



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 01/23/2021 | Report No: ESRSC01829



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Vietnam	EAST ASIA AND PACIFIC	P174460	
Project Name	Vietnam Renewable Energy Accelerating Change (REACH)		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Energy & Extractives	Investment Project Financing	4/15/2021	6/24/2021
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	Vietnam Electricity		

Proposed Development Objective

The development objective is to improve the capacity of the electricity grid to integrate private sector led variable renewable energy generation projects.

Financing (in USD Million)	Amount
Total Project Cost	350.00

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 Vietnam Renewable Energy Accelerating Change (REACH) Project mobilizes public financing to alleviate grid constraints hampering deployment of VRE. The scope of the proposed project has been crafted to focus on the most urgent transmission and system needs that are complementary to ongoing and planned investments in VRE generation. The electricity grid needs to be upgraded to: (i) sustainably integrate without curtailment existing privately-owned VRE projects, and (ii) unlock GWs of new privately-owned VRE projects. The projected VRE deployment growth will require continuous investments to modernize and transition the system for successfully adopting these new disruptive technologies. The REACH Project is also part (finances a sub-set of these investments) of the public investments for grid capacity upgrades that are being proposed under PSDP 8. Additional investments



needed to upgrade the grid capacity under the plan would be mobilized through EVN’s own resources or through borrowing from local and international partners. This could also include follow-on financing from the World Bank as part of a series of investments in the coming years.

The REACH Project has two components: (i) Component 1: Grid Strengthening for VRE Integration; and (ii) Dispatch Management. The investments financed under the project aim at reducing existing and future curtailment of VRE projects (785 MW of which 300 MW of onshore wind and 485 MWp of solar) and unlocking the space in the grid for new VRE projects (2,240 MW of which 980 of onshore wind and 1,260 MW of offshore wind). Based on the analysis conducted, the sub-projects being proposed are the ones that would have the most immediate impact on expanding VRE integration capacity of the grid.

D. Environmental and Social Overview

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

The project will be implemented in Dak Lak, Dak Nong (Central Highland), Binh Phuoc, Binh Duong, Tay Ninh, Dong Nai, Ba Ria – Vung Tau (Southeast Region), Binh Dinh and Phu Yen (Central Coast). Component 1 of the Project will include: i) new construction of 314.4 km of 500kV Krong Buk – Tay Ninh 1 transmission line stretching over the 5 provinces of Dak Lak, Dak Nong, Binh Phuoc, Binh Duong, and Tay Ninh; ii) construction of 500kV North Chau Duc substation in Vung Tau province with two 11.4 km 500kV transmission lines connecting branches in Vung Tau and Dong Nai provinces; iii) construction of a 15.8 km 220kV transmission line in Vung Tau province; iv) construction of 220kV Phuoc Dong substation in Tay Ninh province; and v) upgrading of 220kV Tuy Hoa – Quy Nhon transmission lines and Phuoc Thai and Song Cau 220kV substations. Component 2 will finance a new supervisory control and data acquisition (SCADA) system with automatic generation control (AGC) for voltage and frequency support to improve the reliability of the grid and the integration of variable renewable energy (VRE).

The project areas are characterized by rich biodiversity and diverse natural habitats including critical habitats of national parks and nature reserve areas. Ba Ria Vung Tau is the coastal province in the Southeast region with over 300km of coastal line, including an island district of Con Dao - National Park and Binh Chau – Phuoc Buu Nature Reserve. Dong Nai is home to Cat Tien National Park and Vinh Cuu Nature Reserve. Tay Ninh is well known for Lo Go Sa Mat National Park and Chang Riec and Ba Den Mountain Landscape Conservation Areas. Binh Phuoc is home to Bu Gia Map National Park and Ba Ra Mountain. Dak Nong possesses Nam Nung and Ta Dung Nature Reserves and Dray Sap-Gia Long Landscape Conservation Area. Dak Lak is the province with the most conservation areas which include Yok Don and Chu Yang Sin National Parks, Ea So and Nam Car Nature Reserves, Ea Ral and Trap Kso Species and Habitat Conservation Areas, and Ho Lak Landscape Conservation Area.

Ba Ria Vung Tau, Dong Nai, Binh Duong and Tay Ninh cover a wide variety of physical landscapes, including mountain areas, low mountainous terrains, flat plains and alluvial valleys, and to the coastal area of Ba Ria Vung Tau. Binh Phuoc is relatively flat with elevation extending from 50m to 200m though out the provinces. The forestry land takes up 337,000 ha, or 49% of the Binh Phuoc province total area. With its rich, flat basalt red soil, Dak Lak and Dak Nong in the Central Highlands are the provinces with large forested areas but low native forest cover due to illegal logging and the development of industrial tree plantation such as rubber, tea, and pepper.



The project areas are home to nearly 1.1 million people belonging to different ethnic minority groups. The largest concentration of ethnic minorities (EM) is found in Dak Lak and Dak Nong (central highland) and Binh Phuong (southeast region), where the EM population accounts for 33%, 32.1% and 19.7% of the total population respectively. The percentage of EM people in other provinces ranges between 1.9% (Tay Ninh) and 5.9% (Phu Yen). In terms of the poverty rate, except for the provinces in the southeast region (Binh Phuoc, Binh Duong, Tay Ninh, and Ba Ria Vung Tau), the rate in project areas in the central coast and central highland is higher than the national average in 2019 (5.7%). While poverty is decreasing across the project area, the 2019 poverty rate in Dak Lak and Dak Nong are among the highest in Vietnam (9.1% and 10,1%). The project areas are also famous for tangible and intangible cultural heritage including Cham towers, pagodas, churches, the Cultural Spaces of Gong in the Central Highlands.

D. 2. Borrower’s Institutional Capacity

EVN will be the project owner and responsible for coordinating with all relevant Government agencies as well as its subsidiary companies responsible for following respective components. The National Power Transmission Corporation (NPT) will implement Component 1, while the National Load Dispatch Centre (NLDC) will implement Component 2. These implementing agencies have been involved in the preparation and implementation of many Bank-financed projects in the energy sector including Rural Energy, Rural Distribution Project, SEIER, Transmission and Distribution (1&2), Distribution Efficiency Project and the on-going Transmission Efficiency Project (TEP). All projects have been implemented through dedicated project management boards (PMBs) under NPT or the regional Power Corporation of EVN. Therefore, they have good experience with the Bank safeguards policies and demonstrated good environmental and social performance in Bank-financed projects. Although they have no experience with the Bank’s new Environmental and Social Framework (ESF), this capacity gap can be addressed by capacity building on ESF during project preparation and implementation focusing on the additional requirements of the ESF, including the concepts of proportionality and adaptive management, labor management, community health and safety, health and safety, etc. The IAs participated in the Borrower Training on ESF organized by the Bank in May 2018. An initial discussion on the ESF with EVN, NPT and PMBs was held in September 2020 during the REACH identification mission. The Bank will provide the client with continuous support in environmental and social risk management during preparation and implementation.

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

A. Environmental and Social Risk Classification (ESRC) High

Environmental Risk Rating High

The project would bring about the improved capacity of the electricity grid for enhanced VRE integration of private sector-led renewable energy generation and reduced greenhouse gas (GHG) emissions, reduced electricity costs, reduction in dependence on fossil fuels, and reduction in air and water pollution. The project would also bring direct temporary benefits for skilled and unskilled workers that would be employed for the construction and operation of the project.

The project potential environmental risks and impacts of the project would mainly be associated with the activities to be implemented under Component 1. The most significant potential environmental risk/impacts are attributed to the construction of the 500kV and 220kV transmission lines which will span over five provinces containing rich biodiversity and critical and natural habitats. Although the transmission lines are not expected to cut across the national parks, their construction may result in loss and fragmentation of some natural habitats, adversely affecting



species and biodiversity in the project area if the right of way (ROW) is not properly planned. The new 500kV and 220kV substation will not be located in any critical habitat such as national parks. Significant risks during construction would also be the risks of unexploded ordnances (UXOs) left after the war, working at heights, and electricity risk during transmission line testing. Other construction-related risks and impacts such as erosion and sedimentation can be rated as substantial. As Component 2 will finance a new SCADA with automatic generation control for voltage and frequency support, the potential environmental risks and impacts are expected to be low.

The potential significant risks and impacts during operation would include the effects associated with exposure to electric and magnetic fields from high voltage power lines and substations, worker safety during maintenance, and related community health and safety. There are also risks and impacts related to oil leakages, fire and explosion, and electrocution and collision risks to certain bird species.

The IAs demonstrated technical and institutional capacity by successful design and implementation of the previous World Bank-financed projects in the power sector, including rural distribution, transmission efficiency, and hydropower development. Although the IAs are not familiar with the new ESF and related environmental and social standards (ESSs), the capacity of the IAs can be built to successfully address the additional requirements of the ESSs given their good experience with the World Bank safeguards policies. A program for ESF capacity building will be developed and incorporated in the project design for implementation.

Given the project investment type, location, sensitivity and scale, and the nature and magnitude of the potential environmental risks and impacts, the project's environmental risks are classified as high at this stage. However, this risk rating will be revisited during preparation upon the availability of more information and analysis.

Social Risk Rating

High

The social risks of the proposed project are classified as High given the magnitude of potential land acquisition impact, causing physical and economic displacement to affected households. This impact is primarily related to the implementation of sub-component 1.1 “Transmission backbone” that consists of 200kV-500kV subprojects. While the land taking impact caused by substation subprojects is straight forward and concentrated, that induced by the 500kV transmission line (TL) will be more significant. Per the existing regulations, all structures, houses, and (tall) trees under its right-of-way (ROW) - (7m from the outermost wire) - must be demolished or removed. The width of the affected areas could be up to 28 meters wide. With the length of 314.4 km, the proposed 500kV Dak Nong – Tay Ninh TL (under subcomponent 1.1) may require a significant amount of land acquisition and relocation. In addition, acquiring land and resettlement arrangement in linear investment is always challenging, especially in the context of Vietnam where the implementation process is highly decentralized. With the TL stretching over 5 provinces, a major challenge for the implementing agencies will be to ensure consistency of application of the management measures required for the project. Other social risks include the presence in the project area of the vulnerable population such as ethnic minority people, the presence of sensitive sites of tangible and intangible cultural heritage, and the need to mobilize workers to be deployed across a wide geographic area. Ethnic minority communities tend to be poorer and more reliant for their livelihoods and cultural wellbeing on the land and resources impacted by the project, and require specialized forms of engagement. The presence of workers (and its influx) may cause a certain level of turbulence (cultural norms violation, relationship with the community) in ethnic minority communities. Other labor-related risks may include sectoral OHS specific OHS hazards such as live power lines, working at height, electric and magnetic fields, exposure to chemicals. Lastly, the cost of this TL accounts for nearly half of the project budget, hence, without proper planning and implementation, delay in implementing land acquisition, compensation and resettlement would

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negatively influence the overall project achievement. However, this risk rating will be revisited during preparation upon the availability of more information and analysis and during implementation once measures are established to be working.

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:

The project is expected to have positive direct and indirect social and environmental impacts, including improved electricity supply, reduction in GHG emissions, and employment generation. Transitioning to a higher percentage of renewable energy in the electricity mix has benefits for Vietnam's GHG emissions, air and water pollution, and use of water resources. The project is likely to result in significant employment generation, including construction jobs, followed by a smaller number of long-term jobs associated with operation and maintenance (O&M) activities. In addition, there will be substantial opportunities to promote female employment (direct and indirect) through training and specific incentives.

The potential adverse impacts would mainly be associated with the implementation of Component 1, which includes new construction and upgrading of the transmission lines and substations. The potential adverse impacts of the project during site preparation and construction include those related to (i) civil works within natural habitats, nature reserves, or species and habitat conservation areas, resulting in loss and fragmentation of natural habitats due to construction of the 500kV and 200kV transmission lines; (ii) increased levels of dust, noise, and other emissions from excavation activities, land clearing activities, material stockpiles, operation of heavy equipment, and transportation of construction materials and electrical equipment; (iii) construction site waste generation; (iv) health and environmental impacts related to the presence of polychlorinated biphenyls (PCBs); (v) traffic disturbance and road damage due to the transportation of building materials and equipment; (vi) soil erosion, sediment, localized landslide risks; (vii) UXO risks; and (viii) health and safety issues for workers and community. The adverse social impacts include the acquisition of land required for the construction of substations (220kV, 500kV), connecting lines, transmission lines (500kV), causing physical and economic displacement for affected households. It also includes potential adverse impacts on the livelihoods and culture of ethnic minority communities who are present or have collective attachments to the project areas.

The potential significant risks and impacts during operation would be the effects associated with exposure to electric and magnetic fields from high voltage power lines and substations; worker safety related to working at height and with high voltage transmission lines during maintenance; and related community health and safety. There are also risks and impacts due to potential oil leakage, fire, and explosion. Given that a number of national parks are located in the projects, there could be electrocution and collision risks to certain migratory and/or threatened and endangered bird species. In addition, if the ROW or substations are located in proximity to the national parks, access to the critical habitats may be increased.

Since the Project consists of subprojects, and the risks and impacts cannot be determined until the subproject details have been identified, an ESMF will be prepared during preparation. The ESMF sets out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts. It contains measures and plans to reduce, mitigate and/or offset adverse risks and impacts, provisions for estimating and budgeting the costs of such measures, and information on the agency or agencies responsible for addressing project risks and impacts, including on its



capacity to manage environmental and social risks and impacts. It also includes detailed screening criteria and guidance for the development of subproject ESIA/ESMPs. Detailed transmission line and substation sitting studies will be conducted during implementation to minimize land acquisition and resettlement as much as possible, important physical cultural resources, and other sensitive areas such as national parks and national protected areas. These criteria and guidance will determine the level of ESIA/ESMP needed for specific activities – from detailed documents for more complex or higher risk activities to simple checklists for more basic activities.

While the project is designed to facilitate evacuating power from the renewable energy-producing center to the demand centers, VRE investments could not be considered as associated facilities. First, REACH is financing ‘backbone’ grid infrastructure: The project investments are proposed at the wholesale, high-voltage level. This will be common infrastructure for bulk power transfer which would be used by existing and new projects. The high-voltage investments being proposed are not exclusive mechanism for evacuating power from VRE projects, but a way to further facilitate it. Second, VRE projects connect to grid at different entry and exit points: Solar and wind generation projects do not directly connect to high-voltage network financed by REACH. Third, VRE projects and REACH investments are viable on their own: Solar and wind generation projects do not require the REACH infrastructure to be viable (as evidenced by many hundreds of MWs of projects which are already installed). The VRE projects get paid by contract at their own immediate connection points to the grid no matter where the power goes. In conclusion, the VRE projects are not directly or significantly relying on REACH investments; VRE projects may or may not be contemporaneous to REACH investments; and REACH investments are not the preconditions for VRE projects to be viable. During project preparation and implementation, the potential associated facilities related to the sub-projects other than the VRE projects will be identified and addressed as per ESF requirement.

During implementation, the subprojects or activities will be screened in accordance with the guidelines and requirements set forth in the ESMF. For the identified high and substantial risk subprojects, an ESIA will be required, while an ESMP should suffice for the low and moderate risk subprojects. The environmental and social assessment will follow requirements of the ESF including addressing direct, indirect and cumulative impacts. The ESMP will consist of environmental codes of practice (ECOP) and a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of a project to eliminate adverse environmental and social risks and impacts, offset them or reduce them to acceptable levels. It will include a requirement that the contractor develop site specific ESMPs that should cover construction and operational project phases, as needed. The ESMP will also include the measures and actions needed to implement these measures. The project implementing agency 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; and (c) describe the means for meeting those requirements, monitoring and supervision during construction.

A grievance redress mechanism will also be developed to guide the reception, recording, handling, and reporting of complaints that may be encountered during project implementation. While the GRM requirements will generally follow the existing national regulation, project-specific provisions will be included to ensure compliance with ESF. The World Bank EHS Guidelines will also be applied when developing ESA instruments. The Borrower will prepare an Environmental Social Commitment Plan (ESCP) which sets out the actions and activities the Borrower commits to undertake during project implementation and could be adjusted during the project cycle in line with the evolution of environmental and social risk and impacts. Consultation during the preparation of ESCP, ESMF, RPF, EMPF, and SEP and disclosure of these documents will be carried out in accordance with the requirements of ESS10.



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 the 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

The Project affected parties include implementing agencies at the national level (MOIT, EVN, NPT, NLDC), regional level (through NPT-dedicated PMBs in the north, central and southern region), local authorities (especially district people’s committees), and local communities (including affected households, ethnic minority households). The project interested parties include renewable energy suppliers in the regions, distribution power companies, media, local/international NGO, development partners, and the general public audience. A 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 cycles. The SEP will assist to ensure consistent implementation of ES risk measures throughout the project given the diverse range of interprovincial implementing partners required to administer the project. Particular attention will be given to groups that are more likely to be disproportionately affected by the project and or more likely to be excluded from or unable to participate in mainstream consultation. SEP will determine the challenges associated with reaching ethnic minorities in remote areas, engaging them with understandable materials, language and identify appropriate measures/modalities to ensure their voice and participation. This will include discussions of project design and impacts as well as 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 with the pace of project implementation. The SEP will also include a description of a GRM, guiding the reception, recording, handling, and reporting of complaints that may be encountered during project implementation. While the GRM requirements will generally follow the existing national regulation, project-specific provisions (e.g. staffing and resource allocation, GRM reporting and monitoring) will be included to ensure compliance with ESF. The risk of COVID-19 affecting the project implementation is likely to be rated as Moderate to Low given the effective measures that the Government of Vietnam is implementing. Hence, it's expected consultation and stakeholders engagement activities will be conducted in face-to-face meetings in addition to online disclosure arrangement. Should the COVID-19 outbreak happen, in addition to the application of Government requirements, the project implementing agencies will be requested to follow WHO's recommendations as well as specific guidance of the World Bank on consultation. Special provisions for virtual consultation will be developed as a result of the COVID-19 pandemic.

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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

Activities of both component 1 and 2 would require the hiring of direct workers (including consultants working for the implementing agencies), contracted workers employed by third parties to execute the core function of the



project (e.g. construction works for substations and transmission lines, construction supervision consultants), as well as people employed by the primary suppliers for the project. The project will not engage community workers. Vietnam already has in place a relatively comprehensive (and evolving) framework for labor and working conditions having ratified the following ILO conventions: Forced Labor, Labor Inspection, Equal Remuneration Convention, Discrimination (Employment and Occupation), Minimum Age, the Worst Forms of Child Labor, Occupational Health and Safety. Vietnam has also recently ratified the ILO conventions on: Freedom of Association and Protection of the Right to Organize Convention, Right to Organize and Collective Bargaining Convention; and Abolition of Forced Labor Convention. One challenge on the application of this framework is the lack of systematic labor inspection, especially when it comes to construction contractors and primary suppliers, where there is a heavy reliance on self-reporting. For contracted workers, a template for labor-management procedures will be developed for inclusion in the bidding documents. For primary suppliers of materials, there is not the practice of conducting due diligence on labor and working conditions among potential sources of aggregate material. Therefore, a monitoring procedure will need to be in place prior to the commencement of works. The ESIA will also assess potential labor issues, including risks of child and forced labor in accordance ESF, ILO, and national requirements with referring to relevant good practice notes; specific OHS hazards such as live power lines, working at height, electric and magnetic fields, exposure to chemicals in the energy sector in general and in specific subprojects, in particular. Due diligence of primary supplier will be conducted in accordance with the ESF requirements and good practices. In addition to labor-management procedures, and primary supplier monitoring systems, the implementing agency will develop OHS procedures, a grievance redress mechanism specific to labor and working conditions, and a system for monitoring third-party contractor compliance with agreed OHL and LMPs.

ESS3 Resource Efficiency and Pollution Prevention and Management

Given the type and scale of the project investments, significant use of materials and resources including water would not be expected. The project will contribute to the reduction of GHG emissions in the operation phase due to offsetting emissions from increased use of coal fired power plants. It is also anticipated not to generate a significant amount of GHG emissions during construction. Nevertheless, construction and operation related risks and impacts should be addressed during the ESA process. These include construction site waste generation, soil erosion and sediment control from materials sourcing areas and site preparation activities, fugitive dust and other emissions (e.g. from vehicle traffic, land clearing activities, and materials stockpiles), noise from heavy equipment and truck traffic, potential for hazardous materials and oil spills associated with heavy equipment operation and fueling activities and related mitigation framework; health and risks related to polychlorinated biphenyls (PCBs) which may provoke carcinogenicity, reproductive impairment, immune system changes, and the loss of biological diversity, if not handled properly and disposed of with care; soil contamination at power transformer stations need to be assessed including any historical contamination of the soil and groundwater, disposal and decontamination of PCB transformers. Resource use efficiency will be assessed, and mitigation measures will be proposed during the ESA process. The current good practice in Vietnam is to clear vegetation for the maintenance of ROW manually. Wood power poles are no longer in use in Vietnam. Therefore, the project will not use herbicides or any other pesticides for right-of-way vegetation maintenance or chemical products for wood preservation for poles and associated wood construction materials. To the extent technically and financially feasible the project will adopt measures, specified in the WB Group ESHG and other Good International Industry Practices for electrical transmission, efficient use of raw materials and for optimizing energy use.



The ESMF will include sections on pollution prevention and management, with a focus on those issues which may arise while conducting civil works for facilities construction activities and during operation. Assessment of the risks and impacts of the civil work and proposed mitigation measures related to relevant requirements of ESS3, including raw materials, water use, air pollution, hazardous materials, and hazardous waste will be included in the ESIA or ESMP as relevant.

ESS4 Community Health and Safety

The aspects of community health and safety that needs to be considered during the implementation include traffic safety along transportation routes; community health issues and safety at the construction sites; industry-specific impacts such as electrocution, electromagnetic interference, visual amenity, aircraft navigation safety; as well as risks of GBV/SEA related to the influx of workers and security personnel, and the potential of exposure to the electric and magnetic field from high voltage power lines and substations in the operation phase. Standard measures in the World Bank Group Environment, Health, and Safety Guidelines (EHSG) to ensure the health and safety of communities will be integrated, and referred to, directly in the ESMF, and implemented during the construction of and operation of the project financed infrastructure will be considered. These include the measures in 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 GBV/SEA risk of this proposed project is likely to be rated as Moderate. At minimum measures to address the risk related to GBV/SEA will include the integration of a code of conduct into contractor bidding documents, mandatory training for project workers, the design and implementation of a GBV/SEA sensitive GRM. The risk of COVID-19 affecting the project implementation is likely to be rated as Moderate to Low given the effective measures that the Government of Vietnam is implementing. Vietnam has no case of community transmission since August 2020. Should the COVID-19 outbreak happen, in addition to the application of Government requirements, the project implementing agencies will be requested to follow WHO's recommendations as well as specific guidance of the World Bank (for civil works and consultation).

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Impacts relating to land acquisition and resettlement will occur mainly due to the implementation of activities under component 1 (construction of 220-500kV substations (including access roads), 500kV transmission lines (including operational houses)). These civil works will require an average area of 20,000-50,000 m² for substation (220kV and 500kV respectively) and 400m² for each tower foundation. The most significant impact, however, will occur in the construction of 500kV Dak Nong – Tay Ninh TL. Per the existing regulations, all structures, houses, and (tall) trees under its right-of-way (ROW) - (7m from the outermost wire) - must be demolished or removed. The width of the affected areas could be up to 28 meters wide. With the length of 314.4 km, the proposed 500kV Dak Nong – Tay Ninh TL (under subcomponent 1.1) may require a significant amount of land acquisition and relocation. The likely types of economic and physical displacement include loss of houses, structure, crops, trees, agricultural land, and residential land. While the exact location, alignment and magnitude will be further identified, by Appraisal, the Borrower will prepare a Resettlement Framework (RF) to guide the preparation of RPs for investments identified during project implementation. The RF will include the measures to ensure that displaced people are: (i) informed about the options regarding resettlement; (ii) consulted and offered alternative resettlement choices; and (iii) provided with effective compensation and livelihood restoration. The RF will also include guidance on screening and as well as the



implications of applying to standard for potentially linked activities. All resettlement instruments will take into account experiences in performing land acquisition and compensation in other similar Bank-funded projects.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project area is characterized by diverse critical and natural habitats. However, the initial environmental screening of the project indicated that the 500kV and 220kV transmission lines and substations would not cross over and be located in the national parks. Nevertheless, the construction of the transmission lines may involve land acquisition of some natural habitats resulting in loss and fragmentation of natural habitats or potential risks to aquatic habitat alteration if not properly planned. If the ROW is aligned through forested areas, it may result in alteration and disruption to terrestrial habitat. Given that the national parks and nature reserves located in the project area may be home to migratory birds, there could be electrocution and collision risks to certain bird species resulting in avian mortality if the transmission lines will be constructed along their migratory routes. In addition, if the ROW of the transmission lines or substations are located in proximity to the national parks, access to the critical habitats may be increased. Care will be taken to ensure that the project impacts on critical and natural habitats, migratory birds, terrestrial and aquatic ecosystems and their services, and species are well assessed and managed. The Borrower will conduct the environmental and social assessment in accordance with the requirements of ESS6 during project preparation and implementation, including assessment of the natural and critical habitats and ecosystems and their services. Wherever possible the routing selection of the transmission lines should avoid natural and critical habitats. The routing selection study should follow the mitigation hierarchy. Exclusion criteria will be included in the ESMF to avoid land acquisition of the critical habitats. The environmental and social assessment to be conducted as part of the preparation of the ESMF and as a detailed assessment during the preparation of the subprojects. The ESMF and subproject ESIA's will include measures to avoid, mitigate, minimize or compensate for the disturbance or negative impacts, through the siting of the transmission line ROW, construction works, engineering design or construction practices.

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

The Project will be implemented in the Central Coast, Central Highland, and Southeast regions, the home of nearly 1.1 million people belonging to different ethnic minority groups. The largest concentration of ethnic minorities is found in Dak Lak and Dak Nong (central highland) and Binh Phuong (southeast region) where the ethnic minority population accounted for 33%, 32.1% and 19.7% of the total population respectively. The percentage of EM people in other provinces ranges between 1.9% (Tay Ninh) and 5.9% (Phu Yen). The application of ESS7 at the subproject level will be assessed on a case by case basis with support from early screening exercises. Given that the impacts at the subproject level are not known by appraisal, an ethnic minority 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 subprojects, as well as procedures for conducting meaningful consultation (or for securing FPIC if necessary). Subsequently, an Ethnic Minority Development Plan(s) can be prepared during implementation. This will be further assessed during project preparation.

ESS8 Cultural Heritage



Given the project investment type, scale, and location, it is not expected that there will be adverse impacts on intangible cultural heritage in the project area. However, construction of the transmission lines and substations may have adverse impacts on tangible cultural heritage. The location of the substations and the right of ways of the transmission lines may require the relocation of some physical cultural heritage assets or may be located in the vicinity of physical cultural resources (PCRs) like monuments, temples, churches, tombs. The ESMF will include a screening process aimed at identifying possible cultural heritage as per ESS8, and will provide guidance on impact assessment and mitigation measures. Furthermore, the ESMF will include a chance finds procedure in cases where such cultural heritage is encountered, requiring immediate cessation of construction activity and reporting to the appropriate authorities. The impacts and associated mitigation measures for the relocation of graves will be included in the related subproject ESMP and resettlement plan (RP).

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.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

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

No financing partner is identified at this stage.

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

Actions to be completed prior to Bank Board Approval:

- Complete the Environmental and Social Management Framework (ESMF)
- Complete the Stakeholder Engagement and Plan (SEP). SEP will include the description of GRM.
- Complete the Resettlement Policy Framework (RPF)
- Complete the Ethnic Minority Planning Framework (EMPF)
- Complete the Labor Management Procedures (LMP) and Grievance Mechanism for project workers
- Complete the Environmental and Social Commitment Plan (ESCP)

Public Disclosure



Prior to project appraisal, disclose the SEP, ESMF, RPF, EMPF, 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
- Commitment to finalize the relevant assessments and instruments per Environmental and Social Standards (ESSs') requirements (e.g. RAP, LMP, by Board Approval)
- 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 a strong focus on application/ implementation of ESF, ESSs and relevant instruments
- Develop and Implement a Project Level Grievance Redress Mechanism by project effectiveness
- Development of a detailed GBV/SEA Action Plan
- 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 ESIA.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

01-Mar-2021

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: Vietnam Electricity

V. FOR MORE INFORMATION CONTACT



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VI. APPROVAL

Task Team Leader(s):	Sabine Mathilde Isabelle Cornieti, Rahul Kitchlu
Practice Manager (ENR/Social)	Susan S. Shen Recommended on 17-Jan-2021 at 19:44:5 GMT-05:00
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 23-Jan-2021 at 09:46:15 GMT-05:00