



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 10-Apr-2018 | Report No: PIDISDSA24621



**BASIC INFORMATION**

**A. Basic Project Data**

|  |  |   |   |
|--|--|---|---|
| Country<br>Vietnam                                   | Project ID<br>P160162                        | Project Name<br>Thai Nguyen Dynamic City Integrated Development Project | Parent Project ID (if any)  |
| Region<br>EAST ASIA AND PACIFIC                      | Estimated Appraisal Date<br>24-Jan-2018      | Estimated Board Date<br>13-Jun-2018                                     | Practice Area (Lead)<br>Social, Urban, Rural and Resilience Global Practice |
| Financing Instrument<br>Investment Project Financing | Borrower(s)<br>Socialist Republic of Vietnam | Implementing Agency<br>Thai Nguyen City People's Committee              |   |

Proposed Development Objective(s)

To improve access to urban infrastructure services and to improve integrated urban planning and management in the project city.

Components

- Component 1: Structural Investments - Rehabilitation and Construction of Urban Infrastructure
- Component 2: Non-Structural Investments - Technical Assistancess and Implementation Supports

**Financing (in USD Million)**

| Financing Source                            | Amount        |
|---|---------------|
| Borrower                                    | 20.00         |
| International Development Association (IDA) | 80.00         |
| <b>Total Project Cost</b>                   | <b>100.00</b> |

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue



Other Decision (as needed)

## **B. Introduction and Context**

### Country Context

1. Vietnam has sustained rapid economic growth rates since the introduction of the Doi Moi reforms in the late 1980s, allowing the country to transform from a low-income economy to a middle-income economy in one generation. With GDP growth averaging 5.3% annually, real GDP per capita more than tripled between 1990 and 2014. Economic growth coupled with the government's strong focus on inclusive social development has enabled Vietnam to drastically reduce the incidence of extreme poverty and to broaden prosperity. By the World Bank's measure of shared prosperity (i.e., the income growth of the bottom 40% of the population), Vietnam is one of the most noteworthy cases of long-term shared prosperity globally. The pace of economic growth is expected to continue, with the country's recently approved Socio-Economic Development Plan (SEDP) for 2016-2020 setting out an annual growth target of 6.5-7%.
2. As is common among developing and industrializing economies, urban growth has accompanied Vietnam's rapid economic expansion, with the fastest urban population growth concentrated in and around Hanoi and Ho Chi Minh City (HCMC). The urban population has grown by 3.1% annually, with half the country's population expected to live in urban areas by 2040.<sup>1</sup> However, the expansion of urban areas in Vietnam has been low-density and fragmented in nature. In addition, while peri-urban areas around the two major cities have benefitted from their proximity to key economic drivers, regions elsewhere in the country are at risk of falling behind. The World Bank's *Vietnam Urbanization Review* (2011) highlighted that access to basic services, such as sanitation, drainage and quality of water, remains low in secondary cities as compared to large cities. For example, while Hanoi has access to sanitation with connection rates above 80%, smaller cities have access rates as low as 15%. An additional challenge is the increased vulnerability of poor urban areas to climate change variations. Increased incidences of flooding and rising sea levels can have potentially dramatic effects on economies and populations; industries such as shipping, agriculture, and tourism, for example, may face significant pressure in vulnerable low-lying areas.
3. In recognition of the strategic role of urbanization in achieving Vietnam's goals of industrialization and modernization, the GoV developed the *Framework Master Plan for Urban Development in Viet Nam to 2025 and Vision to 2050* (hereby referred to as the National Master Plan) in 2009. Under the National Master Plan, the urban population is expected to accelerate to 5.3% annually, reaching 52 million by 2025. While Vietnam has made overall improvements in reducing poverty and regional inequality, the growing pace of urbanization and the demands of an ever-evolving growth model indicate that well-planned and well-managed urban growth is critical for the country to continue its transformation into a high-income economy.

### Sectoral and Institutional Context

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<sup>1</sup> Vietnam Urbanization Review (World Bank 2011); World Data Bank World Development Indicators <http://databank.worldbank.org/data/reports.aspx?source=2&country=VNM&series=&period=>



4. Current Urbanization Trends. Urban areas currently account for 34% of Vietnam’s population and contribute more than half of national GDP.<sup>2</sup> Global evidence suggests that the benefits from urban growth come from encouraging economic densification, which allows cities to harness the agglomeration economies that enhance productivity, spur innovation and economic diversification, and facilitate more efficient service delivery. However, a notable characteristic of urban development in Vietnam has been low and stagnant levels of urban density. Between 2000 and 2015, urban density remained at 18.9 urban residents per hectare even as urban land expanded by over 650,000 hectares.<sup>3</sup> Increasingly fragmented urbanization is driven in part by Vietnam’s current City Classification System (CCS), which provides fiscal incentives for rapid land conversion and physical expansion of cities, with little emphasis placed on urban density.<sup>4</sup> In an analysis of seven cities that attained Class I status between 2009 and 2011, all but one city failed to meet the minimum standards for urban density, implying that other factors, such as the non-agricultural labor population and development of infrastructure, were relied on to qualify for upgrading.

5. Low and stagnant urban densities with limited infrastructure impede agglomeration economies.<sup>5</sup> Vietnam’s fragmented pattern of urbanization, wherein development commonly takes place beyond the “official” urban core, means that expanding metropolitan areas are limited in their ability to develop infrastructure efficiently. This in turn gives rise to a host of other urban management issues, including growing traffic congestion, worsening air pollution, poor environmental management, and emerging informal settlements. In contrast to Vietnam’s low-density, fragmented urbanization, it is generally recognized that compact cities—with tightly-knit development patterns, strong public transport linkages, and good accessibility to services and jobs—are better able to respond to the growing needs of urban areas. By reducing travel distances within the city and lessening dependency on cars, compact cities are more efficient in their utility of infrastructure. Environmental impacts, such as pollution and greenhouse gas emissions, are also lessened if automobile dependency is reduced in favor of public transport or other forms of non-motorized transport. A focus on physical expansion is unlikely to be sufficient to efficiently guide Vietnam’s rapid urban growth. Instead, emerging cities should re-consider existing urban development patterns and harness opportunities to develop more integrated multi-modal transport systems, which can improve accessibility to jobs and services, promote more compact urban forms and mitigate environmental externalities. Furthermore, services that promote opportunities for both men and women to benefit from and contribute to local economies are important for cities in stimulating economic growth. However, women’s household and care responsibilities constrain their ability to work on equal terms as men. There is a gender gap in the share of urban women engaging in paid work compared to men. In 2014, the proportion of female workers without an employment contract was 47.8%, while this ratio among male laborers was 37.5% in urban areas.

6. Role of Secondary Cities. The National Master Plan focuses on achieving balanced and strategic growth through a national urban system, consisting of urban centers of various grades and types distributed throughout the country. Specifically, it envisages the development of secondary and tertiary cities as hubs to drive

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<sup>2</sup> World Urban Population data (World Bank 2015).

<sup>3</sup> Vietnam 2035 Report (World Bank 2016).

<sup>4</sup> The CCS was developed in 1990 by the Ministry of Construction and amended in 2001 and 2009. Its original goal was to spur the development of cities using indicators set by the GoV to determine budget transfer allocations, thus influencing local choices and investment allocations. The classification of cities under this system falls into four categories: special, first class (I), second class (II), and third class (III); while the status of townships falls into two categories: (IV) fourth class and (V) fifth class.

<sup>5</sup> Vietnam 2035 Report (World Bank 2016).



development within larger urban areas and provinces. This is consistent with international experience, where there is growing recognition of the role of secondary cities<sup>6</sup> as catalysts in facilitating localization economies and the efficient transfer of goods, people, services, and information within a system of cities at different levels (i.e., metropolitan, regional, national, and global). Balanced regional development and appropriate definitions of functions among different hierarchies of urban areas are of great importance. For example, large cities should provide a diverse range of services and connect to external areas, thus promoting international competitiveness, while secondary cities should focus on specialized manufacturing activities. Many countries have been successful with this development pattern.<sup>7</sup>

7. As Vietnam seeks to sustain an ambitious growth trajectory, nurturing secondary cities that have demonstrated the economic potential to play a greater role in enhancing productivity and growth will be essential. However, it remains a challenge for many secondary cities to raise capital and attract the investment required to build infrastructure and support communities that are critical to create dynamic economies, improved livelihoods, and jobs.<sup>8</sup> Demand for basic infrastructure remains high in smaller cities in Vietnam – many still lack wastewater treatment facilities while public transport networks often do not exist. Poor provision of infrastructure has implications both for the quality of life for existing residents, as well as on the attractiveness of the city for further investment and growth. Compounding the need for improved infrastructure is vulnerability to climate change. Vietnam is ranked among the world’s most climate-vulnerable countries, with cities particularly at risk of damage from weather disruptions and rising sea levels given their natural concentration of people, industry, and goods.

8. The World Bank’s flagship Vietnam 2035: Towards Prosperity, Creativity, Equity and Democracy report, a recent study jointly developed by the GoV and the World Bank, emphasized the need to strengthen institutions for integrated urban planning—both functionally (i.e., within and across sectors) and spatially (i.e., across contiguous urban areas and encompassing provincial and metropolitan/city-level plans)—to encourage scale economies at corridor, metropolitan area/conurbation, and regional levels. The report cautions cities in Vietnam against becoming locked into a “large scale” development mindset, in which the accelerated conversion of rural to urban land encourages sprawl and oversized infrastructure. Large infrastructure and a lack of medium- and small-scale street networks will eventually limit the connectivity options available for the city (e.g., public transport and non-motorized transport systems), further increasing private motorization. The key lessons from this study are directly relevant to the challenges faced by the project city.

9. The World Bank’s urban sector engagement strategy in Vietnam recognizes the growing role of secondary cities and the critical need for stronger, more integrated urban planning. The urban portfolio currently focuses on cities at different scales: (i) integrated stand-alone operations in large cities (including Ho Chi Minh City, Hanoi, Da Nang, Hai Phong, and Can Tho); (ii) multi-city approaches targeting infrastructure development and strengthening urban management and planning in secondary cities; and (iii) piloting new approaches, such as PforR, for supporting small cities and towns in lagging regions. The five cities of Ky Anh, Tinh Gia, Hai Duong, Yen Bai, and Thai Nguyen were proposed by the Government of Vietnam (GoV) to get the Bank’s support on the

<sup>6</sup> Globally, secondary cities range in size from 150,000 people to 5 million people.

<sup>7</sup> Vietnam 2035 Report (World Bank 2016).

<sup>8</sup> Brian Roberts and Rene Peter Hohmann, *The Systems of Secondary Cities: The neglected drivers of urbanizing economies*, CIVIS Nov. 2014.



basis of their economic growth potential. Serving as key regional centers and economic engines that are undergoing rapid urbanization, they urgent need for improved urban infrastructure services. Aligned with the Bank’s approach, and on request by the GoV, a multi-city approach was originally designed for this operation. However, based on the current pace of the project preparation that there is a different level of operational readiness for each city and only Thai Nguyen city is eligible to receive the Bank’s loan at this stage, an adaptive option is proposed to proceed a single-city project for Thai Nguyen city. As a large Class I city that serves as the capital of the Thai Nguyen province as well as the regional hub of the Northern Mountainous Region, the proposed Dynamic City Integrated Development Project (DCIDP) for Thai Nguyen is consistent with the Bank’s integrated stand-alone approach for the large cities. Successful implementation of Thai Nguyen DCIDP may be replicated to the remaining cities in an appropriate support of the World Bank to the GoV in urban development agenda.

### **C. Proposed Development Objective(s)**

Development Objective(s) (From PAD)

To improve access to urban infrastructure services and to improve integrated urban planning and management in the project city.

#### Key Results

10. The proposed project’s key beneficiaries will be the over 450,00 residents of Thai Nguyen city in Thai Nguyen Province. Residents will benefit from improved urban infrastructure that will reduce the risk of flooding and expand access to improved sanitation, reduce vehicle travel times on new and improved roads, increase access to child care services, and high quality public spaces. The project will also improve connectivity to industrial parks, commercial establishments, and tourist attractions in the project city, which will benefit workers and merchants commuting to and from the project city as well as tourists visiting the project city. The Provincial People’s Committee (PPC) and City People’s Committee (CPC) of Thai Nguyen will also directly benefit from the project’s non-structural investments, which will provide targeted technical assistance (TA) and capacity development for improved strategic socio-economic spatial planning, public transport planning, asset management, and specialized development planning.

### **D. Project Description**

11. A combination of structural and non-structural components is proposed to support the achievement of the PDO to improve access to urban infrastructure services and to improve integrated urban planning and management in Thai Nguyen city.

12. Component 1: Structural Investments - Rehabilitation and Construction of Urban Infrastructure: A series of municipal investments will be financed to improve the access to and quality of critical urban infrastructure services, including those in urban environmental sanitation, urban transport, and urban amenities. The selection of infrastructure sub-projects will be aligned with the respective updated city master plan. However, given that the sub-projects will be identified based on plans developed before project implementation, the proposals will be rigorously prioritized to ensure that these are no-regret investments that: (i) improve access to, and reliability of, urban services for the bottom 40% of the population; (ii) promote more compact and denser urbanization; (iii) promote the development of neighborhoods with access to high-quality public spaces and public transport; (iv) support long-term socio-economic growth objectives; (v) meet demands for climate change adaptation; and



(vi) meet accepted standards for technical and economic soundness, including resilience measures to limit the potential losses from disasters. A range of municipal infrastructure investments across several sectors is consolidated under a single project component to ensure that DCIDP provides sufficient flexibility to support a menu of municipal infrastructure solutions to address the specific demands of the project city, both at the project appraisal stage and, potentially, during project implementation to address emerging needs.

13. The design and implementation of sub-projects will factor in access to services for women and men (e.g. differentiated travel patterns and safety) and universal design (i.e., ensuring accessibility to older people and people with disabilities) considerations. Ownership of the proposed sub-projects will be assumed by the project city, which will be required to establish adequate institutional arrangements and operations and maintenance (O&M) plans to ensure future sustainability. The proposed sub-components are:

- a) *Sub-component 1.1 – Urban drainage:* The overall improvement of the local drainage system (including construction of new drains, dredging and embankment of streams and lakes, etc.) has been proposed to address the need for improved flood management, particularly in light of both current and projected susceptibility to climate change. To address the potential impacts of climate change, the designs of drainage and flood control infrastructure will take in account scenarios produced by MONRE and reflect them through improved hydraulic modeling works and flexible use of structural and non-structural approaches.
- b) *Sub-component 1.2 – Urban environmental sanitation:* This includes the rehabilitation and construction of sewer collection networks, and the expansion of the existing wastewater collection system. Technical designs for urban environmental sanitation investments will explore low impact designs and water-sensitive urban design interventions.
- c) *Sub-component 1.3 – Urban transport:* This includes investments in strategic urban roads and bridges for better connectivity. Proposed road and bridge sub-projects have been vetted at the preparation stage to ensure that they are aligned with existing master plans, and based on sound analyses of travel and traffic demand and street design patterns. The provision of the proposed roads and bridges in the project city is expected to provide better accessibility for residents to jobs, education, and other services, as well as to improve traffic safety. Traffic safety facilities have been included in all preliminary technical designs. To address the potential impacts of climate change, climate change adaptation measures will be included in the road designs to correspond to MONRE climate change scenarios. Other issues such as road slope protection will be required for sub-projects in mountainous areas.
- d) *Sub-component 1.4 – Urban amenities and public spaces:* The improvement of lakes and channels proposed under the other sub-components strengthens urban resilience and also provides potential opportunities to introduce new, accessible public spaces around the improved infrastructure. These may include public green spaces and promenades with lanes for both cyclists and pedestrians. The project will also support the development of resettlement sites to accommodate that may have to relocate or resettle due to the projects investments (detailed in sub-section E of the Appraisal Summary) and the construction and upgrading of two kindergartens to address issues of under-capacity and poor and deteriorating quality of existing preschool facilities.



14. Component 2: Non-Structural Investments - Technical Assistance and Implementation Support: A comprehensive package of TA and project implementation support will be provided to Thai Nguyen PPC to strengthen its capacities for integrated economic and spatial planning as well as climate change and disaster risk informed planning. The TA will ensure the strategic relevance and efficiency of the municipal infrastructure investments to be financed under the structural component of the project. The technical assistance and implementation support activities are critical to support the structural investments to be undertaken under Component 1 by: (i) linking financing/budgets to the investment programs of the city in order to ensure financial sustainability for long-term O&M and asset management; (ii) consolidating various spatial and sectoral plans into integrated strategic development plans; and (iii) ensuring community participation throughout the planning and sub-project implementation process. The TA activities are expected to cover the following areas:

- a) *Integrated planning.* This activity will facilitate the development/updating of comprehensive, context-specific strategic development plans that: (i) are based on the specific needs, economic endowments, and key development issues of the project city (including a reassessment of economic and demographic assumptions and growth projections); (ii) are functionally and spatially aligned with the updated provincial-level and regional-level strategic plans; (iii) reinforce Thai Nguyen's role as a secondary city within the National Master Plan; and (iv) adopt tools for disaster and climate risk-informed urban planning. For expediency and consistency in management and delivery of the TA, the city and province will work closely with the Ministry of Construction (MOC), the national technical body for urban planning.
- b) *Public transport planning.* TA will be provided for the development of a public transport development strategy and plan that is aligned with the updated city master plans and promote the expansion of local public transport systems. The TA will identify and safeguard provisions for introducing forms of public transport as found to be suitable in Thai Nguyen. Further, the plans will be expected to provide a framework for decision-making, including a clear set of sustainable urban mobility indicators to help the city define specific targets, such as higher network coverage and modal share by public transport, accessibility, affordability, safety, etc.
- c) *Asset management.* TA will be provided to enhance the sustainability of urban assets through the development of asset management plans with corresponding financial sources for O&M of the project investments. A robust analysis of the financing needs and corresponding own-source revenue mobilization forecasts and challenges will be a key part of the development and implementation of asset management plans for the project city. With these plans, it is expected that Thai Nguyen will be better-equipped to manage urban assets in an efficient and sustainable manner.
- d) *Project implementation support.* TA will be provided for: (i) the preparation of technical designs for sub-projects; (ii) construction supervision and contracts management; (iii) independent monitoring of environmental and social safeguards; (iv) independent financial audits; and (v) strengthening project implementation capacity for project management, environmental and social safeguards, financial management, procurement, and monitoring and evaluation.

## **E. Implementation**

### Institutional and Implementation Arrangements





15. Following the lessons and best practices from the Bank’s recent urban development projects in Vietnam (e.g., MCDP, DSCDP, and VUUPs), Thai Nguyen DCICP will be implemented in a decentralized manner, with the city as the Project Owner under the supervision of provincial level administration. Thai Nguyen PPC organized a Project Preparation Unit (PPU) within an existing PMU that has been implementing ODA-funded and GoV-funded urban infrastructure investments. A PMU for DCIDP was subsequently formally established from the PPU following the approval of the Investment Policy Report (pre-feasibility study) by the GoV. Given the crucial role of provincial leadership in facilitating project implementation, the PPC will establish a Project Steering Committee (PSC) comprised of multi-sector departments to guide, support, and supervise the respective PMU.

16. In terms of implementing the non-structural investments under Component 2, Thai Nguyen will work closely with MOC, the national technical body overseeing urban planning, in supporting the TA and capacity building activities. A trust fund will be mobilized to provide capacity building support to MOC to enable key officials to participate and learn from international urban planning approaches and local planning processes, and to subsequently review and revise relevant policies and regulations as appropriate.

17. Project Implementation Manual. The PIM will be the primary document guiding the implementation of the project. The PIM will set forth: (i) the Vietnamese laws and regulations that will govern the various aspects of the project, and (ii) the applicable Bank policies and guidelines governing the project. Throughout project implementation, the project city will implement project activities under Component 1 and 2 in accordance with the PIM in a timely and efficient manner satisfactory to the Bank. The PIM was cleared by the Bank and approved by the PPC and cannot be amended without the prior written agreement of the Bank. The project city will be required to implement the PIM as a legal obligation under the project’s Financing Agreement (FA).

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

The proposed project is in Thai Nguyen city, a Class I city that serves as the capital of the Thai Nguyen province as well as the regional hub of the Northern Mountainous Region. Thai Nguyen city is the political, economic, cultural, educational, science technical, medical, tourism, and service center of the province. The total natural area is 222.9 km<sup>2</sup> and with 362,921 people (2016). Thai Nguyen is located strategically in the Hanoi Capital Region, with newly constructed highway connections facilitating access to the capital, which is just 80 km away. The city is located in an area that has historically served as a center for heavy industry focused on the steel and iron. However, the manufacturing sector in the region has started to transition to clean and high technology industries that have located in new industrial zones that have sprouted in neighboring districts of Thai Nguyen.

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

Thang Duy Nguyen, Social Safeguards Specialist

Son Van Nguyen, Environmental Safeguards Specialist



**SAFEGUARD POLICIES THAT MIGHT APPLY**

| Safeguard Policies                  | Triggered? | Explanation (Optional)   |
|-------------------------------------|------------|--|
| Environmental Assessment OP/BP 4.01 | Yes        | <p>This policy is triggered due to the potential adverse impacts associated with construction activities under Component 1, requiring the identification, mitigation and monitoring of potential adverse environmental and social impacts. The project is proposed as Category B for environment due to the moderate environmental and social impacts associated with the construction, rehabilitation, and operation of urban roads; the improvement of drainage systems, including dredging and embankment lining; and the construction or upgrading of the two kindergartens in Thai Nguyen City.</p> <p>An Environmental and Social Impact Assessment (ESIA), which includes the Environmental and Social Management Plan (ESMP), has been prepared based on an agreed ToR. The final draft ESIA was disclosed on the Bank website and locally for public access prior to project appraisal. The final ESIA/ESMP have also been disclosed for public access.</p> |
| Natural Habitats OP/BP 4.04         | Yes        | <p>The project will be implemented in urban areas and will not involve significant conversion or degradation of critical natural habitats or other natural habitats. The ESIA found that there is no known rare/vulnerable/endangered flora and fauna species presence in the Project area. However, the Project covers the construction of some bridge piles, dredging and embankment lining in the Xuong Rong and Mo Bach ditches, and in the Huong Thuong river). Although these construction sites are located in areas with intensive human activities, the ESIA has assessed the site-specific potential impacts on local flora and fauna, and relevant mitigation measures, such as the use of coffer dams or carrying out dredging at intervals, have been included in the ESIA/ESMP.</p>  |
| Forests OP/BP 4.36                  | Yes        | <p>The project will be implemented in urban areas and would not include planned investments involving forest harvesting or forest management. However, the project will acquire approximately 1.45 ha of</p>   |



|  |     |   |
|--|-----|---|
|  |     | <p>production forest. The ESIA found that such forests have economical but not biological values. Resettlement Action Plan (RAP) and ESMP included adequate mitigation measures to compensate to the forest owners, prevent over clearance of trees or other impacts on fauna, if any.</p>  |
| Pest Management OP 4.09                | No  | <p>The project will not involve the production, procurement, storage, handling or transportation of any pesticide, nor will it result in an increased use of pesticides.</p>  |
| Physical Cultural Resources OP/BP 4.11 | Yes | <p>The project will require the relocation of 58 graves. Compensation and support for the relocation of these graves were included in the RAP and ESMP. The direct and indirect impacts on other PCRs, such as monuments, pagodas, temples, churches, etc., have been assessed and corresponding site-specific mitigation measures have been proposed in the related ESIA/ESMP. As the project involves significant earth works related to road construction, chance finds procedure has been prepared and included in the ESMP for incorporation into bidding and contractual documents during project implementation.</p>   |
| Indigenous Peoples OP/BP 4.10          | No  | <p>Social impact assessments were conducted in the proposed sub-project areas and found that there are no ethnic minority communities living in or their collective attachment to the sub-project areas that meet the criteria of OP/BP 4.10.</p>   |
| Involuntary Resettlement OP/BP 4.12    | Yes | <p>Inventory of losses (IOL) was conducted for all potentially affected households of the proposed subprojects during preparation of RAP. The IOL showed that the project would involve land acquisition of a total of 49.2 hectares, including 20.1 hectares of agricultural land, 8.3 hectares of residential land, and 1.6 hectares of production forestland. Total about 1,347 households (HHs) will be affected due to land acquisition, of which 133 HHs would have to relocate or reorganize on the remaining residential land. Total about 936 households are affected livelihood due to losing partly agricultural land and business land/shops. However, all potential impacts and risks could be predictable, mitigatable and manageable by applying all possible mitigation measures including design alternatives, compensation at replacement cost,</p> |



provision of land plots in resettlement sites to be constructed within subproject ward/commune for relocated households, provision of livelihood restoration package for severely and vulnerably affected households. All the potentially social impacts and associated mitigation measures were included in the RAP.

A Resettlement Policy Framework (RPF) was prepared for the project as required by the land law 2013 of Viet Nam because it is covering multi-provinces while it is not required by the Bank because all subprojects and their boundaries have been identified at time of project preparation. However, the RPF provides principles of involuntary resettlement policy and guidance for preparation of the RAP and the RAP was prepared for the Thai Nguyen city project following the RPF. The RPF will guide any future changes to the RAP in case of any changes to the scope of the project during project implementation that would require the preparation of a new RAP. The RPF and RAP will be approved by the Thai Nguyen PPC and concurred by the World Bank before the Board date.

Public consultations were carried out during preparation of RAP/RPF. The final draft RPF and RAP were disclosed locally in November and December 2017 and at the Bank’s internal and external websites in December 2017. The final RPF and RAP will be disclosed again after cleared by RSS.

The RAP will be updated during project implementation based on the detailed technical design and results of Detailed Measurement Survey (DMS), replacement cost survey and consultations with affected households.

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|--|----|--|
| Safety of Dams OP/BP 4.37                      | No | The project will not involve construction or rehabilitation of dams nor would it affect or depend on the safety of any existing dam. |
| Projects on International Waterways OP/BP 7.50 | No | The project will not be implemented on any international waterways.  |
| Projects in Disputed Areas OP/BP 7.60          | No | No part of the project activities will be implemented in a disputed area.  |



## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The proposed project will be implemented in 14 wards/communes, mostly in existing urban and suburban settings in Thai Nguyen. The types and scope of proposed investments include: i) construction and upgrading of four urban roads and two bridges on the alignments; ii) construction or rehabilitation (dredging and embankment lining) of the Xuong Rong and Mo Bach drainage ditches; and iii) construction/rehabilitation of two kindergartens.

The project's overall potential environmental and social impacts would be significantly positive as the proposed physical investments are expected to bring about improved drainage and flood control capacity, urban connectivity, landscape and environmental sanitation conditions, which will contribute to improved public health, reduced traffic congestion, better inner and external city connectivity, and reduced losses due to flooding city. These would contribute to promote sustainable socio-economic development in the area.

The construction and operation of the proposed physical investments may also cause some potential impacts and risks. At pre-construction phase, there is safety risk related to UXO (unexploded objects) left in the project areas from the past war.

During construction phase, there would be some common construction impacts and risks including (i) increased dust, noise and vibration levels due to earth works; (ii) generation of solid waste and wastewater mostly from excavation and dredging; (iii) surface water quality reduction (iv) roadway and waterway traffic disturbance and increased traffic safety risks; (v) increased erosion/soil subsidence risks; (vi) disturbance to agricultural production activities; (vii) damages to existing infrastructures such as drainage, irrigation and disrupt related services; (viii) social impacts including disturbance to daily lives of local households and businesses, issues related to workers influx; (ix) health and safety of the workers and communities. Most of these potential impacts were anticipated to be at low to moderate level, localized and temporary. However, these construction impacts and risks would be higher in the areas having sensitive receptors such as schools, commune houses, pagodas/temples and other cultural structures, health care units, populated residential clusters, crop land etc. Most of the potential environmental impacts are expected to be moderate, temporary, site-specific, and mostly reversible, with mitigation measures that can be readily designed in most cases. In addition, each work item also may cause other impacts, risks and issues depending on the baseline conditions, typology of investments as discussed below. About two million cubic meters of excavated materials will be generated from the construction of the four new roads. In addition, 30,050 m<sup>3</sup> of excavated and dredged materials will be generated from the dredging of Mo Bach and Xuong Rong ditches. The volumes of such solid waste are relative large and need to be managed.

About 1.6 ha of production forest will be acquired. While the main values of such forest are economical rather than biodiversity, the loss of forest would lead to reduced green space in the project area. 58 graves will be relocated.

Construction activities at the four roads and the Xuong Rong and Mo Bach ditches may affect agricultural production activities at different stages of sowing, planting and harvesting (overflow water from the construction site, sedimentation of agricultural land areas, disrupt accessibility of local people to farming areas etc.). Health and safety, impacts on activities of the teachers and the children would be the key issues during the upgrading of a kindergarten. Safety would be the main concerns in operation phase, particularly traffic safety along the four new roads, and safety



for children at the two kindergartens and along the new embankments.

The ESMP proposed adequate mitigation measures including Environmental Codes of Practices (ECOP), site-specific mitigation measures and other specifications to address construction as well as site-specific impacts. The ESMP also proposed mitigation measures as well as environmental friendly and greening solutions for inclusion into engineering design to address operational impacts and risks.

Besides relocation due to losing residential land and houses, 936 local people will lose their agricultural land and business land with shops, of which about 299 households are severely affected due to losing more than 20% of total agricultural land holding. The project may affect standing crops and trees of local people, however they will be informed 180 days prior to acquisition of agricultural land so that people will stop cultivating or harvesting their crops and trees on the affected land. In case, crops/trees cannot be harvested at time of land acquisition they will be compensated at replacement costs.

The project may cause interruption of business of some households in a short time due to installing drainage system along urban roads. All losses of income during period of construction will be compensated and supported according to the RPF and RAP.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project is expected to have significant positive benefits for the urban environment, public health, contributing to socio-economic development in the project city, improving living standards for local communities. No significant potential indirect and/or long-term impacts are anticipated implementation of the project.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The alternatives of “without the subproject” and “with the subproject” and technical alternatives have been analyzed. The technical, financial, environmental and social aspects, and construction methods have been considered in carrying out the alternative analysis. Every effort has been made to reduce the significant impacts on the environment and society and to avoid/minimize the need for land acquisition.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

An Environmental and Social Impacts Assessment (ESIA) were prepared to assess the potential impacts and risks associated with construction and operation of the proposed investments. The ESIA was referred to the World Bank Group Guidelines on Environmental, Health and Safety, included due diligence review of disposal sites and material resourcing.

An Environmental and Social Management Plan (ESMP) as integral parts of the ESIA were prepared. The objectives of the ESMP are to: i) ensure compliance with the applicable provincial, national, laws, regulations, standards, and guidelines; ii) ensure that there is sufficient allocation of resources on the project budget for implementation of ESMP-related activities; iii) ensure that environmental risks associated with a project property managed; iv) respond to emerging and unforeseen environmental issues not identified in the subproject ESIA; v) provide feedback for continual improvement in environmental performance.



The ESMP consist of the set of good practice mitigation measures to address common construction related impacts which referred to as Environmental Codes of Practices (ECOP). Site-specific mitigation measures and other environmental specifications were also included to address the environmental, social, health, safety issues and risks specifically identified and assessed for some locations/activities of the subproject. The ESMP also specify the implementation, monitoring, supervision and reporting responsibilities of stakeholders including the PMU, detail design engineers, construction supervision consultants, contractors, etc. The ESMP also includes a Compliance Framework which lays out the role and responsibilities of the contractor and a penalty system to address non-compliance cases of the contractor to the environmental management requirements of the subproject.

The key mitigations and greening measures at subproject level during feasibility studies/engineering design include the inclusion of drainage, lighting, sign boards, slop stabilisation and tree planting were included in new road proposals. Safe stair cases and balustrades are included in embankment design to maintain safe access for users and trees will be planted along the ditch to improve landscape. The specific measures proposed for construction phase include beneficial use of parts of the excavated materials (2 million cubic meters) for backfilling and ground levelling. The unused materials will be disposed off safely in the designated (Da Mai and Tich Luong) disposal sites. For safety reasons, the affected communities will be instructed to use alternative routes or venues during the rehabilitation of the existing bridges and kindergartens. With the dredging works, Dredging and Dredged Materials Management Plans have been prepared to address the impacts of dredging, temporary storage/ handing/ transportation/disposal of the dredged materials. With the affected production forests (1.6 ha), in addition to compensation in accordance with RAP, the ESMP also proposed other measures, such as forbidding catching/hunting wild life, banning unauthorized tree cutting or setting fires by the workers, to prevent the risks on forests related to the presence of the workers. To minimize the potential impacts on agricultural production, the ESMP proposed construction schedule avoid peak time and other measures, such as maintaining drainage and access, proper management of construction materials and wastes.

During project implementation, the PMU, through their dedicated environmental and social staff/units, will be responsible for monitoring and ensuring that the subproject is compliance with the commitments specified in the ESMP. The PMU shall monitor and supervise to ensure that: (i) the detail design and cost estimations incorporates relevant measures and environmental friendly solutions; (ii) Construction bidding and contractual documents included relevant parts of the ESMP such as ECOP and relevant specific mitigation measures that the contractors of each package are required to implement during construction phase. Representing the PMU, the construction supervision consultant (CSC) will be responsible for day-to-day monitoring and periodical reporting on the contractor's environmental performance. In addition, the CSC will also arrange for environmental quality monitoring and training the contractor's workers, CSC team members and PMU staff on HIV/AIDs awareness raising, the costs for such monitoring and trainings should be included in the CSC contract value. With some prior experience on managing infrastructure projects in the pasts, safeguard management capacities of the. The IEMC will also carry out periodical monitoring to verify that subprojects are environmentally compliance and recommend corrective actions if/when necessary.

The PMU has limited experience in managing infrastructure projects financed by the government or international donors including safeguard experience through their works in an on-going WB-financed projects (PforR). This safeguard management capacity of the PMU will be addressed through the use of capacity building services provided by an Independent Environmental Monitoring Consultant (IEMC) during project implementation. The PMU and resettlement committee are not much familiar with the Bank social safeguards policy. Therefore, capacity building for the implementing agencies and the PMU as well as on-the-job training on the Bank safeguard policies and requirements needs to be provided to staff of the implementing agencies at the early stage of project implementation.



Resettlement Policy Framework (RPF) and Resettlement Action Plans (RAP): A RPF and RAP for the project have been prepared by the Client to ensure (i) all project impacts will be mitigated, managed and compensated at replacement costs; (ii) implementation of land acquisition and resettlement for the project will comply with OP4.12 and Government policy; and (iii) income and livelihoods of affected people will be restored at least equal to pre-project level or improved better.

Grievance and Redress Mechanism (GRM): Each subproject safeguard instrument (ESMP, RAP) also includes a GRM to provide the framework within which complaints about safeguards compliance can be handled, grievances can be addressed and disputes can be settled quickly. The GRM will be in place before the subproject construction commences.

Within the Vietnamese legal framework citizen rights to complain are protected by the Constitution and Laws on complaint and denouncement. As part of overall implementation of the subproject, the GRM team will be established by Environmental and Social Unit of the city PMU. Its assignments will be readily receiving, handling and following up all grievances/complaints of affected people until they have been resolved satisfactorily. The key process and elements of the GRM include, procedures for receipt and redress of complaints and grievance, responsible persons/agencies, and contact information.

The complaints can be received in verbal or writing forms, by telephone, fax, or email. They can be sent to the local authorities, contractor, construction supervision engineer, city PMU, or the independent resettlement and environment monitoring consultants and will be logged in the record system and sent to responsible persons/agencies for taking action. To facilitate complain redress process, GRM will be disclosed to affected people during public meeting and consultations. It is also included in the subproject information leaflets and distributed at the subproject sites to provide practical information about grievances to local residents including contacts and addresses.

The GRM also refers to the WB's Grievance Redress Service (GRS) and clearly indicates that subproject affected communities and individuals may submit their complaints to the WB's independent Inspection Panel which determines whether harms occurred, or could occur, as a result of WB non-compliance with its safeguards policies and procedures. The website address to provide information on how to submit complaints to the World Bank's GRS is also provided.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Public Consultation and Information Disclosure. Consultations were conducted with the affected households during August to November 2017. The affected people and communities and other relevant stakeholders have been consulted on the RPF, ESIA/ESMP, socio-economic study, and RAP. The feedbacks from the consultations have been incorporated into the project design, the final draft RPF, ESIA/ESMP, and RAP. Draft version of environmental and social safeguards instruments have been disclosed both locally at the subproject PMU, and subproject areas, and at World Bank's websites on or before November 28, 2017. The final environmental and social safeguards instruments will be disclosed locally and at the Bank's websites. The Appraisal Stage Integrated Safeguards Data Sheet of the project will also be disclosed at the Bank's websites.





**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

|                             |                                   |  |
|-----------------------------|-----------------------------------|--|
| Date of receipt by the Bank | Date of submission for disclosure | For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors |
| 27-Nov-2017                 | 28-Nov-2017                       |  |

**"In country" Disclosure**

Vietnam  
21-Nov-2017

Comments

**Resettlement Action Plan/Framework/Policy Process**

|                             |                                   |
|-----------------------------|-----------------------------------|
| Date of receipt by the Bank | Date of submission for disclosure |
| 28-Dec-2017                 | 29-Dec-2017                       |

**"In country" Disclosure**

Vietnam  
28-Dec-2017

Comments

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

Yes



If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**OP/BP 4.36 - Forests**

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

NA

Does the project design include satisfactory measures to overcome these constraints?

NA

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

### CONTACT POINT

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**APPROVAL**

|                      |                       |
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|----------------------|-----------------------|

**Approved By**

|                           |               |             |
|---------------------------|---------------|-------------|
| Safeguards Advisor:       | Peter Leonard | 11-Apr-2018 |
| Practice Manager/Manager: | Abhas K. Jha  | 11-Apr-2018 |
| Country Director:         | Achim Fock    | 13-Apr-2018 |