

INTEGRATED SAFEGUARDS DATA SHEET

APPRAISAL STAGE

Report No.: ISDSA15806

Date ISDS Prepared/Updated: 17-Dec-2015

Date ISDS Approved/Disclosed: 18-Dec-2015

I. BASIC INFORMATION

1. Basic Project Data

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| Country: | Vietnam | Project ID: | P151086 |
| Project Name: | Vietnam Energy Efficiency for Industrial Enterprises(VEEIE) (P151086) | | |
| Task Team Leader(s): | Franz Gerner,Thi Ba Chu | | |
| Estimated Appraisal Date: | 09-Dec-2015 | Estimated Board Date: | 04-Mar-2016 |
| Managing Unit: | GEE02 | Lending Instrument: | Investment Project Financing |
| Sector(s): | Energy efficiency in Heat and Power (90%), Banking (10%) | | |
| Theme(s): | Climate change (100%) | | |
| Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)? | | | No |
| Financing (In USD Million) | | | |
| Total Project Cost: | 315.00 | Total Bank Financing: | 203.00 |
| Financing Gap: | 0.00 | | |
| Financing Source | | | Amount |
| BORROWER/RECIPIENT | | | 112.00 |
| International Bank for Reconstruction and Development | | | 200.00 |
| International Development Association (IDA) | | | 3.00 |
| Total | | | 315.00 |
| Environmental Category: | F - Financial Intermediary Assessment | | |
| Is this a Repeater project? | No | | |

2. Project Development Objective(s)

The Project Development Objective is to improve energy efficiency in Vietnam's industrial sector. The project will thereby contribute to achieving the government's energy efficiency and GHG reduction objectives.

3. Project Description

1. This is an integrated IBRD/IDA-funded project designed to help remove the principal barriers to investments in industrial EE projects. The technical assistance activities financed by IDA will address the knowledge, institutional and capacity building needs of the banking and industrial sectors, mitigate risk concerns of enterprises, and strengthen government supervision of industrial EE and energy conservation. Those efforts will be accompanied by an EE financial intermediary lending program, which will demonstrate viable mechanisms for financing industrial EE investments, in direct support of the Government's EE targets and green growth strategy.

2. Component 1 – Energy Efficiency Investment Lending (US\$312 million, of which US\$200 million from IBRD, US\$50 million from PFIs, and US\$62 million from IEs)

3. This component consists of an EE lending program of US\$312 million over five years: (a) US\$200 million in IBRD debt financing; (b) PFIs will co-finance project activities, financing 20 percent of the loan to IEs; and (c) sub-borrowers (i.e. IEs) will contribute 20 percent of investments as equity financing, which is common practice for loan applications in Vietnam.

4. A US\$200 million IBRD loan will be on-lent by MOF to selected PFIs. The PFIs in turn will lend the funds to IEs and/or energy service companies for EE investment subprojects. Their lending rates will be determined based on market conditions and will adequately cover the financing and operating costs and provide for a reasonable profit margin for the PFIs.

5. The PFIs will be selected in accordance with financial and non-financial criteria. Non-financial criteria will include demonstrated EE lending strategy/commitment, experience and ability to generate a solid EE project pipeline. The selection of PFIs will fully comply with the Bank's OP10.0 requirements. The IBRD funds will be allocated among the selected PFIs based on the demonstrated pipeline and remaining funds will be allocated on a first come, first served basis.

6. An Operational Manual (OM) will be developed which outlines selection criteria for sub-borrowers and subprojects, appraisal procedures and guidelines, roles and responsibilities of the PFIs and the government, PFIs' internal institutional arrangement for project implementation, technical evaluation, environmental and social, procurement and financial management frameworks that are consistent with the Bank and Vietnamese Government rules and procedures. During project implementation, the PFIs will be responsible for identifying, appraising, and financing subprojects that meet the criteria in the OM, and bear all associated risks.

Component 2 – Technical Assistance and Capacity Building for Improving Energy Efficiency (US \$3million financed through IDA)

7. This TA and capacity building component will assist: (a) MOIT and relevant government agencies, which are responsible for EE policies and targets, to implement voluntary agreements with relevant industries, improve incentives for industry to carry out EE investments and develop mandatory EE standards and benchmarks in the energy-intensive industries; (b) PFIs to improve their knowledge, experience and expertise in identifying, appraising, and implementing EE lending projects in the industrial sector and business development to generate deal flows; and (c) IEs and EE service providers (such as Energy Service Company - ESCOs) to develop bankable projects. This component will be closely linked with the ongoing CPEE on developing EE policies and industry voluntary agreements.

8. IFC is providing advisory services to Vietinbank and is working with the Bank to identify a suitable support capacity mechanism once the PFIs are identified. Under the existing CPEE project, the Bank is providing TA to key energy consuming IEs to develop voluntary agreements, which could form a key part of the pipeline. The TA and capacity building for PFIs will include support to: (a) capacity building and training, particularly to staff at both the HQ and branches as well as risk assessment staff, including support for the development of necessary procedures, and the creation of an adequate knowledge base to evaluate and extend EE loans; (b) marketing and business development to generate a robust EE lending pipeline; (c) support to due diligence of eligible EE

sub-loans, including financial, technical, social and environmental assessments; and (d) development of energy conservation-related financing instruments and risk management tools.

9. TA and capacity building to MOIT will support: (a) assessment of National EE target program period 2010-2015 and preparation for implementation of next phase EE target program period 2016-2020; (b) strengthen the policy and legal and regulatory framework for EE in IEs; (c) develop relevant energy use standards and establishment of EE industrial benchmarks; and (d) develop ESCOs, scale up and encourage EE voluntary agreement, and conduct a communication campaign to raise awareness on EE for IEs.

10. The TA and capacity building to the PFIs include: (i) business startup, including creation, organization, staffing, and initial business plan of the EE lending business unit (or team); (ii) capacity building and training, including support for the development of necessary financial instruments, procedures, and the creation of an adequate knowledge base to evaluate and extend energy efficiency loans; (iii) marketing and development of an EE subproject pipeline; (iv) support to due diligence of eligible EE sub-loans, including financial, technical, social and environmental assessments; and (v) development of energy conservation-related financing instruments and risk management tools.

11. The TA and capacity building for IEs will include support to: (a) identify EE projects and prepare relevant energy audits, technical design and EE project preparation; and (b) raise awareness through a communication campaign organized jointly with relevant industry associations. Capacity building on safeguards for the PFIs, ESCOs, and IEs as well as on-the-job training will be provided. TA to ensure adequate capacity for the review and implementation of safeguard issues will also be considered.

12. A detailed TA and capacity building program and plan for MOIT, PFIs and IEs and associated procurement plan will be developed as a next stage of project preparation. A bank executed grant from the Canadian Externally Financed Output (EFO) will be used to conduct a strategic sector study for the food processing industry in Vietnam, including:

- Strategic sector work on energy savings and ozone/climate benefit potential and EE benchmarking resulting from EE policy and investments in the seafood processing sector. (This work will draw from an initial sector survey that was carried out under the Phase I HCFC Phase-out Project (P115762) in Vietnam as well as the IFC study from 2010);
- Workshops to inform industrial enterprises, financial institutions and government, as well as donors about opportunities for EE technologies and financing; and
- Pipeline preparation support, with specific energy audits, technical pre-FS.

13. The Bank discussed with various donors including the Government of Israel, SECO, DANIDA, GIZ, and UNIDO for potential cooperation on the EE for IEs agenda, leveraging donors' effort to address EE barriers. The Israeli Government has indicated its interest to support specific sectors and industries through targeted EE workshops and studies conducted in parallel to the VEEIEs project. Similar targeted activities are being discussed with UNIDO and are closely coordinated with MOIT.

Anticipated subprojects under component 1 include:

Energy efficiency and energy saving technologies vary by industrial sub-sectors but potential energy saving measures includes:

- Energy systems: upgrading boilers and switching fuels, using co-generation facilities and electric-driven systems, including compressed air systems, electric chillers, machinery and lighting;
- Process technology: upgrading and replacing equipment, machinery and facilities;
- Waste heat and waste use: use of waste heat (of hot/warm gases, liquids and solids) and burning combustible waste (gases, liquids, solids). Use of Renewable Energy (RE) sources in order to decrease fuel and/or electricity consumption in IEs may also be considered. Investments may include: a) co-generation facilities, or process furnaces and stoves, and b) solar water heaters for

sanitary hot/warm preparation.

- Use of Renewable Energy (RE) sources in order to decrease fuel and/or electricity consumption in IEs may also be considered.

Potential of Energy efficiency and energy saving is significant in intensive energy industrial sectors include cement, steel, textile, pulp and paper, food processing, bricks and ceramics, which are originated in targeted sub-projects.

Hereafter is listed some of potential energy efficiency and energy saving projects of three intensive energy industrial sectors include cement, steel, pulp and paper.

Energy saving and energy efficiency projects for cement industry include, but not limited as:

- Using roller mill for grinding raw material,
- Improving furnace fans and optimization of fans,
- Installation of variable speed drivers,
- Using waste fuel and waste heat recovery.
- Utilization of heat exhaust for power generation.

Energy saving and energy efficiency projects for steel and iron industry include, but not limited as:

- Oxy-fuel burners/lancing
- Construction of closed production lines
- Replacement of low performance air compressor,
- Installation of inverter for motor to operate at low or fluctuating load.
- Waste Heat Recovery utilizes the heat from flue gas (exhausted heat from electric arc furnaces, furnaces, kilns, etc.).
- Combustion air preheating for reheating furnace.

Energy saving and energy efficiency projects for Pulp and paper industry include, but not limited as:

- Investment of a new efficient boiler for cogeneration (heat and electricity),
- Replacement of motors,
- Switching biomass fuel technology,
- Chemical waste recovery for heating.

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

The project will be implemented by the selected ESCOs and Industrial Enterprises located in the whole country. It is anticipated that most of the EE subprojects financed under the proposed loan will be within the existing premises of industrial facilities. However, in rare cases, it may involve potential need of land acquisitions. During preparation, locations of the subprojects will be carefully considered in order to avoid potential significant environmental and social impact.

5. Environmental and Social Safeguards Specialists

Nghi Quy Nguyen (GSURR)

Thuy Cam Duong (GENDR)

| 6. Safeguard Policies | Triggered? | Explanation (Optional) |
|-------------------------------------|-------------------|---|
| Environmental Assessment OP/BP 4.01 | Yes | <p>The policies is triggered due to potential environmental and social impacts associated with implementation of subprojects under component 1 and certain TA activities under component 2.</p> <p>The project will bring about positive impacts to the</p> |

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| | | <p>environment as it will contribute to the reduction of GHGs and pollutants, increasing energy savings and encourages the promotion of environmental good industries and good practices.</p> <p>Under the component 1, the Project will finance various subprojects under energy intensive industries such as cement, iron and steel, and pulp and paper, public and private; using these potential energy saving measures: (a) adoption of energy saving industrial technologies (e.g., efficient industrial boilers, kilns, and heat exchange systems); (b) recovery and utilization of wastes and waste heat; (c) installation of highly efficient mechanical and electrical equipment (e.g. motors, pumps, heating and ventilation equipment); and (d) industrial system optimization to reduce energy use.</p> <p>The sub-projects mostly involve small scale construction for installation or replacement of energy efficient technologies and equipment. The environmental impacts associated with the sub-projects during construction/ installation of new equipment could be noise, air emission, domestic waste, labor safety, and disposal of old parts and equipment which may contain PCB and hazardous waste.</p> <p>The impacts during operation period of new equipment and facilities potential include air emission, solid waste, wastewater, safety issue during operation, chemicals and solid wastes which are considered as at a lower amount or lesser polluted than those arisen from old technologies and equipment. The project is expected to have overall positive social benefits because it promotes EE and thus reduces greenhouse gas emissions and other pollutants into the atmosphere. It will also have positive impacts from the perspective of consumers, and workers who are employed by the participating IEs. In a very rare case, the subprojects may have impacts on land acquisition or on the ethnic minority in the subproject areas. New skills are required for workers in order to enable them adapting with the new working context.</p> <p>It is anticipated that most the sub-projects under VEEIEs are category B with the above noted typical impacts which are assessed as localized, varying from small to moderate scale and mitigation measures could be readily designed.</p> |
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| | <p>An ESMF to guide and set out the requirements to ensure the safeguard compliance of the Project during implementation period has been prepared by the client in line with the Bank's safeguard policies and national legislations on environmental protection. It will be adopted by MOIT and integrated in the Project Operation Manual. The ESMF lays out procedures which includes (i) screening mechanism to namely to exclude ineligible subprojects, (ii) identification of environmental and social impacts associated with the EE project and the mitigation measures; (iii) procedures for preparation and approval/clearance of EA documents per GoV regulations and Bank safeguard policies which include an environment and social due diligence of existing facilities/IEs as part of the ESMF; (iii) monitoring, institutional arrangement and financial sources for ESMF implementation and (iv) public consultation and information disclosure requirements in accordance to the Bank safeguard policies.</p> <p>As indicated in the ESMF a detailed protocol or TOR for conducting environment and social due diligences of existing facilities that will be supported by the project will be developed at the beginning of project implementation prior to the screening of the first sub-projects. The protocol or TOR will be submitted to the RSS for review and clearance.</p> <p>The Technical Assistant (TA) under component 2 mostly involves capacity building activities. These activities usually do not cause potential adverse environmental and social impacts and risk. In fact, it would result in enhancement of safeguard performance of subproject under Component 1. For these TA no safeguard instrument will need to be prepared for these activities. Safeguards policy requirements will be integrated directly in the TA activities or the TORs. Nevertheless, under Component 2, technical pre-feasibility studies will be carried out for pipeline support for the food processing industry under Canadian Externally Finance outputs, which have social and environmental aspects that will be covered by the ESMF.</p> <p>As the subprojects are not identified prior to appraisal, an ESMF has been prepared by the Client to guide the environmental assessment process and ensure compliance</p> |
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| | | with the government's environmental management regulation and the Bank's safeguards requirements and the WBG Environmental Health and Safety Guidelines (WBG EHS Guidelines). The ESMF also refer to the Interim Guidelines on the Application of safeguard Policies for TA activities in Bank-financed Projects and TA activities will be screened against the Interim Guidelines. |
| Natural Habitats OP/BP 4.04 | No | <p>The exact location of subprojects are unknown prior to appraisal. However, it is noted that most of the subprojects' work will take place within existing premises of existing facilities and industries, hence they will unlikely to cause negative impacts on natural habitats. In a rare case, the subproject may involve land acquisition, which takes place as an extension from the existing facilities. In that case, locations for land subprojects will be carefully considered in order to avoid potential adverse impact to natural habitat.</p> <p>The Project will finance renewable energy sources which include Solar Photovoltaics and biomass fuel energy, but will not involve in hydroelectric sector. It is noted that the materials used for newly equipped biomass fuel industry are by-products from other sectors such as rice straw from agriculture and woodchip from wooden industry. Therefore it is determined that the safeguard policy OP/BP 4.04 on natural habitats is not triggered.</p> |
| Forests OP/BP 4.36 | No | <p>The project is not anticipated to involve forests and/or impact on the rights and welfare of local people and their level of dependence upon low quality natural forests and plantation forests.</p> <p>It is noted that the materials used for newly equipped biomass fuel industry are by-products from other sectors such as rice straw from agriculture and woodchip from wooden industry instead of being directly exploited from forest plantation or natural forest. Therefore the safeguard policy OP/BP 4.36 is not triggered.</p> |
| Pest Management OP 4.09 | No | The project will not involve any investment that would result in procurement of pesticides or any increase in the use of pesticides. |
| Physical Cultural Resources OP/BP 4.11 | Yes | The project would not involve significant excavations, demolition, moving of earth, flooding, or other environmental changes. It is not expected that the Project will affect any known PCR. |

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| | | However, there is a possibility that the some unknown PCR may be found during the subproject implementation as they include excavation activities. Therefore, the policy is triggered and a chance finds procedure has been prepared and included in the ESMF, site-specific subproject safeguards instruments, bidding, and contractual documents. |
| Indigenous Peoples OP/ BP 4.10 | Yes | <p>The policy is triggered due to the potential presence of ethnic minorities or their collective attachment to land/ natural resources in the subproject areas. The project will ensure that ethnic minority communities will fully benefit from the project and that they will be fully informed and consulted about the project, its potential impact and mitigation measures. Ethnic Minority Planning Framework (EMPF) has been prepared by Appraisal to guide the compliance with the World Bank's OP 4.10.</p> <p>The EMPF will include an Annex with guidance for the preparation of SA among Ethnic Minority communities or alternatively include OP 4.10, Annex A – Social Assessment at the end of the document.</p> |
| Involuntary Resettlement OP/BP 4.12 | Yes | The types of EE projects to be financed under this project could include: (a) adoption of energy saving industrial technologies (e.g., efficient industrial boilers, kilns, and heat exchange systems); (b) recovery and utilization of wastes and waste heat; (c) installation of highly efficient mechanical and electrical equipment (e.g. motors, pumps, heating and ventilation equipment); and (d) industrial system optimization to reduce energy use. It will be likely that the EE subprojects financed under the proposed loan will be within the existing premises of industrial facilities. However, this policy is triggered due to the possibility of the involuntary taking of land required for subprojects implementation cycle. By appraisal, the resettlement policy framework (RPF) has been prepared to guide the compliance with the World Bank's OP 4.12. |
| Safety of Dams OP/BP 4.37 | No | The Project will not finance construction or rehabilitation of any dam. The project is also not dependent on any existing dam or dam under construction. |
| Projects on International Waterways OP/BP 7.50 | No | The project is not implemented in areas of international waterways. |
| Projects in Disputed Areas OP/BP 7.60 | No | The project is not located in any known disputed areas as defined under the policy. |

II. 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 project is part of the Bank's long term engagement to support Vietnam to increase energy savings and improve demand side energy efficiency. Overall the project would bring benefits to the industries and the environment by contributing to reduction of GHGs and pollutants, energy savings, and promotion of the environmentally good industry practices

Environment.

The sub-projects involves the small construction for installation or replacement of energy efficient technologies and equipment. It is anticipated that the Project would mostly include category B subprojects. In any case, all subprojects will be screened carefully case by case, to determine the appropriate category and environmental safeguard instruments to manage the potential impacts.

The construction related impacts are likely to be localized, can be easily managed and mitigated to acceptable levels by applying good construction standard and practices. The potential impacts during construction period involve: (i) noise, dust, disposal of nonhazardous wastes common to the installation of new equipment; (ii) waste management for the energy inefficient equipment being removed from service; and safety issue during the construction/installation of new equipment and facilities. The impacts can properly mitigated via the application of the ECOPs and the WBG industry standards by contractors and closely supervised by the industrial enterprises (IEs) and the construction supervision consultants, the participating financial institutions (PFIs) following specific provisions of subproject EMPs.

The possible impacts during operation period of new equipment and facilities may include safety issues; air emission, solid waste, and wastewater. For example, there may be some issues of combustion gas emissions associated with the installation of new boilers, kilns or other types of heat treating equipment. These are long-term impacts, however, the magnitude and amount of pollutants generated from the new energy efficiency facilities are assessed as lower than those from the old technologies and equipment. These impacts are site-specific and measures for managing these impacts are outlined in the ESMF and shall be elaborated in detailed in each subprojects EMPs.

The Technical Assistant (TA) under component 2 mostly involve capacity building activities. These activities usually do not have potential adverse environmental and social impacts and risk. In addition, technical pre-feasibility studies will be carried out for pipeline support for the food processing industry under Canadian Externally Finance outputs, which may imply potential environmental and social aspects. As such, the TOR for these studies will include requirements on screening, analysis, and on environmental and social aspects so as to ensure that the proposed activities are in accordance to the Bank safeguard policies and the national regulations

Social. The project is expected to have overall positive social benefits because it promotes EE and thus reduces greenhouse gas emissions and other pollutants into the atmosphere. It will also have positive impacts from the perspective of consumers, and workers who are employed by the participating IEs. Through EE investments, the company's energy cost will be reduced per unit of output with positive impacts on final prices of consumer products and services. This will also make IEs more competitive and ensure job security and potential expansion of the workforce.

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

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| No other negative potential indirect and/or long term environmental and social impacts due to future activities are anticipated in the project areas |
| 3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. |
| During the project implementation, the locations of proposed subproject will carefully considered to reduce environmental and social impacts and avoid the potential impacts to natural habitats. Environment and social performance of IEs for sub-project eligibility will also be undertaken. |
| 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. |
| <p>Environment</p> <p>During the preparation stage, the MOIT has prepared one ESMF to guide and set out the requirements to ensure the safeguard compliance of the Project during implementation period. The ESMF is in compliance with the Bank's safeguard policies and national legislations on environmental protection. It will be adopted by MOIT and integrated in the Project Operation Manual. The ESMF lays out procedures which includes (i) screening mechanism to exclude ineligible subprojects, (ii) identification of environmental and social impacts associated with the EE project and the mitigation measures; (iii) procedures for preparation and approval/clearance of EA documents per GoV regulations and Bank safeguard policies which include an environment and social due diligence of existing facilities/IEs as part of the ESMF; (iii) monitoring, institutional arrangement and financial sources for ESMF implementation and (iv) public consultation and information disclosure requirements in accordance to the Bank safeguard policies.</p> <p>The ESMF also covers TA under Component 2. Concretely, it provides requirements for TA activities identified by appraisal stage. The ESMF also refer to the "Interim Guidelines on the Application of safeguard Policies for TA activities in Bank-financed Projects" to screen the other TA activities during implementation period for their implications on environmental and social impacts and determine the appropriate safeguard instruments.</p> <p>The key stakeholders participate in ESMF implementation include IEs, PFIs and MOIT. A Project Management Board (PMB) set up under MOIT will provide support to enhance capacity for PFIs staff on safeguard screening and management via TA activities.</p> <p>Each PFI will form a Project Implementation Unit (PIU) teams, supported by technical, safeguard and procurement experts. The PIU will implement the sub-lending activities and act as the PFI's focal point to interact with the Bank, MOIT, MOF and other stakeholders. The PIU with dedicated safeguard specialist to carry out the safeguard screening, appraisal, clearance and monitoring of subprojects under its management. The WB will associate with PMB to provide technical support to enhance capacity of PFIs as needed.</p> <p>As set out in the ESMF, the IEs will have to prepare all necessary documents in line with the national regulations on environmental assessment and protection. In addition, the category of the subproject will be classified in accordance to the Bank's safeguard policies and appropriate instruments will be required as necessary. The results of subproject screening by PFIs will be reviewed by the WB.</p> <p>The TOR for EIA and the EIA report shall be prior review and cleared by the Bank. For category</p> |

B subprojects, one EMP shall be prepared by IE in line with the Bank's safeguard policies. The Bank will selectively review about 30% of EMP report of category B subproject. In the case that the EA report of category B subprojects is available when the IEs approach the loan, an internal due diligent of EA reports may be conducted and could followed by an EMP preparation as necessary.

During subproject implementation, the IEs will have the overall responsibility to carry out mitigation measures as set out in subproject EMPs. The IEs will be responsible for inclusion of ECOPs into the bidding documents of construction contracts. The IEs and its CSC will carry out internal monitoring to ensure the contractors' implementation of mitigation measures. The PFIs, PMB and WB and local authorities will carry out external monitoring on IEs safeguard implementation on periodical basis.

Social.

Resettlement Policy Framework (RPF). During the preparation stage, RPF was prepared in accordance to OP 4.12 Involuntary Resettlement to guide the policy compliance during the project implementation. It lays down the principles and objectives, eligibility criteria of displaced persons, modes of compensation and rehabilitation, participation features and grievance procedures, review and clearance process of subproject's RP etc. in implementation phase, where relevant, the RP (full resettlement plan or abbreviated resettlement plan) will be prepared in accordance with the policy principles and planning and implementation arrangements set forth in this RPF, and established appropriate mitigation measures as appropriate for all categories of adverse impacts. Each RP will include, among others: description of the subproject; census and baseline socioeconomic characteristics of the DPs; details of impacts on assets, livelihood and incomes; eligibility; valuation and compensation for losses; suggested mitigation measures; site selection, site preparation and relocation, where necessary; income rehabilitation measures; Grievance Redress mechanism; implementation schedule; and estimated resettlement cost. Draft version of RPs will be prepared by IEs and reviewed by PFIs, PMBs and be submitted to the World Bank for review and clearance before the subproject appraisal.

Ethnic Minority Planning Framework (EMPF). During the preparation stage, EMPF was prepared, conforming to the OP 4.10 on Indigenous Peoples, ensuring that the development of subprojects fully respects the dignity, human rights, economies, and culture of affected ethnic minority peoples. The IEs must be able to demonstrate that it has obtained broad community support for the subproject through a process of free, prior, and informed consultations with the affected ethnic minority communities. In this regard, the EMPF sets out guidelines to: (a) ensure that the ethnic minority peoples receive social and economic benefits that are culturally appropriate; (b) avoid potentially adverse effects on the ethnic minority communities; and (c) when such adverse impacts cannot be avoided, minimize, mitigate, or compensate for such effects. The IEs is in charge of preparing EMDP with the technical support of qualified social consultant. The EMDP will be prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed.

The knowledge and experience of key stakeholders of safeguard implementation i.e. IEs, PFIs and MOIT are considered limited. The MOIT has engaged in several WB's funded project. However, it is unlikely that the safeguard staff assigned for previous project could participated in the VEEIEs project. The interested PFIs include BIDV, SHB, Vietinbank, Vietcombank, and Techcombank. All those banks are currently participating Renewable Energy Development Project

funded by the Bank. Two PFIs (BIDV and Vietinbank) have participated in Rural Finance 3 Project (RF3). In BIDV, there is an Environmental Division equipped with 03 staffs with environmental background and are familiar with WB's safeguard policies explicitly to apply in the agricultural subprojects. In other PFIs, a designated credit officer is assigned to screen and supervise safeguard implementation. As such, they are quite familiar with safeguard requirements of the World Bank. Still, other potential PFIs have not experienced with the WB's safeguard policies. IEs have almost no experience with those policies. Close guidance and tailored training program must be developed and implemented to enhance capacity of those stakeholders in performing the safeguard policies.

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

Consultation workshop was conducted on October 9, 2015 with the aim to collect feedbacks/comments on the frameworks developed under the project. The workshop was attended by various participants coming from NGO, central government, research institute. Comments received in the workshop have been incorporated in the final version of the framework. All safeguard frameworks will be disclosed at the subproject sites, MOIT's website, and in the InfoShop. All subproject safeguard instruments are also required to follow the Bank policy on access to information in public consultation and disclosure of information.

B. Disclosure Requirements

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|---|-------------|
| Environmental Assessment/Audit/Management Plan/Other | |
| Date of receipt by the Bank | 14-Nov-2015 |
| Date of submission to InfoShop | 23-Nov-2015 |
| For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors | 00000000 |
| "In country" Disclosure | |
| Vietnam | 09-Dec-2015 |
| <i>Comments:</i> Confirmation letter of Ministry of Industry and Trade dated December 9, 2015. | |
| Resettlement Action Plan/Framework/Policy Process | |
| Date of receipt by the Bank | 14-Nov-2015 |
| Date of submission to InfoShop | 23-Nov-2015 |
| "In country" Disclosure | |
| Vietnam | 09-Dec-2015 |
| <i>Comments:</i> Confirmation letter of Ministry of Industry and Trade dated December 9, 2015. | |
| Indigenous Peoples Development Plan/Framework | |
| Date of receipt by the Bank | 14-Nov-2015 |
| Date of submission to InfoShop | 23-Nov-2015 |
| "In country" Disclosure | |
| Vietnam | 09-Dec-2015 |
| <i>Comments:</i> Confirmation letter of Ministry of Industry and Trade dated December 9, 2015. | |
| If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP. | |
| If in-country disclosure of any of the above documents is not expected, please explain why: | |

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C. Compliance Monitoring Indicators at the Corporate Level

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| OP/BP/GP 4.01 - Environment Assessment | | | |
| Does the project require a stand-alone EA (including EMP) report? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input checked="" type="checkbox"/>] |
| Are the cost and the accountabilities for the EMP incorporated in the credit/loan? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| OP/BP 4.11 - Physical Cultural Resources | | | |
| Does the EA include adequate measures related to cultural property? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| OP/BP 4.10 - Indigenous Peoples | | | |
| Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| OP/BP 4.12 - Involuntary Resettlement | | | |
| Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| Is physical displacement/relocation expected? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] | TBD [<input checked="" type="checkbox"/>] |
| Provided estimated number of people to be affected | | | |
| Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] | TBD [<input checked="" type="checkbox"/>] |
| Provided estimated number of people to be affected | | | |
| The World Bank Policy on Disclosure of Information | | | |
| Have relevant safeguard policies documents been sent to the World Bank's Infoshop? | Yes [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| 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 [<input checked="" type="checkbox"/>] | No [<input type="checkbox"/>] | NA [<input type="checkbox"/>] |
| All Safeguard Policies | | | |

| | |
|---|---|
| Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have costs related to safeguard policy measures been included in the project cost? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |
| Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? | Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>] |

III. APPROVALS

| | | |
|-------------------------------|-------------------------------|-------------------|
| Task Team Leader(s): | Name: Franz Gerner,Thi Ba Chu | |
| <i>Approved By</i> | | |
| Safeguards Advisor: | Name: Peter Leonard (SA) | Date: 18-Dec-2015 |
| Practice Manager/ Manager: | Name: Julia M. Fraser (PMGR) | Date: 18-Dec-2015 |