

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
ADDITIONAL FINANCING**

Report No.: PIDISDSA17731

Date Prepared/Updated: 11-Aug-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Vietnam	Project ID:	P159049
		Parent Project ID (if any):	P123384
Project Name:	Additional Financing for Danang Sustainable City Development Project (P159049)		
Parent Project Name:	Danang Sustainable City Development Project (SCDP) (P123384)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	07-Sep-2016	Estimated Board Date:	15-Nov-2016
Practice Area (Lead):	Social, Urban, Rural and Resilience Global Practice	Lending Instrument:	Investment Project Financing
Borrower(s):	SOCIALIST REPUBLIC OF VIETNAM		
Implementing Agency:	Da Nang PIIP PMU, Danang Department of Transport		
Financing (in USD Million)			
	Financing Source		Amount
	BORROWER/RECIPIENT		20.00
	International Development Association (IDA)		86.50
	Total Project Cost		106.50
Environmental Category:	B - Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

1. Vietnam is in the midst of rapid urbanization. In the last decade, the country's urban population increased from 18.1 million to 25.4 million, and is projected to reach 45 million, or 50% of the population, by 2025. Annual urban gross product growth rate has been about 12-13% p.a. over the last decade, or about double the national average. The high rate of economic growth and the rising urban population density and associated issues have had a significant impact on municipal infrastructure, especially in major cities (Five major cities under the direct authority of the Central, rather than a Provincial Government are: Ha Noi, Ho Chi Minh, Hai Phong, Da Nang and Can Tho). Concerns have risen about the quality of growth in the face of unreliable and inadequate infrastructure. Despite the aforementioned gains, the reliability and adequacy of infrastructure including energy, water and transport rank among the main constraints to Vietnam's competitiveness, quality of life, and future growth.

2. The issue of urban transport presents a major economic challenge for Vietnam. Towards the end of 2010, Vietnam had approximately 1 million cars and 20 million motorcycles, an increase from 450,000 and 6 million, respectively, at the end of 2000. In the big cities of Vietnam, motorcycle availability equals or exceeds auto availability in Western developed cities such as London, Paris and Los Angeles, and mobility is already a significant problem in the two metropolises of Hanoi and Ho Chi Minh City (HCMC). Congestion as well as concerns about safety, noise, local and global emissions, and secure mobility for women, the young, old and disabled are particularly relevant local issues. In smaller cities like Da Nang and Haiphong transport systems currently dependent almost entirely on motorcycles may appear to work. However, as these cities grow and their vehicle mixes include an increasing numbers of cars, the current maladies of the bigger cities, congestion, pollution, traffic accidents, etc., will become exponentially worse.

3. Access to adequate sanitation services is quite low across the country. Upto the end of 20th century, none of the cities collected or treated municipal wastewater. By 2010 a total of six cities were treating less than 380,000 cubic meters per day, only 8% of the 4.3 million cubic meters produced per day. Financial losses, reflecting expenditure or income losses related to poor sanitation, amount to roughly 0.5 percent of GDP, while overall population welfare losses are about 1.3 percent of GDP, according to various estimates. Even though many cities are financing expensive, energy intensive treatment plants, these have no policy to connect households, most of which have private septic tanks, to the wastewater collection system. This has resulted in inefficient public spending.

4. The Government has been pursuing sustainable and equal growth, through development of a strong network of well-resourced and capably managed urban centers. Although Ho Chi Minh City and Hanoi with their surrounding areas will continue to dominate development in the coming years, the Government of Vietnam has established a third focal economic zone surrounding Da Nang, in the central region where demand for investment in infrastructure among local authorities is large and rapidly growing. The city of Da Nang region is also a gateway to the sea for the provinces in southern Laos and northern Thailand and Cambodia.

Sectoral and institutional Context

5. Da Nang is the fourth largest city in Vietnam and has a provincial status, endowing it with a certain degree of administrative autonomy. It is widely viewed as a 'forward looking' city which is

well planned, well governed and enjoys a generally higher quality of infrastructure than other cities. Da Nang is the most important city in the central coastal region with aspirations to serve as a regional economic hub and a gateway to the international markets. The city leaders have committed to developing the city into a 'green' city by 2025, with emphasizes on high tech and tourism development.

6. Da Nang is pursuing the sustainable development of the wastewater sector. A wastewater management strategy, prepared and refined by international consulting firms, was approved by Da Nang People's Committee in 2010. The first of its kind in Vietnam and consistent with the long-term city development master plan until 2040, the Strategy clearly underscores key policies which include: full cost recovery for operation and maintenance from user charges, which is already implemented; expansion of house connections from about 10% in 2010 to about 30% by 2020; continue the pioneering private sector participation in construction and operation of wastewater treatment plants; and gradually expand treatment capacity in line with connection and transmission expansion.

7. Expanding and upgrading Da Nang's extremely small public transport system as a key component of a broad 'green city' urban development agenda is also a priority. Congestion in Da Nang is currently relatively low as compared to Hanoi and HCMC. Nevertheless, the compounded annual growth rate of private vehicles is at double digit levels. The most recently completed master plan estimated that, under a 'do nothing' scenario, all-day traffic congestion will become a significant problem by 2016 at the latest. The fact that congestion during peak periods is already significant has generated strong interest on the part of the City's leadership in public transport. Their objective is to establish a well-organized and significantly larger public transport system and to make the necessary institutional changes to support it. This will provide a credible travel alternative to private vehicles and to expand life opportunities for those who, for a variety of social, health and financial reasons, do not have full access to them.

8. The number of buses available for service in Da Nang's urban core is currently about 40, a negligible amount. For a city the population and geographic size of Da Nang to have even basic bus coverage over the entire city by even modest standards (for example, in China, the standard is 10 per 10,000 urban inhabitants) would require at least 5-10 times the current number of buses (There are currently only five bus routes operated by multiple unsubsidized private operators with a share of only 1% of the total person trips. The routes are served by about 91 buses over a route network of 206 Km. Two of the routes extend to neighboring cities of Hoi An and Tam Ky, one 35 km and the other 70 Km away respectively. These two routes require a total of 51 buses or more than half the available supply). The City Government has committed to provide an integrated public transport system comprised of local bus services and Bus Rapid Transport (BRT) covering all major arterial corridors by 2025. This is expected to provide a safe, reliable, affordable and high quality public transport option for all of the City's residents. In September 2012, the People's Council approved a plan by which there will be 11 bus routes and 160 buses plus the pilot BRT lines in operation by 2016, the first step in achieving the 2025 master plan objective.

9. Institutional Strengthening is at the top of Da Nang's transport development agenda. Recognizing the importance of public transport and traffic management to the achievement of transport sustainability and livability objectives, the City created the Da Nang Traffic Light and Public Transport Management Center (DATRAMAC) within the City's Department of Transport

early in 2012. Combining transport-related functions from multiple agencies, DATRAMAC responsibilities include all aspects of traffic management, including parking, and planning, management and oversight for the public transport system. The traffic management functions of DATRAMAC will emphasize giving public and non-motorized transport priority use of road space. DATRAMAC is in the process of hiring qualified personnel and is expected to play an important role, along with the PMU, in planning, preparing and especially implementing the expanded bus system, including BRT. The Bank project, especially Component 4, will play an important role in building DATRAMAC's capacity.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

The project development objective is to expand access of city residents to improved drainage, wastewater collection and treatment services, the arterial road network, and public transport in selected areas of Da Nang City.

Key Results

D. Project Description

The project consists of five main components. The proposed AF would add the following to the description of DSCDP components.

Component 1: Drainage and Wastewater Improvement-Wastewater Collection and Treatment: development of separate sewer/house connection system in the coastal tourism area of My An-My Khe.

Component 2: Bus Rapid Transit Development- (c) introduction of integrated fare collection and Intelligent Transport Systems (ITS) for public transport including BRT system.

Component 3: Urban Strategic Roads-and the improvement of DH2 (Hoa Nhon-Hoa Son) Road.

Component Name

Component 1: Drainage and Wastewater Improvement (US\$ 92.0 million at appraisal)

Comments (optional)

Component Name

Component 2: Bus Rapid Transit (BRT) Development (US\$ 50.2 million at appraisal)

Comments (optional)

Component Name

Component 3: Urban strategic roads (US\$ 77.9 million at appraisal)

Comments (optional)

Component Name

Component 4: Technical Assistance and Capacity Building (US\$ 15.3 million at appraisal)

Comments (optional)

Component Name

Component 5: Transferred Activities of Da Nang Priority Infrastructure Investment Project (US\$ 36.8 million at appraisal)

Comments (optional)

E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

F. Environmental and Social Safeguards Specialists

Giang Tam Nguyen (GSU02)

Pramod K. Agrawal (GSU02)

II. Implementation

Institutional and Implementation Arrangements

10. The project's structure and institutional arrangements, reflect the provisions of the Government's Decree 131, which defines implementation arrangements for donor-supported development projects. Da Nang People's Committee assumes ultimate responsibility for project implementation. Given its unique in City Government experience and expertise in implementing major infrastructure projects, the Department of Transport (DoT) has been authorized by the PC as the over-all Project Owner for all project works and will be responsible for most approvals related to project implementation. The PMU that is managing the ongoing Bank financed PIIP, will manage, coordinate and supervise all project components and implementation activities on a daily basis and work directly with relevant city departments. In recognition of the multisectoral nature of the project, a Project Board of Management (BoM), chaired by PC Chairman and including leadership of interested city departments (Investment and Planning, Construction, Finance, Natural Resources and the Environment) and the PMU, will make all major policy, planning, design and management decisions related to the project. The BoM, will have a dedicated secretariat to provide technical and administrative support and will meet regularly and at all major milestone decision points. This has proven to be an effective institutional arrangement for multi sector PIIP's elsewhere in Vietnam. In addition, local communities will provide citizen input to project supervision by the PMU and to the BOM.

11. The newly established DATRAMAC, a part of the DoT, will ultimately manage operation of BRT and the rest of the expanded public transport system integrated with it after commissioning. DATRAMAC has been involved in BRT component planning and the feasibility study, and will continue its participation during detailed design and implementation. The capacity of DATRAMAC will be gradually improved during the course of project implementation through capacity building and training activities of SCDP, and through direct support of and mentoring by Public Disclosure Copy Public Disclosure Copy internationally experienced BRT Advisors during design, implementation and commissioning. Similarly, the Da Nang Drainage and Wastewater Management Company has

been involved in all stages of feasibility study, detailed design and implementation of the drainage and wastewater component, and will operate the municipal sewer system.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>OP 4.01 Environmental Assessment</p> <p>The project includes three components of civil works: (a) drainage and wastewater improvement, (b) bus rapid transit development, and (c) urban strategic roads. Based on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts, the project was classified as Category B. The project is expected to have mostly positive environmental, health and economic impacts as it addresses issues of (a) drainage and wastewater, (b) public transport and (c) connection of city ring road network. Potential negative impacts of the project are expected to be small, localized, short-term and mitigable. The negative environmental and social impacts related to the project implementation are mainly from splitting of communities, land acquisition and resettlement, traffic disturbance, solid wastes from construction, cultivation disturbance, and wastewater discharges from drainage, sewers and treatment plants.</p> <p>Construction-related impacts: Construction-related impacts include impacts from dust, noise, exhaust emissions, waste oil and grease, wastewater and run-off, construction waste, traffic congestion, cultivation disturbance and worker safety.</p> <p>Operation-related impacts: Operation of roads and wastewater treatment plants may cause major environmental and social issues such as traffic accidents, exhaust emissions, noise, community split, inundation, wastes and WTP sludge.</p>

One of the civil works relates to the construction of a new WWTP at Lien Chieu, which was originally to be undertaken in the ongoing PIIP, but was transferred to the Da Nang SCDP due to project funding constraints within the PIIP. The Environmental Assessment (EA) for this Wastewater Treatment Plant (WWTP), however, has already been prepared according to the Bank requirements under the ongoing PIIP project. Given size and nature of investment for other project components, it was decided that one Environmental Impact Assessment (EIA), including Environmental Management Plan (EMP) would be prepared prior to appraisal for the entire project regardless of source financing, including ancillary facilities such as pumping stations, bus depots, and BRT terminals. The EMP includes (a) Environmental Codes of Practice (ECOP) for each type of project activities, namely water and wastewater collection facilities, road construction and maintenance, and construction of Bus Rapid Transit (BRT) system, (c) Chance Finds Procedure, and (d) management plan for Physical Cultural Resources (PCRs), if screening confirms that there will be impacts on any PCR other than the house graves.

The city has updated the EMPs relating to the changes in the location of the resettlement site and in the design configurations of Nguyen Tat Thanh road. The EMPs concluded that the magnitude of impacts linked with these changes are of similar scale as the original design and location.

The city has prepared an EIA report to assess the environmental impacts linked with the new alignment of Hoa Phuoc-Hoa Khuong road. The main impacts during construction are temporary and site-specific, including land acquisition; generation of dust, noise, emission, waste water and solid waste; disposal of about 180,000 m3 of soil; relocation of some high voltage electric poles; and localized flood and safety issues. The main environmental concerns during the project operation are from emissions and dust from vehicles, and risk of traffic accidents. These impacts have been identified, quantitatively assessed and adequately addressed in the EIA. The project alternatives analysis has concluded that the new alignment of the road causes less environmental and social impacts. The EIA report is in line with the national regulations and the World Bank's safeguards policies, EHS guidelines and the Bank's requirements on public consultation and information disclosure. The proposed investments during the implementation period are within the scope of the SCDP project, and do not result in any change in the risk categorization of the whole SCDP project nor do they trigger any additional safeguard policies.

During the project implementation, the environmental requirements has basically been well implemented and showed notable improvements through implementation period. The overall environmental safeguard performance of the SCDP project in the last implementation support mission is assessed as Satisfactory.

Additional Finance:

The additional finance is used to enhance the achievement of PDO by scaling up activities under components 1, 2 and 3 of the original SCDP project. Among those, only the upgrading of DH2 road is new investment while the other activities are adjusted works with respect to the size, capacity and technology from the original activities of SCDP project.

To assess and manage the environmental impacts of investments using additional finance, Danang City has prepared one new EIA for DH2 road and one updated EMP for the remaining adjusted investments. It is concluded from EA process that the investments proposed for the additional finance are under the original scope of SCDP project, and do not result in the change in the

category of the Project or triggering any additional safeguard policies.

New work -DH2 road. The proposed DH2 road is parallel to the Da Nang Bypass, which will be the northern extension of Da Nang-Quang Ngai Expressway. The road is recognized in the City Master Plan 2025 since its original approval in 2011, and is an important urban road to separate local urban traffic from the Da Nang Bypass. The road is located at the peri-urban area at Hoa Nhon and Hoa Son communes, Hoa Vang district. The road is about 9.2 km long, 10.5 m wide with 5 m side walk at both sides, connecting old National Road 14B (QL 14B) and Provincial Road 602 (DT 602). The road will be constructed by expansion of the existing mountainous asphalt road of 7 m width with the elevation height of 2-3 m. There are two sections of the existing roads in low land areas. For these sections, the new road will be realigned to reduce flood impacts. The new alignment will be on existing agricultural land and part of an existing hill. It is noted from EIA report that the hill is covered by the normal plantations without any rare plants and animal species.

Adjusted works using additional finance include: (i) the scaling-up of investments in the storm and wastewater collection system; (ii) adjustment of the type of My An-My Khe drainage network from the combined drainage system (original project) to a separated system (AF); (iii) adjustment (change) of treatment capacity of two WWTPs planned under the original SCDP project - Hoa Xuan WWTP increased from 40,000 m³/d to 60,000 m³ day using the same SBR technology; and Lien Chieu WWTP reduced from 40,000 m³/d to 20,000 m³/d using SBR instead of an oxidation ditch ; (iv) integrated fare collection and ITS systems for public transport, including the BRT system; (v) change in the location of one BRT Depot from one location at the 29/03 park area to a location near the city airport; and (vi) the change in location of a resettlement area from Hoa Phong commune to Hoa Khuong commune.

The adjusted works will help enhance the effectiveness of the whole SCDP project as well as bring about additional positive environmental and social impacts. Specifically, the change in the type My An-My Khe drainage network from combined system to the separate system will enhance the environmental sanitation and urban landscape as the untreated wastewater will be conveyed for treatment at the Hoa Xuan WWTP instead of being discharged directly with rainwater into the sea. The change in technology of the Lien Chieu WWTP from an oxidation ditch to SBR will help improve the treatment efficiency and contribute to more positive environmental impacts. In addition, the relocation of the BRT Depot out of the 29/03 Park area to the new location near the airport will increase the integrity with other public transportation and more importantly, reduce the pressure on the public green recreational area. The change in the location of resettlement area from Hoa Phong commune to Hoa Khuong commune is to better accommodate resettlement of affected households from the change in the alignment of Hoa Phuoc-Hoa Khuong road as indicated above.

However, the implementation of new and adjusted works using additional finance also result in some negative environmental and social impacts. The main impacts during construction of DH2 road and adjusted works are temporary and site-specific, i.e.: land acquisition including the relocation of 53 graves for DH2 and 04 graves for the adjusted works in the project area; generation of dust, noise, emission, waste water and solid waste; a relatively high amount of filling soil for leveling of the road and the resettlement area; localized land subsidence at the hill area during DH2 construction and some small sections going through weak soil, community disturbance during construction period, localized flood and safety issues. The main environmental concerns during the project operation are from emissions and dust from vehicles, and risk of traffic accidents during road operations; waste and sludge from the operations of the constructed WWTPs

and the drainage system.

These impacts have been identified, quantitatively assessed and adequately addressed in the new EIA and updated EMP. The EMP and EIA includes (a) Environmental Codes of Practice ECOPs for all types of additional investments as well as site-specific EMPs for each investment to cover environmental and social impacts. Additional budget for safeguard implementation i.e. environmental monitoring, supervision and capacity building was allocated during the construction of these investments. The EIA and EMP report are in line with the national regulations and the World Bank's safeguards policies, WBG's EHS guidelines and the Bank's requirements on public consultation and information disclosure.

OP 4.11 Physical Cultural Resources

There are 382 graves which have to be relocated in the original design. Consultations showed that affected community members agreed with the required removal of the affected graves and mitigation measures that will be implemented.

Under two additional RPs prepared in 2014 (one for the increased width of Nguyen Tat Thanh road and new My Da Tay resettlement site) and another for the revised alignment of Hoa Phuoc-Hoa Khuong road) identified impacts on some cultural works. The survey results of the project area of extended Nguyen Tat Thanh road show that there will be 02 family worship houses, one commune temple and one martyrs' cemetery in Hoa Lien commune to be affected by the project. The My Da Tay resettlement site will cause impact on My Thi small pagoda, a village hall, a village temple, 6 family worship houses and 11 graves. According to the second RP, for Hoa Phuoc-Hoa Khuong road, about 132 graves would be affected. The consultations were held with these cultural works and graves owners and all of them have agreed to re-build the works in the same area after the civil work is complete or relocate the graves to the city cemeteries or on their own land.

Additional Finance: The RP for the DH2 Road identified impact on 53 graves located in a separated grave area along the section between Hoa Nhon to Hoa Son and the upgrading of two existing link routes. These graves would need to be relocated. The RP for the 'adjustment items' identified impact on fence and yard of an ancestral temple and 14 graves. Extensive consultations with the affected households and communities was carried out. All local people and the communities agreed to relocate affected tombs to the city cemetery once they receive adequate financial assistance and allowances. The RPs have made adequate budgetary provisions for relocation of graves.

OP 4.12 Involuntary Resettlement

Project components 1, 2 and 3 including Additional items under the proposed Additional Financing will cause adverse social impacts due to the need for acquisition of private assets (land, structures and other fixed assets), loss of business incomes and employment. An estimated 3,762 households are adversely affected of which 1,109 are severely affected and would need to be relocated, 633 households will be affected by acquisition of their land for development of resettlement site.

Accordingly, there are total six RPs prepared during project preparation and implementation. Scope of impacts covered by each RP are as follows:

The first RP (Resettlement Plan for the Project) addressed the impacts due to a section of 2.7 km of the extended Nguyen Tat Thanh Road, developed by the City affecting 57 households with 43 of them requiring to be relocated. The first RP includes the due diligence (DD) review, comprised the compensation paid to 212 households affected by loss of their agricultural land.

The DD review showed that the policies applied to these DPs complied with the Bank's policies, and that most of the DPs have restored their livelihood. As reflected in the first RP, all compensation and resettlement activities related to this road section will be monitored and evaluated by the current PIIP PMU and the resettlement independent monitoring consultant to ensure full livelihood restoration of the DPs.

The second RP covered impacts caused by the rest of the project components: 1,2 and 3; affecting 2798 DPs due to the loss of 89.4 ha of land, including 19.2 ha of residential, 62.3 ha of agricultural and 7.9 ha of other land. About 730 DPs will have to be relocated and 999 DPs will be losing 20% or more of their agricultural land.

The third RP covered impacts due to the construction of the rest of the Nguyen Tat Thanh Road (with increased width) and My Da Tay Resettlement Site. These components will cause impacts on about 483 households due to the acquisition of 18.73ha of land, including 5.3ha of residential land, 5.25ha of agricultural land and 8.18ha of other land. Of these, about 304 households need to be relocated and 97 households will lose 20% or more of their agricultural land.

Fourth RP covered the impacts caused by the construction of Hoa Phuoc-Hoa Khuong Road (revised alignment) affecting 702 affected households due to the acquisition of 44.9ha of land, including 9.4ha of residential land, 21.9ha of agricultural land and 13.6ha of other land. Of these, about 97 households need to be relocated and 102 households losing 20% or more of their agricultural land.

Additionally, two new RPs were prepared for additional financing items. The first of these covered the impacts caused by the construction of DH2 Road affecting 666 households due to the acquisition of 19.1ha of land, including 5.1ha of residential land, 3.1ha of agricultural land and 10.9ha of other land. Of these, about 109 households need to be relocated and 18 households losing 20% or more of their agricultural land.

The second of the new RPs was prepared for the 'adjustment items', affecting about 911 households affected due to the acquisition of 35.9ha of land, including 5.8ha of residential land, 18.1ha of agricultural land and 12ha of other land. Of these about 143 households need to be relocated and 147 households losing 20% or more of their agricultural land.

Public Disclosure

All draft safeguards instruments namely the EIA, EMP, and RPs for the proposed project have been prepared and disclosed locally at the project area, at the Bank's office (VDIC) in Hanoi, and InfoShop, in accordance with the World Bank's policy on access to information. The EIA report and RPs in Vietnamese language have been disclosed locally in project ward/commune people's committees, project district people's committees on April 3rd and October 8, 2012 respectively, and in Vietnam Development Information Center (VDIC) on October 12, 2012. The English version of the EIA and RP reports were disclosed in the World Bank InfoShop on October 18, 2012.

The third and fourth RPs have been disclosed locally at the project affected wards, districts and PMU website on January 28, 2015. The RPs have also been disclosed at VDIC in Hanoi, Vietnam

<p>on Feb 4, 2015. The last RPs were finalized and disclosed locally, and the English version of the updated RPs and new RP for DH2 road were uploaded on the World Bank InfoShop on March 21, 2016.</p> <p>The EIA for Hoa Phuoc and Hoa Khuong road (revised alignment) have been submitted and disclosed locally in the project affected wards and districts, and on the PMU website on February 13 2015. In addition, the EIA has also been disclosed at the VDIC in Hanoi on Feb 13, 2015. The revised EMPs for My Da Tay RA and Nguyen Tat Thanh road (increased width) have been disclosed locally at the project affected wards and districts and on the PMU website on April 08 2015. In addition, the submitted EMPs have also been disclosed at VDIC in Hanoi on April 08, 2015.</p> <p>The EIA for the DH2 and the updated EMP for the adjusted works using additional finance have been disclosed locally at the project affected wards and districts and on PMU website on March 18, 2016. In addition, these documents have been submitted to disclose in the Infoshop on March 21, 2016.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>None are expected.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>Analysis of alternatives including the 'without project' situation in terms of their potential environmental impacts and the feasibility of mitigating these impacts is detailed in the EIA report. For the construction of two ring roads under Component 3, the alignment selected would ensure the Project implementation will not imply outstanding environmental and social impacts due to land acquisition, or the community members displacement. For Component 2, the depot and terminal locations have been selected to best reduce negative impacts due to land acquisition, resettlement and others related.</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>OP4.01 Environment assessment</p> <p>(i) Safeguard Instruments</p> <p>Environmental Impact Assessment (EIA): The environmental impact assessment (EIA) was conducted for this project by Da Nang PMU. The draft EIA report was officially submitted to the Bank on October 10, 2012. The environmental assessment evaluates the project's environmental risks and impacts in its area of influence; examines the project alternatives; identifies ways of siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental and social impacts and enhancing positive impacts; and includes the process of mitigating and managing environmental and social impacts throughout the project implementation. The EIA for the new Lien Chieu WWTP (now transferred to the Da Nang SCDP) has already been approved by the Bank under the PIIP.</p> <p>Environmental Management Plan (EMP): The EMP is prepared as integral part of the EIA report. The EMP details (a) the mitigation, monitoring and institutional measures to be taken during the implementation and operation of the project to eliminate or offset adverse environmental and social impacts or to reduce them to acceptable levels; (b) measures to enhance positive environmental and social impacts; and (c) the actions needed to implement these measures.</p>

(ii) Mitigation measures

Environmental Codes of Practice (ECOP): ECOPs are used to address construction-related impacts, which are mostly temporary and similar in different locations. They should be included in the bidding documents for construction contractors. An ECOP contains guidelines on good practices in managing construction activities, standard environmental conditions for an activity based on relevant national regulations, standards/specifications, and criteria that determine when and to what extent a code applies to an activity, and advisory notes on actions needed to assist in reaching compliance with the standard environmental conditions.

Mitigation measures in the Environmental Management Plan (EMP): The EMP covers detailed technical and institutional measures to (a) mitigate negative environmental and social impacts arising from the project implementation in pre-construction, construction and operation phases and (b) adapt to climate change (taking into account of the sea level rise and increasing of flooding).

Furthermore, measures to green the project design such as planting trees around WWTPs and lakes, in resettlement sites, along canal banks and roadsides were also incorporated. In addition to the social impact management measures, the EMP includes (a) an information and communication program, (b) a grievance redress mechanism, and (c) a monitoring and evaluation system.

Compensation and resettlement: The mitigation measures are provided in the RPs to ensure affected people will be able to fully restore or improve the lost assets and livelihood. All compensation and land acquisition costs will be financed by counterpart funds and detailed as part of the RP report.

(iii) Implementation Arrangements

EMP implementation: Mitigation measures during construction will be implemented by contractors with the cost incorporated in the bidding proposal and be closely supervised by the construction management consultants (CMC), local authority (e.g., Da Nang DONRE and district people's committees) and affected communities. Operation mitigation measures including the operation of wastewater treatment plants will be undertaken by the facility operator under supervision of Da Nang DONRE. The cost estimates for EMP implementation throughout the project is 144,000 US\$ including the cost of (a) monitoring program and (b) capacity development and training. The cost of mitigation measures is included in the construction cost.

Monitoring and supervision arrangements: The Da Nang PMU is responsible for EMP implementation and will report compliance as part of semi-annual progress reports submitted to IDA, copied to DONRE. Construction management consultants will supervise environmental compliance by the construction contractors. An environmental monitoring consultant (EMC) will be hired to provide monitoring of the overall project impacts and provide guidance to communities in environmental monitoring, to CMC in supervising environmental mitigation measures by contractors, training of PMU staff, and to assist PMU in implementing the EMP.

(iv) Capacity of the Borrower

In 1999, Da Nang PMU founded an environmental and social safeguards unit with 9 persons in which 2 persons are in charge of environmental safeguards and the rest are in charge of social safeguards. They have experienced safeguards training courses organized by the Bank and have good safeguards experience with Priority Infrastructure Investment Project (PIIP). This unit will continue with Da Nang Sustainable City Development Project (SCDP).

(v) Public Consultation

Public consultations were conducted in two rounds during project preparation. The first public consultation took place from 3 to 6 April, 2012 in 15 project communes and wards focusing on: (a)

disseminating information about the proposed project's objectives, description and potential impacts and (b) getting the preliminary agreement of the project-affected persons and local NGOs (including Women's Union, Farmers' Union, Fatherland Front, Youth Union and Veterans' Organization) on collaboration on dealing with potential environmental and social issues throughout the project implementation. The second public round of consultations was conducted from 13 to 17 August in 18 communes and wards, and detailed environmental and social impacts and mitigation measures identified were presented in order to get further comments from the project-affected groups and local NGOs. All comments and suggestions from such groups as well as responses of the project owner have been incorporated in the final draft EIA report. Further consultations are expected to be held throughout the project implementation as necessary to address EA-related issues that affect such groups. In addition, during the elaboration of the RPs consultations were held with stakeholders and affected population.

(vi) Disclosure

In order to ensure meaningful consultations the Da Nang PMU provided relevant material prior to consultations. As mentioned in a section above, the EIA report and RPs in Vietnamese language have been disclosed locally in project ward/commune people's committees, project district people's committees on April 3rd and October 8, 2012 respectively, and in Vietnam Development Information Center (VDIC) on October 12, 2012. The English version of the EIA and RP reports were disclosed in the World Bank InfoShop on October 18, 2012.

The EIA for Hoa Phuoc and Hoa Khuong road (revised alignment) has been disclosed locally at the project affected wards and districts and on the PMU website on February 13 2015. In addition, the submitted EIA has also been disclosed at the VDIC in Hanoi on Feb 13, 2015.

The revised EMPs for My Da Tay RA and Nguyen Tat Thanh road (increased width) have been disclosed locally at the project affected wards and districts and on the PMU website on April 08 2015. In addition, the submitted EMPs have also been disclosed at the VDIC in Hanoi on April 08, 2015.

The EIA for the DH2 and the updated EMP for the adjusted works using additional finance have been disclosed locally at the project affected wards and districts and on PMU website on March 18, 2016. In addition, these documents have been submitted to disclose in the Infoshop on March 21, 2016.

OP 4.11 Physical Cultural Resources (PCR)

The EIA and RP identified the presence of PCRs in the project areas (graves to be removed). Impacts on identified PCRs, associated mitigation measures and monitoring are addressed in the EIAs and EMPs. Additionally respective RPs have included adequate provisions to mitigate impacts on PCRs due to the project. No significant or non-reversible impacts on PCRs are expected. The EMPs also include clear guidance on the chance finds procedures to be followed, in line with Government regulations and consistent with Bank policy. Relocation of 382 graves will be conducted in full agreement with affected communities and families. The public consultation also included addressing adequately cultural and spiritual concerns.

Under two additional RPs prepared in 2014 (one for the revised alignment of Hoa Phuoc-Hoa Khuong road and another one for increased width of Nguyen Tat Thanh road and new My Da Tay resettlement site), there will be some cultural works to be affected. The consultations were held with the owners of these affected cultural works and graves and all of them have agreed to re-build the works in the same area after the civil work is complete, or relocate the graves to the city cemeteries or on their own land.

Additional Finance: For the affected PCRs covered by the two RPs extensive consultations with the affected households and communities was carried out. All local people and the communities agreed to relocate affected tombs to the city cemetery once they receive adequate financial assistance and allowances. The RPs have made adequate budgetary provisions for relocation of graves.

OP4.12 Involuntary Resettlement

During the project preparation, technical options were carefully analyzed in all components to minimize the scope of land acquisition and its consequent impacts. During project preparation and implementation, a total of six RPs and one due diligence (DD) were been prepared with an aim to mitigate adverse impacts and to ensure that all project-affected persons are able to restore their lost assets and improve or, at least restore their livelihoods to pre-project levels.

The RPs included: i) for 2.7 km of the Northern road funded by the City; ii) for the rest of the Project Components 1, 2 and 3; iii) for the supplement component 3 (Construction of extended Nguyen Tat Thanh road-Section 2 and My Da Tay Resettlement Site); iv) for construction Hoa Phuoc-Hoa Khuong Road; v) for the supplementary items DH2; and vi) for the adjustment items of the Project.

Consultation with project-affected persons encouraged meaningful participation by the project affected households and communities during the RP preparation. Public consultation also helped in reaching agreements on the project's intervention scope, proposed components, and proposed compensation and rehabilitations measures for project's impacts.

The Danang City PC is developing a total of five resettlement sites covering an area of 28.79 ha for relocation of project-affected households. These resettlement sites are located in 5 wards in three districts of the city. Three of the five resettlement sites (RS) have now been fully developed (include DT605 RS, Hoa Lien RS and RS in Hoa Quy Ward-Ngu Hanh Son District), and two remaining RSs are being developed with almost 75% of the work completed. Most of the consulted DPs have agreed to move to the mentioned resettlement sites. Of which, total number of 1,060 plots already allocated to 735 project affected households.

All compensation and land acquisition costs will be financed by counterpart funds and detailed as part of the RP reports. Up to date, 2156 households have received compensation and support (present 57.3% of total), and 1942 hh out of a total of 3762 affected households have already handed over their land for the project (representing about 51.6% of the total).

Independent Asset Appraiser (IAA) has conducted replacement cost studies and has submitted two reports. However, the approval by the City PC on the compensation prices for the DPs who have received compensation in 2015 is still pending. The studies recommended that the City provide cash to top-up the compensation amount to ensure the replacement cost. The City is also requested to pay compensation in cash at replacement cost, in addition to the allowances and assistance provided, to the households affected by partial loss of assets and who are not to be relocated. In addition, the city is also requested to implement the provision on providing assistance to the DPs, whose land compensation amount is not sufficient to buy a minimal land plot in the resettlement site as per the Gov. regulations, reflected in the approved RPs.

IAA will conduct an evaluation of resettlement implementation 6-12 months after the completion of all resettlement activities to assess whether or not the DPs have been able to restore their lost assets, livelihoods and incomes to pre-project levels. Additional resources will be provided for the

<p>hh who have not been able to restore their livelihoods and living standards to the pre-project levels.</p> <p>In accordance with the provision of the RPs, a Grievances Redress Mechanisms (GRM) has been set up to ensure accessibility to project-affected people to air their complaints, questions, concerns and problems and for timely resolution of grievances/complaints. As per the information available, as of March 2016, 65 of 71 DPs (91.6%) who raised their complaints have been solved and their resolutions have been reflected systematically in the monitoring reports. Most of these complaints relate to their demand for more resettlement land lots or cash supports.</p> <p>Implementation arrangements: the PMU, in collaboration and support of the City-related agencies, will assume the overall responsibility for implementation of the RPs. The PMU has had experience with implementing two Bank-funded projects, involving Bank's social safeguards and preparation and implementation of RPs. The City People's Committee will be responsible for providing the final approval for land acquisition, allocation and compensation rates. All compensation and land acquisition costs will be financed by counterpart funds.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p> <p>The Project's key stakeholders are Da Nang PMU, Da Nang People's Committees, Da Nang DoT, Da Nang DoC, the project's supervision and monitoring consultants, design engineers, and contractors, and local communities living in the project areas (especially households directly impacted by the project activities. Consultations with relevant stakeholders, especially affected groups and local NGOs (including Women's Union, Farmers' Union, Fatherland Front, Youth Union and Veterans' Organization) during the preparation of safeguards instruments such as EIA/EMP and SA, RP have been conducted to comply with World Bank policy requirements. Information on the project's objective, potential impacts, and relevant features of compensation and resettlement policy frameworks, were widely disseminated. A similar participatory approach will be pursued during project implementation to ensure project effective implementation.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	21-Mar-2016
Date of submission to InfoShop	21-Mar-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Vietnam	21-Mar-2016
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	10-Oct-2012
Date of submission to InfoShop	18-Oct-2012
"In country" Disclosure	
Vietnam	12-Oct-2012

<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is physical displacement/relocation expected?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] TBD [<input checked="" type="checkbox"/>]
Provided estimated number of people to be affected	
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] TBD [<input checked="" type="checkbox"/>]
Provided estimated number of people to be affected	
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

V. Contact point

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VII. Approval

Task Team Leader(s):	Name: Cuong Duc Dang, Mitsuyoshi Asada	
Approved By		
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Country Director:	Name: Ousmane Dione (CD)	Date: 16-Sep-2016