



**Review and Update of the World Bank's Environmental and Social Safeguard Policies
Phase 2
Feedback Summary**

Date: October 28, 2014

Location (City, Country): Hanoi, Vietnam

Audience (Government, CSO, etc.): Government Agencies and Project Management Units (PMU)

Overview and Key Issues Discussed: Key issues covered included: land acquisition and involuntary resettlement; forced eviction; capacity building; ESCP; third party monitoring; and FI. **This summary is subject to change after review and comments from consultation participants.**

Specific Feedback from Stakeholders
1. General Comments
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • Bank assistance is required for institutional development for market economy, formulation of national and local development plan customized to Vietnamese socio-economic and cultural conditions. • In project implementation, overall capacity enhancement is needed for state management agency, PMUs and also local beneficiaries. • The proposed Framework is a good effort by the Bank in harmonizing its procedures with those of the borrower and other donors. However, challenges remain the same in the implementation phase as relevant PMU staff must comply with the national standards. • The Bank should also monitor project results after project completion. • It is important to hold this kind of consultative meetings with direct beneficiaries in rural and urban areas. • At first look, the proposed Framework seems to pose a lot of challenges. However, it contains a number of very relevant and important issues that the current policies do not address. It is time to modernize the policy.
2. A Vision for Sustainable Development
N/A
3. World Bank Environmental and Social Policy
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • Under the current Bank safeguard policy, we have to prepare two different EIAs: one under the Bank policy and another under the national law. While this has been duplicative and time consuming, the proposed Framework is very good in mainstreaming the use of the borrower's framework. • The concept of using borrower's framework and ESCP is a good progress as it would be easier and more flexible for the implementers

especially when the government policy is close to the Bank's requirements (for example on involuntary resettlement).

4. Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts

Clarifications

- Clarification was sought on whether **ESCP** is meant to replace Environmental and Social Assessment and Resettlement Plan. Also, it needs to be clarified whether it contains a section on implementation procedures.
- Clarity is needed on what level of the government will approve the proposed **ESCP**. For example, in Vietnam Resettlement Action Plan (RAP) is approved at the level of Provincial Peoples Committee.

5. Environmental and Social Standard 2 (ESS2): Labor and Working Conditions

Clarifications

- **Labor** requirements are not new for Vietnam. We can integrate the proposed requirements under ESS2 in our standards.

6. Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention

Comments and recommendations

- Under the Vietnamese new environmental law, there are requirements on prevention of and response to **environmental incidence**. It has also very detailed requirements on pest management. It is suggested that the Bank and the central government work together to harmonize their requirements and guidelines.

7. Environmental and Social Standard 4 (ESS4): Community Health and Safety

N/A

8. Environmental and Social Standard 5 (ESS5): Land Acquisition, Restriction on Land Use and Involuntary Resettlement

Comments and recommendations

- One of the key challenges in Vietnam is the inconsistency between the Bank policy and the national legislation on **land valuation**. While it is difficult to fill the gap between them, flexibility should be introduced in compensation level.
- In the water way extension project, a challenge we face is that there are some households living on the water and having no place to be relocated. A resettlement site can be usually developed when there are 15 to 20 households to be relocated. One recommendation is that this kind of difficulty and the resettlement area should be identified before signing the loan agreement. Also, in the development of resettlement area, **the private sector** should be involved.
- There has been some improvement in the national land legislation in Vietnam. The new decree 47 gives more flexibility in land valuation, referring to market-price. Ho Chi Minh City is advanced in introducing an **independent price evaluator**. We use the findings of such evaluator as a basis for compensation. This helps accommodate the changes in market price and makes the valuation very easy.
- The proposed Framework allows the Bank to finance a **stand-alone resettlement project**. It would be more effective if the compensation funding also comes from the IDA to ensure compensation payment reflect market price. However, the government uses state budget for compensation and does not allow the Bank fund to be used for compensation.
- The paragraph on prohibiting "**forced eviction**" under ESS5 in the Vietnamese translation appears to be inconsistent with the recently amended Vietnamese land law and its decrees. In the Vietnamese legislation, the state can proceed with resettlement with clearly defined

process and compensation. The new law has been formulated and supported by the World Bank, ADB and other donors. It is suggested that the review team revisit this point.

- In ESS 5 in the Vietnamese translation, there is a statement of “despite **the legal status**”. This is unfair to those who have legal status. In the Vietnamese law, the treatment is clearly distinguished between legal status, partially legal status and illegal status. The review team should look into this.
- **Cash compensation** has a risk of destroying the traditional structure.
- In the project, human rights issues are very valid concerns. The resettlement impact on vulnerable groups, in particular, on the household with **children** under 6 should be carefully assessed.
- The Bank should conduct **consultation activities** with resettled households after the resettlement is completed to see if the life and welfare of these people are properly re-established.
- The introduction of **ESCP** is favorable for project implementation. However, the **national and local context** needs to be considered. In Vietnam, the resettlement is administered and funded by local counterpart agency. This may cause difficulty in the implementation of ESCP.
- In my project, people voluntarily donated affected land as they saw the benefits they would get from the project. It is good that the proposed Framework has included a para on **voluntary donation**.
- ESS5, para 4 (c) needs to be clarified. I was once engaged in a navigation dredging project. While there was no direct impact on people whose livelihoods rely on fishery from the river, there was confusion about how to assess the **indirect impact**. It needs to be clarified whether and how the indirect impact is considered under the proposed ESS5.

9. Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources

N/A

10. Environmental and Social Standard 7 (ESS7): Indigenous Peoples

N/A

11. Environmental and Social Standard 8 (ESS8): Cultural Heritage

N/A

12. Environmental and Social Standard 9 (ESS9): Financial Intermediaries

Comments and recommendations

- FI is a key emerging issue in Vietnam and ESS9 will contribute to raise awareness on **FI**. While ESS9 is a new standard and not easy to understand, further explanation would be needed.

13. Environmental and Social Standard 10 (ESS10): Information Disclosure and Stakeholder Engagement

N/A