



# Concept Environmental and Social Review Summary

## Concept Stage

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

Date Prepared/Updated: 07/09/2020 | Report No: ESRSC01481



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Vietnam	EAST ASIA AND PACIFIC	P174156	
Project Name	Integrated Resilient Development Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	12/9/2020	5/14/2021
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	Provincial Projects Management Unit of Khanh Hoa, Provincial Projects Management Unit of Quang Nam, Provincial Projects Management Unit of Phu Yen, Provincial Projects Management Unit of Binh Dinh		

Public Disclosure

Proposed Development Objective(s)

To increase access to resilient infrastructure services and to strengthen institutional capacity on disaster-resilient development planning and management in selected provinces of the South-Central Coast Region in Vietnam.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>430.00</b>

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

No

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



The Integrated Development Project will support investments in the provinces of Quang Nam, Binh Dinh, Phu Yen and Khanh Hoa to strengthen the resilience of key infrastructure services. Located in the South Central Coast region which is highly susceptible to climate change and natural disasters, the three project provinces are currently preparing their respective medium-term SEDPs that are expected to align with the central government’s forthcoming SEDP for 2020-2030, which calls for “proactive policies (to) be adopted to respond to climate change and mitigate natural catastrophe impacts.” Hence, the provinces are increasingly prioritizing investments that will reduce the exposure of key economic assets and vulnerable communities. As consistent with approved provincial master plans, the proposed project will provide financing for resilient infrastructure that will help the project provinces improve access to resilient infrastructure services that will: (i) benefit the bottom 40 percent of the population; (ii) support continued socio-economic growth (e.g., by provincial economic development strategies, removing infrastructure constraints, improving connectivity, facilitating local job creation, etc.); and (iii) promote women’s opportunity to access paid work.

#### D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

Quang Nam, Binh Dinh, Phu Yen and Khanh Hoa are coastal provinces in southern coastal region of Vietnam, the area highly susceptible to climate change and natural disasters. Each province is accessible through an airport located in each capital city, national highway or railway.

Quang Nam consists of Tam Kỳ (capital) and Hội An cities, Dien Ban town and 15 districts with a total population of 1.5 million people. Tam Ky has the large Chu Lai economic zone. Hoi An is an economic-cultural and tourism center. Poverty incidence is low, at 1.7% in Tam Ky and 0.3% in Hoi An. The Vu Gia- Thu Bon, the Tam Ky, and the Truong Giang rivers, Cửa Đại and Cửa Lở estuaries are in the main river systems in the province. The rivers are shorts and steep River bed sedimentation and river mouth narrowing has been happening under natural processes and human activities. Flush flood water and prolonged inundation have caused serious losses to human life and infrastructure. Quang Nam proposed to dredge 67 km of Trường Giang river and building 40km coastal road .

Binh Dinh comprises of Quy Nhon City and 9 districts with total 1.6 people with poverty rate of 0.26% in 2019. Quy Nhon City, located at the province’s southern end, is a core urban centre in the south-central focused economic zone. The 131 km long coastal road plays an important role in promoting socio-economic development, some sections has been under construction. Traffic jams have been issues on road 639 at the western edge of Quy Nhon. The Duong Thien watergate has been deteriorated thus affecting its water regulatory functions. Improving connectivity and flood storage/drainage has been the province’s priorities. Therefore, Binh Dinh proposed to construct coastal and urban roads, upgrade the Duong Thien watergate, rehabilitate the TX5 canal, dredging of the Trau stream and Bau Lac lake . Phu Yen consists of Tuy Hoa city, Song Cau Town and 7 districts. Topographically, the province is divided by hills and mountains (70% of total land area). Sand blowing, coastal erosion, rivermouth sedimentation, salinity intrusion are among of the issues that the province has been facing. Additional pressures come from human activities such as urbanisation . Currently, waste collection coverage is at 55% and lower in rural areas. The project proposed to build a coastal road and 3.5km of sea dyke in Tuy Hoa City (107km<sup>2</sup> and 202,030 people) and Tuy An District (415km<sup>2</sup> and 125,625 people). These areas have been affecting by serious coastal erosion, 8 ha of land were lost in the last ten years. Tourism is developing in these city and district. Poverty incidence is rather high in Tuy An (5.3% in 2018) and low in Tuy Hoa (1.5% in 2018). However, project activities will not take place in those parts of the city/district that are characterized by a higher incidence of poverty or important culture heritage sites.



Khanh Hoa consists of Nha Trang (capital city) and Cam Ranh cities, Ninh Hoa district town and six districts. With beautiful landscape and cultural heritage sites, Khanh Hoa is a major socio-economic centre in the south-central region of Vietnam, receiving over 7 million tourists in 2018 (including 3.6million international tourists). Tourism and service sector accounts for 45.5% of city's GDP. Poverty incidence of Nha Trang and Cam Ranh is low (0.8% and 2.6% in 2018) in Nha Trang and Cam Ranh, respectively. Roads and drainage, solid waste and wastewater collection and treatment systems have been invested in mainly for the central areas of Nha Trang, but is still not at the same level socio-economic development as other parts of the province. All rivers in Khanh Hoa are sourced from the mountains in the west of the province, named differently at each section. The proposed investments include dredging at five rivers and canals, constructing a ring road, drainage, wastewater collection and treatment systems in Nha Trang, and upgrading a solid waste management (possibly landfill) in Cam Ranh

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

At the provincial level, Provincial People Committee (PPC) will be the executing agency of the project, overseeing project implementation, directing related departments and implementing agencies, ensuring compliance with government regulations and World Bank policy requirements. Provincial Departments including Department of Natural Resources and Environment (DONRE) and others will be engaged in coordination, various technical reviews and advising the PPC on issuance of decisions during project preparation and implementation. DONRE is also carry out environmental compliance monitoring of selected subprojects in the province if necessary.

The Project Management Unit (PMU) will be the Borrower's representative at provincial levels, with responsibility for overall sub-project management including environmental and social management. All PMUs have prior experience in managing infrastructure investments as well as environmental and social risks and impacts relevant to the proposed projects. Quang Nam PMU has managed a major river dredging project, and two WB-financed road/infrastructure projects, Khanh Hoa PMU runs two WB-financed environmental sanitation projects, and Phu Yen has similar experience with two projects. Binh Dinh PMU has been managing three WB-financed projects applying Safeguard Policies and the preparation for two new projects applying ESF are coming. Khanh Hoa, Phu Yen and Quang Nam. All PMUs each allocated two staff per each with environmental/social background to be responsible for environmental and social risk management. Binh Dinh has one environmental engineer playing similar same role, while Phu Yen also appointed technical staff for the same roles. These staff received training from WB specialists and independent consultants during subproject implementation for ongoing world bank operations, and thus have a good understanding about how to manage subproject socio-environmental risks and impacts. At city and town level, the city People's Committees and related agencies will be responsible for land acquisition, implementation of the resettlement and compensation for those households affected by proposed works within their administrative jurisdictions. The key authorities in managing and implementing land acquisition and resettlement include the city/district resettlement committee, the city/district land fund development center, and DONRE.

As all project provinces/cities are experienced with implementing WB-financed projects that apply the WB's environmental and social safeguards policies. There are no outstanding environmental or social issues in past or on-going projects managed by the four PMUs. However, with the new proposed project, the implementing agencies are not familiar with the new Environmental and Social Framework (ESF) which requires additional social and environmental risk management, including the concepts of proportionality and adaptive management, as well as the standards related to labor management, community health and safety (CHS), occupational health and safety (OHS), modified natural habitats and the requirements for systematic stakeholder engagement. The World Bank team will provide training in the ESF implementation for the PMU and related agencies and will continue to provide advice and guidance during project preparation. For Binh Dinh, to ensure that new environmental and social standards are



properly applied to the project during implementation, Borrower’s Capacity assessment with regards to environmental and social management will be carried out during project preparation. Accordingly, relevant capacity building activities such as the recruitment of additional staff, qualified supervision consultants, PMU E&S specialists, and an independent monitoring consultant would be proposed to be implemented during project implementation.

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

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

Substantial

#### Environmental Risk Rating

Substantial

The Project’s adverse environmental risks and impacts (ERIs) would mainly relate to the investments in Component 1 including: (i) construction/upgrading of roads and bridges; (ii) sea dike construction; (iii) river/lake/ canal dredging or construction, drainage/flood control work improvements for inundation reduction; and (iv) wastewater and solid waste treatment facilities to improve urban sanitation. Environmental risk is rated as substantial based on: (i) the substantial key potential risks and impacts, and (ii) the baseline conditions, characterized by a high degree of anthropogenic conversion of land and the original ecological conditions, which has practically replaced existing natural conditions with urban and agricultural landscapes.

The common construction ERIs include dust, noise, vibration, solid waste and wastewater generation, localized pollution and flooding, loss of vegetation cover, trees and benthic organisms, disturbance to traffic and public services, traffic safety risks, reduced landscape values, health and safety risks to the workers and local communities etc. These potential ERIs would moderately affect environmental quality, public health and daily lives of local communities.

The substantial ERIs during construction are mainly due to the site characters and investment types. Some unexploded ordnances (UXO) if left underground from the war would cause safety risks. Dredging (67km in Quang Nam, about 20km in Nha Trang and 45ha in Binh Dinh) would result in substantial ERIs, such as: (i) disturbance and increased safety risks to waterway traffic; (ii) temporary water quality impacts (due to increased turbidity and leaching of substances from sediments into water) thus affecting other water users including aquatic life; (iii) riverbank erosion and damage to weak riverside structures; (iv) environmental pollution and public health issues related to leakage wastewater and bad odours from wet dredged materials at temporary storage areas and/or disposal sites and (iv) substantial volumes of dredged materials (estimated at 820,000m<sup>3</sup> in Khanh Hoa) requiring land for disposal, and issues with regards to emissions, drainage of contaminated lechate, erosion, safety risks at these disposal sites. Other types of investments may also lead to substantial ERRIs. The extend of production/coastal protection forest to be removed for road construction will be minimal as the siting of road alignment will refer to each province’s Forest Masterplan. Embankment effect of new roads may affect community connectivity or disrupt drainage or irrigation services. Soil subsidence and landslide risks may lead to craking of existing structures at dredging or deep excavation sites. Occupational health and safety (OHS) for the workers or safety for local communities along the sea dyke in Phu Yen would be a major concerns if construction take place under severe weather conditions such as sea waves, winds and sunlight or right next to residential clusters.



The main ERIs in operation would be: (i) traffic safety and community connectivity and flooding risks if new road/canal embankment is significantly higher than existing ground levels; (ii) emissions of odours gases and effluent, OHS for the operators of the wastewater treatment plant (WWTP); (iii) pollution due to gas emissions and/or leachate from solid waste treatment facility; (iv) Disruption of access to water fronts at the beach, localised flooding or increased stagnant wastewater behind the newly built sea dykes.

With regards to climate change, selection of the infrastructures for inclusion in this project has considered climate aspects. Some of the physical investments has been proposed for addressing climate issues such as improving drainage/flood control while the others will be designed, constructed and operated to ensure climate-resilience.

The environmental risk will be reassessed during project preparation based on more information and detailed analyses.

**Social Risk Rating**

Substantial

The specific location of the proposed works are known and mostly located in peri-urban areas, as opposed to densely populated urban areas. Although, there are many cultural heritage sites of both national and the global importance (including some of the oldest churches and pagoda/temples) in the project cities/districts, the sub-projects themselves are not in close proximity to these sites. Similarly, the sub-projects will not affect sensitive social receptors such as low income or ethnic minority communities. Key social risks and impacts include land acquisition of an estimated 637ha, of which 51ha is residential land and 586ha is agricultural land. Total affected households of the four subprojects is about 3,496HHs, in which physical and economic displaced HHs are 689HHs and 2,896HHs, respectively. Vulnerable households (such the elderly, people with disabilities, female headed households, and poverty households) may be affected by land acquisition for the project and this will be assessed further during project implementation. The project does not impact on the livelihoods of trash pickers during construction of an additional landfill module in the existing landfill area because trash picking is prohibited in this area. The project also should not cause short or long term impacts on coastal communities/fisheries, but rather should makes it easier to access to the sea thanks to construction of embankment, along with a coastal road. Mitigatory and/or compensatory measures (e.g. construction within existing footprints, compensation at replacement cost and relocation in resettlement sites, livelihood restoration programs, protocols for transfer and disposal of toxic sludge to non-residential and pre-screened sites) will be designed and carried out in a manner proportionate to the nature and potential significance of the E&S risks and impacts related to the project.

These risks and impacts will be occurring across a mid-sized geographic area, (7 cities and districts of 4 provinces). Although, there are additional social risk management requirements specified by the new Environmental and Social Standards of the World Bank, (including social risks and impacts to occupation and community health and safety related to labor influx (when workers camps are established in the project sites) such as SEA/SH and communicable diseases) these are predictable, mitigatable and manageable. Local communities of the project cities/district have shown their absorption capacity for social risks related to labor influx, due to their experience with large labor influx from industrial zones and tourist sites. However, since the project is being prepared under the COVID19 crisis circumstances there is an increased potential for workers to spread communicable diseases. This risk will be addressed by instituting careful community health and safety measures and labor management procedures informed by relevant health protocols.

The other adverse social impacts will relate to the temporary disruption or limitation of traffic and utilities and community health and safety during the construction phase. However, the Borrower demonstrated their capacity to



mitigate such impacts in previous projects. Furthermore, the responsibility for land acquisition and resettlement lies principally with city/district government units, who have experience in successfully applying the World Bank's involuntary resettlement policy in previous bank financed projects. The Bank team will provide training to these agencies on the requirements of the new ESF during project preparation and implementation, to strengthen their capacity to deliver the land required for the project in a timely fashion and in compliance with the new ESF. Considering the substantial land acquisition requirements and resettlement, the social impacts associated with mobilizing a relatively large workforce to execute construction works, a substantial social risk rating is proposed for the project.

## **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:***

For each of the four subprojects, the Borrower will prepare a full-blown Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP) and an Environmental and Social Commitment Plan (ESCP). The four ESIA's will be conducted in accordance with ESS1 and consider all relevant direct, indirect and cumulative environmental and social risks and impacts in the project life cycle, from pre-construction, construction and operation phases.

Basic elements of the ESIA's will follow ESS1 guidelines thus, include institutional framework, project description, baseline conditions, environmental and social impacts and risks, and mitigation measures. ESIA's will discuss the project's potential impacts and risks on environmental, social and cultural settings (including vegetation cover and landscape, topography, traffic, health and safety, accessibility to resources, infrastructure and public services, etc.). As the World Bank also issued in addition to those identified by the Environmental, Health and Safety Guidelines (ESHSG, covering the potential impacts and risks as well as mitigation methods for (etc. gas emissions, noise, vibration and air quality, wastewater and water quality, solid wastes etc.), the ESIA's will cover those aspects. The areas of influence to be considered may be beyond the land acquisition boundary of each work item. For example, with dredging activities, pollution risks related to the sediments and leakage wastewater at and surroundings temporary storage and disposal sites will be assessed. With wastewater and solid waste treatment facilities, impacts and risks assessment would cover the construction sites, the buffer zones and the receptors of effluents/emissions. For the aligned work items such as roads, river and canal and sea dyke, the corridor along the proposed alignments will be examined with regards to construction impacts, traffic safety risks, drainage, accessibility.

Sensitive receptors of all subprojects will be identified. The ESMPs will apply mitigation hierarchy (avoid, minimize, reduce, and compensation/off-set) and other guidance in relevant ESSs when proposing the mitigation measures for the identified impacts and risks. For example, siting of new road alignments should avoid sensitive receptors such as cultural historical features, forested land or residential houses. The ESIA's/ESMPs will include mitigation measures to address social impacts that may arise during the construction phase such as the temporary disruption or limitation of traffic and utilities. The ESIA's should also recommend good environmental practices and environmental-friendly measures for addressing the impacts and risks through feasibility studies or engineering design. For example, design of wastewater/solid waste treatment facilities should consider emission levels (gases, effluent and sludges) and exposure levels of operators and nearby community for proposing relevant measures that help improve



environmental conditions and power consumption levels during operation phase. The buffer zones of wastewater and solid waste treatment facilities will be adequate to minimise the potential environmental impacts and health risks at for the surrounding areas. For each type of investments (canal dredging, roads, sea dike, drainage, waste water collection and treatment, management and disposal of dredged materials and other wastes, etc.), the ESMP be structured with separate sections, each presents specific mitigation measures for each type of investments during construction and operational phases. For subprojects covering dredging activities, Dredging and Dredged Material Management Plans (DDMPs) will be prepared and form part of the relevant ESMPs. Mitigation measures and DMPs will be incorporated into construction/operational contracts. The ESMPs will set out the arrangements for the implementation of the proposed mitigation measures, monitoring and supervision as well as reporting requirements, capacity building and training, and cost estimation. The ESMPs will require the contractor(s) of each construction package to prepare a Contractor’s ESMP (C-ESMP) to cover ECOPs for addressing common construction impacts and relevant specific mitigation measures. The ESCPs will set out the activities to be carried out and during project preparation and implementation and could be adjusted during the project life keeping with the evolution of E&S risk and impacts.

A grievance redress mechanism will also be developed to provide guidance on the reception, recording, handling, and reporting of complaints that may be encountered during project implementation. The World Bank EHSG will also be applied when developing ESA instruments. Consultation during the preparation of ESIA/ESMPs, ESCPs and other ES tools and disclosure of these documents will be carried out in accordance with ESS10.

The Borrower needs to conduct social impact assessment (SIAs), as part of the environmental and social impact assessment, focusing on identifying scope of social impacts on local people including scope of land acquisition, the number level of physical and economic displaced people (along with their socio-economic profile), and adverse impacts on vulnerable groups (such as waste pickers), and the socioeconomic situation of displaced people as well. In addition, the SIA needs to identify stakeholders that need to be engaged (as either affected or interested parties) in project preparation and implementation, as well as the social risks and impacts related to labor and working conditions, occupational health and safety (OHS) and community health and safety (CHS) (especially those risks arising from labor influx when workers camps are established in project sites such as sexual exploitation and abuse, sexual harassments, and the transmission of communicable diseases). The identified risks and impacts will be reflected in relevant documents to be prepared including ESIA/ESMPs, ESCPs, Resettlement Action Plans (RAP including a livelihood restoration program for trash pickers if necessary), Labor Management Procedures (LMP), and Stakeholder Engagement Plans (SEP).

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

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

**ESS10 Stakeholder Engagement and Information Disclosure**





Key stakeholders of the project were identified during initial screening including project-affected people and a number of interested parties. At the provincial level, these include the Provincial People’s Committees, related departments such as DONRE, DARD, DOF, DOC, DPI, DOT, DOCT, and DOIC. At the city/district level, these comprise City/district People’s Committees (C/DPC), Resettlement Committees and Land Fund Development Branches of the cities, and Political-Social Organizations at city/district and ward/commune levels (Fatherland Front, Women’s Union, Farmers’ Union, Veteran Union, the Youth Union, the Elderly Union), representatives of urban resident groups, and beneficiaries as well. Consultants and contractors are also among the key stakeholders during project implementation. The Borrower will engage with stakeholders throughout the project life cycle.

Since the project is prepared under COVID19 crisis circumstances, any project-related impacts on vulnerable and marginal groups and individuals may exacerbate existing hardships. Disadvantaged and vulnerable groups under these circumstances may be the elderly, disabled or those who are rendered unable to preserve their livelihoods (such as vulnerable squatters encroachers) and therefore exceptionally susceptible to impacts from the project (temporary restrictions on business activities or land taking acquisition that affects livelihoods ). These groups should be identified in the stakeholder engagement plan and measures identified to prevent or minimize associated impacts.

During the preparation of the project, stakeholders will be involved in the environment and social impact assessment and consultations on the mitigation of social risks and impacts including measures of compensation and resettlement. Depending on the situation with COVID19, a mix of conventional media (radio, television) for information provision and internet and mobile telephone text-based communications for soliciting feedback of different stakeholders could be used during project preparation, depending on the social distancing requirements in place. The implementing agency will prepare a stakeholder engagement plan (SEP) proportionate to the nature and scale of the project activities and its potential risks and impacts. The SEP will also include a Grievance Redress Mechanism (GRM) (proportionate to potential risks and impacts) that will build on the laws and regulations of Viet Nam including the land law of 2013, Complaint Law No. 2/2011/QH13, Denouncement Law No. 3/2011/QH13, and the Labor Law Code No. 45/2019/QH14. This will be reflected in the relevant E&S documents so the government is aware that this does not involve the establishment of a uniquely new mechanism, but rather the operation of existing mechanisms for project purposes. The GRM will be publicized, accessible, allows anonymity, maintains records, and provides feedback to complainants.

A Grievance Redress Mechanism (GRM) will be established in coordination with localized grievance redress processes in order to ensure that all concerns and complaints are captured and addressed by implementing agencies and competent bodies. One innovative feature, of the administrative system in Viet Nam, is the one stop shop established at all administration levels from ward/commune level to provincial level, for citizen to lodge their concerns or grievances. If grievances cannot be resolved through this mechanism, then the issue can be escalated to a provincial inspectorate or the provincial court. However, a GRM will also be established at project level to facilitate efficiency and effectiveness of resolving complaints of affected people. The project GRM will be an integrated part of the SEP.

The Borrower will disclose the project documents before the project appraisal to allow stakeholders to be informed about the proposed project activities, the potential environmental and social risks and impacts of the Project including ESIA/ESMPs, ESCPs, RAPs, and LMPs, SEPs and GRM. The Borrower will continue to engage with project affected parties and other interested parties during project implementation in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.



## 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

Overview of the relevance of ESS2 for the project:

The project will require direct workers (such as PMU staff and consultants hired by the PMUs), contracted workers (e.g. skilled and non-skilled construction workers engaged by contractors, with an estimated 200 workers required for each subproject) and primary supply workers (e.g. workers engaged for essential construction materials to be purchased for the project, as defined in ESS2). The project is not expected to require community workers. Vietnam already has in place a relatively comprehensive (and evolving) framework for labor and working conditions such as the Labor Law (2019), the Law on Occupational Health and Sanitation (2015), the Social Security Law (2014), and the civil servant Law (2019). Vietnam also recently ratified Right to Organize and Collective Bargaining Convention, which will come into effect in July 2020. The policies and regulations stated in this legislation reflect the principles of ESS2 on issues such as fair treatment, non-discrimination and equal opportunities to workers, supports the rights and benefits of the workers, recognizing workers' rights to establish or join associations of workers, prohibition on sexual exploitation abuse and harassment, forced labor, child labor (under 15 years old), and Occupational Health and Safety (OHS) risks. As the PMU is a government entity where laws and regulations have to be followed, trade unions and official grievance redress mechanisms exist. Therefore, minimal risks related to ESS2 for direct project workers are foreseen.

Potential risks for contracted workers relate to labor and working conditions, such as child labor, forced labor, work-related discrimination and OHS risks. Key OHS risks for the project workers exist at construction sites and workers' accommodation during construction phase, and to the operators of solid wastes and wastewater treatment facilities during operation phase. At construction sites, the issues would relate to workers' exposure to dust, emissions, noise, vibrations or working conditions (e.g. working under extreme heat or in confined spaces, etc). Health and safety risks may also arise from activities such as operations of construction plants/ materials or handling hazardous materials. Worker's accommodation conditions, particularly the availability of a clean water supply, drainage and sanitation facilities, exposure to extreme weather conditions etc., can have implications to the health and safety of the workers. Health and safety risks of solid waste/ wastewater treatment facility operators would be mainly related to exposure to pollutants or chemicals at works. These risks will be assessed in the ESIA and addressed by the mitigation measures like Code of Conduct (CoC) for workers and training for both workers and communities to avoid conflicts, and Labor Management Procedures (LMP), included in the ESMP which will in turn be incorporated into the bidding documents. The LMP will also include a well-functioning and easily accessible grievance mechanism for project workers. The exceptional circumstances of Covid19 crisis are likely to pose occupational health and safety concerns for project workers. Provision of Personal Protection Equipment (PPE), protocols for hygiene and distancing at the workplace, including transport of workers, as well as emergency response protocol in event of an outbreak (where would be infected workers be isolated, sent for treatment) need to be addressed in the labor management procedures.

### ESS3 Resource Efficiency and Pollution Prevention and Management

Construction of the proposed investments would cause some common environmental impacts and risks such as increased level of dust, noise, vibration, pollution risks in relation to the generation of waste and wastewater.



Subproject ESMPs will include the Environmental Codes of Practices (ECOP), Workers' Codes of Conducts which are readily available for addressing these common construction impacts and risks in line with ESS3 and relevant WBG EHS Guidelines.

Other specific impacts and risks would also be generated from specific typology of investments, construction and operational activities. These impacts and risks will be screened, identified and assessed in subproject ESAs so as appropriate mitigation measures or management plans can be proposed in the ESMPs as discussed below.

Dredging on waterbodies for flood risk management would cause water quality reduction and removal of some benthic organisms. Temporary storage of dredged materials may generate bad odor, cause nuisance to the public, or lead to soil and water pollution from leakage water. Safety risks and localised flooding may be the issues at the disposal sites of substantial volumes of dredged materials. The magnitude of potential impacts would be higher at locations near sensitive receptors such as residential clusters, schools, health care facilities, cultural sites near the construction sites. Overall, the dredged materials are not expected to be contaminated with hazardous substances such as heavy metals, but mainly with BOD and COD at some places. For example, the Quang Nam 2019 Environmental Monitoring Report indicates that Truong Giang river (which will be dredged by the project) water quality parameters mostly meet the national standards, except for the chloride concentration due to natural saltwater intrusions at the river mouth. The report also shows that sediment of the river is not contaminated with heavy metals that exceed the national standards. Nevertheless, detailed analyses of the water, soil, sediment quality in the project areas will be conducted during the environmental and social assessment project, impacts will be assessed, and mitigation measures will be proposed. A Dredging and Dredged Materials Management Plan (DDMP) will be prepared as part of the ESMPs for managing the potential environmental impacts and risks of dredging, temporary storage, handling, transportation and final disposal of the dredged materials. The DDMP will include cover: (i) characterize the dredged materials qualitatively and quantitatively, tests for toxic or noxious materials that might affect the waste classification of the materials; (ii) identify and assess the potential impacts and risks associated with dredging, temporary storage, transportation and final disposal of the dredged materials; (iii) propose mitigation measures which may include dredging methods and design of the temporary and final disposal sites; and (iv) monitoring plan. The costs associated with the environmental quality monitoring and mitigation measures applicable to dredging process will be incorporated into the Project costs. Specific issues with regards to resource efficiency will also be considered and addressed in the environmental and social assessment process. With substantial volumes of dredged materials generated from river and canal dredging, subproject should consider opportunities for beneficial use of these materials, such as for ground levelling (while sediment quality will be tested for confirmation, past similar project shown that the heavy metal contents in the sediments in both Nha Trang and Quang Nam were within allowable limits).

The construction of the sea dyke in Phu Yen or the new roads in four provinces would require significant volumes of construction materials such as soil, sand and rocks. The ESAs will coordinate with the technical studies to quantify the material demand, identify the possible sources and only accept materials from existing licensed mines/suppliers, those who are obligated to comply with applicable national environmental requirements.

With regards to the wastewater management improvement proposed for Khanh Hoa only, due diligence review will be carried out together with technical review of the existing facilities to determine the scope of investments that meet both technical and pollution control requirements. Due diligence review of the existing wastewater treatment



plant will focus on impacts on water quality at the receptors of the of the effluent in relation to the quality of the effluent; and (ii) and system failure risks during operation of the facilities. Pollution control efficiency with regards to groundwater, odour, landfill gas, and leachate management, and OHS of operators will be considered in the due diligence review of the existing landfill where proposed investments will be within the boundary. Gaps will be identified, and gap filling measures will be proposed in the ESIA. All of these can be addressed by system design of the wastewater treatment plant and the landfill. Water quality monitoring program would be necessary to monitor and confirm treatment efficiency of both systems. The ESMP of Khanh Hoa will include mitigation measures for both construction and operation phase of these facilities in line with the ESHG on Water and Sanitation and ESS3 requirements.

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

Overview of the relevance of ESS4 for the project:

Community health and safety issues may be arisen from construction impacts and risks, such as bad odors, increased level of dust, noise, vibration, soil and/or water pollution or unhygienic conditions caused by solid wastes or wastewater from construction sites and workers' camps, increased traffic safety risks, erosion or soil subsidence risks, social impacts in relation to influx of workers, etc. The initial screening for risks related to gender based violence (GBV), sexual exploitation and abuse (SEA)/sexual harassment (SH) associated with worker influx indicated that the risk was low. The low risk rating is because project activities will take place in peri-urban areas, with the number of workers present at each work site during the construction phase being less than 20 persons (due to COVID19 social distancing requirements) at any given time, with the majority being recruited locally. The ESIA will discuss such impacts and risks, and the ESMP will propose mitigation measures in accordance with the mitigation hierarchy.

The Borrower will incorporate appropriate measures into road design to prevent and mitigate potential road safety risks to road users and affected communities in accordance with ESS4 requirements. Measures such as signboards, roundabouts, pedestrian crossing, will be designed at safety-risky locations as appropriate. Similarly, the design and construction of other work items including wastewater and solid waste treatment facilities will take into considerations health and safety risks to the local communities. To manage social impacts and risks, the following activities should be carried out during project preparation: (i) mapping of service providers and assess the capacity and quality of these services for survivors of SEA/SH, (ii) assessing the risk of SEA/SH to the project, (iii) assessing the ability of the implementing agencies to respond to SEA/SH risks, (iv) establishing procedures to review and update risk assessments during project implementation, and (v) identifying appropriate mitigation measures for inclusion in the project design and bidding documents (including codes of conduct with SEA/SH-related protections). In addition, efforts will be made to manage potential labor influx by developing a labor influx management strategy to be included in the ESMP. The project will also look to include provision of capacity building and training of relevant stakeholders including contractors and project workers, in addition to capacity building for government partners. GBV risks should be monitored throughout project implementation through regular re-assessment with the risk screening tool and regular monitoring engagement. The need for additional measures of this ESS will be further assessed during project preparation as part of ESA process.



As the project is implemented in coastal region which is highly susceptible to natural disaster and climate change, the project physical infrastructure will be designed with “climate informed” and “disaster risk management” elements. The Borrower will be assisted to further consult with the WBG ESHG and GIIP to identify and apply relevant resilience measures.

In relation to sea-dyke design and construction, health and safety risks to local community are considered based on ESS4 requirements and taking into account the country’s context. There will be safety risks to local communities during construction of sea-dyke as there will be some settlements nearby the construction sites. Construction may interrupt local traffic, accessibility and lead to increased traffic safety. Failures if happen when the heavy construction plants are operating with bulky construction materials such as heavy concrete blocks may cause injuries or fatality to local people and damages to their properties. These risks will be assessed in the ESIA and mitigation measures will be included in the ESMP to ensure safety for the communities during both construction and operation phases.

Existing Vietnamese regulations require a Construction Safety Plan including Emergency Preparedness and Response Action Plan to be developed as a part of the engineering design and construction plan for the structures located in the disaster vulnerable area. Such safety plan will be reviewed and approved together with the engineering design by the responsible government agency. The Project will follow these government’s existing design and construction requirements applicable for sea-dyke design and construction. On the other hand, existing national legislations also require every commune to prepare and publish their “Annual Commune Disaster Risk Management Plan” and “Emergency Preparedness and Response Plan” before the rainy season in every year thus the Disaster Risk Management mechanism at project communes have already been set up.

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

The initial screening shows that the project will require land the acquisition of mostly low value agricultural land, characterized by poor quality sandy soil typical of the coastal zone. It is estimated that 586ha and 51ha of residential land and agricultural land, respectively, will be acquired for the project, which will affect about 3,496 households, of which 689 households will have to relocate, while the remaining 2,896 households will be impacted exclusively in terms of their livelihoods. The current project design proposals for roads, and sewage and rainwater drainage routes are considering construction within the footprint of the existing roads, to minimize land acquisition and resettlement in densely populated urban areas. Relocated households will be resettled in existing resettlement sites within project wards/communes, which should provide better living conditions and compensation at replacement cost will be paid to affected households before taking their land. The screening shows that the project does not affect livelihood of the trash pickers in the landfill area because trash picking is prohibited in the area. The project also does not cause short or long term impact on coastal communities or fisheries but it will improve living conditions and transportation conditions of local people. A social impact assessment (as part of the ESIA process) will be conducted by the PMU to collect data on all potential social risks (including coastal livelihoods), as well as information for the preparation of a resettlement action plan (RAP) for each subproject before the project appraisal. All proposed works and their boundaries will be identified specifically at the preparation stage, so a resettlement policy framework (RPF) is not required according to the ESF. A resettlement action plan will be prepared to meet the requirements of the ESF including livelihood restoration program for severely affected households and a GRM which will take into account the requirements of Vietnamese laws on complaint and grievance, and will be disclosed locally before project appraisal.



At the implementation stage when project detailed design is available, RAP will be updated according to results of DMS and disclosed locally to affected people .

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

There are areas with high biological values in the project provinces. In Phu Yen, there are four landscape and biological conservation sites in four islands. The Cu Mong and O Loan Lagoons and the Xuan Dai Bay are also known with wetlands having high biodiversity, beautiful landscape and cultural values. Seagrass ecosystems were also reported to exist along the shores of Phu Yen. Similarly, wetlands, coral reefs, mangrove forests, seagrass ecosystems existing in Khanh Hoa province. The Hon Mun island in Nha Trang is a marine protected area and the Hon Ba is a nature conservation sites. Binh Dinh has four existing nature reserves namely An Toan, Nui Ba, Quy Hoa-Ghenh Rang and three proposed wetland conservation sites at the Thi Nai, Tra O lagoon areas. Seagrass ecosystems were also reported to exist along the shores of Phu Yen. Quang Nam also has a large Song Thanh nature conservation areas in the western side. However, all of While these areas are likely to be far, at distance from the project sites, the Terms of Reference for environmental assessment will include biological screening, assessment and mitigation requirements as appropriate.

However, the project's physical interventions will be implemented in areas that have been modified significantly by human activities. Some existing coastal protection forests (mainly comprising of planted casuarina trees) in Quang Nam and possibly Binh Dinh would likely to be removed and some garden land will be affected by construction of the roads. With regards to removal of the coastal protection forests, loss of some ecosystem services (such as coastal protection function) may happen at some locations. Erosion/sand blowing protection effect provided for the coast by the trees may be lost when the trees are cut down. Therefore, the siting of the proposed physical investments will apply the first steps in the mitigation hierarchy, i.e. avoidance and minimization of the impacts on coastal protection forests. On the other hand, road alignment design will also have to follow the National Law on Marine and Islands, in which coastal protection corridors would be identified by provincial authorities, and no development would be allowed within that protection corridor. After avoidance and minimization are considered and applied in road alignment siting where possible, the ESIA's will propose adequate mitigation and compensation/ offsetting measures to address the impacts on coastal protection functions of the affected coastal forests, such as replantation. Dredging will take place along the 67 km of the Truong Giang river in Quang Nam, 20 km along four rivers in Nha Trang and a lagoon in Binh Dinh. While available information about biological resources is limited, the dredged areas are not critical natural habitats as the water bodies have been affected by human activities such as resettlements and agriculture and aquaculture. Some potential biological impacts can be foreseen. Aquatic lives in rivers will be removed or affected by dredging activities. The species typical to coastal areas such as two-shells species such as clam varieties, algae and benthics in the bottom layers would be affected the most. They would be removed together with the sediments. Dredging would disturb the habitats of aquatic species, including natural ones and those in river-side aquaculture ponds/cages. Increased water turbidity caused by dredging would also affect the growth of riverside and floating vegetation, fish and other aquatic species. The impacts would be ended when construction is completed. It would takes sometimes for recovery of the bottom ecosystems. The potential biological impacts is not avoidable but can be reduced by appropriate measures. In summary, the ESIA's will examine biological resources in the project areas, identify and assess the potential impacts and risks to biological resources and the ESMP's will include appropriate measures to address biological impacts in accordance with ESS6.



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

This standard is not relevant. The initial screening conducted by the task team social development specialists confirmed that the project will be implemented in the urban and peri-urban areas where there is no ethnic minority people present who have a collective attachment to the project area.

**ESS8 Cultural Heritage**

The project areas is known to be rich in existing physical cultural sites. The initial screening identified that there are number of cultural and historical heritage sites and sites with landscape values in the project cities and districts. South central region of Vietnam which cover project provinces is known to be rich in “Sa Huynh” culture of which artifacts have been found from time to time. Quang Nam is home of the well-known Hoi An Ancient Town and the My Son Temple Complex, both are UNESCO World Heritage Sites. Binh Dinh has rich historical and cultural heritage as an ancient Champa centre while also having several natural attractions that draw both local and international tourists (e.g., Ba Mountains complex, Ham Ho waterfall, and Ghenh Rang beach). There is a historical site in Hoai Nhon district (the “Without code Ship” Landing stage”) of Binh Dinh province where the proposed coastal road may run nearby. In Tuy Hoa city and Tuy An district, there are beautiful landscape such as the Vung Ro and Xuan Dai bays Da Rang river, Da Dia Reef, O Loan lagoon and national culture heritages including Thap Nhan tower, Mang Lang Church - the oldest church in Viet Nam, Da Trang Pagoda. There are also other pagodas, churches, family shrines, cemeteries or temples dispersed across the project areas. The Ponaga Tower, the Yersin Memorial are among the 27 most popular historical cultural sites in in Nha Trang. The initial screening conducted indicated that while most of the known se cultural heritage sites are at some distance from the construction sites, and should not be adversely affected by land acquisition or construction stage impacts (e.g. vibrations, waste disposal or congestion). The siting of the subproject investments will avoid the known existing cultural sites. ESIA’s will conduct a further screening to identify the all known existing sites that are possibly within the areas of influence of each physical investment that will be financed by the project, and will assess the possible construction and operational impacts and risks. The ESMP will include the measures to avoid or mitigate the identified potential impacts and risks. The ESMP will also include chance find procedure to address the cases where artifacts are exposed during project implementation.

**ESS9 Financial Intermediaries**

The project will not channel funds through financial intermediaries, the PMU will manage the fund.

**C. Legal Operational Policies that Apply**

<b>OP 7.50 Projects on International Waterways</b>	No
The Project will not affect any international waterway	
<b>OP 7.60 Projects in Disputed Areas</b>	No
The Project will not be implemented in disputed area	

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

**A. Is a common approach being considered?** No

Public Disclosure



## Financing Partners

No financing partners, so no common approach is considered.

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

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

Actions to be completed prior to Bank Board Approval:

(i) Prepare and implement the following sets of documents for each of the four subprojects in consistent with ESF requirements :

- Final draft Environmental and Social Impact Assessment (ESIA) including Environmental and Social Management Plan (ESMP)
- Final draft Resettlement Action Plan (RAP )
- Final draft Stakeholder Engagement Plan (SEP )
- Final draft Labor Management Procedures (LMP)
- Environmental and Social Commitment Plan (ESCP)

(ii) Prior to project appraisal, disclose the draft ESIA's, and ESCPs, SEPs, RAPs, 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 inputs into project design and mitigation measures.

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

Possible issues to be addressed in the Borrower ESCPs:

- Commitment to prepare and implement the relevant instruments per Environmental and Social Standards (ESSs') requirements (ie., SEP, RAP, ESIA, and ESCP, LMP).
- 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.
- Update Resettlement Action Plan, based on detailed designs and the latest Detailed Measure Survey and Replacement Cost Study, and establish associated grievance redress mechanism.
- Establish and maintain operational a Project Level Grievance Redress Mechanism through the project implementation.
- Update Stakeholder Engagement Plan based on the public health situation regarding communicable diseases.

## C. Timing

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

16-Nov-2020

## IV. CONTACT POINTS

World Bank





Contact: Huyen Thi Phuong Phan Title: Senior Urban Development Specialist

Telephone No: 5777+8367 / 84-243-9368367 Email: hphan5@worldbank.org

Contact: Dzung Huy Nguyen Title: Senior Disaster Risk Management Specialist

Telephone No: 5777+7306 / 84-243-9367306 Email: dnguyen4@worldbank.org

**Borrower/Client/Recipient**

Borrower: Ministry of Finance

**Implementing Agency(ies)**

Implementing Agency: Provincial Projects Management Unit of Khanh Hoa

Implementing Agency: Provincial Projects Management Unit of Quang Nam

Implementing Agency: Provincial Projects Management Unit of Phu Yen

Implementing Agency: Provincial Projects Management Unit of Binh Dinh

**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):	Huyen Thi Phuong Phan, Dzung Huy Nguyen
Practice Manager (ENR/Social)	Mona Sur Recommended on 07-Jul-2020 at 23:05:25 EDT
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 09-Jul-2020 at 09:59:4 EDT