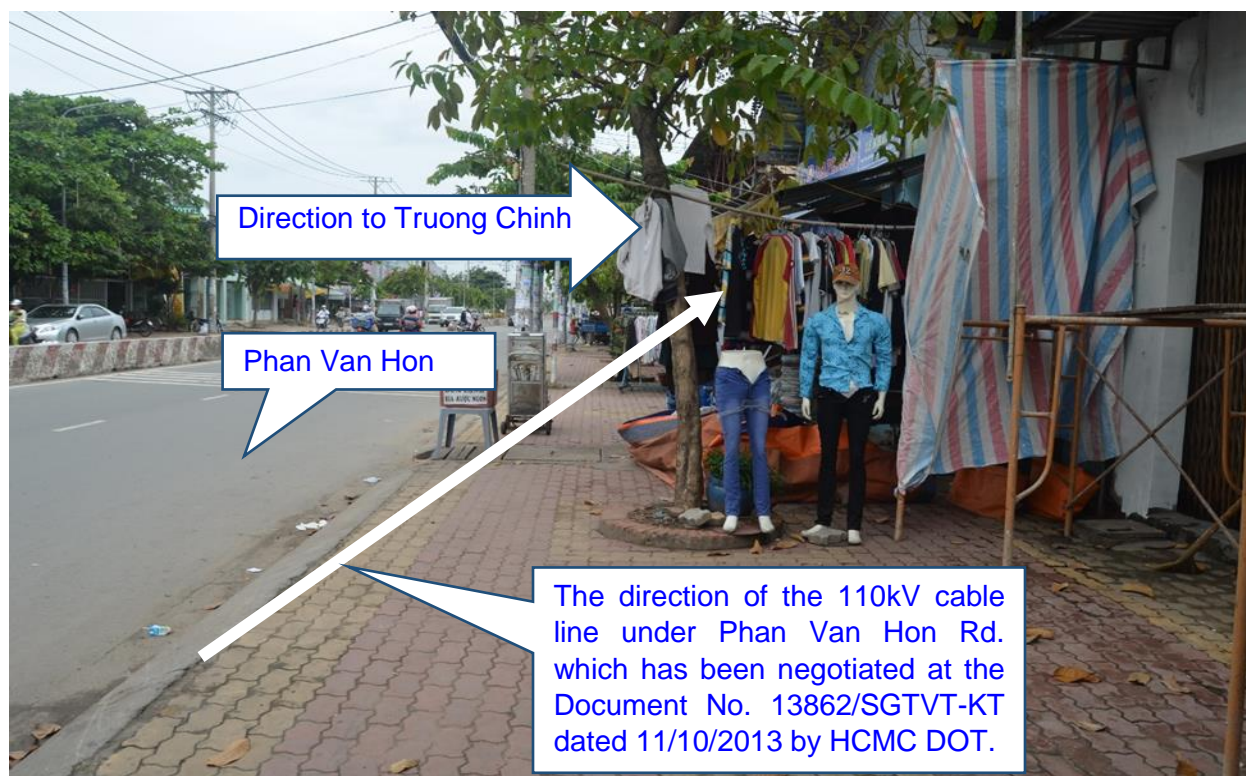
From NH 1A – Phan Van Hon junction to Tan Thoi Nhat 1B road – about 898m long

20. After reaching Phan Van Hon Road, the cable line goes along Phan Van Hon Road and enters the area of Tan Thoi Nhat Ward, District 12 towards Phan Van Hon-Tan Thoi Nhat 1B junction. This cable section is arranged underground of Phan Van Hon Road with the outermost right circuit about 0.5m from the curb. Land acquisition is not required.

From Phan Van Hon-Tan Thoi Nhat 1B junction to Tham Luong SS– about 622m long

21. From the junction, the cable line turns right to Tan Thoi Nhat 1B towards Nguyen Anh Thu temple and reaches the intersection between the cable and boundary of the 38-hectare residential area of the District 12. The cable then turns rights to connect with Tham Luong SS and does not cause any land acquisition impact.
22. The underground cable is placed under the existing road and is 0.5m from the sidewalks.
23. During construction period, it is possible that the civil works will cause impacts on traffic of the existing road due to the transportation of heavy machines and equipment. If there is any damaged caused to the road, HCMPPMB will be responsible for restoring and returning to the locality. The transportation of materials will also cause dust. All of these impacts have been anticipated and their respective mitigation measures are addressed in an Environmental Management Plan.

Figure 3. Underground cable along Phan Van Hon Road



IV. Status of implementation of Resettlement by the Subproject

1. The site of 110 kV Tham Luong underground cable

24. The 110 kV underground cable, the section from Alley 58 NH1A in Tien Lan Hamlet, Ba Diem Commune, Hoc Moc District to 110kV Tham Luong substation does not cause land acquisition impact because of going underground along the existing roads.

2. 38-hectare residential area in Tan Thoi Nhat Ward, District 12

25. In 2002, HCMC planned to acquire land of people for the development of a resettlement site in Tan Thoi Nhat Ward (District 12). In November 2002, HCMC issued the decision on acquisition of 48 ha of land in Tan Thoi Nhat and assigned to the City Transportation and Public Works Company (under HCMC Department of Transportation) for investment. The 48ha area was divided into two sections including the 10-hectare area and 38-hectare area. To date, the land acquisition and compensation have been finished and the infrastructure development has been completed and put into operation. On the contrary, the 38-hectare area still have several outstanding issues and been delayed for a long time.

26. Until March 2011, the City PC transferred the project to the District 12 PC as the project owner. Of the total 38ha, 5.9 ha were planned for 372 resettlement land plots. To date, 371 plots together with some infrastructures and services have been completed including water supply, power supply and roads. The remaining 30ha have been planned for 389 resettlement land plots and some apartment buildings comprising total 3,294

resettlement apartments with other public structures including four-hectare park, school, and clinic, etc.

27. For the 38-hectare area, 740 households are affected. To date, the District 12 PC has provided compensation and supports and acquired around 24 ha of land of 534 households. The remaining area of about 13 ha belongs to 206 affected households who have not been compensated and supported.

3. Policy Framework Applied for Compensation, Assistance, and Resettlement of the Project

28. The interviews with the stakeholders show that land acquisition of the project has been complied with the Decree No. 22/1998/ND-CP on compensation, support, and resettlement upon land recovery by the State in the area of Ho Chi Minh City.

Table 1. Legal framework for compensation, assistance and resettlement applied for the 38-hectare area project

Law	Decree	Circular
- 1993 Land Law - 1993 Land Law replaced the 1987 Land Law	Decree No. 04/2000/ND-CP on enforcement of the Law amending and supplementing a number of articles of the Land Law.	Joint-Circular No. 02/1997/TTLT-TANDTC-VKSNDTC-TDC guiding the Item 3 Article 38 of the 1993 Land Law on the jurisdiction of the Supreme People's Court- Supreme People's Procuratorate, the Supreme issued by the General Department of Land Administration.
	Decree No.22/1998/ND-CP on compensation, assistance, and resettlement upon land recovery by the State.	- Circular No. 145/1998/TT-BTC guiding the implementation of the Decree No. 22. - Official Letter No. 92/2000/KHXX on verifying land use rights.
	Decree No.38/2000/ND-CP on collection of land use fee.	Circular No. 115/2000/TT-BTC guiding the implementation of the Decree No. 38/2000/ND-CP.

At local level, the following decisions issued by HCM City PC are applied to the Project:

29. Decision No. 05/QD-UB-QLDD by the City PC issuing land prices in the city area; Decision No. 5462/QD-UB-KT issuing land prices in the industrial zones and residential areas.

30. Decision No. 5184/QD-UB-KT issuing standard housing price list for calculating the registration fee and Decision No. 15/2001/QD-UB adjusting the minimum prices of houses and other architectural structures for calculating the registration fee.

31. Decision No. 31/2003/QD-UB issuing temporary regulations on procedures for organizing compensation, assistance, and resettlement implementation upon land recovery by the state for public, national interests, and national security and defence purposes in the area of Ho Chi Minh City.
32. Among all legal documents issued by the HCM City PC related to the land management issues, the Directive 08 was issued on April 22 2002 stipulated an important milestone with regards to compensation, which is still in effects until now.
33. Following this Directive, HCM City PC requested all relevant departments and local governments to focus on inspecting, verifying, and resolving all violations in construction, land management, and land use before July 31 2002. The identified violations include land not in use for 12 consecutive months without permissions from the competent authority for land allocation; land allocation that is not within the competence; land encroachment; and illegal transfers.
34. The competent authorities (Director of the Land and Housing Department, Department of Construction, Chief Architect, and Chairmen of the People's Committees of the districts, wards, communes, and towns) are not allowed to confirm and endorse all kinds of records and papers to legalize the above mentioned violations or enable the changes of land use status and housing status that are not in line with the regulations and land use planning approved by the competent authorities. The officials must comply with the regulations and frequently investigate and check land use activities.
35. For the conversion of agricultural land and forestry land, the households and individuals have to meet one of the following conditions: (i) moving to reside in other areas; (ii) shifting to other jobs; (iii) no longer or not being capable of working. For those buying agricultural land, they must (i) have land use needs; (ii) do not have land or are using land under the stipulated quota. In addition, when they get the land use rights for wet-rice farming, these households and/or individuals must be those directly engaged in agricultural production.
36. Within 30 days since the Directive No. 08 is issued, the individuals and collectives have to consider and if there is any violation, they have to clear site or adjust the land use in accordance with the regulations.
37. Directive 08 is a decision to restore discipline in the field of land management and construction of Ho Chi Minh City. This is an important policy and remains the legal basis for the formation of the right to receive compensation for those affected by the project in the city area. However, together with the enactment the directive, a broad dissemination of information to the PAHs was not implemented in the project area. In the opinion of the staff performing the compensation and site clearance from the first period of the project, this directive, in fact, was not widely disseminated via all communication channels.

3.1. Entitlements of the APs

38. The important bases for calculating the entitlements of the APs and compensation for residential land and assets attached to land, which are:

- (i) Land use rights certificates (LURCs); and
 - (ii) For structures, April 22 2002 is the milestone specified in the Directive No. 08/2002.
39. Compensation in cash is implemented for affected assets including land, structures, trees and crops.
40. Compensation rates are based on the decisions by HCM City PC issued from 1995 to 2006 with the application of K coefficient. This method of calculation is maintained to date, although land transfer prices in the market have changed. The regulation that survey and revaluation of land prices to be conducted if the land prices fluctuate from 20% or more is applied when the 2003 Land Law takes effect (2004) but is not applied to this Project.
41. Residential land quota is applied in accordance with the City's Decision No. 64/2001/QD-UB on land quota in the area of HCMC. This quota is used to calculate land area for which the AHs with LURCs would be entitled to receive compensation for the area within the stipulated land quota. The area which exceeds the quota will not be compensated but supported. This decision also promulgated the land quota for support for the AHs without LURCs; accordingly, the AHs without LURCs over their affected residential land will only be supported at 20% of the residential land prices. For the residential land in the urban area, the maximum area is 40m². The area that exceeds this stipulated quota will not be compensated nor supported¹.
42. During the implementation process, there are several difficulties and outstanding issues in compensation and land acquisition mainly due to low compensation rates. Moreover, the decisions of the HCM City PC issued following the policy framework of the 1993 Land Law and Decree No. 22/2002 are no longer appropriate; therefore, the DCARB of District 12, after being in charge of the project, has proposed some recommendations to the City Appraisal Committee for approval, via the following documents:
- a. On June 7 2012, the DPC sent the Document No. 1695/UBND-BT on the outstanding issues and difficulties of the 38-hectare resettlement site project and recommended the City PC and City Appraisal Committee to review and adjust the compensation and support rates of the project (increasing the compensation and support rates and adjusting land-for-land and resettlement policies).
 - b. On August 24 2012, the Department of Finance issued the Document No. 8174/STC-BVG disapproving the recommendations of the District 12 PC to adjust the compensation and support rates and requesting the District 12 PC to study more suitable solutions.

¹ According to the Decision No. 64, regulations on land quotas are as follows: (i) for inner city districts (1, 3, 4, 5, 6, 8, 10, 11, Tan Binh, PhuNhuan, BinhThanh, and Go Vap): maximum 160m²; (ii) for new districts(2, 7, 9, 12, Thu Duc, and towns in BinhChanh, Hoc Mon, Cu Chi, and Nha Be districts): maximum 200m²; area planned for urban development: maximum 250m²; and (iv) Can Gio district and rural residential areas: maximum 300m².

- c. On September 13 2013, the DPC issued the Document No. 6615/UBND-BT concerning the difficulties of the 38-hectare resettlement site project and recommended the City PC and City Compensation Appraisal Committee to review and adjust some compensation and support policies in the compensation plans.
- d. On December 11 2013, the City Compensation Appraisal Committee issued the Meeting Minute No. 870/BB-HDTDBT-KTD concluding the meeting as follows: to request the District 12 PC to study the plan to adjust the compensation rates in accordance with the Article 9 of the Decree No. 197/2004/ND-CP.
- e. Through inspection and review, on May 7 2014, the DPC continued issuing the Document No. 3112/UBND-BT to submit to the City Compensation Appraisal Committee and City PC on adjusting the compensation rates and policies of the Project.
- f. On November 24 2014, the City PC issued the Document No. 6157/UBND-DTMT on implementing land-for-land and resettlement policies of the 38-hectare resettlement site project in Tan Thoi Nhat Ward, District 12. In which, the City PC approved the revision of land-for-land and resettlement arrangement policies of the project according to the recommendation of the District 12 PC (compensation rates of the project are yet included).
- g. On April 21 2015, the City PC issued the Document No. 2163/UBND-DTMT on solutions to the delays in compensation and support payment to the affected households whose compensation, support, and resettlement plans were approved before July 1 2014. In which, the City PC requested to continue implementing bank interest rate support policy following the Official Letter No. 2618/UBND-DTMT dated April 25 2008 by the City PC and directed the completion of compensation, support, and resettlement before December 31 2015.

3.2. Compensation Rates of the Project

- 43. The compensation rates and bank interests as of December 16 2015 (the approval date of compensation plans is December 16 2003) are:
 - a. Annual cropland: VND 180,000 (compensation rate) + VND 328,731 (interest) = VND 508,731 per square meter.
 - b. Perennial cropland: VND 230,000 (compensation rate) + VND 420,046 (interest) = VND 650,046 per square meter.
 - c. Residential land: VND 1,800,000 (compensation rate) + VND 3,287,314 (interest) = VND 5,087,314 per square meter.
- 44. Following the instruction of the City PC, the DCARB has advised the DPC to issue the compensation payment decisions for the affected households based on the compensation rates and policies approved by the City PC. The implementation of the compensation decisions is as follows:

- a. For the cases eligible for compensation for residential land and houses and for resettlement arrangement, the majority of the households agreed to receive compensation and supports and hand over site to the project (however, to date, the resettlement land plots and apartments are yet available).
 - b. For affected cropland cases who were not eligible for land-for-land compensation but cash compensation, to date, the City PC has approved for these households to receive land-for-land compensation, i.e., exchanging agricultural land with land that has completed technical infrastructure of the project. Most of the affected households agreed with land exchanging policy and handed over site to the project.
 - c. For affected cropland cases who were only eligible for cash compensation (the annual cropland compensation rate is VND 508,731 per square meter, perennial cropland compensation rate is VND 650,046 per square meter), the affected households did not agree with the compensation rates and requested for resettlement arrangement.
45. In 2015, the District 12 PC and DCARB have reviewed and advised the DPC to continue recommending the City PC and City Compensation Appraisal Committee to review and revise the compensation rates of the project.

4. The site of 110 kV Tham Luong SS

46. The 110 kV Tham Luong SS is located on the area of 3,196 m² in the Residential Group No. 6 of the 38-hectare resettlement site. These areas were under the land use rights of one organization and three households.
47. The entire area for the construction of 110 kV Tham Luong SS was already acquired and compensation for the affected people was completed in 2005 - 2014.
48. The total affected area of these households and organization was 23,902.2 m² of agricultural land. Most of these areas were vacant land; only one household was growing vegetable (Vietnamese coriander) on an area of 2,515 m² of affected land.
49. As it is affected organization, Le Minh Ltd. Company was not allowed to convert agricultural land into residential land, and the total compensation amount for the company was VND 4,929,217,753, comprising compensation for affected agricultural land, site leveling support, and interest rate support of the compensation amount.
50. The affected households have opted to land-for-land compensation at the rate of 10% (i.e., exchanging 100m² of agricultural land for 10m² of residential land). The total residential area allocated to these households is 693.72 m². If calculating at the selling rate of the residential land in the 38-hectare area, this amount will be VND 7,480,680,000 (if applying the compensation rate for agricultural land plus the interest rate, the total amount would be VND 3,528,558,216).

Table 2. Impacts of the project on the affected households and compensation cost

AHs	Affected area	Total compensation and support amount	Compensation for land	Compensation for crops	Other supports	Interest rate support
Le Minh Ltd	16,966	4,929,217,753	3,053,880,000	0	767,860,000	1,107,477,753
AH no. 1	1,067.2	Land-for-land – 106.72 m ² of residential land		0	5,000,000	
AH no. 2	2,515	Land-for-land – 251.5 m ² of residential land		0	126,750,000	
AH no. 3	3353	Land-for-land – 335.3 m ² of residential land		16.700.000	5,000,000	29,356,101
Total	23,902.2			16,700,000	904,610,000	1,136,833,854

51. The review of three compensation plans of three AHs and Le Minh Ltd. Company as well as interviews with two AHs show that the APs did participate in the DMS process with the staff of the District 12 CARB. All of the DMS records have been given to the AHs for keeping and reference.

52. The AHs have also attended several public meetings as well as separate meetings between the DCARB and each household. They are aware of the purpose of the 38-hectare residential area project and city policies.

53. At first, the AHs did not accept the compensation rates; however, after the policy on agricultural land for residential land compensation was issued, they have agreed on the compensation plans. The land-for-land compensation has offset the low compensation rates for these households.

„My family bought agricultural land at 1.6 million dong per square meter and planned to build house thereon. To date, the DCARB has exchanged agricultural land with residential land for us with an area of 106 m². We can sell these areas at 19 million dong per square meter, which is okay as it offsets against low compensation”.

54. The grievance redress mechanism is in compliance with the Land Law and Law on Complaints of each period. The aggrieved households would lodge their complaints directly to the District 12 PC and the DCARB would support the DPC in replying the issues related to DMS and payment. However, most of the complaints from the AHs were related to the compensation policies; therefore, the solution was to explain, persuade and advocate the PAPs through the cooperation between the Ward PC, Women’s Union and DCARB officials.

V. Gaps on Policies and Implementation

55. The compensation plans of the project were approved since 2003 until now; during this time, the Land Law has been revised three times (1993, 2003, and 2013) together with their relevant guiding decrees. However, the application of the entitlements of the APs is still following the guidance of the Decree No. 22/1998/ND-CP together with decisions issued by HCM City PC in the 1995 to 2000 period on the compensation rates for land, trees and crops. On July 14 2004, the Ministry of Finance issued the Official Letter No. 7760/TC-QLCS guiding the implementation of the 2003 Land Law².
56. The DCARB and District 12 PC proposed revisions of policies, compensation rates, supports and resettlement; however, only some recommendations were approved. These revisions were mainly related to supports and resettlement under the authority of HCM City PC. The application of new regulatory framework is not approved as until now the Official Document No. 7760/TC-QLCS is still in effect. Moreover, the decrees guiding the implementation of compensation, support, and resettlement in accordance with the 2003 and 2013 Land Laws regulated that the approved projects still applied the approved compensation plans³.
57. The consultations with the implementing agency, interviews with the two AHs who already handed over site (the area for construction of 110 kV Tham Luong SS), four households who moved to live near the SS site, two households who have not relocated in the area of the 38-hectare residential area, show that the gaps between the site clearance of the project and the current policies of the government and 110 kV Tham Luong SS project are as follows⁴:
- a. The compensation rates do not reflect the market prices of land;
 - b. People did not get involved in the project, all information they received was one-way and top-down; therefore, they did not have opportunities to participate in the

²The key points of this document are: (i) Adjusting land prices in the areas where the prices are no longer consistent with the market prices but it is not allowed to increase more than 1 time; (ii) Land use fee collection is continued to follow the Decree No. 38/2000/ND-CP dated August 23 2000 by the Government; (iii) Compensation and assistance upon land recovery by the State are continued to follow the Decree No. 22/2000/ND-CP dated April 24 1998 on compensation for losses upon land recovery by the state for national defense, security, national interests, and public purposes.

³ Decree No. 197/2004/ND-CP - Article 50. Implementation effect. For projects, project items that have completed the compensation, support and resettlement work; that have approved the compensation, support and resettlement plans or are making payments for compensation, support and resettlement according to the plans approved before the effective date of this Decree, the approved plans shall be implemented without application of, or adjustment according to, the provisions of this Decree.

Decree No. 47/2014/ND-CP - Article 34. Handling of issues arising from the promulgation of this Decree – Item 3. In case land recovery decisions have been issued and plans on compensation, support and resettlement have been approved in accordance with the land law before July 1, 2014, approved plans shall be implemented.

⁴ Public consultation was conducted in 2013 – project preparation time. In-depth interview was carried out by the end of 2015 and early 2016 for the purpose of due diligence report.

project activities as well as did not benefit from the development of 38-hectare resettlement site project.

- c. There are no supports targeting vulnerable households as compensation, assistance and resettlement policies of HCMC at that time did not have provision related to this support;
 - d. The relocated households do not have options to choose resettlement sites they want;
 - e. There is no support for business disruption as well as support for employees losing their jobs;
 - f. Grievance redress mechanism is not disseminated to the AHs; and
 - g. The ward authorities only take part in verifying assets, land use time and advocating when the APs had complaints. All activities related to compensation, policies, and public meetings are undertaken by the DCARB.
58. The monitoring of compensation, assistance, and resettlement was undertaken by the District 12 People's Council. There are no pending issues found so far.

VI. Conclusions and Recommendations

1. Conclusion

59. The 110 kV Tham Luong SS is built on an area of the 38-hectare that is already planned for development of residential area in Tan Thoi Nhat Ward, District 12, Ho Chi Minh City. The area has been cleared and compensated for affected households.
60. The land acquisition for the 38-hectare residential area has been implemented by the DPC in compliance with land law 2003 and the policy framework of the Government of Vietnam on compensation, assistance, and resettlement upon land recovery by the state for public, national security and defense purposes (Decree 197) issued in 2004. No pending issues or non-compliant issues on compensation, assistance and resettlement have been found.
61. The 110 kV Tham Luong underground cable subproject (the section from No. 58 NH1A to Tham Luong SS) is built underground and thus does not cause land acquisition impacts.

2. Recommendation

62. Contractor should apply mitigation measures to ensure no negative impact on local people during construction of 110 kV Tham Luong SS and 110 kV underground cable connecting to the SS. If there is any impact on land or livelihood of local people, compensation will be implemented as per the updated Policy Framework of the Project.
63. EVNHCMC will conduct regularly internal monitoring on the safeguards issues during construction and prepare quarterly internal monitoring reports to ADB.

Annex 1. Minutes of consultation meeting with affected households

Mrs. Le Thi Lan Huong household

Interviewed person – Hoang Nhan as Representative of Mrs. Le Thi Lan Huong family.

1 year before the project, Mrs Huong sold the land for Mr. Nguyen. She moved to Hoc Mon and faced a stroke so she is unable to talk and work; her husband was not at home while interviewing.

So far, papers, lands, legal issues have been undertaken by Mrs. Nhan (the respondent) as the representative. Mr. Nguyen will receive the compensation because Mrs. Huong sold the land for him. However, her family knew information of the project during project process. Her family participated in two public meetings to announce project implementation and knew specific information, as follows: (i) Location and technical design and (ii) entitlements of the PAPs concerning compensation and supports. Her family does not know about (i) Complaints procedure/ how to lodge their complaints? Who will solve their complaints?

The household participated in DMS with officials and signed the DMS record. The household saved a DMS record; however, the household did not know whether the results are correct or not as they never measure the land once again. They also did not remember whether compensation plan had been posted at public places at that moment.

The land market price at the land acquisition time was about VND 700,000-900,000/m². Now the price is about VND 5 million/m².

Mr. Nguyen Huu Lac. Address: 48, Fourth Street, Quarter 17, Binh Hung Hoa A Ward, Tan Binh District

The land affected by the 38ha project that he purchased with his nephew in 2001 for VND 1.6 million/m² to build house. At that moment, the land was used to grow rice. The affected land area was 1,221 m² of agricultural land. DCARB discussed and exchanged a residential land plot of 106m² for his family. However, the family wants to receive two small land plots for him and his nephew of about 50m² to 60m² instead of receiving 106m² of land from the project.

Mrs Le Thi Khanh. Address: Group 60, Tan Thu Nhat Ward, District 12, HCM City

The household head is over 70 years old, he has two sons working at factory and also living with him, the residential area is more than 1,000 m² that was bought and settled by the family many years ago. The household has LURC over their land. Currently, the family is renting out 15 self-contained rooms with the rental price is about 600,000-1,000,000 VND/month/room. The major incomes of the household came from the rental price and salaries with no additional incomes; the household has no productive land.

According to the planning of the 38ha project, the total area of the house will be acquired; however, the household does not allow any agency to conduct DMS and prepare compensation

plan due to disagreement with the compensation price of the 38-hectare project management unit, as Mr. Le Thanh Dong (son of household head) said, in 2002 when the project started, the recommended compensation price was 1.2 million VND/m², then the family did not attend meeting and did not allow the conducting of DMS. According to the household head, the current price is about 15 million VND/m², and they request to be compensated at that price, then they will agree and hand over the land.

Mrs. Nguyen Thi Thuy, Le Hong Phuoc. Address: Group 60, Tan Thu Nhat Ward, District 12, HCM City

Mrs. Thuy's family does not want to move to another place. She does not want to move not because of compensation rates. Despite being encouraged to receive compensation and relocation by her husband and sons, she said that she loves to live here (the family has lived here for 15 years) so she does not want to move. She said the compensation for her family is over 1.6 billion VND. She also participated in the meetings several times and knew information about the 38ha project. However, she hopes that the DCARB will arrange resettlement for her right on the current plot she is living.

She knew the information about Substation Project and the underground cable to be built along the route to the substation. She said, as the construction of the SS and underground cable will not affect her family so she hopes DCARB will allow her family to continue living here.

Annex 2. LIST OF PARTICIPANTS

Location: Tan Thoi Nhat Ward, district 12, HCMC

No.	Name	M	F	Position	Organization/Address
	2013				
1	Le Thi Bich Van	X		Vice manager of the investment division	HPPMB - EVNHCM
2	Nguyen Thi Truong Hai		X	Staff	HPPMB - EVNHCM
3	Vo Huu Thang		X	Staff	HPPMB - EVNHCM
4	Nguyen Anh Tai		X	Citizen	Tan Thoi Nhat ward, district 12, HCMC
5	Le Van Nghia		X	leader of quarter 60	Tan Thoi Nhat ward, district 12, HCMC
6	Le Phuong Thuan	X		secretary of quarter 5	Tan Thoi Nhat ward, district 12, HCMC
7	Nguyen Van Chien	X		citizen	Tan Thoi Nhat ward, district 12, HCMC
8	Nguyen Minh Thanh	X		The ward's official	Tan Thoi Nhat ward, district 12, HCMC
9	Luu Minh Dat	X		Ward's vice chairman	Tan Thoi Nhat ward, district 12, HCMC
10	Duong Tuan Anh	X		The consultants	
11	Ha Van Toi	x		Officials	Fatherland front of Tan Thoi Nhat ward
12	Dang Thi Sam		X	Women's union	Tan Thoi nhat ward
13	Nguyen Hong Quang	x		Deputy director	management board of 38ha residential area
14	Nguyen Minh Hieu	X		AH	Tan Thoi Nhat ward
15	Le Duy Nhat		x	AH	Tan Thoi Nhat ward
16	Tran Thi Hoang Yen		X	AH	Tan Thoi Nhat ward
17	Nguyen Ngoc Thi	X		AH	Tan Thoi Nhat ward
	2015 and 2016				
18	Tran Thi Ngan		X	Staff	12 District Compensation Clearance committee.
19	Nguyen Van Hong	X		Leader of team 3	12 District Compensation Clearance committee.
20	Mr Phuoc	x		Staff	12 District Compensation Clearance committee.
21	Nguyen Thi Thuy		x	AH	Tan Thoi Nhat ward
22	Nguyen Thi Khanh		x	AH	Tan Thoi Nhat ward
23	Hoang Nhan – Le Thi Lan Huong		x	AH	Hoc Mon distr.,
24	Nguyen Huu Lac	x		AH	Binh Hung Hoa ward

