

Review and Update of the World Bank's Environmental and Social Safeguard Policies

Consultation Meeting with Government Representatives and Project Management Units Hanoi, March 26, 2013

The consultation meeting was held on March 26, 2013. After a presentation by the World Bank Safeguards Review Team on the background, intended scope and process for the review, the floor was open for participants' input and comments.

The Bank sought guidance from the participants by posing three questions which served as the framework for the discussions:

- 1. What improvements should the Bank make to the safeguard policies to enhance their effectiveness?
- 2. How should the Bank better support borrower country laws, systems and institutions?
- 3. How should the Bank and borrowers work together to improve environmental and social sustainability in borrower countries?

Summary

- Harmonization with country systems. It was noted that Vietnam's country systems are now moving closer to international standards and that the harmonization of safeguard policies will help in the smoother and quicker implementation of projects. The existing differences, including social issues, compensation policies, or policies for severely affected households have led to many complaints and delays in implementation of projects (land clearance) because of the varying treatment of those issues. Innovative approaches to implementation of the Bank's safeguard policies are needed, as the Bank's policies are more advanced than the Vietnamese legal regulations. Harmonization could be piloted for Category B projects first. To date, there has been slow progress on this harmonization by the Ministry of Natural Resources and Environment.
- Training on Bank policies. The Bank's safeguard policies are effective in addressing social impacts and bring benefits to affected people through project interventions. To make them more effective, the Bank should provide more training for Project Management Units (PMUs), and especially district land clearance committees to transfer knowledge and best practices. Participants noted that in Vietnam, district authorities are in charge of land clearance, and often have difficulties in following Bank policies. It was also noted that since implementing agencies

often require a longer period of time to fully understand the Bank's safeguard policies, the Bank should consider sufficient lead time to plan training before project implementation.

- Supporting country legal framework. The reform of the Land Law is currently being conducted and is expected to conclude with an improved legal framework, including on land clearance. This safeguard policy review is especially important for the transport sector which deals with a large number of social issues. From the government side, the transport sector has proposed a separate legal framework on land acquisition. In other reforms, the transport sector is also drafting a policy to make infrastructure more climate-resilient and green. It would be desirable to have the Bank's guidance for this proposed reform, and participants expressed hope for Bank support to the borrower for helping these new legal frameworks reach international standards.
- Livelihood restoration. The Bank's resettlement policy looks at livelihood restoration, which differs from the Vietnamese policy on resettlement. The Bank should ensure the restoration of livelihoods of project affected peoples, by helping the Vietnamese government adopt policy standards consistent with those of the Bank, for example.
- **Differences in legal framework**. The treatment of "illegal occupants" and "market price" involves specific differences (and sometimes even contradictions) between the Vietnamese and Bank policies. The inconsistencies between the country systems and the Bank policy often lead to delays, as well as differences in interpretation at the provincial level.
- Compliance with safeguard policies by contractors. Projects confront problems and difficulties in remedying noncompliance with social and environmental policies. Although the PMUs consider imposing fines on noncompliant contractors, there are often difficulties in enforcement. While contractors are improving their environmental and social performance, more communication is needed at the community level through consultation and local government participation. Public awareness of social and environmental issues also needs to be raised in order to improve compliance with these safeguard policies.
- Support for strengthening the country environmental law and regulations. Vietnam is currently revising its Law on Environmental Protection (LEP). The scope of the revision also includes the incorporation of International Conventions (e.g., Stockholm Convention on Persistent Organic Pollutants, Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, etc.) and strengthening of the environmental assessment process. The donor community, including the Bank, should take this opportunity to help strengthen the country's environmental management regulations, enforcement, and implementation capacity.
- **Comparison between policies of WB, ADB, and JICA:** It was noted that the Bank should also look into the policies of other development partners for reference and comparison, especially in terms of the effectiveness and implementation of such policies.