

**State Bank of Vietnam**  
**Strengthening Banking Sector Soundness and**  
**Development P171375**

**ENVIRONMENTAL and SOCIAL**  
**COMMITMENT PLAN (ESCP)**

**August 30, 2019**

**State Bank of Vietnam**  
**Strengthening Banking Sector Soundness and Development**

**ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN**

1. *The Socialist Republic of Vietnam, through its State Bank of Vietnam (SBV), is planning to implement the Vietnam Banking Sector Soundness and Development Project (the **Project**). The International Bank for Reconstruction and Development/International Development Association hereinafter the Bank/the Association has agreed to provide financing for the Project, using funds provided by the Swiss Government.*
2. *The Socialist Republic of Vietnam, through SBV will implement material measures and actions set forth below in this Environmental and Social Commitment Plan (**ESCP**).*
3. *Where the ESCP refers to specific plans or other documents, whether they have already been prepared or are to be developed, the ESCP requires compliance with all provisions of such plans or other documents. The ESCP requires compliance with the provisions set out in the Stakeholder Engagement Plan that has been developed for the Project.*
4. *The table below summarizes the material measures and actions that are required as well as the timing of the material measures and actions. The Socialist Republic of Vietnam, through SBV is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions are conducted by the SBV.*
5. *Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the Bank/Association by the Socialist Republic of Vietnam, through SBV as required by the ESCP and the conditions of the legal agreement, and the Bank/Association will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.*
6. *As agreed by the Bank/Association and the Socialist Republic of Vietnam, through SBV, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, the Socialist Republic of Vietnam, through SBV will discuss and agree to the changes with the Bank/Association and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the Bank/Association and the SBV. The Socialist Republic of Vietnam, through SBV will promptly disclose the updated ESCP. Depending on the project, the ESCP may also specify the funding necessary for completion of a measure or action.*
7. *Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the Socialist Republic of Vietnam, through SBV shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts.<sup>1</sup>*

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<sup>1</sup> The current fund to cover the costs of implementing this ESCP are a part of Grant proceeds, which for this Project will mainly entail the recruitment of an M & E specialist to monitor and report on the implementation of ESCP.

When Project changes or an unforeseen circumstance occurs which require fund to cover risks and impacts, such fund shall be distributed from Grant.

## Strengthening Banking Sector Soundness and Development

### ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

DATE

*Summary of the Material Measures and Actions to Mitigate the Project's Potential Environmental and Social Risks and Impacts*

*Timeframe*

*Responsibility / Authority and Resources/Funding Committed*

*Date of Completion*

#### ESCP Monitoring and Reporting

**REGULAR REPORTING:** Report as part of the standard project (progress) reports, focusing primarily on the implementation of SEP, which will involve providing updates on communication and engagement activities (where) undertaken as part of the project

Once a year during the project lifetime (from effectiveness to closure)

SBV / Project Management Unit (PMU)

**INCIDENTS AND ACCIDENTS NOTIFICATION:** This is not applicable to the project as no works or activities will take place that are likely to cause even moderate environmental or social harm. Therefore, under this Project, it has not been foreseen any circumstances under which incident reports are required to be submitted.

NA

#### SUMMARY ASSESSMENT

#### ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

1.1 **ORGANIZATIONAL STRUCTURE:** For the purposes of this project, additional qualified staff refers to the project M&E specialist to

After the Project's Financial plan is approved and the procurement

SBV/PMU

December 2021

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	be hired, who will be primarily responsible for monitoring communication and engagement activities.	procedures for hiring M & E consultant be completed.		
1.2	<b>ENVIRONMENTAL AND SOCIAL ASSESSMENT:</b> Not applicable.			
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>				
2.1	<b>LABOR MANAGEMENT PROCEDURES:</b> The SBV/PMU will:  6. Establish employment contracts for PMU staff in accordance with requirement of national law; 7. Incorporate relevant provisions of ESS2 (which is broadly consistent with the requirements of Vietnamese law for the purposes of this type of work) in all consultancy contracts	Project lifetime (from effectiveness to closure)	SBV/ PMU	In all contracts.
	<b>GRIEVANCE MECHANISM FOR PROJECT WORKERS:</b> Maintain grievance redress mechanism available to project workers as regulated in the domestic laws.	Project lifetime (from effectiveness to closure)	SBV	

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**ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE**

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10.1	<b>SEP PREPARATION:</b> The project will engage stakeholders particularly the staff of SBV, as well as beneficiary banks and credit units. Key elements of the SEP are included in this ESCP as per the provisions of the footnote 3 of ESS10.	Key elements of the SEP will be made publicly available in the form of the ESCP prior to grant signing	SBV with the support of the WB	Before appraisal/approval– August 2019

10.2	<p><b>SEP – Main Elements</b></p> <ol style="list-style-type: none"> <li>1. Stakeholder Identification: Potential stakeholders for the activities to be financed by this grant include <ol style="list-style-type: none"> <li>a. Affected Parties: SBV Staff, Credit institutions, , Vietnam banks association.</li> <li>b. Interested Parties: General Public (in the case of public disclosure of laws and decrees)</li> </ol> </li> <li>2. Stakeholder Engagement Program <ol style="list-style-type: none"> <li>a. Information Disclosure: Legislation that will be prepared using the resources of this project will be published on the website of the State Bank of Vietnam.</li> <li>b. Consultation and learning Workshops: TA outputs that are likely to directly affect stakeholders such as credit institutions will be discussed in advance with those institutions as part of responsibilities of the consultants who will provide the TA.</li> </ol> </li> <li>3. Resources and Responsibilities: Information disclosure will be the responsibility of SBV, while responsibility for consultation workshops will primarily lie with the consultants responsible for delivering the relevant TA outputs. Monitoring and reporting on disclosure and consultation workshops will be the responsibility of the project M&amp;E specialist.</li> </ol>	Key elements reflected in this ESCP and will be further elaborated in a project operational manual to be completed.	SBV/PMU	Quarter I/ 2020
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10.2	<b>SEP IMPLEMENTATION:</b> This will involve providing updates on communication and engagement activities (if any) undertaken as part of the project in the project progress report, and will be carried out by the M&E specialist	Project lifetime (from effectiveness to closure)	SBV /PMU	December 2021
	<b>PROJECT GRIEVANCE MECHANISM:</b> In the event Communities and individuals believe that they are adversely affected by the grant financed activities can submit complaints through the applicable channels under domestic laws.	Throughout Project Implementation	SBV	

**Capacity Support**

<b>Specify Training to be provided</b>	<b>Specify Targeted Groups and Timeframe for Delivery</b>	<b>Specify Training Completed</b>
<ul style="list-style-type: none"> <li>Training can be provided at the request of SBV, by the Task Team E&amp;S specialists on aspects of the implementation</li> </ul>	<ul style="list-style-type: none"> <li>SBV Staff and consultants working on the activities financed under the grant.</li> </ul>	Implementing and documenting the stakeholder engagement process.

