Early Warning System

WB-P149696

HCMC Flood Risk Management

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Quick Facts

Countries	Vietnam
Specific Location	Ho Chi Minh
Financial Institutions	World Bank (WB)
Status	Canceled
Bank Risk Rating	A
Voting Date	2016-04-15
Borrower	The State Bank of Vietnam, HCMC Steering Center for the Flood Control Program
Sectors	Water and Sanitation
Potential Rights Impacts	Cultural Rights, Healthy Environment, Housing & Property, Labor & Livelihood, Right to Food, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 399.96 million
Loan Amount (USD)	$ 399.96 million
Project Cost (USD)	$ 436.91 million

Project Description

The HCMC Flood Management is a project financed and implemented by the World Bank, as a follow-up initiative to a previous unfinished project sponsored by Ho Chi Minh City, dating to 2002. This project is aimed at “reducing flood risk and improving drainage” in selected areas of Ho Chi Minh City, through institutional and infrastructure capacity developments. The project has been divided into two phases, with preparation for Phase 1 including the dredging of the Tham Luong-Ben Cat (TLBC) canal. Phase 1 was initially proposed to take place from 2016 to 2021, and involves “752 plan improvements” to TLBC through dredging, and improving main and secondary canals, and building 4 tidal sluice gates. Phase 2 is proposed to take place from 2021 to 2027, and involves establishing a combined storm water and wastewater drainage system in the Go Vap district, interventions in all 5 sub catchments in Ho Chi Minh City, and installing tidal sluice gates, ship locks, and dykes on the left bank of the Saigon river and Thu Duc districts. The project includes 3 components:

- *Component 1*- Integrated Urban Flood Risk Management: Implementation of this component will include modernizing hydromet equipment and flood forecasting systems, establishing an integrated urban flood risk management and Early Warning System, and installing 6 water quality monitoring stations.
- *Component 2* – Priority Flood Risk Reduction Interventions: Implementation of this component involves constructing 2 combined ship lock-tidal sluice gates of Vam Thuat and Rach Nuoc Len, upgrading canal bank revetments in the main canal, and “finance supports to civil works implementation…as well as to the preparation of feasibility study for two other MARD Plan’s Cay Kho and Phu Dinh tidal sluice gates.”
- *Component 3* – Implementation Support: Implementation of this component involves technical assistance for the project overall.

Location: Ho Chi Minh City, basin of the Tham Luong-Ben Cat-Nuoc Len canal. Project will impact 9 districts in Ho Chi Minh City, including District 12, Go Vap District, Tan Binh District, Tan Phu District, Hoc Mon District, Binh Chanh District, District 8, Binh Thanh District.

Resources needed: According to bank documents, previous government-sponsored project required the permanent acquisition of 1,534,600,000 m2 belonging to 3,212 households and enterprises. 309,527 m2 of this is residential land, 238,822 m2 was “specially used land”, and 986,251 m2 was agricultural land. The Bank’s project requires an additional 159,945 m2 of land acquisition and will affect 717 households and organizations. 15.1% of the land was used as housing, 52.8% as agricultural land, 11.3% as garden land, and 5.9% as land used for non-agricultural businesses.

Early Warning System Project Analysis

Risk Assessment: Category A.

The World Bank classifies proposed projects based on the type, location, sensitivity, and scale of the project and the nature and severity of its potential environmental impacts. Category A is assigned to a project only if it is likely to have “significant adverse environmental impacts that are sensitive, diverse, or unprecedented.”
The Board Date for this project is unknown.

APPLICABLE SOCIAL & ENVIRONMENTAL STANDARDS

Based on World Bank documents, the following environmental and social safeguard policies are triggered:

- Environmental Assessment OP/BP 4.01 - Triggered because “all three project components’ activities have potential significant environment and social impacts.”
- Natural Habitats OP/BP 4.04 – Triggered because “project is expected to have positive impacts on natural habitats” as “the project interventions including dredging, river banks rehabilitation, and land clearing will be located primarily in urban area.”
- Physical Cultural Resources OP/BP 4.11 – Triggered because “project involves excavation and dredging activities which may result in chance finds.”
- Involuntary Resettlement OP/BP 4.12 – Triggered because “it will cause physical and economic displacement of people.”
- Projects on International Waterways OP/BP 7.50 – Triggered “since the Saigon River is an International waterway and the project activities are related to its basin and sub catchments.”

People Affected By This Project

OUR RISK ASSESSMENT

Based on the World Bank's project documents, this project poses potential risks to the following human rights:

The Right to a Healthy Environment:

Bank documents have indicated there will be short-term impacts on the right to a healthy environment. These include "temporary, site-specific environmental impacts during the construction period" including impacts to air quality, transportation of construction waste, fumes from construction machinery, noise and vibration, and the generation of waste and wastewater. Additionally, there is "the risk of landslide and subsidence during the construction of canal embankment", and "the generation of excavated soil and dredged sediments from the rehabilitation of the main canal."

The Right to Property and Adequate Housing:

The current HCMC Flood Risk Management funded by the World Bank is a follow-up initiative to a previous project funded by Ho Chi Minh City, dating to 2002. As a result, there is great concern that previous resettlement processes were inadequate and did not respect the right to property and adequate housing. Bank documents have indicated that 3,212 households and enterprises were affected prior to Bank involvement, with 1,342 required to relocate. Out of this number, 946 households registered to receive resettlement houses, while 391 households opted to self-relocate. The Bank's Environmental Social Impact Assessment (ESIA) states that persons affected by the earlier relocations are refusing to hand over sites due to low compensation. The ESIA also voices concern that the resettlement sites are inappropriate due to the poor quality of the housing structures, and the lack of compliance with the principle of equivalent value in resettlement. Now that the Bank is attempting to finish the project, there is a risk that previous grievances will not be appropriately addressed, and that mistakes in respecting the right to property and adequate housing will reoccur. Additionally, the ESIA states that "the delay of the Project for 13 years and unfinished land acquisition have given chances for the households to reoccupy the area. To date, in the Ward No. 5 of Go Vap District, more than 50 households are reoccupying the cleared area to open coffee shops and eateries, which will cause difficulties for the civil works of the Project in the second phase." The "difficulties" cited raise concerns about the possibility of forced evictions for the implementation of the project. Despite Bank documents indicating that current resettlement will not occur until approval of a Resettlement Policy Framework, as of December 2015, BinhChanh, Tan Phu and BinhTanh districts have completed project acquisition activities.

The Right to Livelihood:

The Bank's current project runs the risk of not respecting the right to livelihood. It is unclear whether previous resettlement compensation provided for compensation of loss of livelihood (only 498 out of 1,870 partially affected households had sufficient remaining area to reorganize). It was noted that small scale enterprises did not receive allowances for affected employees because they lacked official papers. In the current Bank-financed version of the project, there is a risk of unemployment, and "during the construction phase, the water in the canal will be cut-off, causing water depletion. This will affect agricultural activities… Agricultural land accounts for 30% (5,200 ha) of the project total area." Despite stating that income from agriculture is low, the ESIA recommends an Income Restoration Plan be created.

The Right to Food:

The current Bank proposed project will impact garden and agricultural land of the people who will be affected, potentially threatening the security of their right to food.

The Right to Water:

The proposed construction of tidal sluice gates, embankments, and canal dredging will interrupt irrigation and domestic water

Investment Description

- World Bank (WB)

Bank financing: US$ 399.96 million

Borrower: The State Bank of Vietnam

Amount of bank loan or investment: US$399.96 million

Total project cost: US$ 436.91 million

Contact Information

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CONSULTATIONS

Bank documents provide the following information about consultations:
“At least two public consultations will take place before project appraisal to discuss the ToRs for the project ESIA and the draft ESIA once available.”

“First round of public consultations was carried out from August 25th to October 29th 2015 at the PC office of different wards in the relevant 9 districts.” 822 participants attended. According to bank documents, none raised concerns about resettlement according to project documents.

“The second public consultation is planned to be carried out mid-December 2015 following the completion of this draft ESIA”

PROJECT-LEVEL GRIEVANCE MECHANISMS

Bank documents stated that “it is necessary to establish a grievance mechanism prior to project implementation” and calls for its establishment. However, at the time of writing, additional information about the existence of a project-level grievance mechanism was not available.

ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. You can learn more about the Inspection Panel and how to file a complaint at:
http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx.

Bank Documents

- Integrated Safeguards Data Sheet (Concept Stage) - HCMC Flood Risk Management - P149696 (English) [Original Source]
- Local news article Tuoi Tre News July 5 2017
- Procurement Plan (English) - February 2017
- Procurement Plan (English) - February 23, 2017
- Project Information Document (Concept Stage) - HCMC Flood Risk Management - P149696 (English) [Original Source]
- Vietnam - Ho Chi Minh City Flood Risk Management Project : environmental and social impact assessmen [Original Source]
- Vietnam/EAST ASIA AND PACIFIC- P149696- HCMC Flood Risk Management Project - Procurement Plan (Engli [Original Source]