Public Disclosure Authorized

Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 07/12/2019 | Report No: ESRSC00704

Public Disclosure Authorized
Public Disclosure

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Vietnam	EAST ASIA AND PACIFIC	P171352	
Project Name	Sustainable Fishery Development Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
«PRACTICEAREA»	Investment Project Financing	1/10/2020	9/30/2020
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	Ministry of Agriculture and Rural Development		

Proposed Development Objective(s)
Improved management of and increased value-addition in targeted fisheries

Financing (in USD Million)	Amount
Total Project Cost	300.00

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]

The Gov. of Vietnam has proposed a new fisheries engagement to the World Bank, the Sustainable Fishery Development Project. The proposed project aims to develop and upgrade infrastructure, enhancing management capacity and value of products, developing sustainable fisheries. Specific objectives include: i) to develop infrastructure, and improve the capture fisheries efficiency; ii) to develop infrastructure for hatcheries, culturing key species (i.e shrimp, Tra/Cat fish, and so on), to improve productivity and quality and environmental protection; iii) to strengthen the capture fishery and aquaculture management capacity; iv) to apply and transfer advanced technologies for capture fisheries and aquaculture to enhance productivities, efficiency and climate change resilience; and v) to develop linkages and connections, and organize production chain, from capture/farming, processing, marketing through band development of key export products.

Public Disclosure

The total project cost is $350 million USD of which US$300 million is from IBRD and US$50 million from counter-part fund.
The project will be implemented in 9 provinces including Thanh Hoa, Quang Tri, Binh Dinh, Khanh Hoa, Ninh Thuan, Binh Thuan, Soc Trang, Bac Lieu, Ca Mau and Kien Giang. The MARD proposal also includes investments to be centrally managed by the MARD. The Project will be implemented during 2021-2025.

The Project includes the following components:

Component 1: Infrastructure and logistics development for sustainable capture fishery and aquaculture:
(i) Capture fisheries: development of key infrastructure, including fishing ports, storm-shelters, fishing vessel and catch information management and monitoring systems, facilities and devices for fishers to reduce postharvest losses and comply with the European Union's and international requirements to combat IUU
(ii) Aquaculture: development of basic infrastructure (i.e. supply and discharge canals, water supply and discharge treatment, power supply, transport road) for hatcheries and brackish water shrimp areas, and disease monitoring and warning system.

Under this component the project would invest in upgrading fishing port infrastructure at fishing hubs in Khanh Hoa and Kien Giang to reach the national status. The proposed investment also includes upgrading national fishing port, regional storm shelters, provincial fishing ports and storm shelters in Thanh Hoa, Quang Tri, Binh Dinh, Khanh Hoa, Ninh Thuan, Binh Thuan, Soc Trang, Bac Lieu and Ca Mau. Aquaculture infrastructure includes upgrading basic infrastructure for shrimp hatcheries, main brackish water shrimp farming areas in Ninh Thuan, Binh Thuan, Thanh Hoa, Soc Trang, Bac Lieu, Ca Mau and Kien Giang provinces.

Project activities managed by the MARD include upgrading the Regional Fisheries Monitoring Center (FMC) in Hai Phong (port, logistic center, training center) and upgrading infrastructure and equipment for broodstock production at the Research Institute for Aquaculture No. 1 (Hai Phong), Research Institute for Aquaculture II (Ba Ria-Vung Tau) and Research Institute for Aquaculture III (Khanh Hoa).

Component 2: Strengthening of management capacity and value addition. (i) Strengthening of management capacity for both capture fisheries and aquaculture; (ii) development of fisheries and aquaculture value chains and enhancement of value addition; and (iii) protection and development of fishery resources.

Under this component the project will support the transfer of advanced technologies for reducing post-harvest losses of catch and supporting shrimp hatcheries to apply management process technology to meet biosecurity standards, quality and disease-free seed, application of advanced technology to improve the efficiency of brackish water shrimp farming for reducing production costs, improving product quality, avoiding epidemies, protecting the environment and adapting to climate change. The project will also help to improve fisheries management capacity for complying with illegal, unreported and unregulated fishing (IUU) and upgrade the national database fisheries system for management.

Component 3: Project management. This component will focus on: (i) monitoring and evaluation and (ii) Component coordination.

Public Disclosure

Public Disclosure

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The project will be implemented in the 11 provinces: Hai Phong, Thanh Hoa, Quang Tri, Binh Dinh, Khanh Hoa, Ninh Thuan, Binh Thuan, Soc Trang, Bac Lieu, Ca Mau and Kien Giang. These coastal provinces belong to different ecological regions of Vietnam stretching from the North to South and from South to West Eastern regions. Among those, Hai Phong is located in the North region, the largest port and a fishery hub of the northern region. Thanh Hoa is located in the Central North region, with aquaculture being one of the key economic sectors of the province. Total aquaculture water area is 17,739, in which saline and brackish water is 7,700 ha and freshwater is 10,300 ha. Quang Tri is located in the North Central Coast region, with 75 km of coastline and has favorable conditions for fisheries development. Binh Dinh is a representative of mid Centre, which is highly developed on fishery capture, with the largest number of offshore fishing vessels in the country. There is a number of large lagoons in Binh Dinh namely Thi Nai, De Gi, Tra O. The Thi Nai lagoon (5,060 ha), with its high biodiversity value, is habitat of many species including water birds and migratory birds. Survey shows that the lagoon is home to a large number of species including 85 floating flora, 64 floating fauna, 181 benthic fauna, 136 algae and higher fauna, 100 mollusks, 14 prawn, 119 fish, 30 bird and two animal species. Khanh Hoa is a big fishing center in the South Central and one of the major tourist centers of the country. Ecosystems found in Nha Trang are diverse; these are coral reef, wetland, mangrove forest, seaweed, estuary, island and coastal ecosystems. Hòn Mun island has the highest biodiversity, with about 350 coral species, which account for 40% of coral species presents in the world. Ninh Thuan and Binh Thuan are located in Central South Region and are localities with a large number of fishing vessels in the Central South region. Kien Giang is a large fishing center in the proximity of the Southwestern fishing ground. The provinces of Soc Trang, Bac Lieu and Ca Mau are key areas of brackish shrimp farming in the Mekong Delta Regions. Coastal forest of Soc Trang is allocated along the narrow strip of land from Vinh Chau to the Hau river mouth with high biodiversity. There used to be about 20 plant species which belong to 16 families, mostly mangroves, eucalyptus, mắm, bần, etc. Waterfowls, mammals, etc. were also found. There are two main types of forests in Ca Mau, which are mangrove forests (62,436 ha or 63%) and acacia (melaleuca 36,156 ha 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.

As of 2016 (GSO data), the 11 provinces where the project area is located had a population of 15,893 thousand people. Population distribution is concentrated in cities/towns in the plains and coastal areas (344 persons/square km), where major economic activities, such as agricultural production, animal husbandry, aquaculture production and fishery exploitation take place. The major ethnic groups of the 11 project provinces have distinct religious and cultural traditions including the majority Kinh, the Khmer (Soc Trang, Bac Lieu, Ca Mau, Kien Giang), the Muong, Thai, H'Mong (Thanh Hoa), Van Kieu (Quang Tri) and smaller groups of Sino-Vietnamese ethnic Hoa (Soc Trang, Bac Lieu, Kien Giang) and ethnic Cham (Ninh Thuan, Binh Thuan). For populations in the project provinces, in addition to diversified agriculture production, aquaculture plays an essential role and contributes an increasing proportion in the economic structure.

D. 2. Borrower's Institutional Capacity

At the central level, the Ministry of Agriculture and Rural Development (MARD), governing the fishery industry, will be involving in development of infrastructure under central management, institutional and capacity development for national fishery industry. MARD has considerable experience in the implementation of World Bank financed projects,

and has experience managing environmental and social risks under the previous Bank's safeguards policies. At provincial level, the provincial authorities of Hai Phong, Thanh Hoa, Quang Tri, Binh Dinh, Khanh Hoa, Ninh Thuan, Binh Thuan, Soc Trang, Bac Lieu, Ca Mau and Kien Giang, the Provincial People's Committees and its departments (DARD as executing agency, DPI, DONRE, DOF) will be responsible for project implementation. Their responsibilities will include land acquisition, resettlement and compensation within their administrative jurisdictions. All the 11 project provinces have experience in implementing a World Bank funded project, and their relevant departments are with Bank safeguards requirements. However, none of these agencies have experience in preparing and implementing a project under the Environmental and Social Framework (ESF), implying that, training and capacity building is required. For example, they are not familiar with the concept of proportionality and adaptive management of the ESF. Also, as most Borrowers, the project counterparts will need to familiarize on new content and concepts of the ESF, e.g. on labor management, community health and safety, environment, health and safety (OHS), modified natural habitats and the requirements for systematic stakeholder engagement. Their capacity for ESF implementation will need to be strengthened on the institutional level (inter-agency coordination and additional human resources) and targeted training programs focused on environmental and social risk management professionals, which can be provided by Institute for Natural Resources and Environmental Training, currently receiving support from the WB as a Safeguards and Standards Learning Center, under the DFAT financed trust fund. There are additional social risk management requirements specified by the new ESSs. Furthermore, the responsibility for land acquisition and resettlement lies principally with district government units, who may not have the capacity to deliver the land required for the project in a timely fashion. The Bank team also expects a significant increase in Borrower's demand for continuous support in environmental and social risk management during preparation and implementation, as compared to the previous safeguard policies, and anticipates that this will require additional resources and may affect the preparation time.

Considering the new ESF requirements, the limited E&S capacity in several of the provinces, and the complexity of the institutional arrangements, an ESF capacity needs assessment should be undertaken during project preparation to analyze the Borrower's and other implementing agencies' capacities more systematically and to identify opportunities for strengthening and enhancing coordination. This needs assessment will be a joint effort between MARD and the Bank team and could include the activities related to E&S management: identification of key tasks for E&S risk management; 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. The recommended capacity development actions emerging from this needs assessment will be incorporated into the proposed project's Environmental and Social Management Plan (ESMP) and the Environmental and Social Commitment Plan (ESCP), as appropriate.

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 relate to the investments under components 1 and 2. The investments under component 1 include: (i) construction and upgrading of two driving-force fishing ports in Kien Giang and Khanh

Public Disclosure

Hoa provinces; type I (about 4.0 ha) and type II (about 2.5 ha) fishing ports, and regional/provincial storm shelters; (ii) construction/upgrading basic infrastructures (water supply, drainage, roads, electricity, canal dredging) for shrimp hatcheries, and brackish shrimp culture areas provinces; (iii) upgrading the Region 1 Fisheries Surveillance in Hai Phong (Port, logistic/training center, etc.); (iv) upgrading infrastructures and providing broodstock equipment for selected aquaculture research institutes. The investments under component 1 are mostly of medium scale, including the 55 ha and 15 ha fishing ports in Kien Giang and Khanh Hoa, respectively. The port embankments are of small to medium scale from tens to more than a thousand meters. There may be small encroachment of surface water during the construction of fishing ports (from 0.5 to 2.4 ha). The proposed investments will be located in the existing or planning area for provincial fishing ports and shrimp cultural areas and are not expected to have adverse impacts on critical natural habitats or forests, archaeological or historical sites. Much of the project will take place in modified habitats, or in areas that are already anthropogenically impacted, such as ports with associated industrial infrastructure. Under the component 2, the project will support the transfer of advanced technologies to capture fishery, production of shrimp culture and farming at the provincial level.

The project will bring about numerous environmental benefits i.e. positive impact on waste/wastewater management via investments and better regulatory enforcement, minimized damage caused by storm, and - via better efficiency - reduced the amount of discarded catch. The main adverse environmental risks and impacts during construction would be associated with the construction/upgrading of fishing ports; moderate scale dredging and generation of considerable amount of dredging materials at the ports and shrimp culturing areas; safety risk of UXOs; temporary waterway and road traffic disturbance; water quality degradation and impacts to aquatic species due to during dredging process. These risks and impacts are mostly temporary, predictable, and reversible. The main risks and impacts during operation would be associated with operation of fishing ports; cultivation/breading shrimp and other aquacultures; contamination of aquatic systems and water quality due to the generation of significant amount of organic waste and waste water; oil leakage from fishing vessels, residuals of hazardous materials and chemicals during the operation of these facilities. The project is not expected to generate a large volume of hazardous waste during construction and operation. Given the project investment type, location, sensitivity and scale, and the nature and magnitude of the potential environmental risks and impacts, the project environmental risks are classified as substantial at this stage. However, this risk rating can will be revisited during preparation upon availability of more information and analysis.

Social Risk Rating Substantial

In line with the World Bank ESF guidelines the social risks/impacts rating for the project are classified as Substantial. It is expected that the project proposed activities will have positive social impacts by financing fishery infrastructures and equipment, application of advanced technologies in aquaculture, logistic services, improving capture fishery efficiency and reducing post-harvest losses, reduce disease and improve blackish shrimp productivity, quality, efficiency and resilience to climate change. The project investment by its objectives will contribute to creating jobs, forecasting that by 2025, the whole fisheries sector will create jobs for 5 million laborers, of which 0.6 million are laborers working in aquaculture, seafood processing workers are about 0.7 million, and 0.2 million workers are fishery logistic services. Although the construction and upgrading of infrastructure (two large fishery hubs in Khanh Hoa and Kien Giang, and other fishing ports grade I and II, and storm shelters) to reach the standardized scale, may require land acquisition, and there may be a need for relocation of households, as well as a restriction to access in relation to infrastructures and livelihood opportunities activities. Considering the volume and complexity of land acquisition and resettlement required, the number of contracted workers to be mobilized, and the range of other social impacts and

Public Disclosure

risks identified in the desk review and assessment a substantial social risk rating is justified. Given the scale of the proposed infrastructure, it was expected a potentially significant risks/impacts by the influx of labor to project areas. These interventions may also have impacts on community health and safety such as road safety and transmission of STDs. These impacts will be occurring across a wide geographical area, affecting ethnically diverse populations and a wide array of fishery-based livelihood activities. Also, although the implementing agency has experience in successfully applying the World Bank's involuntary resettlement policy in previous bank financed projects, there are additional social risk management requirements specified by the new Environmental and Social Standards of the World Bank. Furthermore, the responsibility for land acquisition and resettlement (a major factor contributing to the substantial social risk rating) lies principally with district government units, who may not have the capacity to deliver the land required for the project (including resettlement sites) in a timely fashion.
Capacity and commitment of the Borrower to manage risks and impacts in a manner consistent with the ESSs.

The relevant stakeholders include relevant Government counterpart at central level i.e. Ministry of Agriculture and Rural Development (MARD) and at local level Provincial People Committees (PPCs). The country policy, legal and institutional framework, applicable to the Project sector are expecting to be consistent with the ESSs to a large extent. MARD and 05/08 participating provinces i.e. Thanh Hoa, Binh Dinh, Khanh Hoa, Ca Mau, Soc Trang were participated in the previous Coastal Resources for Sustainable Development Project (CRSDP) and have been familiar with the Bank safeguard policies. Other than that, the provinces Ninh Thuan, Bac Lieu, Kien Giang, Binh Thuan have less experience regarding safeguard implementation in fishery sector. No staff from central or local levels has been trained on ESF.

Other areas of risks that may be relevant. Of the participating provinces, Soc Trang, Bac Lieu and Ca May 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.

Public Disclosure

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:

As part of E&S screening, the team has reviewed a number of relevant documents, including project concept note, available draft subproject proposals for Binh Dinh, Binh Thuan Khanh Hoa, Kien Giang, Soc Trang and Ca Mau provinces; list of proposed provincial investments, decision 1976/2016 of Prime Minister on approving master plan on the system of fishing ports and storm shelters through 2020, with visions to ward 2030; Decree No 80/2012 of Government on management of fishing ports and storm shelters.

The potential adverse risks and impacts on human populations and/or the environment are likely to be substantial. The main environmental risks and impacts are related proposed investments under the components 1 and 2 of the Project. The main risks and impacts during pre-construction and construction include: (i) safety risk relating to UXO; (ii) pollution impacts related to the generation of dust, waste, and wastewater; (iii) water and soil pollution risks and impacts to aquatic life due to improper management and disposal of potentially considerable amount of dredged materials; (vi) risks of erosion and subsidence during the construction of embankment, ports, and storm shelters; (v) disruption of waterway traffic and traffic disturbances due to transportation of leveling and excavated materials; (vi) risks to health and safety of local people and construction workers. The key environmental risks during operation may

relate may relate to (i) threat to biodiversity due to conversion of natural habitats such as removing mangroves for shrimp areas; (ii) contamination of aquatic systems due to chemicals/medicine usage for shrimp cultivation/breeding area. In addition, the other risks during operation may include the increased waterway traffic at the constructed fishing ports; subsidence risk to port infrastructures during operation; operational risks relating to improper management and failure of WWTP at the fishing ports and shrimp cultivation and breeding culture areas causing water pollution.

The main social risks and impacts are related to the upgrading of fishing infrastructure/equipment (Component 1), adoption of advanced technology (Component 2), and productivity improvement and livelihoods related fishing activities. These would include: (i) loss of lands, assets on land, livelihoods, and other properties due to permanent and temporary land acquisition and relocation (households and/or businesses); (ii) disruption in the livelihood activities of farmers and fishers (due to construction and operation of fishery infrastructure, and improved enforcement capacity); (iii) labor influx and related risks of community safety and disruption; (iv) increase of water use conflict between rice farming and brackish water aquaculture; (v) farmers' resistance to adapting in livelihood models; (vi) risk that failure of livelihood models adversely impacting welfare of beneficiary households (vii) uneven access to project benefits among vulnerable groups such as poor households, female headed households, and ethnic minority households (viii) relocation of graves; and (ix) risks to human health due to potential use of antibiotics/medicines in livelihood activities. There are also the risks of inadequate horizontal and vertical inter-coordination among implementing agencies at central and provincial levels. Although the potential impacts/risks of the proposed project are diverse, they are all manageable and could be mitigated/compensated through appropriate environmental and social assessment and mitigation plans to be developed during the project preparation or implementation. The project will be likely has following risks to increase GBV: (1) Sexual harassment, resulting from potential recruitment of men for civil works required to rehabilitate or construct fishery infrastructure/facilities that will work alongside women; (2) Sexual exploitation and abuse or sexual violence, as workers interact with extremely vulnerable women and children from the communities; (3) Intimate partner violence due to women's participation in decision-making and economic development opportunities that might challenge traditional gender norms about women's expected role in society. The ESMF will include requirements for screening for these risks, as well as assessing and mitigating their impacts for sub-projects and activities to be financed by the project, once they are identified.

Since the project involves numerous activities/subprojects that are not identified and thus the risks/impacts cannot be determined during project preparation, an Environmental and Social Management Framework (ESMF) will be prepared during preparation. The ESMF will set out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts and preparation of safeguards instruments during implementation. The ESMF will provide the overarching environmental and social management guidelines, and include the identification of potential impacts, proposed mitigation measures as well as the development of environmental and social screening tools and protocol to be adopted by the Borrower and applied to each sub-project and subsequent preparation of appropriate sub-project Environmental and Social Assessment (ESA) instruments, such as ESMPs during project implementation. In addition, depending on significance of impacts of a subproject, relevant ESA instruments will be prepared for investments that are identified during the preparation period. ESA instruments will be presented in a separate document from the ESMF. The ESA instruments could either be an Environmental and Social Impact Assessment (ESIA) or an ESMP; and will follow requirements of the relevant ESSs in identifying and managing the environmental and social risks and impacts including direct, indirect, and cumulative impacts. The ESA will also

Public Disclosure

identify and assess, to the extent appropriate, the potential environmental and social risks and impacts of associated facilities if they exist. An ESMP will be prepared either as an integral part of ESIA or as a stand-alone document for each subproject. The ESMP will consist of a set of mitigation, monitoring, and institutional measures to be carried out during project implementation and operation to avoid adverse environmental and social risks and impacts, offset them or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement the measures. The project implementing agencies will: (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; (c) describes the means for meeting those requirements following the outline of an ESMP and/or ESMF included in ESS1 – Annex.

To sum up, in line with ESF requirements, the Borrower will develop by appraisal (i) the first ESCP which could be adjusted during the project life keeping with the evolution of environmental and social risk and impact; (ii) a draft stakeholder engagement plan (SEP); (iii) a draft ESMF which cover all ESSs except ESS9; (iv) draft ESIAs/ESMPs for identified investments of provincial subprojects; (v) a draft Resettlement Policy Framework (RPF); (vi) RAPs for identified investments, (vii) a draft GBV/SEA action plan, and (viii) review the existing grievance mechanism (GM) against ESF requirements.

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.

Public Disclosure

ESS10 Stakeholder Engagement and Information Disclosure

Key stakeholders include a wide range of national, provincial and local agencies who engage in the sustainable fishery infrastructure development, facilitate the sectoral institutional and capacity development, promote sectoral added value to reach the quality-focused development. These include the project implementing agency, Ministry of Agriculture and Rural Development (MARD), and provincial and level branches (PPCs, DARDs), the agency responsible for monitoring and management of natural resources, Ministry of Natural Resources and Environment (MONRE), people with livelihood in aquaculture and fisheries. Collaboration with local administrations (including PPC, DARD, DPI, DOF and relevant district people's committees) will be crucial for ensuring project management and implementation to required standards. In addition, other interested parties include media, research institutes/academies, local/international NGOs and development partners (GEF, EU, NORAD, CFI-CF, the Government of the Netherlands) working in the same area; mass organizations such as the Fatherland Front, the Women's Union and the Farmer's Union. The Bank team will collaborate with the Borrower in identifying "disadvantaged or vulnerable" project-affected individuals, including fisher people and those working in the fishing industry, or groups during stakeholder identification and analysis. A stakeholder engagement plan (SEP) will be developed for this project, to ensure transparency and meaningful consultation with the affected and interested parties. Stakeholder engagement and consultations will be conducted throughout the project cycle. This will include discussions of project design and impacts among potential beneficiary communities, as well as provincial level multi-stakeholder discussions on these issues during the preparation phase. 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 along the pace of project implementation. A project-wide Grievance Redress Mechanism (GRM) will be established in coordination with localized grievance redress processes in order to ensure that concerns are captured and addressed by the Project Management. The SEP, GRM, ESCP and other relevant tools will be disclosed in a timely manner, in an accessible place, and in a form and language understandable to project-affected parties and other interested parties as set out in ESS10, so they can provide meaningful input into project design and mitigation measures.

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

With the proposed investments, it is expected that project activities will require the use of project workers (mostly locally sourced) to support the project management, and the construction/rehabilitation/upgrading of existing fishery infrastructure/facilities (fishing ports, storm shelters, hatcheries). Project workers may include direct workers, contracted workers, and primary supply workers. It needs more information to specify the primary supply workers who will be employed or engaged, providing goods and materials to the project. This will be clarified in the further stage where the proposed project interventions will be identified. There is not the practice nor experience, or practice, of conducting due diligence on labor and working conditions among potential sources of goods and materials. Therefore, a monitoring procedure will need to be in place prior the commencement of works, to ensure compliance with national laws and ESS2. In addition to labor management procedures, and primary supplier monitoring systems, the implementing agency will develop OHS procedures, a GRM specific to labor and working conditions, and a system for monitoring third party contractors compliance with agreed OHL and LMPs.

A labor management procedure applicable to the project will be required, and prepared prior to start of works, and incorporated into the bidding documents for civil works and consultancy contract. These procedures will set out the way in which project workers will be managed in accordance with requirements of national laws and ESS2. Labor issues, which are likely to be mainly occupational and community health and safety risks and worker conduct, will be addressed in the bidding documents to comply with government regulations and the standards of ESS2. The project will put measures to ensure nondiscrimination and promote gender sensitivity in the recruitment process of consultants or specialized workers needed during the implementation of proposed project. In addition, efforts will be made to manage the potential labor influx by developing a labor influx management strategy. The Borrower will develop and implement (i) required labor conditions as part of Labor Management Plan (LMP); (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. Mitigation measures to manage potential risks of GBV and SEA as a result of the project will be included as part of the ESMF and subsequent ESIA/ESMPs, SEP and RPF. The LMP, GM and the Code of Conduct will be part of the bidding documents for construction. Occupational health and safety (OHS) risks and impacts are expected related to implementation of the Component 1 fishery infrastructure/facility development and Component 2 application of advanced technologies. In particular, risks are expected related to unskilled labor related to infrastructure works and potential farm-related labor, which could include exposure to pesticides. The LMP will include assessment of OHS risks and impacts related to project activities

Public Disclosure

as they are defined through preparation and proposed measures to manage those risks – in parallel with project ESA instruments.

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 in the activities under component 1 - Infrastructure and logistics development for sustainable capture fishery and aquaculture; and component 2 - Strengthening of management capacity and value addition. Given the type and scale of the project, a considerable amount of resources (e.g. water energy used during operation of vessels and fishery facilities) and construction materials will be required, and the adverse impacts on human health and environment are expected to be moderate to substantial. Nevertheless, risks and impacts related to the release of pollutants, waste generation, the management and disposal of dredged materials and hazardous waste, management of medicines and chemicals, impact on community, and resource use efficiency will be assessed, and mitigation measures will be proposed during project preparation. The dredged materials from existing ports and channel in shrimp cultivating areas could be polluted with organic substances or naturally polluted by acidic sulphate. 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 subproject. Dredged material management plans (DMMPs) will be prepared and included in the project ESMF and provincial subproject ESMPsIAs. 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 EHSG).

Public Disclosure

Contamination of aquatic systems during operation by chemical residues may include the remains of veterinary drugs (e.g. antibiotics) that may have been applied to the cultivated species, and toxic substances such as formalin and malachite green, a cancer-causing agent, that may have been that are used to treat finfish for parasites and their eggs for fungal growth. Risk of exposure to hazardous materials and chemicals such as a variety of chemicals may be used in the operation of an aquaculture facility to treat and/or control disease organisms or to facilitate production (e.g. lime, diluted chlorine, or salt). To mitigate these risks and impacts, an Integrated Pest Management Plan (IPMP) will be developed as part of the ESMF and subproject ESMPsIAs. Furthermore, waste management procedures will be included in the ESMF and subsequent ESMPs. During the ESA process of each subproject, if it is determined that each subproject will produce significant emissions due to exhaust gases during construction and operation, 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 EHSG 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.

ESS4 Community Health and Safety

The aspects of community health and safety that needs to be considered during the preparation include risks to human health and safety associated with operation of port infrastructures and cultivating/breeding shrimp farm; waterway and road traffic safety during the construction and operation of fishing ports; community safety associated with the sustainability of infrastructures like embankments and ports; and disposal of excavated sludge; impacts to

provisioning or regulating ecosystems (e.g. fish catch, water supply irrigation canal, or mangrove area may be removed for shrimp farm). Therefore, standard measures in the WBG EHSG to ensure the community health and safety of communities during the construction of operation of project financed infrastructure will be considered. These include general facility design and operation, communication and training, and the measures to address physical hazards, chemical hazards, personal protective equipment, special hazard environments, and monitoring. The potential increase of traffic risks and negative effects on road safety will be assessed during the ESA process, and a traffic management plan will be developed and incorporated as part of ESMP. The impacts on provisioning and regulating ecosystem will be assessed and addressed during the ESA process. The quality of dredged sludge will be analyzed and identification of sites for safe disposal of sludge will be conducted as part of ESMP, with suitable deposits confirmed and ready before dredging works may start. The transport management plan for the dredged sludged will be developed for part of the DMMP. The impacts and risks relating to the surface water encroachment at the port of each subproject will be examined via hydrological and/or hydraulic studies and the results will be reflected into ESA process. Mitigation measures will be incorporated into the port design and ESMP to ensure that the drainage capacity of the stream would not be affected, and the sustainability of the constructed investments are ensured. However, the need for additional measures of this ESS will be further assessed during project preparation as part of ESA process.

Civil works may result in the presence of workers and/or influx of opportunistic migrants. Depending on the scale of each subproject, a moderate or significant number of workers will be required for construction sites. This has the potential to result in impacts to community health. Gender-based violence (GBV), sexual exploitation and abuse (SEA), and the spread of sexually transmitted and communicable diseases, may occur especially as some of the communities are depending on relatively precarious livelihoods of aquaculture and fishing, etc. During the 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 in project design. These activities will be incorporated into the ESMF the project, and ESIAs of provincial subprojects, and (where relevant) into the bidding documents for civil works to be financed under the project. In line with ESF requirements, the Borrower will consider these aspects into the ESMF and ESIAs/ESMPs.

Public Disclosure

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

While the bulk of the civil works will take place within the confines of existing fishery infrastructure/facilities (fishing ports, fishery surveillance, storms shelter, brackish shrimp farming areas, equipment for bloodstock) for the improvement/upgrading, the construction and upgrading of infrastructure for the two large fishery hubs in Khanh Hoa and Kien Giang, and other fishing ports grade I and II, and storm shelters) to reach the standardized scale, may require significant land taking leading to the relocation of households and restrictions to access in relation to infrastructures and livelihood opportunities activities. There may also be land acquisition requirements associated with the disposal of sludge from works to upgrade canals leading to a permanent loss of crops, trees and land-affixed assets. Permanent acquisition of agricultural/aquaculture/water surface areas and the permanent disruption of business activities, and temporary land disturbance is also possible. There is also a risk of temporary restrictions in access to aquaculture and fishing activities, and residential establishments, which could affect people's livelihoods. Restriction of access to fisheries could also result from measures to improve fisheries management capacity for

complying with illegal, unreported and unregulated fishing (IUU) that will be supported. The land acquisition requirements and impacts on livelihood and also, the range of potential impacts (on land affixed assets, commercial operations, fisheries-based livelihoods) have the potential to be significant.

At this early stage, the locations of lands to be acquired, the scale and scope of impacts are not clearly determined. However, 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. A Resettlement Policy Framework (RPF) will be prepared during the project preparation which will need to be ready before project appraisal. The RPF will include the procedures, provisions, and guidelines for the preparation of specific Resettlement Action Plans (RAPs) to be prepared once the project location and impacts are known. For identified subprojects, RAPs shall be developed prior to appraisal. The RPF and RAPs (included, if needed, Livelihood Restoration Plans) 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. An important component of the RPF will be the analysis of alternatives. Using the mitigation hierarchy, the first level of engagement will be to explore opportunities to reduce the impacts of the project described before. Given there is a risk of restrictions in access to aquaculture and fishing activities, and residential establishments, which could affect people's livelihoods, the RPF will include a process framework to address potential impacts as a result of access/use restrictions.

Public Disclosure

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project activities will be carried out on the existing canals and rives, which are used as waterways for fish capturing; and water supply and drainage for fishery cultivating and breeding. These rivers and canals can be considered aquatic ecosystems and home for aquatic species, but would be classified as modified natural habitats under ESS6, para 19. The proposed investments would be located in the existing or planning area for provincial fishing ports and shrimp cultural areas. As such, they are not anticipated to be located within critical natural habitats or forests, and/or at the area of high biodiversity value. However, the environmental risks and impacts during operation may relate to threat to biodiversity due to conversion of natural habitats. For example, the practice of capturing females, eggs, fry, juveniles, or even fingerlings from the wild for the purpose of stocking aquaculture systems may threaten ecosystem biodiversity.

The relevance of this ESS will be further discussed and assessed during project preparation. Mitigation measures will be in place to protect or minimize the adverse impacts to aquatic ecosystems during construction (e.g. increased water turbidity, accidental pollution from spillage of construction materials and chemicals). In addition, the project will avoid any interventions that have impacts on critical habitats through application of the E&S screening tool as part of the ESMF – no project activities will be financed that have significant impacts on NH. Sustainable capture fishery and aquaculture will be assessed as well as their potential impacts on local or nearby communities and mitigation measures will be incorporated into project design and ESA process. The Borrower will conduct the environmental and social assessment in accordance with requirements of ESS6 during project preparation and implementation. At minimum the ESA process during project preparation will include potential risks and impacts to natural habitats (including modified and critical) from the various project activities, including potential direct and

indirect impacts on key biodiversity receptors. The risks and impacts on biodiversity and aquatic ecosystem will be assessed as part of ESA process.

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

An initial screening of the 11 provinces where the project activities will take place confirmed the presence of ethnic minority groups. The project provinces have significant populations of ethnic minorities (Khmer, Cham, Thai, Muong, Van Kieu, H'Mong) where the EMs present 99 percent of Bac Lieu, 54 percent of Ninh Thuan, 92 percent of Binh Thuan, 15 percent of Kien Giang province. Next to the majority Kinh population, the Khmer are the second largest group and reside mainly in rural lowland areas. These ethnic groups are living intermixed with the majority Kinh people however their economic development is described lagging behind. Ethnic livelihoods of the Khmer rely mainly 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). Their livelihoods may be vulnerable to intensive aquaculture (such as shrimp farming), if they are taking place adjacent to aquaculture operations. Similarly, Khmer and other EM households may be at a disadvantage in terms of their capacity to adopt the new technologies being promoted under the project. Government poverty reduction policies for Khmer households focusing on income diversification, access to education. Since the project is expected to bring positive impacts to the local communities including the EMs by improving their access to sustainable aquaculture technologies, reduce aquaculture disease risks, and improve management of coastal resources, thereby helping sustain local livelihoods. However, in the circumstance where high populations of EM are present (i.e. the Khmer in Bac Lieu, Soc Trang and Kien Giang, the Cham in Ninh Thuan and Binh Thuan coastal areas), their sources of livelihoods may be potentially negative affected by the acquisition required for upgrading of infrastructure activities, access restriction of livelihoods activities, change of livelihood methods.

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 procedures and circumstances for preparing Indigenous Peoples Plans and the application of FPIC will be discussed in the appraisal stage ESRS.

ESS8 Cultural Heritage

Given the nature, scale, and location of the project, it is not expected to cause significant adverse impacts on tangible and intangible cultural heritage. However, the relevance of this ESS will be further discussed and assessed during project preparation as part of ESA process. As the project would involve significant scale of excavation/dredging activities, the ESA will include a chance find procedure for physical cultural heritage that may be affected during project implementation, as well as a screening process to minimize possible impacts on cultural heritage and will be included in the relevant ESMPs and construction contracts. The ESA will also include a procedure for the relocation of graves.

Public Disclosure

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

Of the participating provinces, Soc Trang, Bac Lieu and Ca Mau 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 Project investments in Soc Trang, Bac Lieu and Ca Mau provinces will be implemented on a number of canals and rivers belonging to basin of Mekong river, an international waterway. The proposed projects will involve the embankment and dredging activities, wastewater treatment, water supply activity , which may affect the water quality or quantity of these watercourses.
In addition, the infrastructures for the operation of Fisheries Surveillance in Hai Phong are located on the bank of Bach Dang river, belonging basin of Thai Binh and Red River system. Red River is an international waterway. These activities include the construction of fairways, wharves, berths for fishing vessels, working houses, equipment for logistics, training center, equipment to monitor fishing vessels, which may also affect the water quality of these water courses.
The policy is triggered as project interventions may impact these canals and rivers which are tributaries of Mekong and Red rivers, international waterways. The determination on exception to the notification or notification will be made during Project preparation.

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

N/A

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

Actions to be completed prior to Bank Board Approval:

- Complete Environmental and Social Management Framework (ESMF)
- Complete subproject E&S Assessments and Plans (ESIAs, RAPs, EMDPs etc.) for investment identified and confirmed during preparation

Public Disclosure

- Complete the Resettlement and Ethnic Minority Development Frameworks for investments that have not been identified during preparation
- Complete the Stakeholder Engagement Plan (SEP)
- Complete the Labor Management Procedures (LMP) and Grievance Mechanism for project workers
- Complete the Environmental and Social Commitment Plan (ESCP)

Prior to project appraisal, disclose the SEP, RPF, EMPF, ESMF, and ESCP in a timely manner, in an accessible place, and in a form and language understandable to project-affected parties and other interested parties as set out in ESS10, so they can provide meaningful input into project design and mitigation measures.

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
- Adequate allocation of resources (human, finance) for application/implementation of ESF, ESSs and relevant instruments
- Commitment to prepare and implement a capacity build plan with strong focus on application/implementation of ESF, ESSs and relevant instruments
- Complete the Ethnic Minority Development Plans and a dedicated Grievance Mechanism per requirement of ESS7 for investments not identified during project preparation (para 13)
- Preparation of Site-Specific Resettlement Plans and establish associated grievance redress mechanism for investments identified during project preparation.
- Develop and Implement a Project Level Grievance Redress Mechanism
- Development of a detailed GBV/SEA Action Plan
- Development of a labor influx management strategy for the major infrastructure project activities
- 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 ESMF.

Public Disclosure

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 01-Nov-2019

IV. CONTACT POINTS

World Bank

Contact:	Binh Thang Cao	Title:	Sr Agricultural Spec.
Telephone No:	5794+6124 /	Email:	tcao@worldbank.org
Contact:	Lan Thi Thu Nguyen	Title:	Senior Environmental Economist
Telephone No:	5777+8277 /	Email:	tnguyenthi@worldbank.org
Contact:	Diji Chandrasekharan Behr	Title:	Sr Natural Resources Econ.
Telephone No:	5777+7341 /	Email:	dchandrasekharan@worldbank.org

Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: Ministry of Agriculture and Rural Development

V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s):	Binh Thang Cao, Lan Thi Thu Nguyen, Diji Chandrasekharan Behr
Practice Manager (ENR/Social)	Susan S. Shen Recommended on 11-Jul-2019 at 07:42:41 EDT
Safeguards Advisor ESSA	Peter Leonard (SAESSA) Cleared on 12-Jul-2019 at 20:04:5 EDT

Public Disclosure