Multilateral Investment Guarantee Agency
World Bank Group

Environmental and Social Review Summary

BT20 National Highway 20 Project

This Environmental and Social Review Summary (ESRS) is prepared by MIGA staff and disclosed prior to the date on which MIGA's Board of Directors considers the proposed issuance of a Contract of Guarantee. Its purpose is to enhance the transparency of MIGA's activities. This document should not be construed as presuming the outcome of the decision by MIGA's Board of Directors. Board dates are estimates only.

Any documentation that is attached to this ESRS has been prepared by the project sponsor, and authorization has been given for public release. MIGA has reviewed the attached documentation as provided by the applicant, and considers it of adequate quality to be released to the public, but does not endorse the content.

Country:	Vietnam
Sector:	Infrastructure
Project Enterprise:	BT20 Consortium
Environmental Category:	B
Date ESRS Disclosed:	April 24, 2013
Status:	Due Diligence

A. Project Description

National Highway ("NH") 20 is an existing 268km public highway linking Dau Giay, Dong Nai province to Dran Town, Lam Dong province. The Government of Vietnam ("GoV") has given NH-20 "national priority" status for expansion and rehabilitation of the highway, which has seen increased traffic volume and significant damage over 30 years. The expansion and rehabilitation work will be conducted in two phases; Phase 1 ("The Project") is 123km from Dau Giay to Bao Loc city, and Phase 2 covers the remaining length of 145 km from Bao Loc city to Dran Town.

The Project begins at the Dau Giay NH-1 interchange (Km0), approximately 38km east of Ho Chi Minh City, and terminates at the NH-55 interchange (Km123), approximately 3 km east of Bao Loc city center. The Phase 1 route crosses two provinces (Dong Nai and Lam Dong) and 5 districts (Thong Nhat, Dinh Quan, Tan Phu, Da Huoai, Bao Loc), passing from largely flat terrain from 80-150m above sea level, up through hills and mountains up to an elevation of up to 1500m above sea level. Land use adjacent NH-20 in Dong Nai province largely consists of a mix of dense residential and commercial areas divided by wetlands and rivers. In Lam Dong province, land use largely consists of low density residential and agricultural areas interspersed with degraded secondary scrub within the Project right of way.

The Project will widen the existing NH-20 by approximately 2m on both sides from the existing edge of pavement to create two lanes of traffic in both directions. The inside lanes are intended for cars and trucks and the outside lanes are intended for motorbikes and bicycles. There are six existing bridges within Phase 1. Gia Duc Bridge (Km1) will be demolished and replaced. Works at Gia Duc bridge will require construction of temporary bridges adjacent to the replaced bridge. La Nga Bridge (Km35), Darleu Bridge (Km86), Damrhe Bridge (Km97) will remain in operation,

with a new span constructed immediately adjacent resulting in a realignment of the approach. Phuong Lam Bridge (Km65) and Dai Quay Bridges (Km88) will be upgraded on the surface.. Additional works include installation of cross and vertical culverts, slope reinforcement, retaining walls, and traffic safety works (signage, Km pillars, safety fencing, and paint marking).

Six temporary construction staging areas of approximately 300m^2 will be located at intervals (Km1, Km35, Km65, Km86, Km88 and Km97) along the route for material and equipment storage, casting workshop, and assembly. The contractors have mobilized two asphalt plants, and are expected to mobilize one more during the peak construction period. These plants will not be in fixed location during the entire construction phase, but placed at convenient locations for the construction of each road section.

Aggregate material for the road will come from two stone quarries near NH-20. Quarry Soklu 2 is a 15ha site with an expected monthly output of 20,000m3 located in Thong Nhat, Dong Nai province approximately 3km from NH-20 at Km7. Quarry Tan Thanh Tu is a 12ha site with an expected monthly capacity of 10,000m3 located in Bao Loc, Lam Dong province approximately 8km from NH-20 at Km117. Roads leading to the quarry areas will be repaired and widened approximately 1m on either side

A Build-Transfer contract for Phase 1 was signed in September 2012 between the Ministry of Transportation ("MoT") and the BT-20 – Cuu Long Joint Stock Company ("BT20"), a consortium comprised of Dong Mekong Construction Production Trade Service Co., PetroVietnam Construction Joint Stock Company, Cuu Long Corporation for Investment, Development and Project Management of Infrastructure, and Building Materials Corporation No. 1 Co. BT20 contractors began construction in December 2011 and construction is expected to be completed in December 2014. Expansion and rehabilitation works have been divided into 14 sections, with construction occurring sequentially following completion of each section. Due to the urgency of the Project, GoV required BT20 to commence construction works for section Km92-97 before signing the Phase 1 Build-Transfer contract. MIGA has been approached by Goldman Sachs (Asia) LLC, a potential lender for Phase 1, to provide a guarantee against a failure by the GoV to honor its guarantee obligation for the $250 million loan.

B. Environmental and Social Categorization

The project is Category B under MIGA's Policy on Social and Environmental Sustainability. Key environmental and social risks and impacts include air emissions, soil erosion and runoff, surface and ground water quality, waste, hazardous materials, spills, noise and vibration, traffic safety, occupational health and safety, community health and safety, livelihood restoration, and land acquisition and involuntary resettlement. These risks and impacts are expected to be few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

C. Applicable Standards

While all Performance Standards are applicable to this investment, based on our current information the investment will have impacts which must be managed in a manner consistent with the following Performance Standards:

- PS1: Social and Environmental Assessment and Management Systems
- PS2: Labor and Working Conditions
- PS3: Pollution Prevention and Abatement
- PS4: Community Health, Safety & Security
- PS5: Land Acquisition & Involuntary Resettlement

PS6 is not applicable as construction will only disturb habitat within 4-5m of the edge of the existing pavement, within which the land is either modified or highly degraded. No designated ecological areas, records of IUCN Red List engendered or critically endangered species, or known areas of natural or critical habitat have been identified within the Project's area of influence.

A community of approximately 350-400 ethnic minority K'Ho people inhabit a village approximately 1km from NH-20 near Km85. The K'Ho have their own language, which they speak at home, however their children attend public school and are schooled in Vietnamese. Economic activity among the K'Ho is mainly the cultivation of coffee, fruit trees, crops and rice. The K'Ho will not be directly impacted by the Project. Consultation was conducted with the Da Huoai District authorities and committee representative from K'Ho community in August 2012 confirming this assessment, therefore PS7 is not applicable.

Consultation with local regulatory organizations and the review of available records undertaken as part of the EIA process did not identify any known sites of archaeological or cultural heritage value within the Project site boundary, however a Chance Finds procedure has been developed for the construction phase of the project consistent with PS8.

In addition, the following World Bank Group ("WBG") Environmental, Health and Safety ("EHS") Guidelines are applicable to this project:

- General EHS Guidelines
- Industry Sector EHS Guidelines for Construction Materials Extraction

D. Key Documents and Scope of MIGA Review

A MIGA environmental specialist conducted a site visit in February 2013. During the mission, discussions were held with BT20, MoT, affected businesses and project-affected people ("PAP").

The following documents were reviewed by MIGA:

- *EIA Report for Rehabilitation and Improvement of National Highway No.20*, Project for Rehabilitation and Improvement of National Highway No.20 – Section from Dong Nai Province to Lam Dong Province. October 2010. Project Management Unit No.7. Prepared by the Center for Nuclear Research Institute.

- *Initial Site Visit Trip Report*, Highway BT-20 Rehabilitation Project. July 2012. WSP.
- *Summary Report of Business Impact Assessment*, Project for Rehabilitation and Improvement of National Highway No.20 – Section from Dong Nai Province to Lam Dong Province. March 2013. BT-20 Cuu Long.
- *Environmental and Social Management Plan*, Rehabilitation and Improvement of National Highway No.20 – Section from Dong Nai Province to Lam Dong Province. April 2013. BT-20 Cuu Long. Prepared by WSP.
- *Stakeholder Engagement Plan*, Highway 20 Rehabilitation Project. April 2012. BT-20 Cuu Long.

E. Key Issues and Mitigation

PS1: Social and Environmental Assessment and Management Systems

An environmental impact assessment ("EIA") was prepared in 2010 for Project Management Unit No.7 ("PMU7") of the MoT by the Center of Nuclear Research Institute of the Ministry of Science and Technology, based on GoV legal standards. The EIA describes the project activities; provides physical and environmental baseline information and summary socio-economic baseline information (insufficient for preparing a Resettlement Action Plan consistent with PS5); identifies and assesses environmental and social risks and impacts during preparation, construction and operations phases; and proposes measures to mitigate adverse environmental and social risks and impacts.

The EIA is supplemented by an Environmental and Social Management Plan ("ESMP") prepared by WSP, an international environmental consultancy contracted by Goldman Sachs. WSP conducted a gap analysis of the EIA against the Performance Standards, which included a site visit to the Project in July 2012. The ESMP was prepared by WSP with the objectives to: describe management and mitigation commitments provided in the EIA, describe additional mitigation measures consistent with good international industry practice and the Performance Standards, identify roles and responsibilities of the environmental and social manage organization of the Project, and communicate environmental and social requirements through the Project team.

The ESMP identifies the standards for Project legal and regulatory compliance with GoV laws and regulations; establishes an environmental and social management framework; summarizes and fills gaps in environmental and social baseline information; updates project activities; identifies roles and responsibilities in the Project environmental and social management structure; provides management plans consistent with the Performance Standards and WBG EHS Guidelines (air emissions, noise and vibration, ecology, waste, water, erosion and sediment control, spill prevention and response, hazardous materials, raw materials, cultural heritage, community impacts); provides an environmental monitoring and quality supervision plan; and includes an environmental and social action plan.

Construction contractors will be required, as a condition of their contracts with BT20, to implement and comply with the ESMP, including preparing management plans consistent with the specific management plans provided in the ESMP. BT20 will rely on PMU7 for Project environmental and social supervision, particularly PMU7's third party construction supervision consultant for supervision of BT20 contractors' environmental and social requirements, and

PMU7's third party environmental consultant for monitoring and reporting on environmental and social performance. The construction supervision consultant has a daily on-site presence to supervise the execution or works by the contractors. The environmental consultant will be on site periodically to collect samples, data and information based on the requirements of the environmental monitoring and quality supervision plan provided in the ESMP.

All four independent partners in the BT20 consortium have prior experience in managing and executing infrastructure construction projects in Vietnam. The Cuu Long Corporation for Investment, Development and Project Management of Infrastructure has the most extensive experience of the four joint venture partners in delivering road and infrastructure construction projects in Vietnam on a scale commensurate with the Phase 1 expansion and rehabilitation of NH-20.

To manage environmental and social risks during construction and operations, including land acquisition and resettlement, MIGA has proposed to the GoV a framework to structure MIGA's engagement in the Project. Under the proposed framework, MIGA has requested GoV assurance that construction and operation of the Project fully complies with MIGA's Performance Standards and the WBG EHS Guidelines.

PS2: Labor and Working Conditions

At peak construction, BT20 contractors will employ approximately 1,000 workers. MIGA requires receiving a Human Resources policy for BT20 and all construction contractors consistent with GoV labor law and PS2, reflecting transparent worker relations, terms and duration of employment, and a grievance mechanism, all based on the principle of non-discrimination. MIGA requires BT20 and BT20 contractors to comply with PS2 during the construction phase. Compliance with PS2 for the operations phase will fall within the scope of MIGA's proposed framework with the GoV.

Occupational health and safety ("OHS") measures provided in the ESMP include, requiring contractors to identify potential hazards and develop responses to eliminate sources of risks or minimize workers' exposure to hazards. Residual risks that cannot be avoided will be managed through appropriate protective measures, including controlling the hazard at the source and providing appropriate personal protective equipment (e.g. hats, gloves, boots, vests). Contractors will be required to provide training to all workers on OHS aspects relevant to their daily work and emergencies. All occupational injuries, illnesses and fatalities will be documented, recorded and investigated. Access to first aid and medical assistance from trained and licensed professionals will be provided. A health and safety technical consultant will be contracted to establish and notify contractors of OHS procedures, periodically inspect and report on OHS performance of construction activities and promptly notify PMU7 and BT20 of non-conformances and recommend remedial measures.

Construction workers will be housed in rooms and homes rented by contractors in local communities near the Project. Minimum requirements for these accommodations are provided in the ESMP and generally consistent with PS2.

PS3: Pollution Prevention and Abatement

Preparation and construction: Risks and impacts are related to air emissions, soil erosion and runoff, surface and ground water quality, waste, hazardous materials, and spills. These risks and impacts are expected to be managed through Project design and mitigation measures provided in the ESMP, as implemented by BT20 contractors.

Air emissions during construction are expected from fugitive dust generated from site clearance, demolition, material transport and construction works; and gaseous emissions from operation of diesel powered asphalt plants, vehicles, equipment and machinery. Baseline ambient air quality was surveyed in the EIA at 25 locations, with background levels of carbon monoxide, sulfur dioxide, nitrogen dioxide and hydrocarbons found below GoV standards. Background total suspended particles were found to exceed the WBG EHS Guideline value for particulate matter at 5 locations, and background sulfur dioxide levels at all survey locations exceeded the WBG EHS Guideline value indicating pre-existing degradation of ambient air quality. The EIA estimates construction to generate approximately 812,637kg of dust from excavation and material transport, with modeling indicating that fugitive dust concentrations to dissipate to meet the WBG EHS Guideline value for particulate matter approximately 40m from the source. Modeling of gaseous emissions from vehicles, equipment and machinery provided in the EIA indicate that nitrogen oxide emission levels generally dissipate to meet the WBG EHS Guideline value between approximately 20-80m from the source. Modeled emissions from the asphalt plants dissipated to meet the WBG EHS Guideline value approximately 350m from the source. Measures to mitigate air emissions are provided in the air emissions management plan, as part of the ESMP. These measures include: limiting vehicle speed; wet dust suppression; covering loads; minimizing material drop height; conducting regular maintenance of asphalt plants, vehicles, equipment and machinery; and ensuring diesel powered plants, vehicles, equipment and machinery are turned off when not in use. Periodic monitoring will be conducted, including some nearby sensitive receptors (e.g. schools, clinics, churches, markets), to ensure that ambient air quality meets WBG EHS Guideline values or construction activities don't further degrade existing ambient conditions.

Soil erosion and runoff risks and impacts to surface and ground water quality, flood risk, and slope and riverbank stability are expected to result from site clearance, sub-grading, excavating, embankments, road construction bridge and channel works, bridge and channel works, and surface runoff from operation of quarries and asphalt plants. Measures to mitigate these impacts are provided in the erosion and sediment management plan, ecology management plan, and raw materials plan, as part of the ESMP. These measures include: limiting clearance of vegetation and prompt re-vegetation of appropriate cleared areas; installing retaining walls, mud screens, and reinforcing embankments, as needed; maximum height limitations for material piling and storage; and programming works during the dry season and postponing works during storm events. Periodic monitoring will be conducted, including visual surveys of erosion and sediment control measures every 3 months in dry season and monthly in wet season, as well as a quarterly audit of quarry operations.

Risks and impacts to surface and ground water during construction are expected from site clearance, demolition and preparation; staging and storage areas; material extraction and quarry operations; sub-grading, excavating and embanking the road base; bridge construction; industrial wastewater from concrete mixers; sanitary wastewater from temporary worker camps; and spills. Baseline surface water and ground water quality were surveyed in the EIA at 15 and 32 locations respectively, analyzing for temperature, pH, conductivity, dissolved oxygen, chemical oxygen demand, biological oxygen demand, total suspended solids, ammonia, nitrates and nitrites, phosphate, oil and grease, coliform and heavy metals. Baseline surface water quality exceeded

GoV standards for dissolved oxygen, chemical oxygen demand, biological oxygen demand and coliform at a significant number of locations; and baseline ground water quality exceeded GoV standards for ammonia, nitrate and coliform at a significant number of locations.

The EIA assessed daily loading of sanitary wastewater on surface waters to exceed GoV standards for biological oxygen demand, total dissolved solids, total suspended solids and grease; industrial waste water, including discharge from concrete mixers, was assessed to exceed GoV standards for total suspended solids, pH and grease. Measures to avoid or mitigate risks and impacts are provided in the water resources management plan, as part of the ESMP. These measures include: implementation of erosion and sedimentation plan; use of settlement ponds and sediment traps; minimizing number of staging and storage areas and locate those areas at least 50m from waterways; using berming or diversion isolation techniques during works in watercourses; minimizing materials extraction activities; appropriate storage of hazardous substances; spill and emergency response procedures; water use efficiency and application of wastewater treatment at concrete mixers; and use of portable or permanent sanitation facilities at temporary workers camps.

Waste generated by construction activities includes construction waste, domestic solid waste and hazardous waste. Construction waste is expected to include concrete, asphalt, gravel, stone, inert materials, wood, metals, plastics, insulation, packaging, plasterboard/gypsum, earth and topsoil and vegetation. Domestic solid waste is expected to include food waste, sanitary waste, card and paper, packaging, plastics, and textiles. Hazardous waste is expected to include used engine oil, oily rags and empty containers. The EIA estimates domestic solid waste generation on the volume of 562kg per day. Measures to manage and reduce or mitigate wastes are provided in the waste management plan, as part of the ESMP. For construction wastes, these measures include: crushing and on-site reuse of inert materials; segregation of metals, wood, plastics for re-processing; composting of plant matter; and disposal to designated licensed landfills. For domestic solid waste, these measures include: segregation of recyclable materials; collection in on-site bins and disposal to licensed landfills. For hazardous waste, these measures include: collection and storage for off-site re-processing. Contractors will be required to develop a waste inventory that details the different waste streams, classification, quantities, storage requirements, potential use, and treatment and disposal arrangements. Periodic audits will be conducted to ensure compliance with GoV laws and PS3.

Hazardous materials including tar, diesel fuel, oil and grease will be transported, stored and used during construction. MIGA's February 2012 site visit found an underground diesel fuel storage tank at Quarry Tan Thanh Tu and lack of secondary containment and evidence of minor tar and diesel fuel spills at an asphalt plant. Measures to manage risks and impacts related to hazardous materials are provided in the hazardous material management plan, as part of the ESMP. These measures include: preparing a register including appropriate Material Data Safety Sheets; undertaking hazardous materials assessments, with results incorporated into the spill prevention and response plan; ensuring appropriate storage with control systems (bunding, automatic alarms and shut-off systems, secondary containment); labeling; securing storage areas; and providing appropriate training to workers. Periodic audits and inspections of hazardous materials transportation, transfer and use procedures will be undertaken to ensure that measures comply with the spill prevention and response plan and PS3.

Risk and impacts related to accidents and spills of hazardous material during construction will be managed according to the spill prevention and response plan, as part of the ESMP. These measures include requiring contractors, prior to engaging in construction activities, to undertake a

spill risk assessment and identify measures to reduce associated risks. The spill risk assessment will be incorporated into contractors' spill prevention and response plans that will include: a description of activity and operator information; notification requirements; spill response frameworks, strategies and equipment; procedures to mobilize external resources for responding to large spills; clean up strategies and handling instructions and treatment or disposal requirements; self-inspection, training, exercises, drills and logs; and security measures. An initial inspection of existing storage tanks will be conducted to identify potential non-conformances and a corrective action plan will be implemented should non-conformances be observed. Periodic inspections will be conducted on the integrity of storage tanks and bunds, location and contents of spill kits, and presence of spill prevention measures that will be recorded in an inspection log. In the event of a significant spill, sampling and monitoring of surface and ground water will be required to assess the need for remediation.

Operations: Risks and impacts are related to air emissions from vehicle traffic and surface runoff. The EIA forecast vehicle traffic air emissions (dust, sulfur dioxide, nitrous oxide, carbon monoxide, and hydrocarbons) for the years 2020 and 2025, finding pollutant levels exceeding GoV standards and WBG EHS Guideline values only for nitrous oxides, which dissipated below threshold at 60m from the road in 2020 and 80m from the road in 2025. Flood risks related to storm water and surface runoff were assessed in the EIA to be reduced during operation resulting from installation of cross and vertical culverts to improve drainage. The culverts will outlet to nearby surface waters, where potential adverse impacts to water quality have been identified from oil and grease, total suspended solids and metals. Compliance with PS3 during operation of the Project will fall within the scope of MIGA's proposed framework with the GoV.

PS4: Community Health, Safety & Security

Preparation and construction: Risks and impacts are related to noise and vibration, traffic safety and community health and safety. These risks and impacts are expected to be managed through Project design and mitigation measures provided in the ESMP, as implemented by BT20 contractors.

Noise and vibration during construction are expected from operation of quarries (blasting, grinding and hauling), vehicles, equipment and machinery (e.g. backhoe excavators, pavers, trucks, concrete mixing machines, pile drivers, concrete rollers, cranes, compressors and generators). Maximum noise levels for construction equipment and machinery assessed in the EIA are expected to range from 74-106 dBA at a distance 15m from the source. Based on the analysis of the EIA, construction equipment, machinery and works should be located at minimum from 60-320m from residential areas and 340-1,900m from the nearest sensitive receptors (e.g. schools and hospitals), with pile drivers representing the most significant impact. Noise levels during construction are expected to exceed GoV standards and WBG EHS Guidelines near populated areas and nearest sensitive receptors. The EIA identified and assessed vibration impacts related to operation of excavators, graders, trucks, compressors and hammers, finding impacts dissipating sufficiently to meet GoV standards 12m from the source for all equipment and machinery, except mechanical hammers, which dissipated sufficiently to meet GoV standards 16m from the source. Measures to reduce or mitigate risks and impacts are provided in the noise and vibration management plan, as part of the ESMP. These measures include: engagement with residents and businesses; restricting construction works to daytime hours; installation of noise barriers; utilizing and regularly maintaining equipment and machinery that meets good international industry practice standards for noise attenuation; ensuring that equipment and

machinery is turned off when not in use; and fitting of all pneumatic tools with an air exhaust port silencer when used in close proximity to residences. Periodic monitoring of noise and vibration impacts will be conducted at locations where background samples were taken, as well as location of persistent noise complaints. Additional consideration will be made to monitor nearest sensitive receptors identified in the EIA.

Accident risks to communities from construction-related traffic and disruptions to normal traffic patterns are expected. The EIA has identified twelve locations near population centers (towns and communes) where significant disruptions to traffic flow are expected to occur. Additional disruption is expected related to bridge construction, where temporary bridges adjacent to the existing bridges will be erected to accommodate traffic flow. Measures to promote traffic safety and mitigate traffic accident risks are provided in the community impact plan, as part of the ESMP. Contractors will be required to develop construction traffic management plans, including: identification and enforcement of haul routes, installation of appropriate barriers and signage, establishment of speed limits for construction-related vehicles, driver training, consulting and agreeing accident procedures with local emergency services, adopting limits for trip duration and arranging driver rosters to avoid overtiredness. A procedure will be established for recording all construction related traffic accidents, and include accident investigation and corrective actions, as required.

Community exposure to health and safety hazards related to active construction works will be mitigated through the community impact plan, as part of the ESMP. Public access to construction and work areas will be restricted through use of security fencing and appropriate signage, presence of security personnel, and permit-to-enter site access controls. A procedure will be established for recording public health and safety incidents that includes procedures for recording of accidents, investigation and corrective actions, as required.

Unarmed security personnel are employed by construction contractors to restrict public access to construction works, staging and storage areas, as well as to protect construction equipment and machinery when not in use.

Operations: Risks and impacts are related to traffic safety and accidents. Project design includes several features that are expected to improve traffic safety during operations, including: widening of the road to accommodate separate lanes for vehicles and slower moving motorbikes, installation of lighting, safety fencing, kilometer pillars, signage boards, paint marking, convex spherical mirrors and escape ramps. Compliance with PS4 during operation of the Project will fall within the scope of MIGA's proposed framework with the GoV.

PS5: Land Acquisition & Involuntary Resettlement

Resettlement for this project will consist of permanent physical displacement of households and temporary impacts on mostly micro and small businesses during construction. MIGA will require all resettlement activities to be carried out in accordance with PS5. For the households to be physically resettled, MIGA has received resettlement planning documents from five districts (Bao Loc, Da Huoai, Tan Phu, Thong Nat, Dinh Quan) that describe the principles on which compensation will be paid according to GoV law and provides an inventory of households and property to be compensated. For impacts on businesses, MIGA's client has commissioned and provided a study based on a thorough field survey of a sample of the businesses that will be potentially impacted, or have already been impacted, by construction activities. In addition,

MIGA met with affected households and businesses and with the relevant local authorities during the due diligence mission. MIGA has not yet received full baseline of all PAP affected by land acquisition and resettlement consistent with PS5.

Regarding physical displacement, 30 households will be completely relocated to make way for the construction of the La Nga bridge in Dinh Quan District, Dong Nai province. The proposed relocation site for these households will be within several kilometers of their present location, and consequently the project does not anticipate impacts on livelihoods for these households. Compensation will be paid for land, structures, crops and trees. In addition, 6 households will be relocated within their existing lots in order to allow construction of Damrhe bridge in Da Huoai District, Lam Dong province.

Physical resettlement has not yet occurred but will likely be carried out within the next several months. Preparatory work has begun. The consultation and resettlement process for these households is as follows, and reflects the different roles of the government and private project sponsors in the Vietnamese context. The road falls under the jurisdiction of several different local authorities, but the process to be followed is materially the same for each. First, the project company works with local authorities to confirm the social demographic information and property inventories for each household. Second, the project company submits a RAP Framework (a resettlement planning document) to the local authorities to establish compensation to be paid in each case. Third, the local authorities meet with the households to be resettled to discuss the finalized compensation amounts. The project company and client's E&S advisor also participate in these meetings. Fourth, provided that residents agree with the compensation proposed, the project company and local authorities together establish a schedule for acquisition and payment. If residents do not agree with the compensation proposed, additional meetings are held until an agreement can be negotiated. The government has powers of expropriation it can exercise if an agreement is not ultimately possible, but local authorities interviewed during MIGA's mission reported that in recent resettlement activities for other projects they have only had to resort to this in a small number of cases.

There are approximately 3,230 micro and small businesses situated along the sides of the road. Based on current information no permanent negative impacts are anticipated. Temporary impacts are anticipated and have already been experienced by some businesses in the sections where construction has been undertaken. The impacts are the result of noise, dust, and impaired access to the business sites while construction is taking place in the immediate vicinity. The most important mitigation measure will be to complete construction as quickly as reasonably possible in each location. The project estimates construction time as being 21-36 days for most sections. Other mitigation measures include standard measures for dust and noise, discussed above, as well as the construction of simple, temporary wooden bridges to allow access across culverts. Businesses interviewed by MIGA have so far reported income losses in the 20-50% range over periods of 1-8 weeks. Business owners have generally expressed support for the project and expect a permanent improvement in business following completion of construction.

Issues that are still pending resolution or confirmation at this stage in order to ensure compliance with PS5 include: 1) determination that the compensation amounts to be paid for physical resettlement adequately correspond to full replacement value for all lost assets, and as part of this, that any distinctions made based on ownership or type of tenure are consistent with PS5; 2) possible supplementation of the official grievance mechanisms where necessary; 3) verification that household lessees to be permanently resettled, who are not believed to be numerous, will receive adequate compensation; and 4) ongoing monitoring and mitigation of business impacts

during construction. Compliance with PS5 is expected through the scope of MIGA's proposed framework with the GoV.

F. Environmental Permitting Process and Community Engagement

The EIA was approved by the Ministry of Environment and Natural Resources in July 2012. The project has satisfied national legal requirements for community engagement and has obtained or will obtain all necessary permits. A stakeholder engagement plan was prepared and incorporates public disclosure of documentation, a grievance mechanism, and meetings with various stakeholders. Stakeholder meetings involve communities near to the road, women and vulnerable groups, ethnic minorities, business owners (via community meetings), NGOs, suppliers, and elected representatives. Regular community consultation will be conducted on a quarterly basis throughout the construction phase. In addition to this, a resettlement consultation process is followed, as described above, which also involves public meetings and disclosure of planning documents for legally mandated minimum periods of time.

G. Availability of Documentation

- *EIA Report for Rehabilitation and Improvement of National Highway No.20*, Project for Rehabilitation and Improvement of National Highway No.20 – Section from Dong Nai Province to Lam Dong Province. October 2010. Project Management Unit No.7. Prepared by the Center for Nuclear Research Institute.
- *Summary Report of Business Impact Assessment*, Project for Rehabilitation and Improvement of National Highway No.20 – Section from Dong Nai Province to Lam Dong Province. March 2013. BT-20 Cuu Long.
- *Environmental and Social Management Plan*, Rehabilitation and Improvement of National Highway No.20 – Section from Dong Nai Province to Lam Dong Province. April 2013. BT-20 Cuu Long. Prepared by WSP.
- *Stakeholder Engagement Plan*, Highway 20 Rehabilitation Project. April 2012. BT-20 Cuu Long.

The listed documentation is available electronically as PDF attachments to this ESRS at www.miga.org. It is also available for viewing locally at the following locations:

- BT20-Cuu Long office: 649/36 Dien Bien Phu Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Viet Nam.
- PMU7 office: 63 Nguyen Xi Street, Ward 26, Binh Thanh District, Ho Chi Minh City, Viet Nam.
- Thong Nhat People Committee office: Hung Loc Ward, Thong Nhat District, Dong Nai Province, Viet Nam.
- Dinh Quan Committee office: Dinh Quan Town, Dinh Quan district, Dong Nai Province, Viet Nam.

- Tan Phu People Committee office: Tan Phu Town, Tan Phu District, Dong Nai Province, Viet Nam.
- Da Huoai People Committee office: NH20, Madaguoai Town, Lam Dong Province, Viet Nam.
- Bao Loc People Committee office: 02 Hong Bang street, Ward 1, Bao Loc City, Lam Dong Province, Viet Nam.