



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

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**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Vietnam	EAST ASIA AND PACIFIC	P173106	
Project Name	Mekong Urban Climate Resilience Development Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	4/3/2020	6/23/2020
Borrower(s)	Implementing Agency(ies)		
The Socialist Republic of Vietnam	ODA PMU of Rach Gia City, Kien Giang Province, ODA PMU of Ca Mau Province, ODA PMU of Tra Vinh		

Proposed Development Objective(s)

To improve access to infrastructure, connectivity and to enhance flood and environmental management in selected cities of the Mekong Delta in Vietnam

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>275.01</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

22. The proposed project focuses on investments to unlock the development potential of the urban cores of Ca Mau, Rach Gia and Tra Vinh cities and promote a more compact development pattern. The three cities have been identified as key hot spots in the Mekong Delta region for climate change and water related disasters, including coastal erosion, landslides, flooding, subsidence and saline intrusion. Poor connectivity is also a significant challenge, which forms a barrier to spatial integration and development of the cities. Improving the management of flooding and other water related risks as well as intra-urban connectivity are expected to promote the economic and demographic



densification of these cities and enable them to function as economically and physically integrated metropolitan areas.

23. A comprehensive set of structural and non-structural measures will be introduced including green climate resilient infrastructure and flood control solutions that mitigate flooding, while simultaneously addressing environmental pollution, land subsidence and salinity through ground water recharge and other water quality improvement measures. The operation will also focus on investments in strategic roads and bridges to improve intra-urban connectivity, especially access to centers of employment, and to guide urban growth to areas with lower risk. Increased demand for land along transport corridors will also create an opportunity for the local governments in the cities to capture some of the associated land value increase. Citizens and community organizations will be engaged throughout the project preparation and implementation process in order to raise their awareness about flood risks and enhance their ownership of the project. Urban management in the three cities will be improved in order to strengthen the efficient operation and maintenance of infrastructure and enable the cities to become more interconnected, livable and resilient to disasters.

24. The project will enhance and leverage prior and ongoing World Bank financed projects. The operation will build on the recently completed World Bank financed Mekong Delta Region Urban Upgrading Project (MDR-UUP) (2012 to 2017), which invested in tertiary infrastructure upgrading in Low Income Areas (LIAs), including in the three cities under this proposed operation. The MDR-UUP also financed key transport links to connect LIAs to primary road network and dredging of heavily polluted canals adjacent to LIAs. Design Guidelines on Green Infrastructure and Universal Access developed under the ongoing Scaling Up Urban Upgrading Project (2017-2023) will be systematically applied in this project. Complementarity with other ongoing World Bank financed projects will be leveraged, including: The Vietnam Improved Land Governance and Database Project (VILG) (2016 to 2021) which is improving the efficiency and transparency of land administration services in 33 provinces including Kien Giang and Tra Vinh, through the development and implementation of the national Multipurpose Land Information System (MPLIS); the Mekong Delta Integrated Climate Resilience and Sustainable Livelihoods Project (2016 to 2022) which focuses on control of salinity intrusion and aquaculture in rural areas in 9 provinces in the Mekong Delta, including the provinces targeted by the proposed project.

25. The project will build on the assistance being provided by other donors to the three cities. GIZ is supporting Ca Mau and Rach Gia through phase 2 of the Mekong Urban Flood Resilience and Drainage Programme (closing in December 2019). The GIZ programme seeks to address flood risk reduction, planning and resilience, including improving hydraulic modeling, updating Digital Elevation Models, providing training on flood early warning systems and developing drainage master plans (not yet approved by the provinces). In addition, GIZ have piloted innovative approaches to sustainable urban drainage systems in roundabouts (Ca Mau) and sidewalks (Rach Gia). These pilots are highly relevant to the proposed project and the project design will build on these studies. GIZ has also supported a land subsidence study that is being used to inform the development of the project and has provided support to improve planning and monitoring capacity in Ca Mau and Rach Gia. In addition to GIZ, there are some additional supports from other donors:

- In Tra Vinh, KfW has funded the construction of a WWTP and a primary sewage network to be commissioned shortly. The proposed project will expand on the achievements of the KfW project through construction of the secondary and tertiary sewage network in Tra Vinh's urban core.
- In Ca Mau, funding from the Italian ODA has been secured for an environmental sanitation project covering construction and rehabilitation of the wastewater network and construction of a wastewater treatment plant with



capacity of 8,000 m<sup>3</sup>/day, as well as provision of equipment and technical assistance to the Project Management Unit. The project has already been approved but not yet implemented, mainly due to lack of counterpart funds.

- Rach Gia province is discussing funding for the construction of two WWTPs for the city with a combined capacity of 25,000m<sup>3</sup>/day and drainage/sewage network project covering three urban communes (not overlapping with the proposed Bank financed project) with DANIDA. The project is awaiting approval and funding. Rach Gia has also received support from the Republic of Korea for technical assistance in green urban planning (completed in 2018), which is closely linked to the proposed project.
- Despite these complimentary project investments, there is a clear need for a transformative operation for the three cities, similar to the ongoing Vietnam Scaling Up Urban Upgrading Project (SUUP) (2017 to 2023) .

## Project Components

26. The project is organized around four components:

Component 1: Environmental improvement and flood risk management (WB Loan: US\$ 67.5 million)

27. The objective of this component is to improve environmental sanitation and enhance flood risk management in the urban cores of the participating cities. The investments include: (i) upgrading and constructing drainage and sewer systems, dredging inner city canals and rehabilitating detention lakes; and (ii) developing information systems to support integrated flood risk management.

28. The investments proposed by the participating cities are in line with the approved cities' master plans. They follow no-regret investment principles and prioritize green infrastructure approaches rather than traditional grey structures, in order to increase the cities' climate change resilience capacities for sustainable urban development. Design of this component will be based on an assessment of the flood risks, including flood hazard and the vulnerability of the affected community. Non-structural measures will focus on putting in place effective mechanisms for institutional coordination, integrating flood risk analysis in urban planning and management, and improving operation and management (O&M). In addition, the design of infrastructure will factor in access to services for women and men and universal design considerations. The protection of land from flooding under this component, is expected to create an opportunity for the local government in these cities to capture some of the associated land value increase accrued to the private sector. The reduction in flood-related risk in the urban core of the cities, is expected to result in a reduced housework burden for local women and girls, freeing up their time to participate in education and income generating activities.

29. Sub-component 1.1: Environmental improvement and flood mitigation. Under this sub-component, measures will be taken to improve tidal and stormwater flooding in the three cities. The approaches taken to flood mitigation will also assist in groundwater recharge, in order to combat subsidence and saline intrusion. Investments will finance structural measures that improve the pathways of floods, by dredging and improving canals. Flood receptors will be protected by upgrading and constructing road drainage systems and building flood control infrastructure such as sluice gates, in order to prevent tidal flooding and salt water intrusion. The sources of flooding will be controlled through investments in Sustainable Urban Drainage Systems (SUDS), flood retention and detention through rainfall capture, dredging and improvement of lakes and runoff control. Green, nature-based solutions are proposed to reduce runoff, minimize flooding and encourage groundwater recharge such as water absorbent landscape, pervious pavement, detention and retention ponds; while bio-engineering methods are proposed as more natural ways to



stabilize canal embankments using soil bags, gabions, erosion control blankets, geogrids etc. These solutions will be incorporated to reduce the burden and associated cost of the gray infrastructure. The designs of drainage infrastructure will take into account climate change scenarios produced by MONRE. Hydraulic models developed through the technical assistance provided by GIZ to Ca Mau and Rach Gia cities and the existing hydraulic model for Tra Vinh city, will be used and updated as appropriate for the pre-feasibility and the feasibility studies in order to assess flood risk and design options.

30. In addition to the investments in flood mitigation, this sub-component will include construction and upgrading of drainage and sewage networks in the urban areas of the participating cities and improved environmental monitoring, particularly for water quality, using specific smart city applications. In the urban core area of Tra Vinh, the existing secondary and tertiary drainage and sewage network will be rehabilitated, expanded and connected to the existing primary network, including the construction of wastewater pumping systems. Wastewater will be collected and transported for treatment at the recently constructed wastewater treatment plant financed by KfW, prior to discharging into local water bodies. In Rach Gia, a small wastewater treatment facility, with a capacity of less than 5000 m<sup>3</sup>/day will be constructed in a newly developed industrial cluster. The facility will treat industrial wastewater from over 80 polluting factories that the city is planning to relocate to the cluster from their current locations along rivers and canals across the city, reducing the discharge of untreated industrial wastewater. The investments in environmental improvement under this subcomponent will contribute to improve water and overall environmental quality for the cities and create attractive public spaces.

31. In the interest of maximizing the available finance for development, the project will explore options for increased private sector participation through partial financing of infrastructure and operations by private operators. Furthermore, through investments in critical infrastructure such as urban drainage and flood protection, there are expected to be spillover benefits into investments in industrial zones and tourist attractions, that will lead to further private investment in the city.

32. Sub-component 1.2: Development and operation of an integrated flood risk management system in the three cities. Currently, there is considerable fragmentation and overlap in flood risk management responsibilities among key agencies in Ca Mau, Rach Gia and Tra Vinh. This lack of clarity reduces effectiveness in planning, implementation and operation of the flood related infrastructure in each of the three cities. There is also a lack of investment in infrastructure maintenance, which is critical in order to reduce vulnerability to disasters and climate risks, to reduce contingent liability and to ensure sustainable economic growth. Improvement to the flood risk management system will enable the cities to: i) define clear roles and responsibilities of key agencies, including DARD, DoC and Water Supply and Drainage Companies, in the operation and management of the city flood control and drainage system; ii) install a SCADA system in the flood mitigation structures including devices such as remote surface and groundwater level sensors, flow gauges, rain fall recording stations, hardware and software for internal and external data processing and operation of sluice gates; iii) develop an operation & maintenance (O&M) strategy and framework, and equip the three cities with the necessary equipment and information management systems for O&M of the flood risk management systems; and iv) develop an improved early warning information system, building on the hydraulic modeling financed by GIZ in Ca Mau and Rach Gia, as well as conduct public awareness raising through existing mass media and organizations

Component 2: Urban corridor development (WB Loan: US\$ 89.0 million)



33. This component will finance investments to rehabilitate and construct approximately 37 km of urban roads and bridges across the three cities in accordance with the approved Master Plans, in order to increase intra-city connectivity and align with the regional and inter-regional transport network. These investments include important vertical and horizontal links in the urban road network to improve connectivity between the urban center and industrial area and guide more resilient and compact urban development to less flood prone areas, as well as bypass to national roads to divert inter-city traffic away from going through the cities to improve traffic safety and reduce congestion. Connectivity in project cities will be significantly improved, thus increasing transport-related efficiencies, reducing transport costs and providing better and safer access for residents to jobs, education, healthcare and other services. Land values and investment opportunities along transport corridors are expected to increase as a result of the investments, which is value-creation that the cities can capture using a variety of mechanisms and convert into public revenue.

34. The project will also promote non-motorized transport options as well as consider the future creation of urban public transport networks in the design of main roads that orients the development of compact cities to ensure better access to services and facilities via public transport, walking, and cycling, and more efficient utility and infrastructure provision. The road width will be based on sound analyses of travel and traffic demand and approved masterplans. Traffic safety issues will be thoroughly reviewed and addressed, especially at intersections with major roads and transit roads of national highways/bypasses, as well as pedestrian crossings. To address the potential impacts of climate change, road drainage structures will be designed based on hydrologic analyses informed by appropriate climate change scenarios, while the elevation of roads will take into account projected increases in seawater levels and land subsidence. The design will also incorporate nature-based solutions such as “green roads” comprising pervious pavement and water absorbing tree pits and landscape, as well as universal access criteria such as providing a network of accessible pedestrian routes, appropriate tactile pavement, improved sidewalk space and pedestrian crossings, creation of appropriate parking spaces for motorcycles to reduce the obstruction to pedestrians, and prioritizing pedestrian connections to major destinations such as schools, employment centers, markets and shopping areas and public transportation stops.

35. In addition to the investments in roads, component 2 will also improve traffic management and the integration of transport and flood management in the city, by: i) integrating transport data with the cities’ proposed geospatial data sharing platforms (to be supported under component 4), enabling travel demand analysis for transport planning and supporting improved operation and maintenance of connectivity infrastructure; ii) install traffic cameras and a vehicle weight control system within the city area; and iii) installing smart street lighting in order to improve safety at night, particularly for women.

### Component 3: Resettlement Area Development (WB Loan: US\$ 16.3 million)

36. The project will try to minimize resettlement impacts through adopting fit-for-purpose standards and appropriate designs, however, significant resettlement impacts are expected, particularly under the proposed flood control investments and environment improvement (i.e., drainage and sewage systems, industrial cluster) in Component 1 and the roads in Component 2. An estimated 735 households may have to be relocated under the project. Each city plans to develop a resettlement site (RS) with associated technical and social infrastructure to ensure improved living conditions and security of tenure for relocated households. The resettlement sites in the three cities will cover a total area of 46 hectares (Rach Gia: 10 ha, Tra Vinh: 10 ha, Ca Mau: 26 ha). The three proposed RS



currently consist of mainly agricultural land and are in general well located with social infrastructures in close proximity. In Tra Vinh and Ca Mau, the proposed RS are an extension of the RS developed under the MDR-UUP.

37. An investment for technical and social infrastructure at resettlement sites will be proposed, and will incorporate green and nature-based solutions, such as park connectors, water absorbing tree pits and landscapes, pervious pavements, stormwater detention ponds, raingardens, etc.

#### Component 4: Enhancing Climate Resilient Urban Management (WB Loan: US\$ 3.9 million)

38. This component aims to improve urban management in a climate and risk informed manner and to set the stage for the development of Ca Mau, Rach Gia and Tra Vinh as smart cities. Through investments in data and ICT, the project will finance the development of a geospatial data sharing platform to improve data sharing across different departments. Component 4 will also support the development of specific smart phone applications to engage communities in order to improve service provision and raise awareness on climate resilience. In addition, project implementation support will be provided through this component.

- Support the development of a geospatial data sharing platform and leverage ICT for improving urban management. A geospatial data infrastructure that integrates spatial and non-spatial data is important for multi-dimensional assessments of climate resilience and serves as a foundation for creating applications for monitoring, evaluation and enforcement of plans. This activity will support the development of data sharing platforms for each of the three cities in order to integrate multiple data sources from different departments. Land, citizen and business registration data will be prioritized for inclusion in the data sharing platforms. The platforms will be used across line departments for spatial planning. Hosting will be provided by the People’s Committee (PC) in the three cities, through coordination with DOIC, in order to ensure strong ownership of and commitment to the platforms by the PCs. In Rach Gia and Tra Vinh, the platforms will draw on the outputs of the ongoing VILG project. Proper institutional mechanisms and procedural guidelines for data sharing and updates will be developed and approved by the PCs, in order to regulate data sharing in each of the three cities, as well as to strengthen the capacity of the cities’ staff to manage and use the data platform to support city planning and management functions. In addition, this activity will also pilot community-based initiatives using mobile applications to improve real-time disaster monitoring and management such as flood and erosion.
- Project implementation support. TA will be provided for: (i) the preparation of technical designs for infrastructure investments; (ii) independent monitoring of Environmental and Social Framework (ESF) standards; (iii) independent financial audits; and (iv) strengthening implementation capacity for project management, ESF standards, financial management, procurement, and monitoring and evaluation.

## D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]  
The proposed project focuses on investments to unlock the development potential of the urban cores of Ca Mau, Rach Gia and Tra Vinh cities in the Mekong Delta region (MDR). The three cities have been identified as key hot spots in the MDR for climate change and water related disasters, including coastal erosion, landslides, flooding, subsidence and saline intrusion. Poor connectivity is also a significant challenge, which forms a barrier to spatial integration and



development of the cities. Improving the management of flooding and other water related risks as well as intra-urban connectivity are expected to promote the economic and demographic densification of these cities and enable them to function as economically and physically integrated metropolitan areas.

The three project cities belong to three coastal provinces of Mekong Delta with similar eco-logical conditions. Among those, Tra Vinh has 65km of coastline to the southeast and borders with neighboring provinces by different rivers. The province is a large fishing ground of Vietnam and its also own about 24,000ha of forest, mostly mangrove in the coastal districts of Duyen Hai, Cau Ngang and Tra Cu. Tra Vinh city located on Co Chien river side and 40km from the coastal area. The city is now facing issues of flooding and salinity intrusion along Long Binh River. Separated by the rivers, the transportation connectivity between the city, and other cities in the region is not well-developed. Ca Mau are key areas of brackish shrimp farming in the MDR. There are two main types of forests in Ca Mau, which are mangrove forests (62,436ha or 63%) and acacia (melaleuca 36,156ha or 36.46%), the remaining 0.58% are forests on islands. The existing mangrove forests in Ca Mau are mostly allocated in Ngoc Hien, Nam Can, Dam Doi and Phu Tan districts, and melaleuca are mostly found in Tran Van Thoi and U Minh districts. These are the two typical types of forests with high biodiversity found in the Mekong delta. With 50km from the shoreline, Ca Mau city is closer to the border with Bac Lieu province than its coastal line but one concern of the city is flooding by rain water and flood tide. Kien Giang is the largest province in the Mekong Delta. The province has 56.8km borderline with Cambodia and more than 200km coastal line in the gulf of Thailand. Total forest area of the province is about 80,000ha mainly mangrove forest in An Minh, An Bien, Hon Dat and Ha Tien district. Rach Gia is the only city in the project locates in the shoreline of Rach Gia bay. Located in the low-lying area, drought and saltwater intrusion appears in the dry seasons and difficult for the drainage, flooding in the rainy season.

As of 2017, the cities in which the project area is located had a population of 579,892 (including Ca Mau 225,185 people, Rach Gia 244,511 people, and Tra Vinh 110,196 people). The three cities, among the medium cities in the MDR, are playing the key role of economic, administrative, political and cultural centers for their respective provinces. The economic structure of the 3 cities has shifted, gradually reducing the proportion of agriculture-forestry and fishery sector. The land use pattern in the three cities, is dominated by agricultural land, especially for Tra Vinh where agriculture land accounts for 53% of the total land. The percentage of poor households in three cities has decreased significantly over the years, and in 2018 reached 0.9% in Ca Mau, 0.84% in Rach Gia, and 1% in Tra Vinh. This is lower than the national average for urban area in Vietnam (2%) . Low income areas are however still present in the three cities, in the urban core. The ethnic minority population (mainly Khmer and Hoa) in three cities accounts for 11% of the total population. Khmer accounts for 1.3%, 8%, and 19% and Hoa accounts for 2.6%, 4.4%, and 3% in Ca Mau, Rach Gia and Tra Vinh, respectively. The Khmer is the poorest and most vulnerable group while the Hoa have an equal standing with the Kinh.

#### D. 2. Borrower's Institutional Capacity

The three cities Project Management Units (PMUs) of Ca Mau, Rach Gia and Tra Vinh will be the responsible units in charge of project preparation and implementation. At provincial administrative level, the Provincial People's Committees (PPCs) of Ca Mau, Kien Giang and Tra Vinh and their subordinates departments (DOC, DOT, DPI, DONRE, DOCST, DOIC, DARD, DOF) will be playing coordination roles, engaging in various technical reviews and approval procedures. All three cities have recently implemented the Bank-financed Mekong Delta Regional Urban Upgrading Project (MDR-UUP). The three cities' PMUs for the MDR-UUP are keeping the same structure, functions and personnel for the new proposed project. Through the MDR-UUP, these PMUs have satisfactorily performed social safeguards for projects with significant resettlement impacts. They are familiar with and have received on-the-job training on the Bank's Environmental and Social Safeguard policies, procedures and requirements. As this is the first project applying





ESF in the three cities, some areas in the Environmental and Social Framework (ESF) are new to that their authorities, such as labor management, response to incidences of GBV/SEA, continuous stakeholder engagement (SE) throughout the project life, the production and use of the environmental and social commitment plan (ESCP). Therefore, targeted training and capacity building to deal with these novel aspects of ES risk management will be necessary and carried out during project preparation and implementation. However, the ESF and previous safeguard policies are largely overlapping. Therefore, areas in the relevant aspects of ESS and ESF, where the Borrower may lack of familiarity (e.g. labor, stakeholder engagement, community health and safety, GBV/SEA, etc.) will be identified, and specific support will be provided.

The three cities’ PMUs, structured within the cities’ people’s committees (CPCs), have been provided with various safeguard training courses, and have managed environmental and social (E&S) risks under the previous Bank’s safeguards policies. The personnel (including E&S staff) assigned for the MDR-UUP are still limited in terms E&S risk management capacity and experience and have been overloaded with other administration and project management responsibilities. PMUs plan to recruit additional staff being in charge of E&S standards in the new project, and the training on ESF would be required. Furthermore, the responsibility for land acquisition and resettlement lies principally with the city government units, which may not have the capacity to deliver the land required for the project in a timely fashion. Given that significant resettlement impacts anticipated, at the start of project implementation, it should be ensured that the relevant agencies have sufficient resources to fulfill their tasks. Close and effective coordination among the agencies (PMU, Cities PC, and Land Fund Development Center – LFDC) should be strengthened.

Considering the new ESF requirements and the PMUs’ limited E&S capacity, an ESF capacity needs assessment shall be undertaken more systematically during project preparation to analyze the Borrower’s and other implementing agencies’ capacities and to identify opportunities for strengthening and enhancing coordination. This needs assessment will be a joint effort between three cities’ PMUs and the Bank team, and could include the activities related to E&S management such as identification of key tasks for E&S risk management (especially new aspects of the ESF’s requirements); identification of relevant institution and actors involved in implementation (this will include key agencies involved in implementing the regulatory framework); analysis of institutional arrangements and links; assessment of individual institutional capacity (e.g. past performance and current capacity); recommendation of actions to strengthen and monitoring institutional capacity during implementation.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Substantial

#### Environmental Risk Rating

Substantial

The project environmental risks and impacts mainly related to the implementation and operation of the investments under Component 1, 2 and 3. The typology of the investments includes rehabilitation and construction of the urban roads and bridges (100m-200m); improvement of the existing drainage and wastewater collection systems; construction of a sluice gate cum bridge in Tra Vinh City; construction of a 45ha industrial cluster in Rach Gia city which includes a 2,000 m3/day Wastewater Treatment Plant (WWTP), internal roads, and electricity and drainage system; and construction of 3 resettlement sites for 3 cities. These moderate scale physical infrastructure investments will be implemented in the urban and semi-urban areas. This implies an environmental baseline with low sensitivity



that is characterized by varying degrees of modification, ranging from complete surface sealing and absence of vegetation to highly modified patches of intra-urban habitats.

The bulk of anticipated impacts would be related to construction works and include common risks such as dust, noise, vibration; pollution of soils and surface water due to generation of solid wastes and wastewater; localized flooding, disturbance to the traffic, and traffic safety issues; interruptions to public utilities services; community and worker health and safety, and safety risks related to UXO left from the war; damages to existing weak structures and local houses due to dredging or piling. Most of these are risks and impacts are temporary, at low to moderate level and reversible. The main risks and impacts during operation would be changes in land use and elevated local ground elevation at and/or along the new roads. The new roads may cause access disruptions and community fragmentation, change drainage patterns, or increased traffic safety risks. These could result from poor planning/design and inadequate stakeholder consultation and engagement during project preparation and implementation. Induced development such as new residential and commercial structures along new/improved urban roads would be expected, however, with low to moderate impact within the existing urban zone. Regarding industrial cluster operations, there are pollution risks due to failure at its WWTP. While the total number of workshops in the industrial cluster has not been confirmed, they are expected of small to moderate scale businesses and will be determined during the detail design phase. There is also a challenge for the project to integrate climate change impacts into urban planning and infrastructure design including the capacity of the local government in integrating climate change considerations into urban development. This challenge needs to be addressed both in the environmental and social assessment (ESA) process and the project design. Component 4 of the project will support the development of a geo-spatial data sharing platform and leverage ICT for improving urban management and the project implementation which are expected to the minimal risks.

The PMUs of the three cities have limited environmental management capacity as existing staff do not have experience in projects applying ESF. Meanwhile, while at the same time they are also managing the Bank-financed SUUP subproject which has to comply with the Bank Safeguard Policies. Therefore, there is a risk that the resources allocated for managing environmental and social issues of this Project may not be adequate, affecting the environmental performance/compliance to the ESSs of both projects. However, there is also an opportunity to hire qualified ES staff and pool resources for various projects. Given the potential environmental impacts and risks, combined with some uncertainties on institutional capacity as discussed above, the project's environmental risks are classified as substantial at this stage.

**Social Risk Rating**

Substantial

Overall, the project is expected to have a positive social impact. By improving access to infrastructure and connectivity, and by improving flood risk and environmental management in the urban core area of the three cities, the project will improve the living conditions of the residents, including the poor and the vulnerable, as well as their accessibility to jobs and public services. The project footprint currently can only be estimated, as the pre-FSSs are still under preparation. Potential social risks and adverse impacts include (1) land acquisition from an estimated 2,400 PAHs (Ca Mau 760, Rach Gia 690, and Tra Vinh 950) of whom roughly 660 may have to be relocated or resettled within their existing land plot (Ca Mau 310, Rach Gia 140, and Tra Vinh 210) ; (2) the loss of large areas of productive agriculture land, affecting severely farmers' livelihoods; (3) loss of assets affixed to lands, commercial and other properties; (4) the risk that city government units responsible for land acquisition and resettlement may not have the capacity to deliver the land and the RSs required for the project in a timely fashion; (5) the risks and impacts on community health and safety due to construction works (removal, transportation and treatment/storage of

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potentially contaminated dredging material, wastewater, dust, noise) and operation (traffic accidents), and related risks from the influx of labor to low income project areas, characterized by poor and vulnerable residents, during construction (e.g. GBV, SEA, and the spread of sexually transmitted and communicable diseases); (6) the risks on labor and working conditions, including occupational health and safety; (7) uneven access to project benefits among vulnerable groups such as poor households, Khmer HHs and female headed HHs; and (8) risks of delays if resettlement actions are not carried out in a timely manner, especially if RSs are not ready on time.

Under Comp 1, investments related to drainage and environmental improvement will result in potential substantial impacts. Also under Comp 1, the resettlement impacts related to the industrial cluster in Rach Gia will affect 45ha of mixed agriculture and residential land. Under Comp 2, new roads or rehabilitation of existing roads, with width up to 40m and length up to 6 km, will be constructed in all three cities. These roads will go through urban area and through agriculture land requiring significant land acquisition. In urban area, some of these roads will go through densely populated areas affecting livelihoods (shops and enterprises). In Rach Gia and Tra Vinh, bridges will also be built in urban areas. Comp 3 involves the RS development and will require agriculture land acquisition for 26ha in Ca Mau, 15ha in Rach Gia, and 10ha in Tra Vinh, which will also have permanent economic impacts.

The PMUs established under the MDR-UUP will be sustained for the project. These PMUs have proven experience and knowledge in applying Bank's previous policies for environment/resettlement/EM development and already-built capacity in environmental/social risk management. While being familiar with the Bank safeguard policies, the PMUs have no experience in preparing and implementing a project under the ESF. The project counterparts will need to familiarize on new content and concepts of the ESF, especially the new social risk management requirements (i.e. labor and working conditions, non-discrimination, community health and safety, cultural heritage, and stakeholder engagement). Furthermore, the responsibility for land acquisition and resettlement lies principally with cities government units, who may not have the capacity to deliver the land required for the project (including RS) in a timely fashion. Given the significant resettlement impacts, during the first year of implementation the social risk rating will be reviewed, confirmed or will be raised to High risk if needed.

## **B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

### **B.1. General Assessment**

#### **ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

##### ***Overview of the relevance of the Standard for the Project:***

The team reviewed the PCN, the cities' Masterplan, MDR-UUP safeguards documents and conducted field work before finalizing the ESRS. The Project's overall potential impacts would be positive with improved access to infrastructure and connectivity, and by improving flood risk and environmental management in the core urban area of the three cities. The potential adverse environmental and social risks and impacts would mainly be associated with the investments proposed under Components 1, 2 and 3 as discussed in ESRC section.

There are also the risks of inadequate coordination among implementing agencies at provincial and sub-provincial levels. Although the potential impacts/risks of the proposed project are diverse, they are manageable and could be mitigated/compensated through appropriate environmental and social assessment (ESA) and mitigation plans to be developed during the project preparation or implementation. The ESA will include requirements for screening for these risks, as well as assessing and mitigating their impacts of the project activities.



The ESA will be conducted in a manner consistent with the requirements of the ESF and relevant ESSs to inform decision making in planning and technical design. Specifically, the impact assessment process will be interactive and responsive to the flood risk assessment. It will provide a basis for identifying the flood receptors, flood pathways, and planning the proposed investments in a way that minimizes flood impacts. The ESA should also assess the adequacy of current infrastructure design standards applicable to the proposed investments, considering the impacts of climate change and foreseeable changes of urban landscape (e.g., losing previous lands including agricultural land). The ESA will examine project infrastructure planning and design of the wastewater collection extension, upgrade of road network, flood risk control measures and analyze the alternatives for the roads, derange, flood protection in line with the strategic regional planning and urban planning documents.

The Borrower will prepare one project Environmental Social Commitment Plan (ESCP) and 3 Environmental and Social Impact Assessments (ESIAs) including the Environmental and Social Management Plans (ESMPs) for the three cities in accordance with ESS1. The ESCP will set out the activities to be carried out during project implementation and could be adjusted during the project life keeping with the evolution of E&S risk and impacts. The ESCP will provide specific requirements for each of the three cities (if any). The ESIAs will describe institutional framework, the project and baseline conditions, identify and assess the potential environmental and social impacts and risks, and propose mitigation measures. The ESIAs will identify and assess the potential direct, indirect and cumulative E&S impacts and risks in the project life cycle, from pre-construction, construction and operation phases. Common construction impacts and risks and type/location-specific ones will be considered at construction sites and areas of influence. For component 1, assessment will also cover the land areas in the corridors behind the boundary of land acquisition along the roads, rivers, canals where accessibility of local residents, drainage, structural stability may be affected. Particularly, ESIAs will also cover temporary storage and disposal sites of dredged materials with attention paid to site selection, leakage water, drainage, and slope stability. The assessment will also cover the proposed workshops in the industrial cluster, which are considered as associated facilities, the WWTP, the receptor of the WWTP's effluent in which water flow and water quality, waterway traffic and existing/planned water users and dischargers would be affected.

For component 2, ESIAs consideration will cover the corridor along the proposed road alignments which will be affected, construction impacts and traffic safety risks and drainage and accessibility disruption during operation phase. Access roads to the construction sites, camp sites and other ancillary sites such as batching plants (if any known at ESIA stage) will also be covered. For component 3, the ESIA will cover the resettlement sites and the corridor along the access road, if any. Mitigation hierarchy and other guidance in relevant ESSs will be applied when proposing the mitigation measures which can be proposed for various stages of project life. For example, siting of road alignments should avoid existing structures including residential houses (if resettlement didn't provide any direct development opportunities) and sensitive features such as cultural/historical sites, army base, etc. The application of nature-based solutions approach as explicitly stated in component 1 descriptions in the previous section would help to minimize the potential impacts on rivers/canals/lakes-side vegetation. It is noticeable that the ESIAs should include environmental recommendations for the feasibility and/or engineering design in order to promote good environmental practices and address some construction or operational impacts. For instance, selection of workshop suitable for the industrial cluster should take into account the production type, the workshop emission (gases, effluent and sludge), working conditions of worker and power consumption levels during operation the workshop. Labor management and stakeholders engagement will also be prepared and reflected in the ESIAs/ESMPs.



Mitigation measures will be incorporated into construction/operational contracts. The ESMPs will set out the arrangements for the implementation of the proposed mitigation measures, monitoring and supervision as well as reporting requirements, capacity building and training, and cost estimation. The ESMPs will require the contractor(s) of each construction package prepare Contractor’s ESMPs (C-ESMPs) to cover ECOPs for addressing common construction impacts and relevant specific mitigation measures. The World Bank Group EHS Guidelines will also be applied when developing ESA instruments.

**Areas where “Use of Borrower Framework” is being considered:**

Although Vietnam has an advanced E&S Framework, there are gaps between the environmental and social assessment regulation and practice, especially in description of the environment, level of impact analysis and mitigation measures, and public consultation and disclosure of information. In addition, there is no experience of the implementing agencies in implementing and applying ESF and its associated environmental and social standards. Therefore, there are no plans to use the Borrower’s E&S Framework within this project.

**ESS10 Stakeholder Engagement and Information Disclosure**

The project’s key stakeholders include the project executing agency, project implementing agency, relevant authorities at provincial, city and ward levels, consultants, construction contractors and local residents. Interested parties include the three cities’ Ca Mau, Rach Gia and Tra Vinh Project Management Units (PMUs), provincial authorities and branches (PPCs, CPCs, WPCs), the agency responsible for monitoring and management of environment and natural resources (DONRE), the agency responsible for monitoring and management of flood risk and natural disasters (DARD), the agency responsible for urban planning and construction management (DOC), the department of transport (DOT) responsible for planning, design and maintenance of transport system, the department of information and communication (DOIC) responsible for ICT smart city framework, the department of culture, sport and tourism (DOCST) responsible for tourist attraction and planning, and the Urban Public Works Companies (waste water and drainage, water supply, lighting, etc.) of each city. In addition, each Provincial Committees for Flood and Storm Control (CFSCs) has a mandate to coordinate flood management and emergency response. There is a need to strengthen coordination of these fragmented institutional structures and consolidate the operations and maintenance strategy. Also, collaboration with local administrations will be crucial for ensuring project management and implementation to required standards. In addition, other interested parties include mass media, research institutes/academies, local/international NGOs and development partners (ADB, IFAD, KfW, DANIDA) working in the same area, mass organizations such as the Fatherland Front, the Women’s Union and the Farmer’s Union, and private businesses. The project will explore options for private sector participation through partial financing of infrastructure and operations by private operators.

Of the key stakeholders who are affected parties and interested parties, of primary concern are the poor/disadvantage affected households, including the Khmer households. The Bank team will collaborate with the Borrower in identifying “disadvantaged or vulnerable” project-affected individuals, or groups during stakeholder identification and analysis. A stakeholder engagement plan (SEP) will be developed for each city to ensure transparency and meaningful consultation with the affected and interested parties. Stakeholder engagement and consultations will be conducted throughout the project cycle. To support three cities’ PMUs on the implementation

Public Disclosure



of ESS10, the Bank team has shared with the client the Guidelines for Borrowers on the preparation of SEPs, and templates.

The beneficiaries/affected parties should be in particular consulted on: (i) choice of the optimal options for the project roads alignment. Local residents should be invited to discuss on the proposals for inner city roads (width of site clearance especially in densely populated areas); (ii) design of lake/parks' upgrading; (iii) layout of the Resettlement Areas; and (iv) locations of temporary features such as camps and storage areas, especially for dredged materials. Gender-segregated consultations will also be conducted. The different needs for women and men (e.g., differentiated travel patterns, perception of safety, and universal access intersection design principles) should also be consulted with both local authorities (particularly DOT, DOC) and local residents. During construction phase, the contractors would be required to carry out consultation with local authority and residents on siting the worker's camps. The SEP, along with other social and environmental instruments, will be subject to public consultation and disclosure per requirements of ESS10, and will be treated as a live document, to be regularly updated during project implementation.

A project-wide Grievance Redress Mechanism (GRM) will be established for each city in coordination with localized grievance redress processes in order to ensure that concerns are captured and addressed by the PMUs. The existing GRM is the already-established mechanism embedded in all administrative levels (e.g. one stop shops at the ward and community level, and inspectorates at the city level), as well as the people's courts. This mechanism functions well in dealing with issues such as adjudicating land boundaries (at the commune level) or resolving the environmental, health and safety (EHS) impacts related to construction. However, they may be less effective in addressing concerns related to compensation for land acquisition required by the project, or the allocation of resettlement plots. For the cities in question, during MRD-UUP Project, it should be noted that no grievances were registered with the World Bank's GRS. The already-established GRM under the MRD-UUP will be retained and its functionality will be further strengthened. In addition to the four-step grievance process developed under the RPF/RAP, there is also the option of mediation, as well as recourse to the provincial court, in the GRM hierarchy. This helps have a more systematic and managed approach to addressing questions/concerns, and ensure that PAPs have an accessible place to register a grievance - and help the Bank team and the clients work to resolve issues early on. Lessons learned from the GRM resolution process under the MDR-UUP (i.e. accessibility, effectiveness, capability etc.) will be also taken into account to strengthen the GRM. In the case of complaints related to GBV, a special process will be put in place, that is aligned with the international best practice, and guidance available from the World Bank. The project GRM, an integrated part of the SEP, will build on, and coordinate, these mechanisms to ensure that concerns are captured and addressed in a satisfactorily and timely manner.

Consultation during the preparation of ES tools and disclosure of these documents will be carried out in accordance with the ESS10. Regarding public disclosure, the ESIA/ESMPs, the ESCP, SEPs, and other E&S instruments will be disclosed in a timely manner, in an accessible place, and in a form and language understandable to project-affected parties (especially regarding Khmer people) and other interested parties as set out in ESS10, so they can provide meaningful input into project design and mitigation measures. These documents will be made available in the Borrower's website and Bank's external websites.

## **B.2. Specific Risks and Impacts**



**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

**ESS2 Labor and Working Conditions**

The Project workforce will include direct workers (directly employed by PMUs), contracted workers (recruited by third parties such as contractors or as consultants), and primary supply workers. The project is not likely to engage community workers, as civil works will be the responsibility of contractors. Overall, the workers in Vietnam have been managed and protected under a relatively comprehensive labor framework including the Labor Law (2012), the Law on Occupational Health and Sanitation (2015), the Social Security Law (2014). The policies and regulations stated in this legislation reflect the principles of ESS2 on issues such as fair treatment, non-discrimination and equal opportunities to workers, support the rights and benefits of the workers, recognizing workers' rights to establish or join associations of workers, prohibition on sexual harassment/forced labors/child labor (under 15), etc. As the PMUs are government entities where laws and regulations have been followed, trade unions and official grievance redress mechanisms exist, minimal risks related to ESS2 for direct project workers are foreseen.

With contracted workers, the majority (estimated at 750-800 workers during peak period) would be hired by construction contractors, and many of them may come from other localities. The main risks would be about health and safety at both construction sites and site accommodations where the workers are near or operating with construction machinery and equipment, and possibly some hazardous/flammable materials. Other risks relate to limited access to safe drinking water and sanitation facilities, and exposure to the power supply. Health and safety risks management performance of small contractors is usually weaker than that of larger enterprise. The ESMP will include a set of measures for managing health and safety risks at both construction sites and worker's accommodation. Although the number and characteristics of contracted workers can only be estimated after construction contract signing, the risks about discrimination, forced labors or child labor in the project can be considered to be very low based on the experience of past projects in the Mekong delta region. Nevertheless, a labor management procedure adequately covering the aspects discussed in ESS2 need to be developed, enforced by inclusion into bidding documents for implementation and monitoring. These procedures will set out the way in which project workers will be managed in accordance with requirements of national laws and ESS2. These procedures will include measures related to nondiscrimination in the recruitment and treatment of direct and contracted project workers. The ESMP will also include measures to avoid and prevent potential hazards to workers under an occupational, health and safety (OHS) management plan (OHSMP) which ensure that all applicable health and safety legislation and the requirements set out in ESS2 and relevant sub-sections of the World Bank Group General EHS Guidelines are met during the construction and operation phases of the project. These measures will be included in the project bidding and contractual documents. As part of each contractors' C-ESMP, an OHSMP will also be prepared to include: (i) an occupational health and safety, communication and training program; (ii) provision of organization charts; (iii) safety regulations, responsibilities, accident and incident response and reporting, use of personal protective equipment (PPE), fire prevention measures, fall protection and emergency preparedness; (iv) first aid and emergency response and transfer during construction. Furthermore, the construction supervisors will be responsible for support services will ensure that all sub-contractors adhere with the project OHSMP and report incidents and accidents as well as non-compliance in timely manner. The Borrower will require the O&M contractor to develop, implement and maintain the OHSMP to ensure that all applicable health and safety legislation and requirements set out in the ESS2 and relevant sub-sections of the World Bank Group General EHS Guidelines are met during the operation. The borrower will develop, and where relevant include in the bidding documents, requirements for (ii) a worker's Grievance Mechanism (GM) which could address all workers complaints; and (iii) sensitization related to the availability of worker's Grievance Mechanism (GM) and to the respect of code of conduct to prevent and address



potential harassment, child labor, gender or GBV/SEA issues, intimidation and/or exploitation during the implementation of the activities financed under this project. The labor management procedures (one for each city) will include assessment of OHS risks and impacts related to project activities as they are defined through preparation and proposed measures to manage those risks – in parallel with project ESF instruments.

The main primary supplier of the project would be sand suppliers as stones and other construction materials would be bought from suppliers within or outside the three provinces. Due diligence review on labor and working conditions of primary suppliers will be done as part of ESIA. Furthermore, ESS2 monitoring requirements, included in the ESMP, will also cover primary supply workers.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

At this stage of project identification, the potential impacts related to resource efficiency and pollution prevention and management are identified for the activities under Component 1, 2, and 3. Given the type and scale of the project, a considerable amount of resources (e.g. water energy used during operation of the industrial cluster in Rach Gia) and construction materials will be required, and the adverse impacts on human health and environment are expected to be substantial. Nevertheless, risks and impacts related to the release of pollutants, waste generation, management and disposal of dredged materials and hazardous waste, impact on community, and resource use efficiency will be assessed, and mitigation measures will be proposed during project preparation. The dredged materials from the existing retention lakes and drainage canals could be polluted with organic substances or heavy metal. The adverse impacts and risks relating to dredging, storage, transportation, and disposal of dredged materials will be included and determined in the ESA process of each city. Dredged material management plans (DMMPs) will be prepared and included in the ESMPs. Risks and impacts due to generation of hazardous and non-hazardous waste will be assessed and addressed via ESA process, taking into account the standards set out in the World Bank Group Environmental, Health, and Safety Guidelines (WBG EHSB).

During the ESA process of each subproject, if it is determined that each subproject will produce significant emissions, an estimate of gross Green House Gas (GHG) emissions resulting from each subproject project will be required, provided that such estimation is technically and financially feasible. The project will adopt measures, specified in the WBG EHSB and other Good International Industry Practice (GIIP), for efficient use of raw materials and for optimization of energy use, to the extent technically and financially feasible. In short, as GHG emissions from this project will be small and dispersed, thus the team proposes not to undertake GHG accounting for this project.

During operation phase, while the total wastewater volumes of 84 workshops in the industrial cluster will be higher or equal to the case of “without project” the quality will be significantly improved with the operation of the WWTP. The volume discharged and quality of the wastewater will depend on the chosen treatment technology and processes but will be gathered and controlled by automate monitoring equipment instead of discharged directly to the drainage system of the city.

### **ESS4 Community Health and Safety**

The aspects of community health and safety that need to be considered include roadway traffic safety in disturbed areas, community health issues and safety risks at the construction sites and social security including GBV/SEA





related to the influx of workers and security personnel. The aspects of community health and safety that needs to be considered during the preparation include waterway and roadway traffic safety in disturbed areas, community health issues and safety at the construction sites, hazardous substances related to the operation of the industrial cluster in Rach Gia, and social security including GBV/SEA related to influx of workers and security personnel. These risks and issues will be assessed during the ESA process and mitigation measures will be developed and incorporated as part of ESMP for application during detail design, bidding, construction or operational phases.

The engineering design will apply to 100 years repeated waters to structural flood control like the sluice gate cum bridge in Tra Vinh City. Regarding traffic safety, the ESIA/ESMPs will identify, assess and monitor the risks related to traffic and traffic safety risks that would affect local community and travelers. Mitigation and risk management measures will be incorporated into the design of roads and the intersections, and cost estimation. The newly developed World Bank Guidance Note on Traffic Safety will be used as reference. Measures to enhance traffic safety in relation to vehicles used by the project during construction and operation phases will also be proposed. Other measures to minimize the safety risks for traffic means, drivers and local residents will also be proposed for the cases where road surface is occupied or disturbed by project activities. In relation to community health issues and safety risks, the ESIA/ESMP of Rach Gia will consider the treatment process and the requirements regarding the WWTP of the industrial cluster and the industrial cluster itself. The design of each production workshop as within industrial cluster, considered as associated facilities will be in compliance with the requirements of the ESS4. These works will also be in compliance with applicable national design and construction codes, taking into account the potential impacts of climate change, and with reference to ESHS and GIIP in order to ensure safety for community and stake holders during the construction and operation.

The ESIA/ESMPs will also considers the incremental safety risks when the public is using the footpaths and the application of universal access in the design of the footpaths and along the new roads including those within the resettlement site. About community health and safety risks related industrial cluster operation, the ESIA for Rach Gia will identify and assess health risks of the highly toxic substances of certain production workshops in the industrial cluster and pollutants emitted from and the chemicals used for WWTP. The ESMP for Rach Gia will include an Emergency Responsive Plan and it will be part of the operational manual for the industrial cluster's Management Board. The construction and operation of the industrial cluster may require the use of some security personnel. ESIA for Rach Gia will assess risks posed by these security arrangements to those within and outside project site and the ESMP will include the measures to avoid, mitigate the identified risks in accordance with ESS4.

Civil works may result in the presence of workers from other localities the project area. Depending on the scale of each subproject, a moderate number of workers (750-800 workers) will be required for construction sites. This has the potential to result in impacts to community health and safety. Gender-based violence (GBV), sexual exploitation and abuse (SEA), and the spread of sexually transmitted and communicable diseases, may occur especially among vulnerable populations. During preparation, the project should (i) undertake a mapping of service providers and assess the capacity and quality of these services for the survivors, (ii) assess the ability of the client to respond to GBV risks, (iii) assess the risk of GBV for the project, (iv) establish procedures to review and update risk assessments during project implementation, (v) identify and include appropriate mitigation measures for including in the project design and bidding documents (including worker codes of conduct). In addition, efforts will be made to manage the potential labor influx by developing a labor influx management strategy to be included in the ESA. Furthermore, any



private security to be retained by the PMUs and Contractors will be unarmed, registered and trained (this requirement will be specified in the bidding documents).

### ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The proposed project will include a combination of structural and non-structural interventions to improve environmental sanitation and flood risk management in the urban core area of the three cities, and to increase the intra-urban connectivity. Considering the scope of the infrastructure to be developed in the Component 1, 2, and 3, significant land acquisition may be required, leading to the loss of lands, relocation of households, permanent economic impacts, and restrictions of access to livelihood activities. There may also be land acquisition requirements associated with the disposal of sludge and construction materials leading to a permanent loss of crops, trees and land-affixed assets. Permanent acquisition of residential, garden, agricultural, water surface areas and the permanent disruption of business activities will be required. There is also a risk of temporary restrictions in access to residential and commercial establishments, which could affect people's livelihoods. Temporary land acquisition is also possible due to the need to find locations for workers camps and batching plants. There is also a possibility that households outside the immediate infrastructure footprint, who cannot be provided with minimum safety distance from the structural elements of the investments, would need to be resettled. There is also a risk that poorly designed or executed infrastructure investment could cause adverse impacts (e.g. flooding) on adjacent lands, causing damage to properties, as well as potential health and safety concerns on the nearby communities. In cases where such impacts on adjacent lands are not remediable, resettlement of affected households will be considered as well.

The land acquisition requirements, household relocation, and impacts on livelihoods have the potential to be significant. Initial assessment from the proposed interventions indicates that there are about 2,400 households will be affected by land acquisition, of which roughly 660 households may have to be relocated or resettled within their existing residential plots. Under Component 1, it is estimated that impacts would include 660 HHs (including 140 HHs to be relocated) affected by land acquisition for environmental improvement and flood risk management. For Component 2, it is estimated that up to 1,570 HHs will be affected by acquisition of land for road construction (370 HHs to be relocated), while under Component 3, a total of 51ha of agricultural land in three cities will be acquired from 170 HHs to construct the three resettlement sites (including 150 HHs to be relocated). At this point it is not possible to estimate temporary economic impacts that may result from the relocation of businesses vendors affected during the construction phase of Component 1 and 2.

The development of Resettlement Sites in three cities (Ca Mau 26ha, Rach Gia 15ha, and Tra Vinh 10ha), under the Component 3, will be located close to affected areas (less than 5km) and connected with the other urban areas, where current the land use is mainly agriculture, and few residential structures are currently located. Based on initial assessment, the total three RSs will have a capacity of over 900-1,000 plots (ranging from 90-140sqm per plot). Considering that relocated HHs can choose to self-relocate, it is expected that the proposed resettlement site will cover the needs of HHs wanting to be relocated in a serviced resettlement site. Once available, the design of these RS will be reviewed by the World Bank team to ensure that social infrastructures/public spaces are satisfactory and the number of plots does not exceed significantly the needs for the project. In Ca Mau and Tra Vinh, the proposed RSs are an extension of the RS developed under the MDR-UUP. Plots are currently available in these 2 existing sites and could be used for the project, reducing the scope for resettlement areas.



Land clearance for some proposed roads projects have already been conducted in Tra Vinh and Ca Mau. Due diligence review process should be carried out for these projects to confirm that there are no legacy issues (i.e. all HHs have been compensated, no outstanding issue, no remaining complaint etc.). Due diligence will be conducted for these areas prior to appraisal, corrective actions will be proposed (if needed).

Efforts will be made to avoid or minimize the potential land acquisition or involuntary resettlement during the subproject identification through the use of environmental and social screening tools in conjunction with early stakeholder engagement activities. Currently, the three cities have only prepared initial project proposals; no Pre-FS or other technical investigations and documents have been available. At this stage, only rough estimates (based on the overlaying of google maps and the information provided in the project proposal) are available regarding the project footprint and the scale/scope of impacts. Taking into consideration the intensive ongoing technical discussions on the scope and scale of proposed investments and on the alternative options under consideration for some proposed investments, the footprint and magnitude of land acquisition and resettlement impacts are expected to change significantly. Therefore, as sufficient and reliable information about the proposed project and its potential impacts are not currently available, a Resettlement Policy Framework (RPF) will be prepared at this stage. The RPF which was prepared under the MDR-UUP (including the three participating cities), will be updated according to the project features, and the requirements of the ESF, and will be ready prior to project appraisal. The RPF will include provisions to provide compensation for the entire cost, relevant to customary requirements for the relocation of graves. Once the detailed designs are available, a Resettlement Action Plan (RAP) for each city will be developed. The RAPs will need to take into account the socioeconomic vulnerability of the affected population to avoid the risk of impoverishment, particularly among the people who do not hold property titles to the land they occupy, ensuring that the mitigation measures are adequate to restore their living conditions, including the analysis of options beyond cash compensation. Given there is a risk of relocation of business activities and loss of agriculture land, which could affect people's livelihoods, the RAPs will include a livelihood restoration plan.

Given the risks of delays and overruns if resettlement actions are not carried out in a timely manner, especially the delay of the RS development which may slow down the project, the special attention should be paid to synchronization of resettlement during project implementation. The detailed and workable plan of action for resettlement should be prioritized (land clearance, design, procurement etc.).

### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Overall, the environmental baseline is characterized by a low-sensitivity with varying degrees of modified habitats, ranging from complete surface sealing and absence of vegetation to highly modified patches of intra-urban habitats. The existing urban green space in the three cities mainly includes mangrove trees growth along the canal and river banks. There are also trees planted in small parks and along the streets. The main tree types are mangrove apple, nypa palm in narrow natural vegetation patches and acacia, eucalyptus plantations near the residential center with some recreational rather than biological values. The project will assess potential impacts on the land-based and aquatic habitats in and around all three cities although the potential impacts on aquatic habitats is likely to be limited. The dredging would take place at inner city canals and lakes and the excavation works at inner city infrastructures may affect existing green space, vegetation cover and trees, birds and aquatic lives. During project preparation, the project will identify and assess such impacts in accordance with ESS6. The ESA will include measures to avoid, mitigate, minimize or compensate for the disturbance or negative biological impacts through the siting of



the works, engineering design or construction practices. Meanwhile, the project will review and implement measures to meet applicable requirements of the Province’s Biodiversity Conservation Masterplan (BCM), if any. In addition, the project also has opportunity to support the province’s BCM implementation, improving the area and quality of modified and natural habitats, e.g. by planting of protected native trees along the new/affected roads, promoting the maintenance/creation of vegetation cover along the improved canals etc.

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

The Bank’s initial screening for three cities where the project activities will take place, confirmed the presence of ethnic minority groups, mainly Khmer and Hoa (Chinese), particularly in Tra Vinh and Rach Gia. Next to the majority Kinh population, the ethnic minority Khmer people are the second largest group and self-identified and recognized as members of a distinct indigenous social and cultural group. The Khmer population is 18,000 people (8%), 3,000 people (1.3%) and 21,000 people (19%) of Rach Gia, Ca Mau and Tra Vinh cities, respectively. These ethnic groups are living intermixed with the majority Kinh. The livelihoods of the Khmer mainly based on agriculture and are increasingly vulnerable to the effects of climate change and other pressures on natural resources. The Khmer also involve in capture fishery and aquaculture as one of their alternative sources of livelihoods. Average incomes of Khmer households tend to be lower than regional averages, a result of limited agricultural land per household, low school enrollment, particularly for girls and dependence on low-skill, low-wage agricultural jobs (Tung 2018). In urban areas, the social and economic differences between the EM groups tend however to be lower. Government poverty reduction policies for Khmer households focus on income diversification and access to education.

Given that the location project activities are unlikely known by appraisal, an Ethnic Minority Planning Framework (EMPF) will be prepared, describing the provisions and procedures for implementing ESS7, including the screening process for the presence of ethnic minority people for specific project interventions. The EMPF shall be available prior to appraisal. Once the detailed technical design is available, specific Ethnic Minority Development Plans (EMDPs) may be prepared in combination with the Resettlement Action Plans (REMDPs), and a process of meaningful consultation undertaken. Furthermore, the necessity for a process of free, prior and informed consent (FPIC) will be determined once the adverse impacts on the Khmer communities (if any) are known, following the finalization of the technical designed. Where required, further support will be provided to strengthen the institutional capacities for effective implementation of the REMDPs.

### **ESS8 Cultural Heritage**

There are known existing temples, pagodas and other tangible cultural heritages in the three cities, particularly the national recognized sites such as the Ang and Kom Pong pagodas in Tra Vinh City; Tan Hung Temple and Phat To Pagoda in Ca Mau City; and Nguyen Trung Truc Temple and Sac Tu Tam Bao Pagoda in Rach Gia City... The Ok Om Bok Festival of Khmer people in the October 15, Lunar Calendar has been recognized as part of the National Intangible Cultural Heritage. Siting and planning of the project’s proposed works should normally avoid these existing cultural heritage assets and events. The proposed project does not require land acquisition or relocation of any sites with cultural value. The ESIA will screen to identify the cultural resources (including graves and cultural heritage) available within the area of influence of the Project, assess the extent to which the project interventions may cause impacts to these known existing structures so that adequate mitigation measures will be developed and included in ESIA for implementation. Beside Ok Om Bok Festival, the ESIA will also assess whether there are any other intangible aspects



of cultural heritage that may be affected or disrupted by the project. As the project is expected to involve substantial volume of earth works at the industrial cluster in Rach Gia, resettlement sites, new roads and canal, a chance finds procedure will be included as part of the ESMP.

**ESS9 Financial Intermediaries**

At this stage, no financial intermediaries are expected to be involved in the project. Relevance of this ESS will be further assessed during project preparation as part of ESA process.

**B.3 Other Relevant Project Risks**

Ca Mau, Tra Vinh and Rach Gia Cities are located in the Mekong Delta Region, which are affected by global climate change, resulting in flooding, land subsidence. This will be considered during the project design and operation.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

Yes

The Mekong River is an international waterway that enter Vietnam with the two major branches namely the Tien and the Hau Rivers. At its lower downstream, the Tien River is divided into two major branches, one of them is the Co Chien River which passes the northern part of Tra Vinh City. The proposed project will build a sluice gate cum bridge on Long Binh River, about 2 km to the confluence with Co Chien River. Rehabilitation or improvement of existing urban water drainage including dredging activities would generate pollutants into water and may affect river/canal flows. Most major canals and rivers in Tra Vinh are connected to the Co Chien River in some ways. Therefore, OP7.50 – International Waterways – will be triggered in this project. The determination on exception to the notification or notification will be made during Project preparation.

**OP 7.60 Projects in Disputed Areas**

No

The project will not be implemented in any disputed areas.

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?**

No

**Financing Partners**

The co-financing is at very early stage of discussion. Therefore, discussion on a common approach for the assessment and management of environmental and social risks and impacts of the project would be initiated at appropriate time, possibly once co-financing is confirmed.

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

Actions to be completed prior to Appraisal:

- Complete a draft Environmental and Social Commitment Plan (ESCP), with specific requirements for each city (if any);

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- Complete a draft Stakeholder Engagement Plan (SEP) for each city;
- Complete a draft RPF (based on the RPF prepared under the MDR-UUP);
- Complete a draft EMPF (based on the EMPF prepared under the SUUP);
- Complete a draft ESIA/ESMP for each city;
- Complete a draft Labor Management Procedures (LMP) for each city;
- Complete a Due Diligence Review for area where land acquisition already took place in Tra Vinh and Ca Mau;
- Confirmation on common approach for the assessment and management of environmental and social risks and impacts, if applicable

Prior to project Appraisal, the draft ESCP, ESIA, SEPs, RPF, EMPF, LMPs will be disclosed in places accessible to the public to meet the requirements set out in ESS10.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

Commitment to prepare the relevant instruments per Environmental and Social Standards (ESSs’) requirements, RPF and Due Diligence, EMPF before appraisal;

- Commitment to finalize the relevant assessments and instruments per Environmental and Social Standards (ESSs’) requirements (e.g. REMDPs, LMPs, by Board Approval);
- Adequate allocation of resources (human, finance) for application/implementation of ESF, ESSs and relevant instruments;
- Commitment to prepare and implement a capacity building plan with strong focus on application/implementation of ESF, ESSs and relevant instruments;
- Develop and Implement a Project Level Grievance Redress Mechanism (GRM) as an integrated part of the SEP;
- Development of chance find procedures to be made available for all contractors involved in the implementation of the infrastructure related subprojects this will be part of the ESIA.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

16-Mar-2020

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Public Disclosure



Borrower: The Socialist Republic of Vietnam

**Implementing Agency(ies)**

Implementing Agency: ODA PMU of Rach Gia City, Kien Giang Province

Implementing Agency: ODA PMU of Ca Mau Province

Implementing Agency: ODA PMU of Tra Vinh

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s):	Hoa Thi Hoang, Mansha Chen, Van Anh Thi Tran
Practice Manager (ENR/Social)	Christophe Crepin Recommended on 13-Jan-2020 at 06:18:37 EST
Safeguards Advisor ESSA	Peter Leonard (SAESSA) Cleared on 13-Jan-2020 at 13:36:34 EST