RESETTLEMENT ACTION PLAN, PHASE 1
Final Report

Vietnam Urban Upgrading Project
Hai Phong Sub-Project

Prepared by Martin Associates P/L (Australia)
in association with Duongthanh Water and Environment Ltd (Vietnam)

December 2003
Vietnam Urban Upgrading Project
Hai Phong Sub-Project Management Unit

RESETTLEMENT ACTION PLAN – PHASE 1
FINAL REPORT

Client: People’s Committee of Hai Phong City

Project management: Hai Phong Sub-Project Management Unit of VUUP

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ABBREVIATIONS

Terminology

BOLUC  Building Ownership and Land Use Certificate
GDP    Gross Domestic Product
LURC   Land Use Rights Certificate
MOP    Manual of Practice
O&M    Operation and Maintenance
PAF    Project-affected Family
PAP    Project affected Person
PAH    Project Affected Household
RAP    Resettlement Action Plan
US$, USD United States Dollar
VND    Vietnamese Dong

Organizations

ADB    Asian Development Bank
COMECON Economic Cooperation Organization
DOF    Department of Finance
DOST   Department of Science and Technology
DONRE  Department of Natural Resources and Environment
DPI    Department of Planning and Investment
DTPW   Department of Transport and Public Works
IDA    International Development Association (of the World Bank Group)
IER    Institute for Environment and Resources
JICA   Japan International Cooperation Agency
LHA    Land and Housing Authority
MOST   Ministry of Science and Technology
MONRE  Ministry of Natural Resources and Environment
MPI    Ministry of Planning and Investment
MRD    Ministry of Agriculture and Rural Development
PC     People’s Committee
PMU    Project Management Unit
SOE    State-Owned Enterprise
SME    Small and Medium Enterprise
UDC    Urban Drainage Company
UPI    Urban Planning Institute
UPWE   Urban Public Works Enterprises (at District level)
URENCO Urban Environment Company
USA    United States of America
WB     World Bank
WSC    Water Supply Company
EXECUTIVE SUMMARY

The Government of Vietnam has requested the World Bank (IDA) to support a Vietnam Urban Upgrading Project (VUUP) as the first major project in the development of a National Urban Upgrading Program to upgrade low-income communities.

The objective of the VUUP is to help alleviate poverty in urban areas by improving the living and environmental conditions of the urban poor using participatory planning methods and influencing planning methods to become more inclusive and pro-poor.

The VUUP project covers four cities, two cities in the North of Vietnam - Haiphong and Nam Dinh and two in the South - Ho Chi Minh City and Can Tho. In each city, the investments will be divided into two or three phases, with each phase covering a different set of low-income areas. Phase 1 will be implemented over a 2-3 year period. Phase 1 will be prepared before the project becomes effective, and Phases 2 and 3 will be prepared during project implementation.

The VUUP is generally made up of the following three components involving physical works and social impacts on some residents (there are slight variations in the structure of the project dependent on the city involved):

- **Component 1**: Ugrading basic tertiary infrastructure and other services in low-income settlements through partnerships between communities and local governments;

- **Component 2**: Providing and/or rehabilitating primary and secondary infrastructure networks to connect with the tertiary infrastructure improvements;

- **Component 3**: Providing access to housing for the poor through a combination of micro-finance for housing improvements and low-cost social housing and/or serviced plots to the poorest families that unavoidably have to be resettled as a result of upgrading.

Even though the project planning teams have tried to minimize displacement, the density of living in the inner parts of these cities has meant that some involuntary resettlement will be unavoidable. Consequently, Resettlement Action Plans (RAP's) will be necessary for all four cities.

The principal objective of the Resettlement Action Plans (RAP's) is to ensure that all project affected persons (PAP's) will be compensated for their losses at replacement cost and provided with rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards and income earning capacity.

This RAP addresses the social impacts of the VUUP project in the City of Haiphong. The RAP is the outcome of an extensive community consultation campaign starting in the year 2000 which saw the development of comprehensive community upgrading.
The most significant social impacts of the project are as follows:

- Temporary use/leasing of land during construction
- Permanent land acquisition
- The need to relocate 633 households particularly along the edge of drainage canals
- Partial impacts on 624 households involving losses to houses, yards and other structures
- Temporary and permanent impacts on shops and small businesses and losses of productive agricultural land
- Environmental effects of increased noise and diminished air quality during construction
- Temporary construction impacts on traffic circulation both pedestrian and motorized traffic during construction
- Relocation/transitional household/employment impacts on those households to be relocated
- Replacement of existing site infrastructure and social services with new or rehabilitated facilities
- The development of a resettlement site with a total required area of 13.1 Ha in an existing agricultural area about 3.5 kms from the project area to house those project affected families (PAF's) who have chosen to be relocated and approximately 250 other non-project related low income households in a pilot low income housing program. 159 plots are planned to be sold commercially which will help to cross subsidize affordable housing for low income groups.
- Positive effects on the quality of life of the other 5700 low income households because of the environmental improvements in the quality of physical infrastructure and other assets and in the improvements in the quality of services from upgraded social infrastructure. Some of the poorest will also receive housing allocated to the very poor even though they are not negatively affected by the project.

Project Affected Families (PAF’s) are to be fully compensated in accordance with the Resettlement Policy Framework which has been agreed between the Government of Vietnam (GOV) and the World Bank.
1. INTRODUCTION

1.1. Scope of RAP

This RAP addresses the social and economic impacts of the proposed VUUP Phase 1 Project on the low income communities of the inner city area of Haiphong. This phase of the project will be implemented over the next three years. Even though the project will deliver very significant benefits to the low income communities of the inner city and substantially alleviate poverty, there is a need to displace 633 households so that the project can be implemented successfully. The purpose of the Resettlement Action Plan (RAP) is to ensure that the benefits of the project are applied equally to these affected families and help to minimize disruption to their social and economic livelihoods. Some 491 households have chosen to be relocated to a resettlement area and there will be 624 households who are partially affected and would not be required to move. This RAP focuses on the needs of all these project affected households (PAH’s) and seeks to guarantee them a sustainable future.

1.2. Background

Vietnam’s cities have rapidly growing populations, and infrastructure and utility service investments have lagged far behind demand. Low-income areas have developed, and are continuing to develop, in an ad-hoc, unplanned manner with little infrastructure and services. This creates environmental and health hazards for their residents and the city at large. New, innovative and low cost approaches are thus required to address Vietnam’s growing urbanization challenges.

The Government of Vietnam has requested the World Bank (IDA) to support a Vietnam Urban Upgrading Project (VUUP) as the first major project in the development of a National Urban Upgrading Program to upgrade low-income communities. The objective of the VUUP is to help alleviate poverty in urban areas by improving the living and environmental conditions of the urban poor using participatory planning methods and influencing planning methods to become more inclusive and pro-poor. The VUUP plans to achieve its objectives by: (i) upgrading basic tertiary infrastructure and other services in low-income settlements through partnerships between communities and local governments and influencing planning methods to become more inclusive and pro-poor. (ii) providing and/or rehabilitating primary and secondary infrastructure networks to
connect with the tertiary infrastructure improvements; (iii) providing access to housing for the poor through a combination of micro-finance for housing improvements and low-cost social housing and/or serviced plots to the poorest families that unavoidably have to be resettled as a result of upgrading; and (v) providing technical assistance to improve land administration processes in the four project cities.

**VuUP Project principles:**
- Active community participation in all stages of preparation, design and implementation;
- Relocation and/or resettlement will be minimized;
- Infrastructure designed to appropriate functional technical standards that are affordable to the city and to communities;
- The project is expected to improve the living conditions of all residents living in the project area, irrespective of their registration status.

Preparatory studies funded through the Cities Alliance have been completed to help develop a National Urban Upgrading Program. The Ministry of Planning and Investment has requested the World Bank (IDA) to support a Vietnam Urban Upgrading Project (VuUP) as the first major project in the national program.

The VuUP is generally made up of the following components (there are slight variations in the structure of the project dependent on the city involved):

- Component 1: upgrading basic tertiary infrastructure and other services in low-income settlements through partnerships between communities and local governments;

- Component 2: providing and/or rehabilitating primary and secondary infrastructure networks to connect with the tertiary infrastructure improvements;

- Component 3: providing access to housing for the poor through a combination of micro-finance for housing improvements and low-cost social housing and/or serviced plots to the poorest families that unavoidably have to be resettled as a result of upgrading; and

- Component 4: providing technical assistance to improve land administration processes in the four project cities. In some cases, there are also institutional management and training components.

- Component 5: providing micro-finance to assist PAH’s to rebuild or renovate their houses which have been partially affected by the project.

- Component 6: providing technical assistance for institutional strengthening, capacity building and project management support to Project Management Units.

The VuUP project covers four cities, two cities in the North of Vietnam - Haiphong and Nam Dinh and two in the South - Ho Chi Minh City and Can Tho. In each city, the investments will be divided into two or three phases, with each phase covering a
different set of low-income areas. Phase 1 will be implemented over a 2-3 year period. Phase 1 will be prepared before the project becomes effective, and Phases 2 and 3 will be prepared during project implementation.

As mentioned above one of the key project principles is to minimize the level of involuntary resettlement that will be required due to the tertiary and trunk infrastructure improvements.

Even though the project planning teams have tried to minimize displacement, the density of living in the inner parts of these cities has meant that some involuntary resettlement will be unavoidable. Consequently, Resettlement Action Plans (RAP's) will be necessary for all four cities.

The principal objective of the Rekettlmenf Action Plans (RAP's) is to ensure that all project affected persons (PAP's) will be compensated for their losses at replacement cost and provided with rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards and income earning capacity.

1.3. Overall Project Description

1.3.1. Proposed Project

The VUUP Haiphong Sub-Project will be implemented in two phases and cover parts of 5 Districts of the City.

Urban Districts which are involved are Le Chan, Hong Bang, Kien An and Ngo Quyen and the one District is Le Chan. These districts have 42 low income areas (in 139 residential areas) that were selected for the project. At the lowest administrative level there are 35 urban Wards and 4 rural Communes involved. The total project area for the three phases of the project is 7.77 Km2 with a total population of 184,384 in 46,222 households.

Phase 1 of the project will be mainly carried out in 8 low income areas (20 residential areas) within 8 Wards of the Le Chan District which have an area of 69 Ha and a population of 25720 in 6201 households.

Phases 2 and 3 of the project will be carried out in the remaining 34 low income areas.

1.3.2. Proposed Investment Components Phase 1

1.3.2.1 Component 1 (Tertiary infrastructure)

This component includes new construction and upgrading of tertiary physical infrastructure in low income areas (LIA’s) (roads, drainage, sewerage, water supply, street lighting, solid waste collection and sanitation). Currently the poor quality of the infrastructure affects the quality of life and living conditions of communities and other social infrastructure such as kindergartens, schools (primary and secondary), health clinics and sites for cultural activities. The proposed investment for component 1 is shown in Table 1-1.
Table 1-1
Haiphong Phase 1 Component 1 Tertiary Infrastructure

<table>
<thead>
<tr>
<th>Proposed Investments</th>
<th>Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads (2-7 m wide)</td>
<td>M</td>
<td>16,000</td>
</tr>
<tr>
<td>Meter and electricity distribution network</td>
<td>Meter</td>
<td>0</td>
</tr>
<tr>
<td>Street lighting</td>
<td>Pole</td>
<td>400</td>
</tr>
<tr>
<td>Meter and water supply network</td>
<td>Meter</td>
<td>2,700</td>
</tr>
<tr>
<td>Drainage and sewerage</td>
<td>M</td>
<td>120,800</td>
</tr>
<tr>
<td>Solid waste collection site</td>
<td>Site</td>
<td>20</td>
</tr>
<tr>
<td>Hand carts</td>
<td>Cart</td>
<td>97</td>
</tr>
<tr>
<td>Kindergartens</td>
<td>Unit</td>
<td>2</td>
</tr>
<tr>
<td>Health clinics</td>
<td>Unit</td>
<td>1</td>
</tr>
<tr>
<td>Schools (primary and secondary)</td>
<td>Unit</td>
<td>2</td>
</tr>
<tr>
<td>Sites for cultural activities</td>
<td>Unit</td>
<td>2</td>
</tr>
<tr>
<td>Centers of market and services</td>
<td>Center</td>
<td>0</td>
</tr>
</tbody>
</table>

1.3.2.2 Component 2 (Primary And Secondary Technical Infrastructure)

This component comprises the rehabilitation and construction of major drainage canals and the development of new urban roads in the same corridors. The main investments are as follows:

Upgrading the drainage of An Kim Hai channel with a section from Luon culvert (Thuong Ly canal) to Cau Vuot in Lachtray street, 5.1 km long and adjacent urban roads including Chua Hang road (from To Hieu road to Highway No. 5) in a South-East direction, construction of roads on top of the channel, construction of secondary water supply systems in Kien An and Lechan district of about 8.5 km.

This component is to be implemented in Phase 1 over 3 years from 2004 to 2006.

1.3.2.3 Component 3 (Development of Resettlement Site)

This component involves the development of the resettlement site and serviced plots for some non-project affected households in the very low income category. The area of the actual resettlement site is 12 Ha with an additional 1.1 Ha off-site for access road and the provision of other physical infrastructure. Total land area required to serve construction of resettlement site is consequently 13.09 Ha at Vinh Niem ward in Le Chan District. The site is 3.5km from the center of the city and 800 metres from Highway No. 5. Current physical and community infrastructure on the site is very limited. Preparation of the resettlement site is a priority in Phase 1 of the project (see Figure 3-3).
The objective of the project is to provide accommodation for 979 households (5,000 to 7,000 people). The plots would be allocated as follows:

- 442 resettlement plots for components 1 & 2
- 128 plots for on-site resettlement households
- 250 plots for a pilot sites and services low income housing program

The balance would be made available for commercial sale to assist with cross-subsidization of affordable low income housing.

This number of plots assumes that 90% of PAH’s would choose to relocate to the resettlement site rather than choose cash. The total number of plots ratified under the approved detailed plan is 1043 and land allocated for residential use is 47,061 m². This component has the highest priority for implementation in Year 2004.

1.3.2.4 Component 4 (Land And Housing Management)

This component involves strengthening the capacity of land administration and housing management system for Department of Land and Housing to hasten the progress of Building Owner and Land Use Certificates (BOLUC’s) issuance. The project will provide a computer network and help train administrative staff in better land and housing management.

1.3.2.5 Component 5 (Micro-Finance For Housing Improvement)

This component involves the development of a revolving fund which will provide 10,000 low income household loans of up to VND 15 million to self-improve their houses in a period of 7 years (from 2004 - 2010). This component is proposed to be implemented by the Women’s Union because of their prior experience in operating sanitation revolving funds.

1.3.2.6 Component 6 (TA, Design and Supervision and Training)

The component consists of costs for technical assistance, strengthening institutional capacity of project management, hiring experts, supervision consultants and supporting authorities in all stages of the project.
1.4. Social Impacts and the Scale of Resettlement

This RAP will address the social impacts of the VUUP project in the City of Haiphong. The RAP is the outcome of an extensive community consultation campaign starting in the year 2000 which saw the development of eight comprehensive community upgrading plans in each of the affected districts. These plans demonstrate how the City of Haiphong has followed a community development process starting with the identification of residents' overall infrastructure needs, identifying infrastructure investment and service options leading to a project proposal which has attempted to trade off the needs of the technical requirements of the project and the GOV with the need to minimize land acquisition and resettlement.

The most significant social impacts of the project are as follows:

- Temporary use/leasing of land during construction
- Permanent land acquisition
- The loss of some 491 houses from the Le Chan community mainly along the major drainage canals and 142 households at the proposed resettlement site.
- Partial impacts on 469 houses and other structures in the Le Chan community and on 155 households at or near the proposed resettlement site at Vinh Niem ward in Le Chan District
- Temporary and permanent impacts on shops and small businesses and productive agricultural land
- Positive effects on the quality and type of public infrastructure and other assets

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- Environmental effects of increased noise and diminished air quality during construction
- Temporary impacts on traffic circulation both pedestrian and motorized traffic during construction
- Relocation/transitional household/employment impacts
- Replacement of site infrastructure and social services
- Positive effects on the other 5700 households in Le Chan who will experience an improved quality of life because of the improvements in the local environment brought about by the investment in physical and social infrastructure.

The scale of resettlement necessary for this Phase 1 project is as follows

**Table 1-2**

**Summary of the Proposed Resettlement For Components 1,2 & 3**

<table>
<thead>
<tr>
<th>Component Description</th>
<th>Total Number of Project Affected Households</th>
<th>Project Affected Households</th>
<th>Project Affected Households Partially Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Widening of Railway Easement For Access Rd</td>
<td>125</td>
<td>74</td>
<td>51</td>
</tr>
<tr>
<td>2 An Kim Hai Channel</td>
<td>380</td>
<td>200</td>
<td>180</td>
</tr>
<tr>
<td>2 Road from Chua Hang to Hwy No 5</td>
<td>445</td>
<td>210</td>
<td>235</td>
</tr>
<tr>
<td>2 Road Across Duhang Lake</td>
<td>10</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Sub Total</td>
<td>835</td>
<td>417</td>
<td>418</td>
</tr>
<tr>
<td>3 Resettlement Site</td>
<td>297</td>
<td>142</td>
<td>155</td>
</tr>
<tr>
<td>Total</td>
<td>1257</td>
<td>633</td>
<td>624</td>
</tr>
</tbody>
</table>

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Class 3&4
Housing
Affected

Alley widening
Infrastructure Improvement
Drainage, Electric
Schools, Medical Centres

Component 1
Tertiary

Component 2
Trunk infrastructure
Canal rehabilitation and widening
Road construction

Component 3
Resettlement Area

Class 3&4
& temporary
Housing affected

Figure 1-2
Hai Phong Resettlement Impacts

- 74 HOUSEHOLDS TO BE RESETTLED
- 51 H PARTIALLY AFFECTED HOUSEHOLDS
- 417 HOUSEHOLDS RESETTLED
- 418 HOUSEHOLDS PARTIALLY AFFECTED
- HOUSEHOLDS TO BE RELOCATED IN SITU: 142
- AGRICULTURAL LAND LOSS: 13.1 Ha
- ECONOMIC RESTORATION PROGRAMS REQUIRED: TOTAL 74
PROJECT BENEFITS

Phase 1

Direct benefits for 5700 households
Flooding of houses reduced
Improved drainage
Improved lighting
Improved communications
Improved traffic flows
Improved accessibility to housing
Improved maintenance with better access possible
Improved Fire Safety and Access For Emergency Vehicles

Social benefits
Improved access to social infrastructure & services including
kindergartens, schools, recreation and cultural activities

Environmental benefits
Improved sanitation and solid waste services
Improved air quality due to reductions in odor
Reduced incidence of water borne disease
More access to the natural environment
Improved awareness and involvement in environmental management
by the affected communities

Figure 1-3 Benefits of the Project
1.5. Alternative Options Considered

1.5.1. Component 1 Tertiary Infrastructure

In the tight physical situation of narrow alleys with varying widths, the potential for resettlement can become a serious constraint on the cost of the project. Consequently the width of required alley widening to achieve technical requirements whilst minimizing resettlement was a major community issue.

The technical design options were discussed extensively as part of the CUP process which is discussed in more detail in Chapter 8.

1.5.2. Component 2 Trunk Infrastructure

The technical design options have been extensively discussed within the Government and between the Government and the World Bank. The two main design options for the drainage canals were the open drainage canal with side road and the closed drainage canal with a surface road. In the densely populated areas in the vicinity of the An Kim Hai Canal necessary resettlement was reduced considerably by using the covered road option as the width of the corridor had a considerable bearing on the scale of resettlement that was required.

1.5.3. Site Selection For Resettlement Site

The site in the Le Chan District was found to be the only one satisfying the planning criteria.

1.6. Structure of the Document

As set out in the TOR, this document is generally structured in accordance with World Bank Operational Directive 4.30 on Involuntary Resettlement. The next chapter discusses the resettlement policy framework that has been agreed between the GOV and the World Bank. It then goes onto to describe the Phase 1 project and some of the main project options evaluated in Haiphong in a little more detail.

Following a description of the existing socioeconomic environment within the context of the City of Haiphong and the designated project community, the impacts of the project are identified focussing on resettlement in terms of PAP’s to be to be relocated and those only partially affected. In order to address the impacts of resettlement and those of partially affected households a social mitigation program is then discussed.

The document then goes onto to address issues such as community consultation, Institutional and implementation arrangements and environmental management. It concludes with chapters on the implementation schedule and proposed costs and budget.

It should be noted that some of the information presented is based on the results of sample surveys carried out for final feasibility studies rather than 100% socioeconomic census and site inventories. Some of the detailed studies are in the final stages of completion as part of detailed design so there will be slight changes to final numbers for land and housing to be acquired.
2. POLICY AND LEGAL FRAMEWORK

2.1. Agreed Policy Framework

Every effort will be made to minimize inconvenience and disturbance to urban dwellers during the upgrading of the area in which they live or otherwise use. In exceptional circumstances acquisition of additional land, houses and other assets, and the resettlement of people losing the totality of their land and/or houses or a significant part thereof may be unavoidable. However, the number of people and magnitude of adverse effects would only be known once the final design is finalized during the detailed design stage of Project implementation. To adequately address compensation, resettlement and rehabilitation of the people to be affected by the acquisition of land, houses and other assets under the Project, the Project Resettlement Policy Framework (PRPF) was adopted by Haiphong City Peoples’ Committee (No.4315/CV-UB, dated September 26, 2003) and approved by the Prime Minister (No. 1513/CP-NN, dated November 11, 2003). Also, the RPF has been disseminated to all relevant Departments of Hai Phong city and publicly disclosed at all district/ward offices participating in the first year program of phase 1.

The principle objective of the Policy Framework is to ensure that all project affected persons (PAP’s) will be compensated for their losses at replacement cost and provided with rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards and income earning capacity.

The Policy Framework lays down the principles and objectives, eligibility criteria of PAP’s, entitlements, legal and institutional framework, modes of compensation and rehabilitation, peoples participation features and grievances procedures that will guide the compensation, resettlement and rehabilitation of the PAP’s.

It was agreed with the PMU and the World Bank Appraisal Team that “fully affected households” would be defined as those who will be left with less than 20m² of residential land. The numbers of PAF’s for Phase 1 have been calculated on this basis. These figures are the basis for the cost estimate which has been included in the RAP cost tables.

2.2. Project Affected People (PAP’s)

PAP’s include the following people (households, businesses, and government and private organizations) which were identified by the baseline information collected for this Resettlement Action Plan.

(a) persons whose houses are in part or in toto affected (temporarily or permanently) by the Project;
(b) persons whose premise and/or agricultural land is in part or in toto affected (permanently or temporarily) by the Project;
(c) persons whose businesses are affected in part or in toto (temporarily or permanently) by the Project; and
(d) persons whose crops (annual and perennial) and trees are affected in part or in toto by the Project.

2.3. Principles and Objectives

The principles outlined in the World Bank's *Operational Directive 4.30* have been adopted in preparing this Policy Framework. In this regard the following principles and objectives apply:

(a) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible.

(b) All PAP's are entitled to be provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-Project living standards, income earning capacity and production levels. *Lack of legal rights to the assets lost will not bar the PAP from entitlement to such rehabilitation measures.*

(c) The rehabilitation measures to be provided are: (i) compensation at replacement cost without deduction for depreciation, transaction fees, or salvage materials for houses and other structures; (ii) agricultural land for land of equal productive capacity or in cash at substitution cost according to PAP's preference; (iii) replacement of premise land of equal size acceptable to the PAP or in cash at the substitution cost; (iv) compensation for income losses from business; (v) and transfer and subsistence allowances.

(d) Replacement premise and agricultural land will be as nearby as possible to the land that was lost, and acceptable to the PAP.

(e) The resettlement transition period will be minimized and the rehabilitation means will be provided to the PAP's no later than two months prior to the expected start-up date of works in the respective Project site.

(f) Plans for acquisition of land and other assets and provision of rehabilitation measures will be carried out in consultation with the PAP's, to ensure minimal disturbance. Entitlements will be provided by PAP's no later than two months prior to expected start-up of works at the respective project site.

(g) The previous level of community services and resources will be maintained or improved.

(h) Financial and physical resources for resettlement and rehabilitation will be made available the city/province, as and when required.

(i) Institutional arrangements will ensure effective and timely design, planning, consultation and implementation of the Inventories and RAP's.
(j) Effective and timely supervision, monitoring and evaluation of the implementation of the RAP's will be carried out. If non-compliance is found, the city/province will be responsible for any rectification.

2.4. Resettlement Action Plans (RAPs)

This Resettlement Action Plan, following this policy framework will be prepared for phase 1 of the project before appraisal. For subsequent phases, this policy framework will guide the preparation of resettlement action plans.

Subproject specific resettlement plans consistent with this policy framework will subsequently be submitted to IDA for approval after specific planning information becomes available.

The subproject-specific resettlement plan under this resettlement policy framework will include baseline census and socioeconomic survey information; specific method of calculating replacement cost (unit prices); actual compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimate. But may not include the policy principles, entitlements, and eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for grievance redress set forth in the resettlement policy framework.

Each specific RAP will be completed no later than four months prior to the estimated date for commencement of the works. Each RAP will be furnished to IDA for consideration no later than three months prior to the planned initiation of the works under the Project. Compensation, resettlement and rehabilitation activities will only commence after IDA has found acceptable the respective RAP and the the competent Vietnamese authorities has approved it. The compensation, resettlement and rehabilitation activities will be completed before awarding contracts of civil works under each sub-project. Some rehabilitation activities could be completed prior to or in the period of the project implementations such as training.

2.5. Legal framework

This section reviews the legal framework and policies of the Government of Vietnam and IDA policies related to land acquisition, compensation and resettlement. It then compares the two approaches. Since there are differences between the WB's policy and the Vietnamese's, the Project requires a waiver of the Vietnamese Government articles of decrees, amendments, and regulations concerning compensation and resettlement. Subsequently, VUUP compensation and resettlement plans will be implemented according to the Project policies.

2.5.1. The Legal Framework of the Government of Vietnam

The national legal and policy framework governing land acquisition, compensation and resettlement in Vietnam consists of the following:

General:

- The Constitution of Vietnam, issued in 1992, confirms the right of citizens to own a house and to protect the ownership of the house.
The Land Law issued on 15 October 1993, revised and adopted by the National Assembly and reissued on October 01, 2001 states:

**Article 1:**
Land is common property of the people and is subject to exclusive administration by the State.

The State assigns the land to Government and Non-Government Organizations, households and individuals for long term stable use with or without land use charge. The State also leases land. Assignee, lessee or individual that has land use right transferred from a third party, is by this law commonly called Land User.

**Article 3:**
The State will protect the right and legal investments of Land User. A State assigned household or individual Land User has a right to exchange, transfer, lease, inherit, or mortgage for a loan the Land Use Right (LUR)

The Civil Law (CL) was approved by the National Assembly on October 28, 1995

**Land Use:**


- Circular No.38/2000/ND-CP issued by GOV on August 23, 2000 regulates the payment for the Land Use Right


**Management and Use of Urban Land and Housing**

- Decree 60/CP issued by GOV on July 5, 1994 regulates property ownership and Land Use Rights in urban areas.

- Decrees 61/CP issued by GOV on July 15, 1994 regulates dwelling house purchases, sales and business.

- Decree 88/CP issued by GOV on 17 August 1994 regulates the Management and Use of Urban Land.

- Decree 45/CP issued by GOV on 3 August 1996 regulates the Amendment of Article 10 of 60/CP (5/7/1994).

**Land Price:**

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• Decree 87/CP issued by GOV 17 August 1994 sets Price Framework for Land in the whole country. The prices for urban land herein have been calculated based on average free market price. The free market price of land varies from Province/City to Province/City, from area to area in one City, and street front to street backside. It sets the minimum and maximum prices for — among others — payment of land use rights and compensation for categories of urban land recovered by the State. It establishes the organizational structure for compensation. The Province/City is responsible for determining the compensation plan, setting its own land values within the broad national range. Within this set of local values, the Province/City People’s Committee also has the right to apply an adjustment coefficient. The local District People’s Committee is responsible for confirming the land and structure areas affected and the entitlements to compensation.

• Decision No. 302/TTg was issued on 13/5/1996 by the Prime Minister for adjustment of the value of the K factor of Decree 87/CP dated 17/8/1994, and gives wider range for the K factor value.

• Decree 17/1998/ND – CP was issued on 21 March 1998 by GOV for adjustment of Section 2, Article 4 of Decree 87/CP, dated 17/8/1994. It sets the method for waiving the K factor according to the K value of 87/CP.

**Tax of Land Use Right Transfer:**

• Law on Taxation of Land Use Right Transfer, approved by the National Assembly, on June 22, 1994.

• Law to regulate and amend some articles of the Law on Taxation of Land Use Right on December 21, 1999.

• Decree 114/CP issued by GOV on 5/9/1994 regulates the Implementation of the Law on Taxation of Land Use Right Transfer.

**Tax of Land and Housing:**

• Ordinance on taxation of Land and Housing issued on October 10, 1992 by State Council of Vietnam.


• Official letter No. 2944/TC-TCT dated October 28, 1995 of Ministry of Finance regulates the tax remission of housing program.

**Arbitration of Dispute of Land and Housing:**

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2.5.2. World Bank Policy on Involuntary Resettlement

The primary objective of the World Bank policy is to explore all alternatives to avoid or at least minimize involuntary resettlement. Where resettlement is unavoidable, the living standards of displaced persons should be restored or improved relative to those conditions that prevailed prior to the Project. The policy applies to the taking of land and other assets when land acquisition results in the loss of shelter, the loss of all or part of productive assets, or access to them, and the loss of income sources or other means of livelihood.

2.5.2.1. Measures Required

Measures required to ensure that resettlement has a positive outcome include:

- Consulting with potential Project-affected people on feasible measures for resettlement and rehabilitation;
- Providing Project-affected persons with options for resettlement and rehabilitation;
- Enabling their participation in planning and selecting these options;
- Providing compensation at full replacement cost for losses;
- Choosing relocation sites that provide, at a minimum, the same benefits and services as the sites they replace;
- Providing allowances, training and income support to assist in making a smooth transition;
- Identifying vulnerable groups and providing special assistance to these groups; and,
- Establishing an institutional and organizational structure that supports this process to a successful end.

2.5.2.2. Eligibility Criteria and Compensation

Lack of legal title does not exclude individuals from the eligibility to receive compensation and/or rehabilitation assistance. The displaced or project-affected people eligible for compensation will include: those who have formal legal rights to land or other assets, and those who initially do not have formal legal rights to land or other assets but have a claim to legal rights based upon the laws of the country; upon the possession of documents such as land tax receipts and residence certificates; or upon the permission of local authorities to occupy or use the project affected plots. The genesis of these rights may come from continued possession of public land where the government has not sought their eviction. The Bank recognizes that individual and households who occupy project-affected areas after an official and publicized cut-off date are not eligible for compensation.

2.5.2.3. Valuation of and Compensation for Losses:

The methodology to be used in the valuation of losses for Bank-associated Projects is based on their replacement cost. In this Project, losses comprise urban land, structures and other assets. Urban land of equal size and use should be valued at its substitution cost, with
comparable public infrastructure and local services, plus the cost of any registration and transfer taxes. For houses and other structures, the market cost of the materials should be used to calculate the replacement cost to build a replacement structure with an area and the quality should be at least as good as those affected. For both totally and partially affected structures, compensation includes market cost of material, plus the costs of material transport, labor and contractor fees, registration and transfer taxes. Depreciation of the asset and amount saved in materials will not form a part of replacement cost.

2.5.3. Comparison between Government of Vietnam and World Bank Approaches

There are a number of ways in which the approaches of the Vietnam Government – either in policy or practice – are compatible with World Bank guidelines. The most important compatibilities are:

- Vietnam has a process whereby most people without legal land rights may meet conditions of legalization and receive compensation for losses.
- Permanent residents are provided with options that include relocation to an improved site, or cash, or a combination of the two.
- Resettlement sites offer not only better improved infrastructure and services but represent a higher standard of living.
- Allowances are provided to help the Project-affected People in the transition period and there is an institutional structure through which people are informed, can negotiate compensation, and can appeal.
- Differences between the approaches and measures that need to be addressed within the program also exist. However, in this context, procedures exist within national and City governments that allow the granting of waivers of domestic law on specific projects that may be in conflict with that of the funding agency. The differences are described in item 4, required waivers below and in Annex 2.
- On the issue of land tenure and the legal right to compensation, the Government and World Bank approaches are compatible. The government has its own process in place whereby land occupied without legal documentation can be legalized; this land, however, is compensated for at a rate equal to 100% of land price minus the taxes and fee for land use right registration from 15 October 1993 (Article 6, 7, 9, 10 of Decree 38/2000 ND-CP on the payment for the Land Use Right).

2.5.4. Required Waivers

In order to meet the requirements of the World Bank OD. 4.30 on Involuntary Resettlement a number of articles in various Vietnamese laws and regulations which do not ensure compensation at replacement cost or set eligibility provisions which do not extend the right to compensation and or rehabilitation to households without proper land papers, will be waived.

The articles of law and regulations that will be waived are mentioned below:

2.5.4.1. Eligibility to Compensation – Decree 22/CP

Article 7 of Decree 22/CP (Non eligible persons for compensation of land) stipulates that “The person whose land is recovered and who has not met one of the conditions stipulated in Article 6 of this Decree or who has violated the plan already ratified by the competent level, and such violation has been announced, or who violates the corridor protecting work, or who illegally occupies land shall not receive compensation when the state recovers the
land. The People’s Committee of province or City directly under the Central Government shall consider and make decisions on a case by case basis”.

Article 16 of Decree 22/CP (Principle for compensation of lost property), Point 3, stipulates that “The owner of affected property on recovered land as mentioned in Article 7 of this Decree, based on each individual case, the People’s Committee of the province or City directly under the Central Government shall consider and decide the assistance”.

To ensure that the objectives of this resettlement policy are met, a special decision of the Government waiving Article 7 and Article 16 of Decree 22/CP is needed to permit assistance and rehabilitation measures for illegal users of land as proposed in the policy.

2.5.4.2.Price of Land for Calculation of Compensation

According to the Vietnamese regulation, calculation for land compensation will be based on Decrees 87/CP, 22/CP, 17/1998/ND-CP and Decision 302/TTg.

Article 4 of Decree 87/CP states that compensation of land must fall within the Government’s range of minimum and maximum prices.

Article 8 of Decree 22/CP states that the prices of land for calculation of compensation for damage shall be determined on the basis of local prices of land issued according to the provisions of the Government multiplied by a coefficient ‘K’ in order to ensure compatibility of the compensation with profitability and the prevailing land prices of the locality. The “K” coefficient of relative rate between the land price counted by the beneficial potential or the actual land price transfer for the land use rights and land price stipulated by the Provincial Peoples’ Committees and cities under the Central Government.

To ensure that the objectives of the project resettlement policy are met, unit price for land compensation will be established by the Project Provincial/City People’s Committees and to be at replacement costs.

2.5.4.3.Assistance Policy for PAPs who Rent Houses from the Government – Decree 22/CP

Article 25 of Decree 22/CP states that PAPs who rent government houses and do not want to continue to do so shall be assisted in cash at a rate equal to 60% of the cost of the rented house and 60% of the cost of the land.

To ensure that the objectives of the policy are met, a special decision of the Government of Viet Nam regarding waiver of Article 25 of Decree 22/CP is needed to permit assistance and rehabilitation measures for Project Affected Families who share rented government housing as proposed in this policy.

The Prime Minister of Vietnam and Chairperson of project province/city People’s Committee in approving the policies and objectives set forth in this Policy Framework will grant the waivers to the above mentioned Articles 7, 8, 16, 17, 18 & 25 of Decree 22/CP; Article 4 of Decree 87/CP, and any other laws or regulations which contradict the Project Policy. The details of differences between the World Bank policy on involuntary Resettlement and National policy are given in Annex 2.

The Item 4, Article 2 of Decree 17/2001/ND-CP dated May 04, 2001 to guide on the ODA management stipulates that “in the case of the international agreements on ODA have been signed between GOV and sponsor stipulates other contents, then that international agreements will be followed”.

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2.6. **Entitlement Policy**

The basic principle followed in the preparation of this Policy Framework is that the PAPs should be “assisted in their efforts to improve their former living standards, income earning capacity, and production levels, or at least to restore them”. Lack of legal title to the land cannot be an obstacle to compensation and rehabilitation measures. Compensation for lost assets must be made on the basis of replacement cost.

### 2.6.1. General Principles

(a) All Project Affected Persons (PAPs) will be compensated and/ or rehabilitated disregarding land tenure status.

(b) Resettlement, rehabilitation and compensation programs should improve, or at minimum maintain the PAPs pre-Project living standards and warrant their participation in Project benefits.

(c) Resettlement and land acquisition will be minimized as much as possible, by exploring all feasible alternatives.

(d) Compensation and rehabilitation will be provided as a substitution, or replacement cost paid without depreciation.

(e) The PAPs will be provided full assistance for transportation and will be given a relocation allowance in addition to the compensation at replacement costs of their houses, lands and other properties.

(f) Resettlement plans will be implemented in consultation with the PAPs. In the resettlement area, community infrastructure and services will be built and improved, so that the PAPs will have access to these services. Financial and institutional services will be arranged for credit and other activities associated with resettlement.

(g) Effective and timely design, planning and implementation of resettlement and rehabilitation measures will be carried out to avoid unnecessary delays and the consequent inconveniences to the PAPs. In addition, institutional arrangements will be made for internal and external monitoring of all important resettlement activities.

(h) Resettlement, compensation and rehabilitation programs will be timed so as to guarantee the availability of new land and residences, prior to Project construction.

(i) Land clearance will not be started before the PAPs have received compensation, rehabilitation assistance and have had enough time to build their houses. There will be a special group within PMU for supervising the process of resettlement.

### 2.6.2. Compensation Modes

- All PAPs living in the Project area before the cut-off date, which is established as the date that the planned components was publicly announced, are entitled to compensation for their losses and/ or rehabilitation assistance. Lack of legal rights or titles do not make them ineligible for entitlements.

- The PAPs will be compensated based on the criteria of eligibility defined later in this Section.

- The PAPs will be compensated at full replacement and substitution costs, and relocated or resettled in consultation with them. The preliminary compensation rates for replacement and substitution cost will be proposed to the PAPs to give them an opportunity to compare them with the prevailing market rates.
• All fees and taxes on land and/or house transfers will be waived or otherwise fees and taxes would be included in a compensation packet for land and/or house. The Provincial/City authorities will give preferential treatment to PAPs reconstructing their houses on their own, and to obtain the necessary property titles and official certificates. Land will be compensated in cash or land for land according to PAPs’ choice.

• PAPs who want “land for land” will be compensated by providing them with land plots or apartments in a new residential area nearby. The resettlement area will be planned and designed properly. All infrastructure will be provided such as paved roads, sidewalks, drainage and water supply, and main lines for electricity and telephone.

• PAPs who want “cash for land” will be compensated at the replacement cost, plus a cost for fees and taxes, to be used for their own purchase of replacement land/housing.

• Compensation in cash for all residential, commercial or other structures will be paid at the replacement cost of these structures, without any depreciation of the structure and without deduction for salvageable materials.

• The PAPs will be provided full assistance for transportation of personal belongings, household inventory and salvaged material, and will be given a relocation allowance in addition to the compensation at replacement costs of their houses, lands and other properties. The rehabilitation transition period will be minimized by providing cash compensation at least 30 days prior to the expected start-up date of the Project construction.

• For PAPs relocating in a resettlement site, payment of compensation and relocation activities, including construction of houses at the relocation site, will be completed at least 30 days prior to the start of the civil works. Compensation and rehabilitation assistance must be completed at least 30 days prior to the taking of the assets for non-relocating PAPs and 60 days for self-relocating PAPs.

• Resettlement plans will be implemented in consultation with the PAPs. In the resettlement area, community infrastructure and services will be built and improved, so that the PAPs will have access to these services. Effective and timely design, planning and implementation of resettlement and rehabilitation measures will be conducted to avoid unnecessary delays and consequent inconveniences to the PAPs.

• Institutional arrangements will be made for internal and external monitoring of all important resettlement activities.

• Financial and institutional services will be arranged for loans and other activities associated with resettlement. The method of loan repayment, installment period and amounts should be acceptable to the PAPs. The installment amounts and the schedule of payments for substitution housing and/or land will be within the repayment capacities of families. The capacity to pay will be established before the PAPs and the financial institutions make formal agreements.

2.6.3. Eligibility

The following Project Affected Persons (PAPs) will be eligible to receive compensation and/or rehabilitation: all affected GOV agencies, private households, institutions or firms who are able to demonstrate through Land Use Right Certificates (LURC), Residential Land Property Certificates (RLPC), Official residence papers, land tax receipts, or, in absence of these, by means of a commune housing record or by being listed in the PAPs
inventory, that prior to the RAPs cut-off dates, they owned, rented, planted, or used for business or other economic enterprise the following affected items:

- Permanently or temporarily affected land;
- Houses or other structures, crops, trees, or other assets;
- Business and production; and/or,
- Suffered income losses as a result of the Project.

The eligibility of PAPs for entitlement to compensation and rehabilitation assistance is classified as: Legal, Legalizable, Non-legal and Not-entitled. The criteria for eligibility set for each certain status of ownership of Project affected property or item is as described below.

### 2.6.3.1. Land Tenure Status

People may have legal rights to use land according to three types of permission from the local People’s Committee: permanently, temporarily or on a lease basis. In urban areas, some people occupy residential or public land illegally without permission of the local PC. Each of these land use categories are explained below.

**Legal PAPs:** According to Vietnamese legal practice these are holders of Land Use Right Certificates (LURC) issued by the competent City authorities.

**Legalizable PAPs:** These are property owners in possession of:
- official property documents for land dated prior to 15/10/1993 without any dispute;
- having land use rights from the ancestors or old regime but not officially legalized;
- tax receipts for their properties; building permits; local residential papers.

**Non-Legal PAPs:** These are PAPs who have occupied land after 15/10/1993 (Land Law enforced) but have no official property document; no ancestral land uses rights; no any tax receipts or local residency papers.

**Non-entitled PAPs:** These are PAPs i) who illegally occupied the public land after the date which competent authorities officially announced for the planned areas; or ii) PAPs who moved into the Project area after the cut-off date.

### 2.6.3.2. Status of Houses and Structures

People have the right to build houses and structures, as the GOV granted the right to have a house and support or assist people in building their house. In rural areas, if people have legal right to use the land, they implicitly have the right to build a house. In urban areas, the right to use land is not sufficient; a building permit must be obtained. Then, the status of the building permit sets the eligibility of houses, structures and other assets.

**Legal owner of house, structure and other assets:** Are those PAPs who built the houses with construction permits from the City authorities, or who have the House Ownership Certificate (HOC).

**Legalizable owners of houses, structures and other assets:** Are those PAPs who have no construction permits or House Ownership Certificates (HOC), but they meet the following conditions: (A) in possession of property before 1993 without any dispute, (B) having land use rights certificate (LURC) or being legalizable for land use right with permanent residential registration.
Non-Legal owners of houses, structures and other assets: Are those PAPs who built the houses after 1993 without construction permits or papers from the City authorities, or who do not have House Ownership Certificates (HOC), or LURC

2.6.3.3. Business

Business means any type of activity to make a profit or earn an income. The eligibility of business depends on its status, type and size. Normally, permanent, for profit and income earning businesses have to be registered with local authorities and have to pay taxes.

Legal Businesses: are those permanent businesses owned by PAPs who have registered them with the local authorities and regularly pay taxes.

Legalizable Businesses: are those unregistered, income earning, home-businesses, owned by PAPs who regularly pay or not pay tax.

2.6.3.4. Economic Rehabilitation and Assistance

The eligibility for entitlement to economic rehabilitation is based on the residential status of the Project Affected Persons (PAPs):

Legal: are those PAPs who have permanent Residential Registration with the local authority.

Legalizable: are those PAPs who have no Permanent Residential Registration, but have Temporarily Residential Registration with the local authority, or have the conditions to get Permanent Residential Registration.

Non-Legal: are those PAPs that have no permanent Residential Registration or any paper and conditions for Residential Registration.

2.6.4. Cut-off date

Cut-off date for each RAP under this Policy Framework is the date on which the planned project or planned specific components (affected areas) of the project was publicly announced by relevant local authorities.

All people moving into the project area after the cut-off date are non-eligible PAPs. They will not receive any compensation and will be requested to vacate their premises prior to project implementation. In order to facilitate this, the Project will put at their disposal the necessary transportation means for their relocation.

This was agreed to be November 25, 2003 for Hai Phong City.

2.6.5. Entitlements

2.6.5.1. Affected Land

Depending on legal conditions, compensation for land is divided into the following categories:

i) PAPs, who have legal and legalizable affected land, are entitled to 100% compensation of the land lost at replacement costs. In addition they will be exempt for taxes and fees for Land Use Right Certificate when purchasing or allotted another plot.

ii) PAPs having non-legal affected land are entitled to the assistance at 60% value of the land lost by cash. In addition they will be exempt for taxes and fees for Land Use Right Certificate when purchasing or allotted another plot.
The Province/City will find a residential area with similar conditions so that PAPs get land plots to build their houses or get available apartments. The solution "land for land" or "land for apartment" will be clearly stated in Compensation Reports for Resettlement Plan for each component.

Land compensation for the state owned enterprises, state institutions will follow the Decree 22/1998-ND-CP. However, people depending on the land to be acquired, as renters, employees, and vendors, will be eligible for rehabilitation assistance according to this Resettlement Policy Framework.

2.6.5.2. Affected Houses and Structures

All legal, legalizable and non-legal PAPs who have fully affected houses and structures are entitled to 100 % compensation of the house and structures lost at replacement costs. Cost reduction for depreciation or salvageable materials will not be made.

All PAPs (legal, legalizable and Non-legal) owning Project affected businesses and production structures, are entitled to cash compensation or rehabilitation assistance at 100 % of the substitution cost.

All PAPs (legal, legalizable and non-legal) owning affected fruit bearing trees or trees of commercial value, are entitled to 100 % compensation or rehabilitation assistance by cash at the market value.

2.6.5.3. PAPs Renting Government Houses and Structures

Relocated legal and legalizable PAPs renting affected houses or structures from the Government are entitled to compensation by the following choices:

PAPs choosing the relocation option will be entitled to receive a house in rent with equal rented floor area at equal standards of building and facilities and at equal rent rate.

PAPs choosing the self-relocation option will be entitled to cash assistance equal to 60% of the replacement costs of the rented floor area of the structure plus 60 % of the replacement costs of the rented land area. PAPs who are sharing a rented house and structure will be entitled to cash assistance equal to 60% of the replacement costs of the rented floor area plus 60% of the replacement cost of the rented land. In addition they will be exempt for taxes and fees for Building Owned Right Certificate when purchasing or allotted another house/apartment.

Legal and legalizable improvements made by the PAPs in affected government rented properties will be entitled to compensation at 100% substitution cost by cash.

Besides, the poorest households who can not afford themselves in renting or buying a house by installments as in the above program, can be arranged to live in social apartments, and after certain years they can move out for the others to move in and they can be assisted in order to get rid of very poor level. For this small component, the selected households have to pay the cost of maintenance and public security.

Structural compensation for the state owned enterprises, state institutions will follow the Decree 22/1998-ND-CP. However, people depending on the structures to be acquired, as renters, employees, and vendors, will be eligible for rehabilitation assistance according to this Resettlement Policy Framework.

2.6.5.4. Business Losses / Loss of Jobs and severely affected on productive land

Legal, legalizable and non-legal PAPs will be entitled to compensation and/or rehabilitation assistance for business losses by cash calculated on the basis of the turnover of the latest years.

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Legal, legalizable and non-legal PAPs having Project permanently affected small businesses/production centers at home without tax declaration, are entitled to an allowance of 1.0 million VND per month for family expenses for six months.

Legal, legalizable and non-legal PAPs loosing jobs or severely affected on productive land (losing more than 25% of total productive land holding) as a result of resettlement are entitled to assistance in seeking jobs or for training for new professional skills. The allowance for training will be 500,000 VND per month and will be given for six months.

2.6.5.5. Affected Utilities

Legal, legalizable and non-legal PAPs who own Project affected facilities such as power supply and water supply systems, electric and water meters, telephone lines, deep wells, etc, are entitled to compensation in cash at 100% of the substitution cost.

All eligible PAPs who own Project-affected public utilities such as power and water supply networks, telephone cables etc, will be entitled to cash compensation at 100% of substitution cost of public utilities lost or all cost for relocation and rehabilitation of affected public utilities.

2.6.5.6. Transition Assistance/Livelihood Allowance

Relocated legal, legalizable and non-legal PAPs will be entitled to a transition/transport assistance to relocated sites shall be from VND 1,000,000 to VND 3,000,000 for each household moving its dwelling within the province or city and from VND 3,000,000 to VND 5,000,000 if it moves to another province.

Relocated legal, legalizable and non-legal PAPs will be entitled to a livelihood cash allowance for six months at the rate of allowance in cash for one household member per month equivalent to 30 kg of rice at average price of local market.

2.6.5.7. Payment in Installments for PAPs Taking Land or Apartment

When a cash adjustment is needed and the PAPs have to pay an additional amount (cost of land or apartment minus cost of compensation), the PAPs will be allowed to pay the adjustment amount in installments for 10-20 years. PAPs will have to pay interest at low rate according to the Province/City's stipulation. The first amount payment (down payment) for an apartment would be at least 30% of the total amount payment.

2.6.5.8. Bonus

All PAPs who relocate themselves on time, i.e. moving away from the Project site, will be entitled to a family bonus of VND 5,000,000 at most.

2.6.6. Entitlement Matrix

Annex I shows the entitlement matrix for the RAPs. The entitlements in the Table will be applied for PAPs in each components of the Vietnam Urban Upgrading Project.

For Component 1 (upgrading of tertiary infrastructure in low income areas), the following provision for donation of affected land has been incorporated:

Residents of the low income areas to be upgraded are expected to contribute to the construction cost of the upgrading. In all events, the entitlement to compensation will be calculated and informed to all affected residents (PAPs).

There are PAPs who would be marginally affected on residential land, who may choose to contribute affected land in lieu of a cash contribution for the project construction.

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If PAPs choose to do so, a procedure for determining and documenting the voluntary nature of the contribution are as below:

i) step 1: PMU and local authorities clearly inform to all PAP about this project resettlement policy, and the actual entitlement to compensation.

ii) step 2: Volunteer PAPs sign in the DMS and entitlement forms for the affected assets which they choose to contribute for the project, and these forms will be filed in PMUs' offices.

iii) step 3: 20% of volunteer households of will be checked by independent monitoring agencies at the beginning times of RAPs implementation and reports of independent monitors on this matter will be submitted to IDA for its concurrence.

These procedures shall also be clearly guided in Project Implementation Manual (PIM).
3. PROJECT DESCRIPTION

3.1. Project Investment Selection Criteria

Selection of investments used the following criteria:

- Trunk infrastructure was to be selected to link up with proposed areas of tertiary upgrading.
- Upgrading was to be carried out on a needs basis and with agreed community contributions which were verified as affordable for local people.
- Selected investments were to conform to the City's Master plan as well as the Ward's detailed planning criteria.
- Minimize relocation for resettlement in order to reduce negative impacts on social structure and community.

3.2. Total Project Area

The project has 3 implementation phases.

The 3 phases of the VUUP project will cover 5 Districts of Haiphong, including 42 low income areas (139 urban residential areas) belonging to 39 Wards. The total project area is 7.8 Km² with a total population of 184,384 people in 46,222 households.

3.3. Project Phasing

Phase 1 of the project will be carried out in 8 low income areas (20 residential areas) within 5 Districts and 8 Wards. The total area is 0.7 Km² with a population of 25,720 people in 6,201 households. (See Table 3-1) Phase 2 of the project will be carried out in the remaining 34 low income areas.

<table>
<thead>
<tr>
<th>District</th>
<th>An Hai</th>
<th>Kien An</th>
<th>Hong Bang</th>
<th>Le Chan</th>
<th>Ngo Quyen</th>
<th>Selected Areas For VUUP Phase 1 to 3</th>
<th>Phase 1 VUUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (Km²)</td>
<td>2.09</td>
<td>1.77</td>
<td>2.44</td>
<td>0.55</td>
<td>0.914</td>
<td>7.764</td>
<td>0.689</td>
</tr>
<tr>
<td>Population</td>
<td>47555</td>
<td>45439</td>
<td>31044</td>
<td>21106</td>
<td>39240</td>
<td>184384</td>
<td>25720</td>
</tr>
<tr>
<td>Number of Households</td>
<td>12388</td>
<td>11611</td>
<td>7545</td>
<td>5313</td>
<td>9365</td>
<td>46222</td>
<td>6201</td>
</tr>
<tr>
<td>Density Persons/Km²</td>
<td>22754</td>
<td>25628</td>
<td>12713</td>
<td>38116</td>
<td>42932</td>
<td>28428.6</td>
<td></td>
</tr>
</tbody>
</table>

3.4. Phase 1 Description

3.4.1. Component 1 (Tertiary infrastructure)

New construction and upgrading of tertiary infrastructure in low income areas (roads, drainage, sewerage, water supply, street lighting, solid waste collection and sanitation) that are presently degraded due to poor operation and maintenance and impacting on living and...
environmental conditions of communities and other social infrastructure such as kindergartens, schools (primary and secondary), health clinics and sites for cultural activities. (see Figure 3-1)

Table 3-2

**Haiphong Component 1 showing Reductions in Total Investments after Detailed Planning**

<table>
<thead>
<tr>
<th>No</th>
<th>Investments</th>
<th>Unit</th>
<th>Phase 1(FS)</th>
<th>Phase 1(P FS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Roads (2-7 m wide)</td>
<td>M</td>
<td>16,000</td>
<td>133,000</td>
</tr>
<tr>
<td>2</td>
<td>Meter and electricity distribution network</td>
<td>Meter</td>
<td>0</td>
<td>5,130</td>
</tr>
<tr>
<td>3</td>
<td>Street lighting</td>
<td>Pole</td>
<td>400</td>
<td>1,453</td>
</tr>
<tr>
<td>4</td>
<td>Meter and water supply network</td>
<td>Meter</td>
<td>2,700</td>
<td>14,855</td>
</tr>
<tr>
<td>5</td>
<td>Drainage and sewerage</td>
<td>M</td>
<td>120,800</td>
<td>109,420</td>
</tr>
<tr>
<td>6</td>
<td>Solid waste collection sites</td>
<td>Site</td>
<td>20</td>
<td>113</td>
</tr>
<tr>
<td>7</td>
<td>Hand carts</td>
<td>Cart</td>
<td>97</td>
<td>195</td>
</tr>
<tr>
<td>8</td>
<td>Kindergartens</td>
<td>Unit</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>9</td>
<td>Health clinics</td>
<td>Unit</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>10</td>
<td>Schools (primary and secondary)</td>
<td>Unit</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>11</td>
<td>Sites for cultural activities</td>
<td>Unit</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>12</td>
<td>Markets and services</td>
<td>Center</td>
<td>0</td>
<td>30</td>
</tr>
</tbody>
</table>

3.4.2. Component 2 (Primary and secondary Infrastructure)

This component comprises drainage canal rehabilitation and upgrading and urban distributor road construction.

Upgrading of An Kim Hai drainage channel with a section from Luon culvert (Thuong Ly canal) to CauVuot in Lachtray street, 5.1 km long and relevant roads including Chua Hang road (from ToHieu road to Highway No. 5) in South-East direction, roads on top of channel, secondary water supply systems in KienAn and Le Chan district of about 8.5 km. (see Figure 3-2)

3.4.3. Component 3 (Resettlement Site)

This component involves the development of the resettlement site and serviced plots for some non project affected households in the very low income category. The area of the actual resettlement site is 12 Ha with an additional 1.1 Ha off-site for access road and the provision of other physical infrastructure. Total land area required to serve construction of resettlement site is consequently 13.09 Ha at Vinh Niem ward in Le Chan District. The site is 3.5km from the center of the city and 800 metres from Highway No. 5. Current physical and community infrastructure on the site is very limited. Preparation of the resettlement site is a priority in Phase 1 of the project. (see Figure 3-3)
Hình 3-1: Hạng mục 1 Cơ sở hạ tầng cấp 3

Figure 3-1: Component 1 Tertiary Infrastructure

The current status map of low-income urban areas Lê Chân District - Haiphong City.
FIGURE 3-2: COMPONENT 2 TRUNK INFRASTRUCTURE

THE MAP OF PRIMARY AND SECONDARY TECHNICAL INFRASTRUCTURE IMPROVING - THE TRANSPORT STATION SYSTEM
Figure 3-3: Component 3 Resettlement Area General Layout of Vinh Niem Resettlement Site

Thuy Nguyen
Thuy Nguyen District

Huyen An Hai
An Hai District
The objective of project is to provide accommodation for 979 households (5,000 – 7,000 people). The plots would be allocated as follows:
- 442 resettlement plots for components 1 & 2
- 128 plots for on-site resettlement households
- 250 plots for a pilot sites and services low income housing program

The balance would be for commercial sale to assist with cross-subsidization of affordable low income housing.

This number of plots assumes that 90% of PAH’s would choose to relocate to the resettlement site rather than choose cash. The total number of plots ratified under the approved detailed plan is 1043 and land allocated for residential use is 47,061 m².

The original detailed plan included 74 plots of 80 m² and 970 plots with average area of 40 m² + 48 m² per household.

PAH’s from the resettlement site have large existing landholdings and are considered to be able to afford the larger plots (80 m²). In order to facilitate implementation it is considered by the local consultants that these people should be given priority.

The on-site resettlement households are anticipated to settle in adjacent to the access routes. These are favorable positions for trading proposing to be sold at higher price in order to subsidize the less favorable ones.

The other plots include provision for 177 plots in less favorable position for selling to the poorest households at price 29% lower than land selling price on average to help them buy a plot and basic house. Another 272 plots for resettlement households in component 1&2 have been designed in close proximity so that the area would build up quickly into a complete community to create a good feeling for resettlement households. The remaining plots for selling to the poor are distributed among the others and selling price will depend on position so some additional cross subsidies will be possible to make housing more affordable for the poorest groups.

There is also an area of 110729 m² which occupies 8.46% on-site area for school and market construction. An area for a school of 6419.9 m² and a park recreation area of 10155 m². There is a commercial area an with area of 4653 m².

3.4.4. Component 4 (Land and Housing Management)
Involves strengthening the capacity of land administration and housing management system for Department of Land and Housing to hasten the progress of BOLUCs issuance. The project will provide a computer network and help train administrative staff to better land and housing management.

3.4.5. Component 5 (Micro-finance for Housing improvement)
Involves the development of a revolving fund to provide up to 10,000 low income households loans of up to VND 15 million to self-improve their houses in a period of 7 years (2004 - 2010). This component is proposed to be implemented by the Women’s Union because of its experience in operating sanitation revolving funds.

3.4.6. Component 6 (TA, Design and Supervision and Training)
This component consists of costs for technical assistance, strengthening institutional capacity of project management, hiring experts, supervision consultants and supporting authorities in all stages of the project.

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Photo 1: Component 2 Primary and Secondary Infrastructure The An Kim Hai Canal where it crosses under Tran Nguyen Han Road. It will be rehabilitated covered and used as an urban road with primary drainage.

Photo 2: Component 2 Primary and Secondary Infrastructure PAP's Being Interviewed Who Are Living Adjacent To The An Kim Hai Canal To The West Of Tran Nguyen Han Road.
Photo 3: Component 1 Tertiary Infrastructure. The area on the left of the railway line is to be widened and used for a local access road which will improve connections into congested living areas and give additional buffer zone for railway line.

Photo 4: Component 3A The Resettlement Site in Le Chan District approximately 3 kms from the project impact areas. The site is 12.2 Ha in area with 20 households to be displaced on site and 25 off the site.
4. TECHNICAL AND LOCATION OPTIONS

4.1. Component 1

This component used the Community Upgrading Planning Process (CUP) to select investments which met the needs and affordability criteria of each of the selected areas. This planning process used participatory methods to allow affected residents to participate in the selection of optional investments. The CUP process is discussed in more detail in Chapter 8.

4.2. For component 2 Primary and Secondary Infrastructure

A number of options were proposed in the pre-feasibility study. During the preparation process, the WB mission, People's committee and local consultants have conducted surveys and assessments as well as seminars with relevant departments/ agencies in order to identify the options for component 2. In general, the overall corridors have not changed but there have been reductions in corridor widths for technical and displacement reasons.

For the eastern section of the An Kim canal the width of the corridor was reduced by using a covered box culvert design with road on top. This reduced resettlement requirements considerably. On Chua Hang Road to Highway No. 5, the existing road is to be upgraded and widened to the west. Areas where resettlement is necessary were located to one side in order reduce social impacts and not effect local cultural and historical structures.

4.3. For component 3: Resettlement Site and Pilot Low Income Housing Program

The proposed resettlement site is located in the Vinh Niem ward in Le Chan District with an on-site area of 13.1 ha. There were a number of alternative sites considered but only this site was considered to fit with the resettlement planning criteria which were as follows:

- In accordance with the City of Haiphong Master Plan
- Conforming with Vietnamese Planning standards for residential areas
- The proposed housing and/or developed land should be affordable for low income residents
- It should be located as close to the study impact area as possible
Typical Cross Section of the Canal Design to the west of Duhong Lake reducing corridor width and thus necessary resettlement

Component 2 Typical Cross Section to the east of Duhang Lake

Figure 4-1 Typical Cross-Sections for Component 2 trading off Technical and Social Impact Criteria
5. SOCIO-ECONOMIC CONDITIONS IN HAIPHONG

5.1. Population

The low-income areas of Haiphong City are spread throughout the 5 Districts of Haiphong. In 2002, the population of Haiphong was 1,723,500 with an urban population of 588,900 or 34.16% of the total population. The inner city population was 501,700 or 85.19% of the urban population and includes 4 urban Districts: Hong Bang, Ngo Quyen, Le Chan, Kien An. The population growth rate is stable averaging 1.14%/year (including natural and migration growth rate).

5.2. Population Distribution and Structure

Population distribution across the whole city is uneven but the 4 inner city districts of Hong Bang, Le Chan, Ngo Quyen, Kien An have high population densities, e.g. in Le Chan District, the population density is 33,932 persons/km$^2$.

5.3. Employment and the Labor Force

The potential workforce in the city is 1,027,400 persons or 59.61% of the population. The structure of the work force is shown in Table 5-1. The largest classified group is the government sector due to the large number of public enterprises that function in the city. There is a very large unclassified sector which is made up of private sector businesses and small traders and street merchants.

Table 5-1

Employment Structure Haiphong City

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>125280</td>
</tr>
<tr>
<td>Industrial</td>
<td>43094</td>
</tr>
<tr>
<td>Construction</td>
<td>15694</td>
</tr>
<tr>
<td>Services (commerce,hotels)</td>
<td>7974</td>
</tr>
<tr>
<td>Agriculture, forestry, aquaculture sector</td>
<td>2500</td>
</tr>
<tr>
<td>Other</td>
<td>740358</td>
</tr>
<tr>
<td>Unemployment</td>
<td>92500</td>
</tr>
<tr>
<td>Total Workforce</td>
<td>1027400</td>
</tr>
</tbody>
</table>

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5.4. Existing land use

In year 2000, land use distribution in the City was as follows:

- Total land area in the city is 151,919.34 ha with urban land (4 inner city districts and suburbs) of 26,000 ha. So the project area for Phase 1 is a very small percentage of the urban area of the City.

Land available for urban development in the inner city is 4,506.57 ha (accounting for 74% of the total natural land of the inner city 5856 Ha), on average 92.27 m\(^2\)/person. Within this area land area available for civil use is 2,106.73 ha, on average: 43.14 m\(^2\)/person. Civil use land consists of:
  - Land for housing: 1,221.27 ha, on average: 25.01 m\(^2\)/person;
  - Civil social infrastructure: 203.77 ha, on average: 4.17 m\(^2\)/person;
  - Green parks and gardens: 137 ha, on average area: 2.81 m\(^2\)/person.
  - Urban transportation land: 544.69 ha, on average: 11.15 m\(^2\)/person.

5.5. Economic structure

Haiphong is one of the most important cities in Northern Vietnam. It is linked to Hanoi with road and rail corridors and forms a major economic development corridor in the Red River Delta between the two cities. It is the major seaport for Northern Vietnam.

In 2001, GDP was VND 29,231.4 billion made up of
  - Primary Industry (agriculture, forestry, aquaculture): 3,006.4 billion (10.3%);
  - Secondary (industry, handicraft industry, construction): 17,126.8 billion (58.6%);
  - Tertiary Industry (commerce, services): 9,098.1 (31.1%).

State owned enterprises play an important role and contribute 46.54% of GDP with private enterprise contributing 53.46%.

5.6. Main Industries and economic base

Port: The Port of Haiphong has 3 zones with total length of the piers of 2,577 m, storage of 106,590 m\(^2\), reception-storage areas of 330,400 m\(^2\). The capacity of the port in 1999 was 6.5 million tons/year growing to 8.575 million tons/year in 2001.

Industry: In Haiphong City (1999), there were 98 industrial state owned enterprises and 10,541 small industrial and handicraft enterprises belonging to cooperatives and individuals.

Commerce and services: Haiphong had 1,276 commercial units consisting of 25 state owned commercial companies and 63 shops, 37 pharmacies, 108 markets which engage 24,577 persons participating with 18,555 households trading The Tourism sector in Haiphong has 92 hotels with 4,780 beds, employing 8,214 workers and with about 500,000
tourists including 109,690 foreigners.

5.7. Housing and Other Social Infrastructure

In Haiphong, there is a serious lack of housing. In 1994, there was 3.6 million M$^2$ of housing stock, of which 1.76 million M$^2$ was available. In 2000, the living area was 4.5 million M$^2$ so the demand for housing is high.

In old residential areas, housing stock is seriously degraded. There are about 212,000 m$^2$ of housing stock which were considered in danger and need to be rebuilt or renovated. Much of the state owned housing stock has not been repaired due to lack of available budget for operation and maintenance. Residential areas particularly in the project affected areas have very limited space with high population densities, have poor lighting, homeless people and high environmental pollution.

**Schools:** Haiphong (2001) had 1,678 kindergarten classrooms (46,145 children, 2,383 teachers), 413 primary-secondary schools (8,379 classrooms), 51 high schools (1,198 classrooms) and a number of universities, vocational schools. In general, school buildings are older and of limited size with overcrowding common and do not meet required standards.

**Health care facilities:** In the City, there are currently 22 hospitals, 26 region clinics, 216 wards-commune health clinics with 4,062 cadres.

**Sites for cultural activities:** There is one city stadium, 4 district stadiums, 5 exercise grounds and 2 swimming pools, with total land area of 23.14 ha. In the inner city area, there are 2 parks, some small gardens with total land area of 112 ha (on average: 1.427 m$^2$/person). Sites for recreation, especially playing grounds in residential areas are seriously lacking.

**Commercial, service centers:** Most of the commercial-service centers are concentrated in the city center and in residential areas. There is shortage of service centers and small markets/convenient stores.

5.8. Socioeconomic characteristics of Project Affected Persons

A 100% inventory survey of all PAH's was carried out as part of the preparation of the RAP. After the sample of socio-economic questionnaire was reviewed and approved by the WB and PMU, the consultant-Vinaconsult carried out the survey as follows:

- Organised a workshop dated February 25, 2003 on the conduct of the socio-economic survey
- A second workshop dated February 27, 2003 on training survey staff
- The surveys were completed from February 27, 2003 to March 12, 2003
- A final workshop dated March 15, 2003 was completed to summarize the results of the surveys.
Summary of general information concerning households

- Total of households living in the house based on residential book: 133 hh
- Total of residents of each household: 495 persons

Residential status:

- No. of permanent households KT1: 115 hh
- No. of permanent residents KT1: 443 persons
- No. of households with KT3, KT4: 0 hh
- No. of residents with KT3, KT4: 0 hh

Sex:

- Female: 246 persons
- Male: 244

Ethnicity:

- According to the surveys the residents as a whole are Kinh people.

Information on Socioeconomic Status

- Average income of a household per month: 290.000 VND

The figure above indicates that if a household including 4-5 persons, the average income of a household per month is very low compared to the inner city area of Haiphong.

- Total monthly expenditure of household: 289.056 VND
- Saving of a household per month: 0

Based on the results of the surveys on the average income and total monthly expenditure of households, the capacity of households for saving is very few.

- According to the surveys, 100% of 125 households all answer that they have no stable income

Social infrastructure

The existing residential areas hasn't got private social infrastructure.

i) Health clinic: 0 unit
ii) State kindergarten, nursery school: 0 school
iii) Public telephone: 0 site
iv) Market: 0 unit
v) The families usually use civil works in other places outside their area arranged in order as follows: Market, Kindergarten, nursery school, public telephone, health clinic.
Summary of results of project affected properties.

Residential land

- Total residential land of household: 6,783.29 m²
- Total project affected residential land: 5,330.49 m²
- Proportion of the residential land acquired for the project: 78.53%

Legal status of land

- Have BOLUC: 1 hh
- Being legalized: 124 hh
- Other formalities: 0 hh
6. PROJECT IMPACTS AND RESETTLEMENT REQUIRED

6.1. For component 1 (Tertiary infrastructure)

The impact area in Component 1 where resettlement is required is a corridor adjacent to a railway line in the northern part of the Le Chan District. The corridor is required to extend the railway easement and develop a local access road for the community to the immediate east of the railway line to the Haiphong River. The road will open up very congested urban areas which can now only be accessed by the alleyway network. At the moment most of the PAH's live within 2 metres of the railway line which has rail traffic 24 hours a day between Haiphong and Hanoi. All project affected households (PAH’s) are said to have been identified and investigated with a socio-economic census. Some of the key characteristics of the PAH’s from the survey are reported in Table 6-1.

Table 6-1

Socioeconomic Characteristics of Component 1 PAH’s

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total area of land tenure of the PAHs (M2)</td>
<td>6,783</td>
</tr>
<tr>
<td>Total area of Project affected land (M2)</td>
<td>5,330</td>
</tr>
<tr>
<td>Number of households with BOLUC’s:</td>
<td>1</td>
</tr>
<tr>
<td>Number of households in the process of regularizing BOLUC’s:</td>
<td>124</td>
</tr>
<tr>
<td>Number of households with building permit:</td>
<td>4</td>
</tr>
<tr>
<td>Number of the PAH’s:</td>
<td>125</td>
</tr>
<tr>
<td>Number of households affected by project as a whole:</td>
<td>74</td>
</tr>
<tr>
<td>(including land and housing)</td>
<td></td>
</tr>
<tr>
<td>Number of households partly affected by project</td>
<td>51</td>
</tr>
<tr>
<td>(including land and housing)</td>
<td></td>
</tr>
</tbody>
</table>

According to the results of the survey, 100% PAH’s agree with the resettlement project and are willing to move to proposed site and accept resettlement assistance and the compensation policy. It is considered that this high acceptance rate is a result of the very poor quality of the existing living environment so close to the railway line.

6.2. For component 2 (Primary and Secondary Infrastructure)

The areas affected by the project mainly follow the An Kim Hai Canal which is an old irrigation canal which once serviced agricultural areas through that part of the City. At the moment the Canal has virtually no flow and is completely full of both sediment and garbage which has accumulated over many years. When significant rain falls, housing adjacent to the canal is flooded and much of the accumulated surface garbage is mobilized. The areas along the canal also have very poor access due to the absence of a street network and very poor connections between alleyways and lanes. Even though the existing condition of the canal is very bad, the open area along the corridor provides the only space for local people especially children to play and recreate. Opening of the access to the area...
with distributor roads will improve travelling times and allow all types of vehicles to access the area. It will also provide better maintenance of the canal. The canal has been designed with box culverts which are to be covered by a new arterial road.

The final numbers of PAH’s is still subject to the detailed census and inventory presently being carried out by the detailed design consultants. Consequently the numbers are based on the approved feasibility study.

The current estimates are as follows:
- Number of the PAH’s: 835
- Number of households to be resettled by the project: 417
- Number of households partly affected by project: 418

From sample surveys carried out in the phase 1 wards of Niem Nghia, Tran Nguyen Han, and Hang Kenh there are some housing related indicators available which are as follows:
- Rate of households without BOLUCs: 86%
- Rate of level 4 and temporary houses: 75%
- Rate of level 3 and above houses: 25%

Along the An Kim Hai channel, 75% of households do not have legal status and live in temporary houses without formal BOLUCs. The majority are thought to be unemployed with unstable incomes. PAH’s who have built housing within the easements of the drainage corridor are considered to have illegal status under the terms of the RPF and Vietnamese legislation so that compensation for land and housing can be discounted by 40%. It has been assumed for the analysis that 90% of these PAH’s will choose to relocate to the resettlement site.

The amount of land to be taken by the project for fully affected properties has been estimated at 16,113m² and the area of housing to removed is 6624m²

6.3. For resettlement site

Following the final feasibility survey of DONRE at the proposed resettlement site, project impacts were as follows:
- Total number of households affected: 297
- Number of households to be relocated (full impacts): 142
- Number of households partially affected: 155
- Number of households affected by agricultural land acquisition: 74

The resettlement site is part of a larger area which has been the subject of a Master Plan for new urban development. Land is currently held in private tenure and used for agricultural activities made up of agricultural land of 12.04 Ha and residential land 1.05 Ha. All of this land will need to be acquired by the project.
A summary of the land acquisition and resettlement for all three components follows:

**Table 6-2**

*Summary Of The Project Affected Households*

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>Total number of PAHs</th>
<th>PAHs to be relocated</th>
<th>PAHs impacted partially</th>
<th>PAHs affected by agricultura l land acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Component 1: Tertiary infrastructure</td>
<td>125</td>
<td>74</td>
<td>51</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Component 2: Primary and secondary infrastructure</td>
<td>835</td>
<td>417</td>
<td>418</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>- An Kim Hai channel</td>
<td>380</td>
<td>200</td>
<td>180</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Road from Chua Hang to Highway No. 5</td>
<td>445</td>
<td>210</td>
<td>235</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Road across Duhang lake</td>
<td>10</td>
<td>7</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Component 3: Resettlement site</td>
<td>297</td>
<td>142</td>
<td>155</td>
<td>74*</td>
</tr>
<tr>
<td></td>
<td>Total (Phase 1)</td>
<td>1,257</td>
<td>633</td>
<td>624</td>
<td>74</td>
</tr>
</tbody>
</table>

* This figure is included in both fully and partly affected categories

Within the total of 491 households fully affected households from Components 1 & 2, there are 177 very poor households who are anticipated to need sites and basic housing, 272 low to middle income households who need land in resettlement site and 42 households who have opted for cash compensation to arrange their own resettlement.

It is also planned that 250 plots will be allocated as a pilot for low income families and the 159 balance will be sold commercially which will help to cross -subsidise low income housing.

It should be emphasized that the preferences of the PAH’s may change once the time for resettlement comes closer and the detailed measurement survey is carried out under the provisions of Vietnamese compensation legislation.

### 6.4. Resettlement Planning Principles

The resettlement site was designed using the following planning principles:

- In accordance with the City of Haiphong Master Plan
- Conforming with Vietnamese Planning standards for residential areas
- Incorporating Vietnamese compensation standards for planning purposes but will incorporate the agreed resettlement planning framework set out in *Chapter 2*
- PAH’s to be offered a range of compensation and resettlement choices in accordance with the RPF
The proposed housing and/or developed land should be affordable for low income residents.

- It should be located as close to the study impact area as possible.
- The areas with road frontages should be sold at higher prices to allow for some cross subsidies from higher income groups to lower ones.
- To attempt to be flexible in the design of residential areas to allow for differences in income.
- To increase minimum compensation to be paid in order to improve affordability.
- To promote financial packages which improve affordability and also delay issuance of BOLUC's so that the problems with PAP's selling their land very quickly.
- Construction and development of resettlement site will use 2 main financial sources: IDA loan and local funds.

6.5. Options for Compensation and Resettlement for Fully Affected PAH's

To comply with the RPF, it was agreed that the following options will be offered to fully-affected PAHs:

- Cash compensation: PAHs will receive cash compensation, 100% or 60% of replacement cost, depending on their legal status, for lost land. They will relocate by themselves, with the possible assistance of PMU, if required. The cost of taxes and fees for a BOLUC will be included in the cash compensation. They may also be entitled to allowances.

- "Land for land" and "cash for the balance": PAHs will receive a plot of similar, or better standard at a resettlement site (either developed by PMU resettlement site arrangements or to be purchased by the PMU from land developers based on PAHs' options). The cash balance will be calculated as follows: (i) if the area lost is less than the size of the plot received, PAHs will pay the difference at the cost determined for land at the resettlement site; (ii) if the area lost is equal to, or larger than the plot received, PAHs will receive a cash balance for the difference at the replacement cost determined for the land lost. In all cases additional entitlements will include BOLUCs and allowances as defined in the RPF.

- "Basic House/Apartments for land and house" and "cash for the balance": The PAH will pay as follows (i) if the total amount of compensation is equal to, or more than, the cost of a basic house/apartment, the PAH will receive a basic house/apartment with BOLUC and a cash balance for the difference at the replacement cost determined for the land lost; (ii) if the total amount of compensation is less than the cost of a basic house/apartment, the PAH will receive a basic house/apartment and pay the difference in installments in 10 to 15 years without interest (the difference will be calculated at the gold equivalent at the time of purchasing the basic house/apartment). A BOLUC will be granted when the PAH has paid for the basic house/apartment in full; and

- Very poor PAHs (to be confirmed by the ward PC), who receive very little compensation and cannot afford to buy a plot or basic house/apartment, even in installments over 15 years, will be offered a rental basic house/apartment at subsidised rates from either the social houses available in each district or at the resettlement site if social housing elsewhere is not available. The situation of individual PAH's in this category is to be reviewed by the ward PC and also the subject of external monitoring annually.
6.6. Resettlement Site Description

The site has been authorised by Document No 26/QH dated January 9, 2003 of the Haiphong Institute of Planning for selecting the location for the construction of a resettlement site at Vinhniem ward, Le Chan district. The scale of the resettlement site is about 13.1 ha:

- The northern side of the site is adjacent to an existing residential area with a proposed 20.5m access road
- The southern side of the site is adjacent to the planned construction works of the Niem bridge II (50.5 m) and close to the JICA wastewater treatment system.
- The eastern side of the site is adjacent to an existing residential area
- The western boundary runs adjacent to a proposed 30m road near the Vinh Niem industrial zone.

The larger area in the Master Plan has been planned as a residential area according to a detailed planning project of Lechan district and HoSen-CauRao II planning project. The site is located in a field of Hamlet 4, Vinh Niem commune in Le Chan district. It is low-lying and prone to flooding.

The site to be developed is just under 12 ha and a further 1.18 ha (Total Area 13.1 Ha) was reported to be required to provide access to the site. The proposed layout includes 492 plots ranging in size from 40 to 80m2 (most are 40m2) for Project Affected Households (PAHs), and a further 409 serviced sites (40m2/plot) for low-income households, part of which will be sold commercially. Of the 492 PAHs, 177 are classified as too poor to be able to afford to build their own house. For them, basic houses will be built at an estimated cost of VND32.4 to 40.4 million/house. Of the 409 serviced sites it is proposed that 250 will be allocated as a pilot for low income families and the 159 balance will be sold commercially. It was reported that there are 142 houses located on the resettlement site and access road that will have to be resettled. However, it is considered that this number can be reduced by further limiting the road reservation (which was designed to be 30 metres wide) taken for the access road. In order to reduce the reservation it was proposed that IDA would be prepared to finance a 10 m wide access road within a road reservation not exceeding 17m.

For the on-site infrastructure, IDA considered the space occupied by roads and parks (43% of the resettlement site) to be excessive and asked for this to be reduced. This is presently being considered by Haiphong City PMU.

Provision has been made to build social infrastructure (school and health clinic) at the site. The PMU of Haiphong City is presently obtaining a commitment from the education and training departments of the city, Le Chan District, and relevant local institutions to ensure that teachers, nurses and necessary facilities will be assigned/allocated in a timely manner.

Implementation of this component be phased so that areas without existing structures are developed first, so that PAPs living on the resettlement site can be moved to the completed area. Otherwise, alternative arrangements will be required to temporarily resettle PAPs presently living on the resettlement site.
6.7. Affordability

As discussed earlier, it is proposed and agreed by all parties that better off PAHs buying a proportion of the serviced plots on a commercial basis would be allocated plots in more favourable areas, such as those with a main road frontage. The consultants' affordability calculations indicate that most PAHs would require subsidized long term credit to be able to buy, or build a house. It is estimated that the city would have to provide capital of around VND9 billion for these loans.

The project cross subsidy includes:

- 177 plots of land are set aside for the poorest in the less favorable positions and regulated price is under the average price (the ratio of cross subsidy is 0.71).
- 315 resettlement plots of land for component 1 and 2 are near by 177 plots with the ratio cross subsidy is 0.86.
- 142 plots of land for on-site resettlement are in the most favorable positions. The ratio cross subsidy is 1.06.
- 409 plots of land for sales to other resettlement households in the city are in the rest positions. The ratio cross subsidy is 1.2.

The affordability analysis considered four groups based on average affordability (based on income) per household per month. These groups are listed in Table 6.3.

According to inventory survey for Component 3 dated May/2003 (listed in Table 6.3 as group 4), the households located on the resettlement site have average income/capita of 268,700.0 VND. Average land area per household was found to be 234.87m². Consequently these households were considered to be preferred for the larger lots of 80m². These households will receive compensation higher than the payment for the plot of 80m².

The affordability analysis was focused on analyzing Component 1 and 2 PAH's (listed in Table 6.3 as groups 1, 2 & 3). These PAH's will have lower existing average land areas. The results of the analysis are reported in Table 6-4.

<table>
<thead>
<tr>
<th>No</th>
<th>Income group</th>
<th>Affordability (VND/household/month)</th>
<th>Proposed Package</th>
<th>Cost of plot of land</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group 1 - Components 1 &amp; 2</td>
<td>97 500</td>
<td>Plot S=40.15m²</td>
<td>65,846,000</td>
</tr>
<tr>
<td>2</td>
<td>Group 2 - Components 1 &amp; 2</td>
<td>253 500</td>
<td>Plot S= 65,846,000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Group 3 - Components 1 &amp; 2</td>
<td>351 000</td>
<td>Plot S=48m²</td>
<td>65,846,000</td>
</tr>
<tr>
<td>4</td>
<td>Group 4 - Component project No 3 Resettlement Site(on site resettlement)</td>
<td>243 000</td>
<td>Plot S=48-80m²</td>
<td>78,720,000-131,200,000</td>
</tr>
</tbody>
</table>

The analysis assumed an average lot size of 32m² and the found that the packages were affordable for all groups. However it should be emphasised that in the component 1 & 2...
impact area, there will be a significant number of PAH’s with existing land areas below 20m² and in a few cases less than 10m². Consequently, it is recommended that PAH’s with existing properties below 20m² are to be given the choice of being included in a very poor social housing group who would be offered rental housing with a rental based on maintenance and cleaning costs. Each year their situation would be reviewed and given the choice of changing to the land/basic house financial package which was the basis of the affordability analysis. It is also recommended that the implementation of these social housing provisions be reviewed each year as part of the external monitoring program. It should also be noted that the unit cost for compensation that was assumed was 1.2 Million VND/m². The agreed unit price has been increased to 2 Million VND/m² which has been used in the preparation of the compensation cost table in Chapter 14.

**PAH’s with less than 20m² of existing land should be offered an additional choice of social housing based on a rental housing model with rent to be calculated based on operation and maintenance cost only.**

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<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Their saving situation</th>
<th>The cost they have to pay</th>
<th>Affordability</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>monthly affordability</td>
<td>compensation mortgage</td>
<td>cost of 40.15m² housing</td>
<td>cost of land</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>total constructio n</td>
<td>average cost of 40.15m² land plot</td>
</tr>
<tr>
<td>Existing Group 1:</td>
<td>0.098</td>
<td>53.62</td>
<td>25.34</td>
<td>78.96</td>
</tr>
<tr>
<td>Households Savings Double</td>
<td>0.195</td>
<td>53.62</td>
<td>25.34</td>
<td>78.96</td>
</tr>
<tr>
<td>with the preferential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Group 2:</td>
<td>0.254</td>
<td>66.66</td>
<td>28.55</td>
<td>95.21</td>
</tr>
<tr>
<td>Households Savings Double</td>
<td>0.307</td>
<td>66.66</td>
<td>28.55</td>
<td>95.21</td>
</tr>
<tr>
<td>with the preferential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Group 3:</td>
<td>0.507</td>
<td>66.66</td>
<td>28.55</td>
<td>95.21</td>
</tr>
<tr>
<td>Households Savings Double</td>
<td>0.702</td>
<td>88.63</td>
<td>28.55</td>
<td>117.19</td>
</tr>
<tr>
<td>with the preferential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

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7. INCOME RESTORATION AND ASSISTANCE

7.1. Purpose and Approach

Income restoration is seen as a critical component if PAH's are to re-instate their livelihoods or to improve their economic circumstances. Low income earners are by definition those who lack the skills or opportunities to improve their earning capabilities and the RAP seeks to promote positive measures to ensure that all sectors of the resettled community are in a position to benefit from either skills enhancement, increased earning capability or, ideally, a combination of both.

The results of the socio-economic census show that there are high levels of unemployment and job insecurity. Less than 10% of the economically active are employed in regular salaried employment with Government or a joint-venture company. Many rely on casual work for their income and the rest are involved in home-based production and other petty trading activities. Much of the local business activity is largely dependent on local trade. Income levels are generally low, with a modal household income level between 500,000 to 1,000,000 VND per month. There are significant numbers of households earning less than this figure.

In this context it will be essential to develop an approach to income restoration and assistance, which meets the needs of all the PAH’s. The approach should include at least the following key characteristics.

- **Ensuring Continued Access To Existing Employment In Impact Area**
  
The resettlement site is virtually 3.5 to 4km from the impact area in the inner city of Haiphong. Community initiatives to promote local public transport should encouraged in the social mitigation program.

- **Assisting In The Re-Location Of Existing Home-Based Employment And SME’s To The Resettlement Sites**
  
  Here it will be essential to set-aside parts of the resettlement sites for the location of workshop premises suitable for the re-location of home-based employment and SMEs. As the amount of resettlement is relatively modest in Phase1, this should be relatively easy at Tram Ca. However if twill be necessary for the PMU to plan for the allocation of suitable space. Existing businesses should also have the opportunity to expand their business interests on re-location and have access to finance and skills development should be available.

  All businesses that are to be relocated have been allocated special allowances of 5,000,000 VND for this purpose. Further support for more sustainable futures will be accessible through the social mitigation program (CEDP).

- **Identifying new “market-led” opportunities for home-based employment and SMEs in the resettlement sites**
  
  Further employment security can be gained through the identification of new small business opportunities. This should be a “market driven” approach to ensure viability for the operators. Potential businesses should be supported by: (i) on-site (or close-by) workshops and other properties for new business development; (ii) skills development and training to support investment in new business sectors; and (iii) access to finance for investment in new business opportunities. Innovative approaches to this issue will
The PMU is required under the RPF to seek out adequate replacement agricultural land in the same area or provide transitional support for PAH’s whilst they seek other employment or be trained in alternative occupations. In Haiphong, there are large areas of agricultural land affected by the project which will be significantly affect potential for traditional agriculture.

Consequently it will be necessary for the PMU to prepare and implement extension programs on the use of the smaller area for more intensive production with higher yielding and more urban based products. This would complement the training, vocational and small business development initiatives set out in the previous section.

Specific external monitoring of the impact of the project on agricultural workers is recommended so that there will be subsequent opportunities for the addition of technical assistance during supervision to address the cumulative effects of the project on this vulnerable group.

Positive measures will also be developed for those unable to compete in the wider job market. These measures will be aimed at the disabled, female-headed households and other individuals unable to meet normal working patterns because of infirmity or social obligations. There may be a need to establish specific women-centred income generation activities. Skills development for this group will focus on home-based production and training courses are to be organized by the PMU vocational officer. For women-centred activities, it is important that nurseries and primary schools should be locally available as this will assist in the success of their enterprises, knowing that their children will be taken care of.

7.2. Proposed Social Mitigation Program

As well as the shorter term special allowances to PAH’s under the project, the following proposed program has been developed to as a longer term and sustainable means of assisting the project affected communities. Priority would be given to fully affected households and their families but partly affected families (especially agricultural families losing productive land and businesses losing their markets) could also be eligible.

Community Based Economic Development Program (CEDP)

The CEDP would be a new program set up by the Provincial and/or City governments of VUUP to develop policy, conduct planning and supervise implementation of community based economic development and environmental projects in the four project cities focussing on the PAH’s who are to be relocated to resettlement sites. CEDP would adopt a sustainable development approach and seek to complement the short term transitional allowances which are used to help PAH’s adjust to the first six months after relocation.

The Mission

The Government of Vietnam, its Provincial and City Governments and its Local Communities affected by VUUP to work together in order to replace and normalize the livelihoods of PAH’s in a sustainable fashion.

Program Description

This program is essentially a self-help program to assist vulnerable groups such as agricultural workers and managers and individual PAF’s whose businesses have been
affected by the project. Each of the PAH’s would be eligible to develop proposals to carry out community based planning and implementation of economic development and/or environmental heritage projects. The program would be initially funded from technical assistance provided by the World Bank but the aim of the project would be to make it self sustaining for the term of the VUUP project through revenues from program implementation. It would also rely on in kind payments carried out by community labour or public agencies.

Each of the PMU’s would be required to employ a program coordinator who would be responsible for overall management of the program and to support the community and individuals to develop proposals and/or business plans.

The purpose of the program is to empower the impacted communities (i.e. both partly and fully affected PAH’s) to carry out self help planning and implementation projects. The types of activities include:

Type 1 Social Planning Community Development & Environmental Management Planning

- the preparation of community based economic development programs
- the development of proposals and business plans for small businesses and agricultural enterprises
- the preparation of environmental inventories and assessments, economic and financial assessments of community projects
- the conduct of initial community workshops
- the conduct of strategic planning workshops to prepare specific economic development strategies

Type 2 Plan Implementation

The coordinator would help communities and individuals to prepare funding proposals and to implement agreed strategies, business plans and community based projects.

External Monitoring

The program would be subject to External Monitoring on an Annual basis to ensure that the program becomes self sustaining by the end of the VUUP phase 1 project period.

Program Application (Example)

Type Of Assistance Sought

Type 1
Community Planning or Process

Assistance of up to 75% of the total project costs or VND 30 Million, whichever is the lesser is available to undertake the following activities.

Activity for which assistance is sought:

- Economic Development Assessment
- Agricultural Land Inventories (to locate potential replacement land to restart agricultural production)
- Business Plans

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Financial Assessment  
Market Surveys  
Skills Inventories  
Training Needs assessment  
Social Needs assessment  
Initial Community Development Workshops  
Planning and/or Community Development Workshop  
Strategic Plan Review Workshop  
Specialist Workshop(s)  
Environmental Heritage Inventory  
Waste Management Initiatives  
Review of EMP's

*up to $15000 would be available for this purpose for Phase 1 of the project

Type 2  
Project Implementation

CEDP may match local cash or in-kind contributions up to VND 150 Million per project. Strategic/action or business plans should be already prepared, indicating the project for which assistance is being sought. In kind contributions of local labor would be scrutinized by Ward PC.

*up to $35000 would be available for this purpose for Phase 1 of the project.

Types of projects would include:
- Local Recreational or Sporting Facilities  
- Implementation of Waste Management (eg. composting) activities.  
- Local Public Transport Initiatives  
- Environmental Awareness Campaigns  
- Support for Community Centres
8. CONSULTATION AND PARTICIPATION

8.1. Procedure

From the beginning of the project the key objective of the VUUP project was the need to ensure that it was designed using a participatory approach which truly reflected the needs of the targeted low income communities.

"The objective of the VUUP project is to help alleviate poverty in urban areas by improving the living and environmental conditions of the urban poor using participatory planning methods and influencing planning methods to become more inclusive and pro-poor."

Consequently the planning process involved a comprehensive participatory approach which began with a project preparation phase to identify the low income target areas within each city and prioritized on the basis of agreed criteria as to which communities were to be included in the two phases of the project. The basis for this initial targeting stage was a 15% sample survey which collected key socioeconomic characteristics and identified and prioritized key infrastructure upgrading needs.

Once target areas were agreed, the project moved into the second stage of consultation and participation with a community upgrading plan (CUP) prepared for each target ward for the Phase 1 project. The Community Upgrading Planning (CUP) process is outlined in Table 8-1. The main outcome of the CUP process was the proposed project for Component 1 and the implications of the findings for the design of trunk infrastructure.

The CUP’s were based on discussion and on-going consultation from July 2002 to June 2003, with the active participation of residents in communities, community representative groups and local authorities with technical assistance provided by consultant teams.

In Haiphong, the consultation process outlined in Table 7-1 was carried out in each ward usually involving up to 8 cell meetings, 2 community training sessions including gender participation and up to 4 meetings with ward leaders, community-based agencies and organizations, and representatives of communities.

And for preparing resettlement action plan, a detailed socio-economic questionnaire has been give communities participated in the project for consultation which included key questions such as: (i) what method of compensation and moving would you choose?; (ii) what do you intend if choosing apartment?; (iii) If buying apartment or land plot, the compensation cost is not enough for the whole, how do you pay the rest?, etc. These are options for to PAP to choose and also the basis for the cost estimate.
### Table 8-1 The CUP Planning Process

<table>
<thead>
<tr>
<th>STEPS</th>
<th>CONTENTS</th>
<th>METHOD OF IMPLEMENTATION</th>
</tr>
</thead>
</table>
| 1     | Introducting the Project | - Organization of meetings with relevant agencies, branches, districts and wards to introduce the process including agreed target areas, planning principles, standards, methods and timing of the project.  
- Distribution of documents and leaflets about the project to Agencies, Districts and Wards.  
- Information concerning the details of the planning process were communicated in news media. |
| 2     | Confirmation of Upgrading Needs of Communities | - Organization of community conferences including representatives of local authorities, community-based organizations, quarter and cell administrators, residents in communities.  
- Meeting, participants discussed and confirmed each community’s wish to participate in the project and officially endorsed the upgrading needs of communities.  
- A socio-economic survey on existing conditions in LIA’s and in-depth interviews were carried out by consultants with assistance of community-based organizations and cell leaders. The purpose of the survey was to find out more information on local conditions, needs and capacity to participate and previous experiences of communities concerning infrastructure improvements. |
| 3     | Planning Engineering Options to Satisfy Community Demands | - The consultant study outputs of the previous step were then analysed taking account of the city master plan, design standards, agreed planning principles and the community’s ability and willingness to participate in the development of upgrading options.  
- Proposed options were approved by the PMU, City Authorities and Agencies, District Authorities and Departments of Urban Management.  
- These options were further discussed with communities in a series of workshops.  
- Proposed options were presented to broader communities with public meetings held for each cell or group of cells in order to receive feedback from all affected households. |

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4 BROADER AFFECTED COMMUNITIES

- Agreed options based on meting votes were recorded by the secretary of each cell and forwarded to the consultant.
- The consultant then modified proposals based on feedback.
- Modified options were further discussed with ward authorities.
- Representatives of the PMU and consultants, ward leaders and communities organize meetings seeking endorsement of preliminary designs.
- Endorsement of contribution levels to the project cost by Communities and compensation policy.
- To agree on the institutional arrangements for project implementation
- Preparation of the Final CUP documenting the outcomes of the process
- The PMU, Consultants, Representatives of Local Authorities and Communities sign an Agreement based on the Minutes of the process and set out in the Plan.
- A summary of the Contents of this Agreement are sent to each participating household.

5 FINAL ENDORSEMENT OF PREFERRED OPTIONS


Planning Process For Components 1 and 2

Community consultation was frequent and ongoing throughout all stages of the planning process. Interviews and workshops with residents in low-income areas, authorities and social associations were carried out to identify the issues. Surveys of community Infrastructure needs were prepared to be used as the basis for upgrading the low-income areas and general community issues in the whole city.

Planning groups (local committees at phuong level) were set up to represent communities in drafting the CUP. In drafting the preliminary CUP, the information obtained from resident surveys was a primary concern. The surveys were complemented by training the members of the planning group on the planning process and using consultants to support these groups in collecting the community's comments throughout.

Once the draft was complete the pilot projects for Phase 1 implementation were presented to the communities. Any necessary technical changes made after this point were clearly explained to the communities. Implementation arrangements were made and then detailed drafted engineering designs were presented to the community for approval. For the last round, the final CUPs were submitted to the People's Committee and WB for approval.
Results

The survey provided information on the current infrastructure, socio-economic and environmental conditions of the areas. These results have been summarized in Chapter 5. Various environmental issues raised stemmed from poor transportation and drainage systems. Investment costs were allocated with the WB and local Vietnamese city budget contributing to 97% of the total costs. The remaining 3% was agreed to be contributed by the community of low-income households.

The people will also contribute labor for the construction of the project as well as being involved in supervision. The funds raised in these activities will create a financing source for their cash contribution.

The resettlement site is proposed to be located on Hamlet 4, Vinhniem ward, Le Chan district. Appropriate compensation for land and housing is to be agreed upon between the people’s committee and WB.

Ongoing participation will be organised through the resettlement and compensation Committee which will be set up at the Vinhniem ward level before the detailed measurement survey and formal negotiations are conducted with project affected families on or adjacent to the resettlement site.

Institutional arrangements for On-Going Participation of Communities

Participation during implementation of the project will be structured with the following 6 groups:

1. Tertiary infrastructure upgrading groups in wards and communes. Established by the People’s Committee, representing the Haiphong sub-project management unit. This group will be responsible for parts of the project management.

2. Planning Groups consisting of representatives of residential communities will be primarily involved in planning and reporting to people at the ward and community level.

3. Residential community group which will benefit and contribute (cash and labor) to the project.

4. The project self-management groups consisting of volunteers selected by the community will be responsible for management, operation and maintenance.

5. The project monitoring groups will be nominated by residential communities, approved by Ward people’s committee and represent communities.

6. The project cash collection groups will be nominated by the Ward people’s committee and will be responsible for collecting cash from the communities living in the project area.

Implementation Guidance

The project will be implemented within 2 years over 2004 and 2005. The preliminary and final C.U.P.’s will be conducted by planning groups based on consultation of communities and authorities with support from the consultants. The consultants will implement the engineering designs and cost estimates based on further community consensus. Allocation of construction contract packages will be carried out by consultants and approved by Hai Phong PMU. Procurement for bid for contract will be
carried out by PMU with approval of bid committee pursuant to Vietnam government's norm for tender and WB's regulations. The project will be monitored by groups consisting of: a Supervision consultant (international consultant), a Technical supervisor (Part B supervisor) and a Local supervisor (support supervisor). When the construction process is finished it will be handed over to local Departments and some local personnel organised by Ward level authorities.

Local authorities and community

The Ward people's committee will directly manage the operation and maintenance process after construction. HaiPhong Urban Illumination Company will be responsible for managing street lighting component when the project finishes. Self - management groups would carry out operation and maintenance and collecting charges for this after construction is completed. Communities will have some of the responsibility to implement operation and maintenance (construction works protection, supervising and managing pursuant to stipulations).

8.3 Consultation on the project draft social safeguard policy frameworks

A consultation workshop on the draft RPF and Strategy for Ethnic Minorities was held on February 28, 03 in HCMC. About 40 representatives from MPI, MOF, PMUs and relevant provincial/city departments of four project cities attended this workshop, all of their feedback were considered and incorporated to the project social safeguard policy/strategy frameworks. These draft policy/strategy frameworks have also been introduced to the project ward authorities and people in the project areas to get comments for the revised versions.
9. INSTITUTIONAL ARRANGEMENTS

9.1. Institutional Framework

The responsibility for preparing and implementing the Policy Framework which makes up part of this RAP are as follows:

The overall responsibility for application of the Policy Framework and for planning and implementing the RAP rests with the project PCs, Compensation and Resettlement Committees at different levels and all PMUs. PMUs are responsible for preparing census, inventories and RAP’s and for the day-to-day implementation thereof within their respective jurisdiction. The peoples committees at the district, commune, and ward levels facilitate and ensure the active and effective participation of the PAP’s in the preparation and implementation of RAP’s. In order to have RAPs acceptable to IDA and to implement RAP smoothly, the PMUs are responsible for i) hiring qualified consultants to prepare RAPs; ii) appointing qualified social safeguard staff at each PMU.

Funds for compensation will be from counterpart funds and budgetary requirements for rehabilitation would be either from counter part funds or from IDA.

9.2 Institutional Arrangements for Implementation

Administrative structure for Project Management

The VUUP Haiphong Sub Project will be implemented under the management of City People's Committee. The functions and responsibilities of main institutions and agencies are described below.

Project Steering Committee

The Project Steering Committee (PSC) acts as a standing office of the City People’s Committee in management of the VUUP Project in Haiphong. It is responsible for day to day management such as: co-ordination of all activities of the PMUs of sub-basins or sub-components with lines to departments and agencies on Project implementation, reviews reports of the PMUs to the Chairman or Vice-Chairman of the City PC, or to the Project Steering Committee if required; helps the City PC in preparation of responses and directions, or on behalf of CPC responds or directs Project related institutions and agencies in Project implementation issues.

Department of Transport and Public Works

The Department of Transport and Public Works (DTPW) is a City institution working under the direction of City PC. DTPW is a City agency responsible for management of all activities involving public transportation, public utilities services such as water supply, drainage and sanitation and public works in Haiphong. DTPW is responsible for management of some Public companies which will manage primary and secondary infrastructure when structures handed over.

Project Management Unit

Working under the PSC, the Project Management Unit (PMU) is fully responsible for the day-to-day management and implementation of the Project. The tasks of PMU are selection of consultants and contractors following WB and GOV guidelines for
procurement, preparation and submission of Project documents and reports for approval, preparation of annual financial and budget plans, signing of contracts with consultants and contractors, supervision and commissioning of works done by consultants and contractors, preparation of related documents for reimbursements and payments, including the preparation and implementation of Compensation and Resettlement Plans.

**Haiphong Institutions Involved in Compensation and Resettlement**

According to the law and regulations of GOV, if land acquisition requires the relocation of more than 500 families, it has to be reported to the Prime Minister for decision. As this RAP requires resettlement of 536 families, the Prime Minister will be required to make a decision regarding compensation and resettlement. One this decision has been made the People’s Committee of the province or City are fully responsible for compensation and resettlement activities within their jurisdiction. In Haiphong, there are a number of institutions involved in compensation and resettlement when government recover land for public purposes. Their names and responsibilities are described below.

**Haiphong City People’s Committee**

The Haiphong People’s Committee is the highest government administrative management agency in Haiphong; it has the overall responsibility for programs to acquire lands, and determination and approval of compensation and resettlement plans in the entire City area. The PC of Haiphong has also the right to apply, adjust and wave compensation policies within the overall framework of national policies. In 1997, Haiphong started a master program for re-planning and extension of its urban area. To support the implementation of this program, the City Government has established a Steering Committee for Urban Planning, Compensation, and Resettlement at the City level. The tasks of this Committee are to co-ordinate overall compensation and resettlement activities in entire area of the City, and enforce Haiphong policies.

The City People’s Committee is the lead decision-maker regarding land acquisition and resettlement for a certain Project. Based on the size of the land acquisition or level of required resettlement reported by the Project owner, the Haiphong PC directs its departments and agencies to be involved in the planning of land plots for resettlement, and directs the establishment of the Project Compensation and Resettlement Committee (PCRC). The Haiphong PC also gives the final approval of the compensation and resettlement plan or RAP submitted by the Project Compensation and Resettlement Committee after a decision by the Prime Minister.

**Department of Planning and Investment**

The Department of Planning and Investment (DPI) is a key agency under the City PC, it is responsible for overall management of short and long term plans and programs for socio-economic development of the City. In Haiphong, normally the DPI occupies the Chairmanship of the Project Evaluation and Approval Committee. When the Project is approved by the City PC or GOV, DPI is responsible for setting up the annual budget plan, including the budget for compensation and resettlement.

**Department of Land and Housing (DONRE now)**

Working under the People’s Committee of the City, this agency is responsible for land use management, and management of government owned houses, structures and buildings for leasing. It is responsible for coordinating the relocation plans at the City
level, overseeing and managing resettlement programs for the development of the City. DONRE looks after the work of relocation and resettlement and also works with PMUs and District People’s Committees in implementing Project related RAPs.

Chief Architect’s Office (CAO)

The Chief Architect Office is responsible for management of urban planning, including planning for development of new residential, commercial and industrial areas. The CAO also is involved in evaluation and approval of all infrastructure development Projects, environment improvement Projects, public recreation Projects, Projects for development of residential, commercial and industrial areas, high rises and buildings, street decoration and lighting, master planning, land use patterns, urban landscape and the living environment. For resettlement, CAO is responsible for providing the City PC and PMUs available land plans or planning land plots on new residential areas in inner areas of Haiphong for election. If the preferred land has been approved by the PMUs and relocated people, then the CAO proceeds to the preparation of related legal maps and papers for approval.

Department of Finance (DOF)

The Department of Finance is a two-tiered government agency; it acts as a City department to help the City PC in financial management, but also under the direction of Ministry of Finance in management of the government budget. The DOF is responsible for evaluation of the financial analysis of the Project, once the investment Project has been approved by Prime Minister or City PC, DOF is involved in negotiation of Loans, evaluating the financial plan and allocating annual counterpart funds for Project implementation.

The Price unit of the DOF operates as an independent agency, it is responsible in conducting day to day update and analysis of market prices of goods, regularly makes records and reports on the market price of goods and its variation, and determines the rate of depreciation. Based on the regular reports of the Price Unit on market prices, DOF issues directions and unit price framework for goods, which are, used in cost estimating and payment of government investment Projects.

When the Project requires compensation and resettlement, at the request of DOF, the Price Unit independently conducts surveys to get market prices of land and other properties at the Project affected site and proposed site for resettlement. Then it reports them to the Project Compensation and Resettlement Committee. The report of the Price unit is the basic document for evaluation of the RAP.

District People’s Committee

District People’s Committee (DPC) is the government agency for administrative management at the District level. In accordance with Vietnamese regulations, the District People’s Committee is responsible for compensation, assistance planning and resettlement of the affected population. Based on the Direction of the Chairman of the City PC, the Chairman of District PC establishes the Project Compensation and Resettlement Committee (PCRC). The PCRC is formed by the Chairman or Vice-chairman of the DPC, the Head of the District financial-price division, the Chairman of the Ward PC, a representative of the Fatherland Front, a representative of the PMU, and a representative of the PAFs. The PCRC is responsible for implementation of the RAP. The PCRC sets up the Action Team for checking the size and rate of losses of PAFs,
calculating the value of land and houses, and defining the eligibility of households and individuals for categories of assistance.

Responsibility for resolution of grievances is also a District-level responsibility; complaints arising from compensation and relocation are directed to the People’s Committee of the District.

**Ward People’s Committee**

At the lowest level of government administrative regime, the Ward People’s Committee is responsible for organizing meetings of PAFs at which the options available under the various compensation packages shall be explained, and assistance provided in carrying out the option selected by each household.

**Finalization of this RAP**

As described in previous chapters and sections, the final boundaries of the Project impact on the pumping station site were finalized at the beginning of July 2000 with the agreement of Chief Architect Office of Haiphong regarding the land acquisition and the resettlement area. Then Haiphong City People’s Committee directed the People’s Committee of Le Chan District to establish the Project Compensation and Resettlement Committee (PCRC).

The Project Compensation and Resettlement Committee has taken the necessary actions to assist the City authorities for implementation of this RAP

The Haiphong City People’s Committee with assistance of the Department of Land and Housing, Department of Finance-Price, Department of Construction and PC office will make a Decision for Approval of this RAP. This Decision will include the required waivers of Decree 22/1998/CP, 87/CP and Decision 05/QD-UB of 1995 to meet the Project policy resettlement framework

9.3. **Institutional Arrangements for Implementation of Compensation and Resettlement**

9.3.1. **Organizational structure for implementation of RAP**

The overall organizational structure for implementation of the RAP is shown on *Figure 9-1*. After approval of this RAP by the People’s Committee of Haiphong City, the PC of Haiphong City directs the Project Compensation and Resettlement Committee (PCRC) of Le Chan District to take full responsibility for implementation of the RAP. The members of PCRC include some representatives of local government institutions will be included as members if required by the City PC. Then the Chairman of Le Chan District PC will direct to its divisions to assist the PCRC in mobilization of support staff, and the PCRC will be divided into two divisions: Implementation and Internal Monitoring.

The *Implementation Division* will include the Administrative Unit and the Action Team.

The *Internal Monitoring Division* will be the representatives of the People’s Committee of Ward 19, Le Chan District.

9.3.2 **Responsibilities of Organizations for Implementation of RAP**

**People’s Committee of Haiphong City**

The People’s Committee of Haiphong City will be responsible for:
• Directing the People’s Committee of Le Chan District to establish the Project Compensation and Resettlement Committee (PCRC) and assigning tasks to the PCRC in implementation of the RAP;
• Providing instructions to identify eligibility and entitlement of PAFs and other instructions necessary for implementation;
• Issuing the land and structure compensation unit prices;
• Approving compensation and rehabilitation amounts;
• Responding or directing, the Le Chan People’s Committee to respond to grievances of PAFs, in case the PCRC responses did not satisfy the grievances of PAFs;
• Issuing the Directive for mobilization of the External Monitoring Agency.

The Le Chan District People’s Committee

The Le Chan District People’s Committee will be responsible for:

• Establishing the Project Compensation and Resettlement Committee for implementation of RAP and mobilization of its staff, assigning detailed tasks of PCRC members and staff
• Revising and evaluating reports and updated data for compensation and resettlement submitted by PCRC, regularly reporting to the PC of HAIPHONG C on the issues related to implementation of the RAP;
• Directing it’s divisions and sections in assisting the PCRC and relocated PAFs in obtaining the Residential Registration Paper;
• Responding to grievances of PAFs.

Project Compensation and Resettlement Committee

The PCR Committee will report directly to the People’s Committee of Le Chan District and copy such reporting to the Project Management Unit.

The PCR Committee consists of two divisions, Implementation and Monitoring; each division has specific responsibility and task as described below.

The Implementation Division will be responsible for:

• Planning of RAP implementation to ensure co-ordination between land and asset acquisition, compensation payments and physical works on time;
• Field acquisition activities at Project affected site to ensure that land and assets are correctly identified and surveyed;
• Carry out the payment of compensation and rehabilitation packages to PAFs;
• Handle all necessary measures and actions to assist relocated PAFs in transition and settle in resettlement area;
• Consultation and information activities and maintain effective public relations between all partners in RAP implementation.
Responsibility:

Planning of RAP implementation,
Field acquisition activities,
Monitoring compensation,
Monitoring assistance and allowance,
Payment of compensation,
Assist relocation of PAFs,
Public consultation & information.

Relevant Departments (DONRE, DPI, DOF, DOC, etc.)

Internal Monitoring Division

Implementing Division

Figure 9-1 Administrative and Organization Structure for RAP Implementation.
10. COMPLAINTS AND GRIEVANCES

Complaints and grievances related to any aspect of RAP’s, including the determined area and price of the lost assets, will be handled as follows:

10.1. First step:

If any person is aggrieved by any aspect of the resettlement and rehabilitation program, he/she can lodge an oral or written grievance with ward/commune authorities. The People's Committee of the ward/commune will resolve the issue within fifteen days.

10.2. Second step:

If any aggrieved person is not satisfied with the decision in stage 1, he/she can bring the complaint to the District People's Committee (DPC) or District Resettlement Committee (DRC) within fifteen days from the date of the receipt of the decision in stage 1. The District People's Committee (DRC) or District Resettlement Committee (DRC) will reach a decision on the complaint within fifteen days.

10.3. Third step:

If the PAP is still not satisfied with the decision at district level, he/she can appeal to the Provincial or City People's Committee (PCC) or Provincial or city Resettlement Committee (PRC) within 15 days of receiving the decision of the DPC or DRC. The Provincial or City People's Committee (PCC) or Provincial or city Resettlement Committee (PRC) will reach a decision on the complaint within fifteen days.

10.4 Fourth step:

If the PAP is not satisfied with the decision of the Provincial or city level, the case may be submitted for consideration by the District Court within 15 days of receiving the decision of the PPC or PRC.

PAPs will be exempted from all administrative and legal fees.
11. SUPERVISION, MONITORING AND EVALUATION

11.1. Supervision and Internal Monitoring

Implementation of RAPs will be regularly supervised and monitored by the respective PMU in coordination with the respective District Peoples’ Committees and Communes. The findings will be recorded in quarterly reports to be furnished to the PMU, the PPC and IDA.

Internal monitoring and supervision will:

(a) Verify that the baseline information of all PAP’s has been carried out and that the valuation of assets lost or damaged, and the provision of compensation, resettlement and other rehabilitation entitlements has been carried out in accordance with the provisions of this Policy Framework and the respective RAP.

(b) Oversee that the RAP’s are implemented as designed and approved.

(c) Verify that funds for implementing the RAP’s are provided to the respective PMUs at local level (provincial/district) in a timely manner and in amounts sufficient for their purposes, and that such funds are used by the respective PMU’s in accordance with the provisions of RAP.

(d) Record all grievances and their resolution and ensure that complaints are dealt with in a timely manner.

The Monitoring Division will be responsible for ensuring that all aspects and details contained in the RAP are correctly implemented and satisfactory to PAFs. A monitoring system will be set up in consultation with the Implementation Division to ensure that the results of the monitoring process can inform and guide subsequent implementation:

- Monitoring compensation rate to ensure that payments and compensation entitlements applied to PAFs are correctly calculated according to Project policy for compensation;
- Monitoring assistance and allowance rate to ensure that PAFs obtain all rehabilitation packages to which they are entitled and that these are effectively and economically administered;

Responsibilities of Other Agencies

The Department of Finance-Price will:

- Independently determine the market value and prices of land and other properties at Project affected site and relocation site, this report will use as comparison indicators for RAP implementation;
- Evaluate and check the rates of compensation, the levels of assistance and allowances for PAFs proposed by the PCR Committee;
- Allocate budget and cash flow for RAP implementation.

The Department of Land and Housing

- Coordinating with the Le Chan District People’s Committee on providing assistance to relocated PAFs in performing of required legal papers and document, such as Land Use Right Certificate (LURC), Permission to build house at resettlement site, Contract for renting of apartment;

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The Project Management Unit

The Project Management Unit will:

- Take part in the Project Compensation and Resettlement Committee;
- Supply the necessary documents to help the PCRC to accomplish its tasks;
- Providing of sufficient funds to help PCRC in payment of compensation money on time;
- Assist relocated PAFs for recovery of lost utilities like electrical meter, water meter, and telephone connection.

The People's Committee of the Project Wards, Le Chan District

The PC of the Wards involved will:

- Take part in the Project Compensation and Resettlement Committee;
- Assist PCR Committee in implementation of RAP;
- Assist relocated PAFs in verifying of their legal documents and papers and in transaction of their residential registration right to the relocated area.

11.2 External Monitoring and Evaluation

External monitoring agency will be any qualified institution and retained by PMU to periodically carry out external monitoring and evaluation of the implementation of RAP's. It has to have qualified and experienced staff and terms of reference acceptable to IDA.

In addition to verifying the information furnished in the internal supervision and monitoring reports of the respective PMUs, the external monitoring agency will visit a sample of 20% of household PAPs in each relevant province/city one time during implementation and six months after each RAP has been implemented to:

(a) Determine whether the procedures for PAPs participation and delivery of compensation and other rehabilitation entitlements has been done in accordance with this Policy Framework and RAP.

(b) Assess if the Policy Framework objective of enhancement or at least restoration of living standards and income levels of PAPs have been met.

(c) Gather qualitative indications of the social and economic impact of Project implementation on the PAPs.

(d) Suggest modification in the implementation procedures of RAPs, as the case may be, to achieve the principles and objectives of this Policy Framework

External monitoring Organization

External monitoring agency will be any qualified institution and to be selected through bidding competition. The agency will submit periodic reports every six months on the progress and impacts of the RAP implementation and makes recommendations regarding the issues, if any, which need to be addressed.
12. IMPLEMENTATION SCHEDULE

A detailed implementation schedule of the various activities to be undertaken is set out in *Figure 12.1* As agreed in the resettlement policy framework, payment of compensation and furnishing of other rehabilitation entitlements (in cash or in-kind), and relocation if that be the case, will be completed prior to awarding contracts for civil works.

After establishment of the Compensation and Resettlement Committee (CRC) it is important that all parties agree to the baseline conditions as reported in the detailed Census and Inventory so that the internal and external monitoring consultants have an agreed basis to carry out project monitoring. Once the RAP is approved a series of public information campaigns and resettlement workshops would be carried out to refresh the community’s understanding of the process and the basis for compensation.

Negotiation concerning compensation would then commence and after all PAF’s agree payments would be made to those entitled to cash compensation. Development of the resettlement site can then begin and sites services and apartments can be stated once the site is declared to be ready for occupation. Relocation of PAF’s can then commence and continue until all PAF’s have been relocated according to their preferences.

Internal monitoring by the PMU would continue throughout implementation and the external consultant would carry out intermittent spot checking until a comprehensive evaluation is carried towards the end of the proposed implementation period.

The main risks associated with the implementation schedule are:

- The basis for valuation of land, housing and other assets is significantly below replacement value leading to delays in both negotiations and also in the timing of payments to PAF’s. If the amounts budgeted for land acquisition are unrealistically low, the amount of compensation available in that budget year may be insufficient meaning that the project could be delayed by up to one year in order for the Local Government budget cycle to allocate enough funding.

- Urban design complications arising from the overall detailed Master Plan for the site which may be incompatible with the needs of low to middle income PAH’s who are familiar with less structured land use and living styles of the inner city area of Haiphong. The Master Plan for the overall planning area has yet to be approved.

- Payment of compensation and furnishing of other rehabilitation entitlements (in cash or in-kind), and relocation if that be the case, will be completed prior to awarding contracts for civil works.
Figure 12-1 Implementation Schedule

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<td>Resettlement of PAF</td>
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<td>Monitoring By External Consultant</td>
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Legend
- Full Time Activity
- Unplanned Extension

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Site Clearance and Resettlement Schedule

It is proposed that the phase 1 of the project will be carried out in project years as follows:

- Component 3: 2004

Thus, the plan of site clearance is proposed as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>Number of annual relocated HHs</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>1</td>
<td>Component 1: Tertiary infrastructure</td>
<td>74</td>
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<tr>
<td>2</td>
<td>Component 2: Primary and secondary infrastructure</td>
<td>188</td>
</tr>
<tr>
<td>3</td>
<td>Resettlement site</td>
<td>142</td>
</tr>
</tbody>
</table>

For Component 1 & 2, construction packages have been prepared so that clearance of affected properties would not be necessary until year 2. It is also recommended that implementation of component 3 be phased so that areas without existing structures are developed first, so that PAPs living on the resettlement site can be moved to the completed area. Otherwise, alternative arrangements will be required to temporarily resettle PAPs on the resettlement site. In case the resettlement site is not ready for occupation in the first year (2004), the 142 households affected by construction of the site are to be provided with temporary rental accommodation in order to ensure progress of construction.

*It is recommended that implementation of component 3 be phased so that areas without existing structures are developed first, so that PAPs living on the resettlement site can be moved to the completed area. Otherwise, alternative arrangements will be required to temporarily resettle PAPs on the resettlement site.*
13. ENVIRONMENTAL MANAGEMENT

An Environmental Impact Assessment (EIA) for the VUUP project has been prepared in accordance with World Bank Operational Policy 4.01 by a separate consultant. Recommendations for environmental management have been set out in each of the Community Environmental Management Plans using the output of Environmental Management Plans prepared for each city. Each of the cities has proposed a green field resettlement site which will require careful environmental management in order to ensure that the environmental issues identified are either mitigated or managed in a sustainable way.

The most significant environmental issue(s) in the case of Haiphong are as follows:

- The resettlement area is very low and subject to flooding so that filling of the land will change flow patterns which may affect neighboring properties.
- The area of roads in proportion to the area of housing is very high in the current design and promotes an urban design structure which may not be appropriate for low to middle income families.
- There will need to be management and monitoring of the issuance of BOLUC's in order to reduce problems of PAH’s reselling their land to private developers once it has been handed over by the project.

Environmental Supervision

In the construction process there will be extensive environmental supervision. Air quality will be monitored through environmental parameters such as noise, temperature, humidity, content of dust, NOx, SOx according to environmental standards. This action should be carried out by professional departments using specialised equipment at least 2 times per year (or if requested). At least 1 of the testing locations is in the center of construction area (high density) and in the end of the wind source.

Water sources will also be by a professional department (at least 2 times per year) tested in regards the index of water source’s pollution which consists of basic physical chemistry index and microorganism index. Monitoring of water in pools, lakes, rivers and canals will be carried out based on collecting water samples from 3 observing points.

Other Environmental management will involve implementing disease controls and health examination for communities.

The Implementation of all above supervision activities will occur over the next 2 years with a minimum frequency of 1 time per year. Communities, local authorities and self-management groups have responsibility to find out and report to authorities of all levels, professional departments about any environmental changes.

As part of the social mitigation program (CEDP) local communities affected by the project can apply for seed funding to prepare strategies or management plans or other environmental initiatives. After preparation of plans, there would be implementation funding available to be allocated on an agree priority basis.
14. COSTS AND BUDGETS

14.1. Land Prices in Haiphong

The existing market price of land is an important criterion in considering the "replacement value" of land which is required under the RPF and which has been agreed to by both the City PC and the Prime Minister of Vietnam. Table 14-1 shows a sample of the land values obtained by market survey during preparation of the RAP. It is important to also keep in mind that the concept of replacement should take account of the existing situation of PAH's embodied in the Operational Directive of the World Bank (OD4.3). (The previous operational directive has been applied to this project rather than the new operational policy due to project starting date). Their pre-project living standard should be improved or at least maintained and should be the objective rather than windfall gains. If the compensation unit price based on replacement value is set too high local governments may find it difficult to allocate sufficient funds in any one year to cover requirements. If the Vietnamese unit costs were adopted, there is a high risk in these project cities that compensation paid would not be sufficient to meet the "replacement" principle. Consequently extensive discussions were held with PMU's to agree on an equitable replacement value unit costs to ensure that adequate provision was made in the City/Provincial government budgets to meet the requirements and the intent of the RPF.

Table 14-1

Land Prices in Haiphong Oct Nov 2003

<table>
<thead>
<tr>
<th>Areas/Districts-Wards</th>
<th>Characteristics</th>
<th>Average prices</th>
<th>Sources of information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ngo Quyen District</td>
<td>Low income areas</td>
<td>1.5-2.0 Mill/m2</td>
<td>1. Land and house consulting offices</td>
</tr>
<tr>
<td>- May Dien</td>
<td>that are in the scope</td>
<td>1.5-2.0 Mill/m2</td>
<td>310 Le Loi, Hai Phong</td>
</tr>
<tr>
<td>- Thuy Tinh</td>
<td>of project or similar</td>
<td>1.5-2.0 Mill/m2</td>
<td></td>
</tr>
<tr>
<td>Le Chan district</td>
<td>Low income areas</td>
<td>-2.5-3 mill/m2</td>
<td>2. Land and house consulting private</td>
</tr>
<tr>
<td>- Cat Bi</td>
<td>that are in the scope</td>
<td>-2.5-3 mill/m2</td>
<td>31, second floor</td>
</tr>
<tr>
<td>- An Duong</td>
<td>of project or similar</td>
<td>-3.5-5 mill/m2</td>
<td>Nguyen Duc Canh, Hai Phong</td>
</tr>
<tr>
<td>- Vinh Niem</td>
<td>Low income areas</td>
<td>2.5 -3 Mill/m2</td>
<td></td>
</tr>
<tr>
<td>Kien An District</td>
<td>that are in the scope</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Phu Lien</td>
<td>of project or similar</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In high traffic volume locations convenient for private business (opening family shops etc.) in the above districts, the price of land was found to be valued at between 13 to 19 mill/m2 or higher

14.2. Replacement Compensation Values

From the Consultant surveys and PAF opinions, land prices have increased significantly since the minimum price was stipulated by the Haiphong Provincial People's Committee Decision No. 2176/1999/QD-UB dated Dec. 28, 1999.

For building and other structures, the values have increased by 35% since the Haiphong PC Decision No. 872/1999/QD-UB dated July 14, 1999. The price for agricultural land compensation has increased by about by up to 3 times. It should be
borne in mind that some of the land will be discounted by 40% dependent on legal status. This was particularly the case in Component 2 where the majority of PAH’s are located inside a statutory drainage easement.

Rates that were used in the final cost table are set out in Table 14-2

**Table 14-2**

*Rates used in RAP Cost Table For Full Legal Status with BOLUC & Category 2 House*

<table>
<thead>
<tr>
<th>Unit rates</th>
<th>Cost/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 Land</td>
<td>2000000</td>
</tr>
<tr>
<td>Component 1 Housing</td>
<td>1400000</td>
</tr>
<tr>
<td>Component 2 Land</td>
<td>2000000</td>
</tr>
<tr>
<td>Component 2 Housing</td>
<td>1400000</td>
</tr>
<tr>
<td>Component 3 Residential Land</td>
<td>500000</td>
</tr>
<tr>
<td>Component 3 Housing Permanent</td>
<td>1400000</td>
</tr>
<tr>
<td>Agricultural Land</td>
<td></td>
</tr>
<tr>
<td>Agricultural Area Ponds</td>
<td>107000</td>
</tr>
</tbody>
</table>

Supervision costs for resettlement and compensation payments were estimated to be 5% of total cost. Total costs for compensation (including cash compensation for PAF’s who have chosen not to opt for land at the resettlement area) and costs for the development of the resettlement site, special allowances under the RPF, the social mitigation program (CEDP) and costs for external monitoring are set out in Table 14-3.

Included in the Final Cost Table (Table 14-3) there is also an adjusted cost figure which reports the final cost taking into account the reduction in compensation payments due to the PAH’s who have opted to choose “Land for Land”. Also, in Haiphong, the adjusted cost figure also includes a reduction in total cost due to the inclusion of housing compensation which would be used for the 177 poor households identified which would receive affordable land and basic housing packages. Discussion was held with Haiphong consultants concerning the comparatively high rate of acceptance of the resettlement option during the PAH inventory survey (100%). The consultants considered that the high rate of acceptance is due to the existing condition of the neighborhood along the railway line. The area is considered to have a poor reputation for drug related crime. Residents see provision of housing at the resettlement site would lead to an improvement in overall living conditions.

However, to mitigate the risk of more PAH’s opting for cash than is anticipated, it is recommended that once the detailed measurement survey is carried out in March-April 2004 that the PMU check on the rate of acceptance so that a request for additional funding could then be prepared for the subsequent budget year.

Also, there is a contingency built into the cost table that will further reduce this risk as there are preliminary results which suggest that the overall numbers of fully affected residents in Component 2 will be substantially less than anticipated in the approved feasibility study.

*Table 14-3* shows a complete breakdown of the proposed payments for compensation. The total adjusted figure is VND 50 Billion or US$ 3.2 Million. When administration and allowances for the social mitigation program and external monitoring are included the Total Adjusted Figure is 55 Billion VND or $3.5 Million. The Unadjusted Total compensation figure was estimated at 101 Billion VND or $6.5 Million.

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and allowances for the social mitigation program and external monitoring are included. The Total Adjusted Figure is 55 Billion VND or $3.5 Million. The Unadjusted Total compensation figure was estimated at 101 Billion VND or $6.5 Million.
### Table 14-3
**Compensation Cost Table with Adjustment for Land and Very Poor Housing Adjustments**

<table>
<thead>
<tr>
<th>A</th>
<th>Relocation/Fully Affected</th>
<th>Unit</th>
<th>Area</th>
<th>Replacement</th>
<th>VND</th>
<th>VND</th>
<th>$US</th>
<th>Land for Land</th>
<th>★ of PAH's Choosing Resettlement not cash</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For component 1 &amp; 2</td>
<td></td>
<td>m2</td>
<td>20100</td>
<td>2,000,000</td>
<td>3053220000</td>
<td></td>
<td>$1,969,819</td>
<td>$1,772,837.42</td>
<td>90%</td>
</tr>
<tr>
<td>Compensation for house and other construction on land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For component 1 &amp; 2</td>
<td></td>
<td>m2</td>
<td>18300</td>
<td>140000</td>
<td>21289486147</td>
<td></td>
<td>$1,373,515</td>
<td>$583,469.27</td>
<td>90% of 177/375 Allowance for 177 very poor houses</td>
</tr>
<tr>
<td>B</td>
<td>Compensations for partially affected households</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- For land, trees and plant impacts</td>
<td></td>
<td>m2</td>
<td>7967</td>
<td>2,000,000</td>
<td>1195960000</td>
<td></td>
<td>$771,587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- For house impacts</td>
<td></td>
<td>m2</td>
<td>6933</td>
<td>140000</td>
<td>953115000</td>
<td></td>
<td>$614,913</td>
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<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td></td>
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<td></td>
<td></td>
<td>73312436147</td>
<td>$4,729,835</td>
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</tr>
<tr>
<td>C</td>
<td>Financial Support</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For moving</td>
<td></td>
<td>hhs</td>
<td>514</td>
<td>1,800,000</td>
<td>925200000</td>
<td></td>
<td>$59,690</td>
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<td></td>
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<tr>
<td>For stabilized life</td>
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<td>hhs</td>
<td>514</td>
<td>2,500,000</td>
<td>1285000000</td>
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<td>$82,903</td>
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<tr>
<td>For training and vocational guidance</td>
<td></td>
<td>hhs</td>
<td>514</td>
<td>3,000,000</td>
<td>1542000000</td>
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<td>$99,484</td>
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</tr>
<tr>
<td>For temporary stay (during building house)</td>
<td></td>
<td>hhs</td>
<td>128.5</td>
<td>1,500,000</td>
<td>192750000</td>
<td></td>
<td>$12,435</td>
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<tr>
<td>For special social households</td>
<td></td>
<td>hhs</td>
<td>177</td>
<td>4,000,000</td>
<td>708000000</td>
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<td>$45,677</td>
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<td></td>
</tr>
<tr>
<td>For Bonuses</td>
<td></td>
<td>hhs</td>
<td>128.5</td>
<td>2,000,000</td>
<td>25700000</td>
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<td>$16,581</td>
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</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>4909950000</td>
<td>$316,771</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,046,606</td>
<td></td>
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</tr>
<tr>
<td><strong>Component 3</strong></td>
<td>RSOF House area</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- flat-roofed house</td>
<td></td>
<td>m²</td>
<td>602</td>
<td>1,400,000</td>
<td>842520000</td>
<td>$54,356</td>
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<td></td>
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</tr>
<tr>
<td>brick-roof, sheet iron, temporary house</td>
<td></td>
<td>m²</td>
<td>1,114</td>
<td>600,000</td>
<td>668520000</td>
<td>$43,130</td>
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<tr>
<td>- wall</td>
<td></td>
<td>m</td>
<td>1,600</td>
<td>100,000</td>
<td>16000000</td>
<td>$10,323</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>- Yard</td>
<td></td>
<td>m²</td>
<td>530</td>
<td>70,000</td>
<td>37093000</td>
<td>$2,393</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Page 79
### Vietnam Urban Upgrading Project

**Resettlement Action Plan Hai Phong**

<table>
<thead>
<tr>
<th>Area of occupied land</th>
<th>$/m²</th>
<th>$/1000m²</th>
<th>$/10000m²</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling-land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gardening and planting land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pond, lake</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graves</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Subsidy policy</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of service and business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Project affected Legal businessmen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Project affected households whose small legal business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moving allowance and allowance in interval period</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Moving subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Domestic allowance (VND 180,000/month during 6 months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment allowance (VND 50,000/month during 6 months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonus for quick moving households</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority household allowance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Off Site Component 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Housing area**

<table>
<thead>
<tr>
<th>Type</th>
<th>$/m²</th>
<th>$/1000m²</th>
<th>$/10000m²</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat-roofed house</td>
<td></td>
<td>576</td>
<td>1,400,000</td>
<td>806,960,000</td>
</tr>
<tr>
<td>Brick-roof, sheet iron, temporary house</td>
<td></td>
<td>3,288</td>
<td>600,000</td>
<td>1,972,920,000</td>
</tr>
<tr>
<td>Wall</td>
<td></td>
<td>2,220</td>
<td>100,000</td>
<td>222,000,000</td>
</tr>
<tr>
<td>Yard</td>
<td></td>
<td>1,110</td>
<td>70,000</td>
<td>77,700,000</td>
</tr>
<tr>
<td>Area of occupied land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwelling-land</td>
<td></td>
<td>5,920</td>
<td>500,000</td>
<td>2,960,000,000</td>
</tr>
<tr>
<td>Gardening and planting land</td>
<td></td>
<td>44,085</td>
<td>107,000</td>
<td>4,717,062,900</td>
</tr>
<tr>
<td>Pond, lake</td>
<td></td>
<td>50,370</td>
<td>55,000</td>
<td>2,770,350,000</td>
</tr>
<tr>
<td>Field land</td>
<td></td>
<td>10,363</td>
<td>107,000</td>
<td>1,108,808,900</td>
</tr>
<tr>
<td>Subsidy policy</td>
<td></td>
<td>110,737</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Loss of service and business**

<table>
<thead>
<tr>
<th>Type</th>
<th>$/hhs</th>
<th>$/1000hhs</th>
<th>$/10000hhs</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Project affected Legal businesses</td>
<td>10</td>
<td>1,000,000</td>
<td>10,000,000</td>
<td>645</td>
</tr>
<tr>
<td>- Loss of Productive Agricultural Land</td>
<td>74</td>
<td>5,000,000</td>
<td>370,000,000</td>
<td>23,871</td>
</tr>
</tbody>
</table>

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### Moving allowance and allowance in interval period

<table>
<thead>
<tr>
<th>Description</th>
<th>HHS</th>
<th>Total Allowance (VND)</th>
<th>Total Allowance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moving subsidy</td>
<td>74</td>
<td>5,000,000</td>
<td>370,000,000</td>
</tr>
<tr>
<td>Domestic allowance (VND 180,000/month person)</td>
<td>370</td>
<td>1,080,000</td>
<td>399,600,000</td>
</tr>
<tr>
<td>Unemployment allowance (VND 50,000/month person)</td>
<td>148</td>
<td>3,000,000</td>
<td>444,000,000</td>
</tr>
<tr>
<td>Bonus for quick moving households</td>
<td>74</td>
<td>5,000,000</td>
<td>370,000,000</td>
</tr>
<tr>
<td>Priority household allowance</td>
<td>10</td>
<td>1,000,000</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

| Total Onsite Site Component 3                    |     | 16,609,401,800        | 16,609,401,800      | $1,071,574 |
| Total Compensation                                      |     | 101,406,434,54        | 7                   |
| Total Adjusted Compensation (less Land for Land + very poor housing $330,3871 |     | 50,196,426,432        | 3,238,479         |
| Management & Administration                          |     | 2,509,821,322         | $161,924           |
| CEDP Social Mitigation Program                        |     | 1,550,000,000         | 100,000            |
| External Monitoring                                  |     | 775,000,000           | $50,000            |
| Total Adjusted with Admin, Social Programs & Monitoring|     | 55,031,247,753        | $3,550,403         |

Total Land for Land and allowance for very poor: $330,3871
Total Adjusted with Admin, Social Programs & Monitoring: $55,031,247,753

**Notes:**
- HHS: Housing households
- VND: Vietnamese Dong
- $: US Dollar
### ANNEX 1: Entitlement Matrix

<table>
<thead>
<tr>
<th>Type of entitlement</th>
<th>Definition of entitled Person</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Loss of land</td>
<td>(a) Legal/legalizable user of Project affected land.</td>
<td>PAPs are entitled to compensation at 100% of replacement cost of lost land at market value. Or PAPs receive a land plot in the resettlement area plus cash adjustment. Or PAPs buy an apartment with cash compensation received and pay the difference in installments for 10-20 years with low interest. In addition they will be exempt for taxes and fees for Land Use Right Certificate when purchasing or allotted another plot.</td>
</tr>
<tr>
<td></td>
<td>(b) Non-legal user without land use right</td>
<td>PAPs are entitled to cash compensation and or rehabilitation assistance for land at 60% of replacement cost of land lost. Or PAPs buy an apartment with cash compensation received and pay the difference in installments for 10-20 years with low interest, if needed. In addition they will be exempt for taxes and fees for Land Use Right Certificate when purchasing or allotted another plot.</td>
</tr>
<tr>
<td></td>
<td>(c) User of land under dispute</td>
<td>PAPs are entitled to cash compensation and or rehabilitation assistance for land at from 60% to 100% of the replacement cost of the land lost. PAPs may not be eligible for immediate compensation until the dispute is resolved (amount will be deposited in an escrow account).</td>
</tr>
<tr>
<td></td>
<td>(d) Land used by state owned enterprises, state institutions</td>
<td>Compensation will follow the Decree 22/1998-ND-CP. However, people depending on the land to be acquired, as renters, employees, and vendors, will be eligible for rehabilitation assistance.</td>
</tr>
<tr>
<td>2. Loss of houses and structures</td>
<td>(a) Legal/legalizable and non-legal owner of affected houses and structures</td>
<td>PAPs are entitled to compensation and or rehabilitation assistance at 100% substitution cost of the affected house and structure in materials, cash or a combination of the two. No deduction will be made for depreciation or salvageable materials. In addition they will be exempt for taxes and fees for Building Owned Right Certificate when purchasing or allotted another house/apartment.</td>
</tr>
<tr>
<td></td>
<td>(b) Structures of the state owned enterprises, state institutions</td>
<td>Compensation will follow the Decree 22/1998-ND-CP. However, people depending on the structures to be acquired, as renters, employees, and vendors, will be eligible for rehabilitation assistance.</td>
</tr>
<tr>
<td>Type of Entitlement</td>
<td>Definition of Entitled Person</td>
<td>Entitlement</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>3. Loss of rented Government structures and land</td>
<td>(a) Legal and legalizable renters of Project affected PAPs</td>
<td>PAPs are entitled to the following compensation choices:</td>
</tr>
<tr>
<td></td>
<td>(b) Legal and legalizable renters of affected upgraded house</td>
<td>PAPs are entitled to compensate the cost of upgraded house.</td>
</tr>
<tr>
<td></td>
<td>gal and legalizable affected additional structures build in rented house</td>
<td>PAPs are entitled to compensate the cost of the additional structures built in rented house.</td>
</tr>
<tr>
<td>4. Business’ losses</td>
<td>eligible owners of affected big business</td>
<td>PAPs are entitled to cash compensation at 100% of the monthly turnover of business lost for six months based on the average monthly turnover declared for the latest year paid to the tax Department.</td>
</tr>
<tr>
<td></td>
<td>eligible owners of affected small business</td>
<td>PAPs are entitled to cash compensation of 1,000,000 VND per month per family having small business lost for six months.</td>
</tr>
<tr>
<td></td>
<td>eligible owners of affected trees and crops</td>
<td>PAPs are entitled to cash compensation at 100% of substitution cost of lost fruit bearing trees or lost trees of commercial value and at market price for crops.</td>
</tr>
</tbody>
</table>
5. Utilities' losses

- Eligible owners of affected privately owned utility lines and meters
- Eligible owners of affected public utilities

PAPs are entitled to compensation at 100% of the replacement costs in cash as follows:

- PAPs are also entitled to assistance to have these lost utilities installed on time at the relocated site.

- All cost for relocation and rehabilitation of affected public utilities OR
- Cash compensation at 100% of the substitution cost of public utilities lost.

6. Transition assistance and Allowance

- Eligible relocated PAPs

Relocated PAPs are entitled to transition assistance by cash in an amount of 5,000,000 VND/PAP at most depend on PAP have to relocate in or out of their provinces/cities.

- Eligible relocated PAPs

Relocated PAPs are entitled to a livelihood cash allowance of: 180,000 VND per month for 6 months for each PAP.

7. Loss of jobs or severely affected on productive land.

- Legal and legalizable PAPs losing jobs

PAPs are entitled to assistance to seek new job, OR

PAPs are entitled to training for new skills: this provision will be accompanied by a cash subsidy of 500,000 VND per month per PAP for six months.

8. Bonus

- PAPs moving out of the Project area on time

PAPs are entitled to a cash bonus of 5,000,000 VND/PAP at most.

9. Social subsidy

- PAPs having social subsidization from the GOV

These PAPs will be assisted 1,000,000/household
Annex 2

The Main Differences Between The OD 4.30 and National Resettlement Policies

<table>
<thead>
<tr>
<th>Main Points</th>
<th>Project Policies</th>
<th>National Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>-Improve, or at least maintain PAPs living standards</td>
<td>-Mainly is to compensate for lost land and assets</td>
</tr>
<tr>
<td></td>
<td>-Consider needs of most vulnerable groups, especially for ethnic minorities</td>
<td></td>
</tr>
<tr>
<td>Who are PAPs</td>
<td>Who's land, assets, living standard, income, business, production, incomes are affected</td>
<td>Who's land and asset, attached to the land are affected</td>
</tr>
<tr>
<td>Eligibility</td>
<td>All PAPs existing in Project areas before cut off date</td>
<td>PAPs, who use land and assets before Oct.15,1993, except encroachers</td>
</tr>
<tr>
<td>Land Compensation</td>
<td>Land for land or in cash at substitution rates</td>
<td>Compensate for lost land at rates fixed by PPC to ensure compatibility with the profitability and local land use right transfer price</td>
</tr>
<tr>
<td></td>
<td>Non-eligible PAP (coming to the project sites after the cut off date) will not be entitled any compensation and/or rehabilitation assistance.</td>
<td>Non-eligible PAP can be considered for assistance on a case by case basis</td>
</tr>
<tr>
<td>Structure Compensation</td>
<td>- At substitution rates or in kinds, without deduction of depreciation.</td>
<td>- At substitution rates for houses of type 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- At actual damage level for houses of type 3 and above.</td>
</tr>
<tr>
<td>Time of Compensation</td>
<td>Before moving</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Permit to apply depreciation.</td>
</tr>
</tbody>
</table>

Not mentioned

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Vietnam Urban Upgrading Project
Resettlement Action Plan Hai Phong

Rehabilitation measures
- Additional support required to improve the living standards of PAP, especially the severely affected people and the vulnerable groups. - Not clearly mentioned

Consultation
PAPs have to be consulted during RAP preparation and implementation, including host communities. - Not mentioned

Social structure
Shall be considered in all project planning processes (pre-existing communities, neighborhoods, kinship groups shall be resettled as a group). - Not mentioned

Land use right certificate
Have to be granted to all relocated PAPs without delay. - Not mentioned

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In association with Duong Thanh Water and Environment Ltd. (Viet Nam)
ANNEX 3: Housing categories

The Vietnamese construction standards provide construction specifications in chapter 8 for civil and industrial Projects. Based on these specifications four categories of houses and an additional "Temporary category" have been included in the study. Details of these classifications are given in the Note to table 1.2 of Annex B.

(i) Category I: The structures will have a life expectancy of more than 100 years. They will have bedrooms, dining/drawing rooms, kitchen and attached bathrooms in the same level of apartment. The structures will be fire resistant, high-grade finish with decorating material. They will have regular power, water supply and sanitation systems.

(ii) Category II: The life expectancy of the structures is estimated to be between 50-100 years. They will have bedrooms, dining room, drawing room, kitchen and attached bathrooms in the same level of the apartment. The structures will have few decorative or finish material. They will have regular water supply, power and sanitation facilities.

(iii) Category III: The life expectancy of the structures is expected to be between 20-50 years. The structures will have bedrooms, drawing room, and kitchen in the same level of apartment. It may have a shared bathroom in the other level. The power and water supply system will be constructed with medium quality of material.

(iv) Category IV: The structures are expected to last less than 20 years. They will have one or two shared rooms, shared kitchen and a bathroom. The construction will be of masonry. The electricity is used only for lighting. Water supply will be available only to the kitchen and bathroom.

(v) Temporary structures:

There is no official specification for temporary structures/ houses. It is understood that these category of structures are built with low grade wood, plank, bamboo, leaf, straw or mixed with some low grade bricks and masonry and corrugated sheets for temporary housing.