Involuntary Resettlement in the Vietnam First Highway Rehabilitation Project

The Highway Rehabilitation Project (HRP1) was the first World Bank-supported project in Vietnam with significant involuntary resettlement. The key lessons from the initial implementation of resettlement and rehabilitation (R&R) activities under the project are as follows:

- Any provisions in resettlement plans that contradict national laws should be fully understood and internalized by the implementing agencies.
- When R&R actions are planned and coordinated by national agencies but implemented by local governments, local-level authorities should be involved in resettlement planning.
- Project impacts and corresponding resettlement measures should be accurately and transparently recorded, in order to build trust with the project-affected people.
- Good resettlement plans are not enough to ensure positive outcomes—resettlement implementation must also be supervised regularly and effectively.

Overview of Resettlement Impacts

The Highway Rehabilitation Project was approved in October 1993 with the objective of upgrading two main stretches of Vietnam’s National Highway 1A. It was designed so that the upgrading would take place on the existing alignment, with some realignment and road widening taking place to reduce safety hazards and bring the road width to a standard 12 meters. A socio-economic survey of the right-of-way identified a total of 10,722 affected households, most of them supported by small-scale commerce and farming. In most cases, the project required only part of the affected people’s landholdings (typically a narrow strip along the front of their plots), and 3,459 households did not have to relocate from their holdings. Agricultural land was considered largely unaffected because farmers could continue to grow crops in the right-of-way. A total of 12,074 structures were also affected.

Entitlements for Affected People

The affected people were entitled to compensation and/or relocation assistance, depending on the severity of impact in each case, in accordance with the resettlement plan for the project. About a third of all households opted for a reorganization of their existing plots rather than an outright move. Families who needed to relocate were given the option of self-relocation or resettlement by the project. Those choosing the latter were to receive replacement plots of 60 square meters, a subsistence allowance, moving assistance, and access to vocational training. Thirty percent of these training opportunities were set aside for women.

Compensation for lost structures and assets was to be made at full replacement cost, except for those families that were living in the right-of-way without the necessary permission. In such cases, compensation was set at 60 percent of replacement cost, and secure land tenure was granted in lieu of payment of the remaining 40 percent.

Institutional Arrangements for Delivering Entitlements

HRP1 relied on a decentralized organizational scheme for carrying out R&R activities. A project

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management unit (PMU) of the national Ministry of Transport was responsible for supervising all actions and disbursing funds to provincial governments to cover associated costs. Provincial Peoples Committees (PPCs) in the ten affected provinces were responsible for implementing the resettlement plan and overseeing the work of District Peoples Committees in 33 districts, which executed the required actions.

Implementation Issues & Problems

The first problem to arise during the implementation of the R&R program was policy related. Though the Vietnamese Government and the Bank had agreed that anyone living in the right-of-way was included in the program, the government subsequently issued a road safety decree allowing for eviction, without compensation, of anyone living along the national highways without a permit. The PPCs, which had no information on what had been agreed in the resettlement plan, started evicting people— including those entitled to resettlement under HRP1—from along Highway 1A. Protracted negotiations were necessary before the situation could be rectified. It was then agreed that the people who had been evicted would be traced and assisted according to the plan.

Another problem related to the way the provisions of the resettlement plan were actually being implemented and supervised. In a mid-term resettlement review conducted by Bank staff in November 1997, many settlers expressed dissatisfaction with the compensations they received for their affected lands, a partial result of the sub-standard compensation rates set by local pricing committees. The review also found various inconsistencies in data management by the PMU, and in procedures for determining entitlements, assessing compensation, and communicating with affected people. The review concluded that the inadequate targeting of economic recovery measures, combined with delays in the provision of water and electricity services to some resettlement sites, was creating hardships for many of the more vulnerable families affected by HRP1.

The conclusions of the Bank's mid-term review stimulated a number of changes in the implementation of the resettlement plan for the project. For example, the provision of resettlement assistance and the development of resettlement sites began to take place according to new guidelines and accelerated schedules. Other significant improvements took place with respect to the three problem areas discussed at greater length below: inter-institutional coordination, communication with affected people, and supervisory and monitoring mechanisms.

Conclusions and Lessons

The experience in HRP1 underscores the need for all resettlement implementing agencies to be actively involved in the planning process. From the beginning, there was an imbalance in the relationship between PMU staff and the provincial-level authorities charged with carrying out the R&R program. Although the former were genuinely concerned about the program, they had very little communication with the PPCs, and even less leverage over their actions. Past experience has shown that local governments—when capitalized sufficiently—can be more effective at implementing resettlement because of their first-hand knowledge of the communities to be displaced. However, assigning resettlement responsibilities across several levels of government increases the chances of poor communication and coordination. Therefore, it is critical not only for local authorities to have a hand in upstream planning, but for resettlement planning and implementation to be coordinated by an agency with the mandate and capacity to do so.

A lack of communication among project agencies often translates into poor communication with the affected groups. Even as project authorities failed to faithfully track resettlement impacts, many affected people showed little awareness of compensation policies or their due entitlements. The PMU, in conjunction with officials at the provincial and district levels, could have taken simple steps—providing a printed summary of entitlements and compensation to the head of each affected household, for example—to enhance public communication in HRP1. These efforts would have helped in the targeting of vocational training and other benefits, and improved resettlement implementation overall.

Better monitoring and supervisory mechanisms in the project could have kept seemingly minor problems from growing into major ones. The Bank over-relied on occasional external monitoring by a local monitoring agency and the on-site work of a resident resettlement advisor, both of which reported directly to the Ministry of Transport. These mechanisms had a marginal effect on resettlement outcomes, but they could have been extremely effective had they been complemented by regular Bank supervision. If the Bank is to avoid the kinds of problems that constrained the early performance of HRP1 in future projects, it needs to recognize that complex resettlement operations require frequent and effective supervision.