Trung Son Hydropower Project

www.worldbank.org/vn/trungson

Overview

Trung Son is a US$411.57 million medium-sized hydropower and development project located in Northwest Vietnam that will supply affordable, clean, and sustainable electricity for domestic consumption. The project will also contribute to the climate change agenda in Vietnam by avoiding CO2 emissions of about 1 million tons per year (net) taking into account the additional low emissions from its reservoir.

Trung Son will enable Vietnam’s energy security by developing an additional 260MW of electricity-generating capacity to meet expansion requirements in the sector. It also meets the rising energy demands of a country whose economy has been growing at more than 7% annually over the past several years.

Trung Son Hydropower Project (TSHPP) was approved by the World Bank Board of Executive Directors on April 26th, 2011, and is the first World Bank investment project under IBRD lending conditions to the Government of Vietnam.

Challenges

Vietnam’s annual growth rate of 7-8% during the period of 1996-2010 has led to an increasing demand for power. Electricity consumption in Vietnam has been growing at 15% annually for the past several years. Chronic shortages are affecting the agricultural, industrial and services sector, while many houses still have no electricity. To meet this demand—estimated at an installed capacity of 39GW by 2020, compared to 15.8 GW in 2008—the Government is developing a range of power sources, including hydropower.

Approach

Trung Son Hydropower Project’s implementation is being undertaken by the Trung Son Hydropower Company (TSHPCo), a unit under Vietnam Electricity (EVN), and the national electricity utility. It is responsible for ensuring the entire project is implemented according to both Government and World Bank requirements. EVN created the Trung Son Hydropower Company (TSHPCo) as a One-member Company from the former TSHPMB. TSHPCo is a wholly owned subsidiary of EVN into which all the assets of Trung Son Hydropower Plant (TSHPP) will be placed. The Trung Son Hydropower Company has a dedicated website (http://www.trungsonhp.vn) where publicly available information is updated and placed.

Trung Son Hydropower Project includes the development, construction, and operation of the power plant using water from the Ma River and releasing it into the same basin. The project site is located 48km from the border with Lao PDR in Son La, Than Hoa and Hoa Bin provinces in northwestern Vietnam, with the plant in the territory of Trung Son commune, Quan Hoa district, Thanh Hoa province.

The Trung Son project has a robust, multi-layer monitoring and evaluation framework consisting of the following elements:
• Project Technical Advisory Panel (PTAP)
• Panel of Environmental and Social Experts (POE),
• Independent monitoring consultants (IMC),
• Regular supervision by staff of the World Bank,

Benefits

The project aims to provide safe, affordable and sustainable power supply which will also provide the following benefits:

• Improvement in living conditions for over 2,000 people that will be relocated;
• Livelihood restoration activities for over 7,000 people whose household are affected by the project;
• US$2 million for specific environmental programs that go further than the EMP, including US$700,000 for the protection of 3 natural biodiversity preserves in the Project areas;
• Continuous consultations with villagers on their preferences related to the social change;
• Employment opportunities for Vietnamese workers during construction years;
• Improved road access for villagers and surrounding areas, including 25 km access road connecting the Project site;
• Increase Vietnam’s power supply with an additional 1019GW a year; while CO2 emissions of about 1 million tons per year will be avoided;
• Provide flood control benefits through a water storage capacity of 112 million m3.

World Bank Contribution

The World Bank is providing financial support in the form of a loan of US$330 million payable with a 27 year maturity and a grace period of 6 years. The loan includes support for equipment, civil works and technical assistance

Toward the Future

The Trung Son Hydropower project is a good example of a well-designed, medium-scale hydropower project that meets international good practices in technical design, analysis of alternatives, and particularly environmental, social and dam safety elements. Given Vietnam’s plans to develop a series of medium scale hydropower projects in the coming years, the first hydropower project that the World Bank is financing in Vietnam can serve as a good practice example upon which subsequent projects can build. The Trung Son Hydropower Project is an example of how hydropower can help support Vietnam’s development in an economically, environmentally and socially sustainable way.

For more information please visit the project description, reports and documents and fast facts pages.
Consultations on the environmental and resettlement plans were held with affected communes beginning January 19, 2010. Inputs from local stakeholders, representatives of People’s Committees and feedback from others including independent observers have been received. The draft EAI/EMP/RLDP are available at our information centers in Vietnam and Washington as well as on this website and that of EVN.

To promote positive NGO involvement in the project, the World Bank has participated in a workshop at the request of Vietnam River’s Network in September and invited NGOs to a project update discussion in late October. A meeting between the TSHMPB and NGO representatives was held in December following which NGO representatives attended the village consultations as observers.

**Hanoi Consultation:**

The Trung Son Hydropower Management Board and The World Bank met on March 3, 2010, with over a hundred members of civil society organizations, think tanks and academic institutes at La Thanh Hotel, Hanoi, for a public consultation on the Trung Son Hydropower Project in Thanh Hoa. The meeting was also attended by district and village representatives, including a group of minority women from project affected areas who took active part in the discussions.

The Chairman, Mr Nguyen Hong Toan, Director for the Centre for River Basin Water Resources and Environmental Management, conducted the nearly three hour panel discussion which followed presentations on the Resettlement and Livelihood Development Plan, the Environment Impact and Management Plans.

The audience received a report on consultations carried out by PMB in 53 villages in January-February 2010. This was followed by a presentation from a Vietnamese NGO group led by Ms Nguy Thi Khanh representing the Center for Water Resources Conservation and Development (Warecod) and Vietnam Rivers Network (VRN). The group had earlier attended the village consultations as independent observers.

As per our announcement, a listing of the questions/comments raised at the meeting and received in writing, and the initial responses provided by Trung Son Hydropower Project Management Board are available here in Vietnamese (476kb pdf) and in English (395kb pdf)

General reports of the Consultation are also available in both English (695kb pdf) and in Vietnamese (865kb pdf)