

# INTEGRATED SAFEGUARDS DATA SHEET

## IDENTIFICATION / CONCEPT STAGE

**Report No.:** ISDSC12704

**Date ISDS Prepared/Updated:** 30-Jun-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Vietnam	<b>Project ID:</b>	P155260
<b>Project Name:</b>	Vietnam Climate Innovation Center (VCIC) RETF		
<b>Team Leader(s):</b>	Jana Malinska, Lan Van Nguyen		
<b>Estimated Date of Approval:</b>	14-Sep-2015		
<b>Managing Unit:</b>	GTCID	<b>Lending Instrument:</b>	Lending Instrument
<b>Sector(s):</b>	Irrigation and drainage (25%), SME Finance (25%), Other Renewable Energy (25%), General industry and trade sector (25%)		
<b>Theme(s):</b>	Micro, Small and Medium Enterprise support (40%), Export development and competitiveness (10%), Technology diffusion (20%), Climate change (30%)		
<b>Financing (in USD Million)</b>			
<b>Total Project Cost:</b>	5.18	<b>Total Bank Financing:</b>	0
<b>Financing Gap:</b>	1		
<b>Financing Source</b>			<b>Amount</b>
Borrowing Agency			0.38
InfoDev			3.8
<b>Environment Category:</b>	B - Partial Assessment		

#### B. Project Development Objective(s)

The development objective of the project is to support entrepreneurs and small and medium enterprises involved in developing local solutions to climate change and increase business activity in the climate technology sector through the establishment of a locally-based climate innovation center.

#### C. Project Description

The proposed project will finance the establishment of a Climate Innovation Center (CIC) in Vietnam through a three year \$3.8 million RETF grant. The VCIC will be part of the global network of 7 Climate Innovation Centers (CICs) being launched by the infoDev Climate Technology Program. The project has three components and main activities, as below:

Component I: Establishment of VCIC and its operations. Activities under this component include:

1. Development of VCIC and its operations:

- o Developing and coordinating VCIC operation planning to implement components 2 and 3 and promote cooperation with private sector on climate change innovation (PPP model);
  - o Providing finance for lease of space and purchase equipment of VCIC, costs of printing and publishing documents;
  - o Preparing conditions for establishment and operation of Climate incubation and innovation fund in the future
  - o Promoting cooperation between VCIC and funds of Ministry of Science and Technology;
2. Establishment of Project Management Unit and its operations, including activities such as:
    - o Setting up a Project Management Unit team and managing the project in accordance with current regulations, after VCIC is put into operation; focusing on supervision monitoring and coordination between VCIC with organizations under the Ministry of Science and Technology;
  3. Support policy development in cleantech innovation, including activities such as:
    - o Encouraging dialogue between government and private sector to study, pilot, and develop a policy framework to support private investment and develop climate associations;
    - o Collecting feedback and lessons learnt from the deployment and implementation of the VCIC to propose policies in supporting development of climate innovation.

#### Component II. Services to cleantech entrepreneurs including Grants to enterprises

Activities will include:

1. Pre-incubation of climate innovation technologies and enterprises, including activities such as:
  - o Searching, selecting and supporting incubation for organizations and individuals with novel ideas around climate innovation, through grant competitions ;
  - o Connecting and guiding organizations and individuals with novel ideas around climate change to participate in global grant competitions, find opportunities, and access investors around the world;
  - o Organizing workshops and fora to introduce and connect organizations and individuals with feasible, innovative ideas around climate technologies, with investors and government authorities to solicit funding for incubation.
2. Incubation of climate innovation technologies and enterprises, including activities such as:
  - o Organizing training courses and providing professional services for start-up businesses at early stage to develop and realize ideas, as well as create products with high potential for commercialization
  - o Connecting entrepreneurs with experts and research facilities in order to research and develop new products;
3. Commercialization support, including activities such as:
  - o Performing market surveys, analysis reports, and other analyses related to opportunities in climate innovation technology;
  - o Connecting enterprises with the market, based on the understanding of location, channels, and competitors; find the best way to help enterprises connect to the global market;
  - o Supporting enterprises to develop their brand name and participate in technological exchange;
  - o Supporting the product promotion of the VCIC enterprises through VCIC's website and other social PR activities.
  - o Connecting startup businesses with angel investors and business consultants at national, regional and global level;
  - o Training business start-ups in accordance with the financial investment of VCIC business

planning, financial management, business strategy, etc.;

- o Organizing and promoting investment between VCIC companies and financial experts, the State Development Bank, and Vietnamese diaspora to enhance capacity.
  - o Providing one-on-one coaching, training and consultancy services.
4. Grants to the enterprises, including activities such as:
- o Providing grants for selected proposals and activities.

Component III. E-portal, online services and database on cleantech

Activities will include:

- o Creating a database on technology, enterprises, and experts working in the field of climate change in Vietnam;
- o Developing an e-portal, with all this information gathered and centralized;
- o Disseminating, exploring and efficiently using the database on technology to support the activities on climate innovation.

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

The VCIC will be established in an existing facility and site and there is no additional land acquisition or related impacts linked to the establishment of the VCIC office. The specific location of the project related to the sub-components activities described above, is not known at this stage. The VCIC is designed to assist small high growth entrepreneurs and SMEs with innovative climate technologies and so will involve sub-grants to SMEs for implementation of grant activities. The grants are awarded on a competitive basis, on the basis of rigorous pre-set criteria to award the projects which present the highest transformation impact. Each grant will be up to \$50,000 and it will be used for further test, scale the project idea presented by the entrepreneur. Funds are eligible to be utilized towards: operating costs, goods, service, workshops and training. No sub-projects involving civil works or is allowed and, no land acquisition is allowed under this grant. Eligible conditions of how the grant funding can be utilized will be clearly communicated at the off-set of the project, will be included in all appropriate project manuals and sub-project selection criteria and will be available on the VCIC website before the launch of a new grant competition. Projects are expected to center on chosen focus areas including but not limited to: sustainable agribusiness (including climate-smart agriculture) and energy efficiency. The ESMF will be detailing the categories and the screening being put in place. These will be reflected in the Appraisal ISDS.

Even at a start up pilot scale, the financed sub-projects may generate negative environmental impacts from the improper disposal of wastes, unsafe handling or storage of toxic or hazardous materials, construction related impacts on worker safety, etc. The scale of the activities is expected to be small at this early stage of development of the recipients' enterprises; but elements of sound environmental planning and management will be built into the design.

This is the approach which has been undertaken with the other existing CICs and has received clearances from safeguards colleagues in other countries where these centers are being implemented (Africa and the Caribbean).

#### **E. Borrower's Institutional Capacity for Safeguard Policies**

The grant recipient for this Project is the Ministry of Science and Technology (MOST), but the project will be implemented through its unit NATEC, responsible for the Project implementation. NATEC will constitute the PMU and will manage the day to day operations, budgets, workplan,

M&E and disburse the grants to winners from Proof of Concept (PoC) grant competitions. A firm will be hired to constitute the “VCIC” and offer incubation and business development services to entrepreneurs.

Some of NATEC's current staff has worked on other World Bank's projects ( e.g. FIRST) and is therefore familiar with World Bank policies related to safeguards.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Giang Tam Nguyen (GSP02)

Thu Thi Le Nguyen (GENDR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	Yes	<p>The project triggers OP/BP 4.01 because the proposed subproject activities in two climate technology sectors (energy efficiency and sustainable agribusiness) may have negative environmental and social impacts which could harm human health and the wider environment. Potential examples include: improper disposal of wastes, unsafe handling or storage of toxic or hazardous materials, construction related impacts on worker safety, etc. The scale of the activities is expected to be small at this early stage of development of the recipients' enterprises.</p> <p>As the locations of subproject works are not yet known, an Environmental and Social Management Framework (ESMF) will be prepared by NATEC to screen to identify all potential impacts to aid their avoidance, reduction or mitigation/compensation where necessary</p>
Natural Habitats OP/BP 4.04	No	Natural habitats are not expected to be significantly impacted by the subproject activities under the identified two prioritized technology sectors. The policy OP/BP 4.04 is therefore not triggered.
Forests OP/BP 4.36	No	Forests are not expected to be impacted by subproject activities identified under the two prioritized technology sectors of the project. The policy OP/BP 4.36 is, therefore, not triggered.
Pest Management OP 4.09	Yes	As the VCIC will finance activities in the sustainable agribusiness sector, there may be a chance of increased use of pesticides by the start

		up companies at a small scale. While the project will not consider procurement or use of pesticides, this policy is triggered as a precaution.
Physical Cultural Resources OP/BP 4.11	No	Subproject activities are not expected to result in any impacts on physical cultural resources. This policy is not triggered. However a “chance finds” clause will be included in the ESMF.
Indigenous Peoples OP/BP 4.10	No	This policy (OP/BP 4.11) is not triggered by this project. This was following review and per advise of Senior Social Safeguards Specialist Roxanne Hakim. After reviewing the project, she concluded that: There are no social safeguards triggered but some social issues largely related to training for new livelihood techniques that could enhance livelihood will be addressed through ESMF under OP 4.01
Involuntary Resettlement OP/BP 4.12	No	The project does not trigger the Involuntary Resettlement Policy (OP/BP 4.12), since the project will not include any civil works or land acquisition nor any activities that will restrict access to resources or services.
Safety of Dams OP/BP 4.37	No	The Project will not support the construction or rehabilitation of dams. This policy is therefore not triggered.
Projects on International Waterways OP/BP 7.50	No	The Project sub-project activities will are not expected to not affect international waterways. This policy is therefore not triggered.
Projects in Disputed Areas OP/BP 7.60	No	The Project sub-project activities are not expected to be located in disputed areas and will not involve activities in areas known to involve or involve disputed areas.

### III. SAFEGUARD PREPARATION PLAN

#### A. Appraisal stage ISDS required?: Yes

##### i. Explanation

Based on the assessment being carried out by the Senior Environmental Specialist in the CMU,

Since the SMEs’ or entrepreneurs’ activities are not defined in this stage, an Environmental and

To ensure that any other World Bank Safeguard Policies would not be triggered in lending to th

Based on the nature of this project and the clear parameter set for the eligible funding under the

##### ii. Tentative target date for preparing the Appraisal Stage ISDS

10-Jul-2015

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage ISDS.**

As the locations of subproject works are not yet known, an Environmental and Social Management Framework (ESMF) will be prepared by NATEC to screen to identify all potential impacts to aid their avoidance, reduction or mitigation/compensation where necessary.

**IV. APPROVALS**

Team Leader(s):	Name: Jana Malinska,Lan Van Nguyen	
<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 07-Jul-2015
Practice Manager/ Manager:	Name: Ganesh Rasagam (PMGR)	Date: 07-Jul-2015

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.