

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 02/24/2011

Report No.: AC5617

1. Basic Project Data

Original Project ID: P084871	Original Project Name: Second Transmission and Distribution Project	
Country: Vietnam	Project ID: P114875	
Project Name: Second Transmission and Distribution Project Additional Financing		
Task Team Leader: Joel J. Maweni		
Estimated Appraisal Date: January 7, 2011	Estimated Board Date: March 29, 2011	
Managing Unit: EASVS	Lending Instrument: Specific Investment Loan	
Sector: Power (100%)		
Theme: Infrastructure services for private sector development (100%)		
IBRD Amount (US\$m.):	180.00	
IDA Amount (US\$m.):	0.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
<u>Borrower</u>		192.40
		192.40
Environmental Category: B - Partial Assessment		
Repeater <input type="checkbox"/>		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

2. Project Objectives

The objective of the parent project is the efficient development of Vietnam's transmission and distribution system. The additional financing seeks to scale up the impact of the transmission system expansion and reinforcement subcomponent of the project.

3. Project Description

The parent project consists of three components as follows:

Component 1: Transmission and Distribution System Expansion and Reinforcement

This component comprises three subcomponents:

Subcomponent 1.1 - 500kV and 220kV transmission lines (TL) and substations (SS)

Subcomponent 1.2 - 220/110kV Gas-insulated switchgear substations; and

Subcomponent 1.3 - Regional Distribution System Expansion and Reinforcement

Component 2: Electricity Market and System Operations Modernization.

This component supports the replacement of national and regional dispatch and control systems.

Component 3: Market Transition Support

This component provides technical assistance for reform and restructuring of the Vietnam Electricity (EVN) and its subsidiaries as part of the transition support towards an electricity generation market.

The AF loan will scale up Subcomponent 1.1, i.e. finance additional 500kV and 220kV transmission lines and substations. It will also finance, capacity building (under component 3) for EVN's newly established subsidiary, the National Power Transmission Company (NPT) which is taking over responsibility for implementing components 1 and 3 from EVN.

At the 500kV level, about 139 km of transmission lines will be constructed to improve the reliability and availability of power in the northern part of Vietnam by completing the VHV transmission loop around the greater Hanoi metropolitan area. About 2,250 MVA transformer capacity will be added at various locations, mainly in the southern regions, to support efficient evacuation of power from major generation stations. At the 220kV level, about 599 km of transmission lines will be constructed and 1,200 MVA transformer capacity will be added, primarily in the southern provinces.

A baseline list of seven subprojects has been identified for Bank financing together with a reserve list of three subprojects. The subprojects in the baseline list have been appraised and safeguards issues assessed. The details of the appraised subprojects are summarized here.

Subproject 1 - The 500 kV Quang Ninh-Hiep Hoa double circuit transmission line (139km) will link the existing Quang Ninh 500kV substation to the Hiep-Hoa 500 kV substation (under construction) and will help to complete and reinforce the power transmission loop in the northern power transmission system around Hanoi, thereby contributing to increased power availability and reliability in the region.

Subprojects 2 and 3 (TL and SS)-The Vinh Long-Tra Vinh 220kV transmission line and the 220kV Tra Vinh substation will be constructed to increase the electric power supply for Tra Vinh province.

Subprojects 4 and 5 (TL and SS) - The 220kV Tan Dinh-Uyen Hung transmission line and Uyen Hung 220kV substation subprojects are designed as part of the overall plan to encircle the greater Ho Chi Minh City area with a 500-220kV system to meet growing demand, particularly in the fast growing industrial zone south of the city.

Subproject 6 - (SS) Addition of a second transformer at the 500 kV Song May substation also forms part of the overall plan to improve power transmission capacity to

the greater Ho Chi Minh City area and to adjacent provinces such as Dong Nai and Binh Duong.

Subproject 7 - (SS)The proposed expansion of transformer capacity at O Mon 500kV substation is part of the overall plan to evacuate power from two big power generation complexes in the western area of South Vietnam, O Mon power generation complex (total 2,700MW) and Ca Mau power generation complex (1,500MW), to the greater Mekong delta area. Some elements of the overall plan are already being financed under the parent project (like the original 500kV O Mon substation and 500kV O Mon-Phu Lam transmission line.

The subprojects in the reserve list will replace drop outs from the baseline list, if any, and will be appraised in accordance with the criteria agreed under the parent project, which includes safeguards issues. The safeguards documents-the Environmental Management Plans (EMPs), the Resettlement Action Plans (RAPs) and the Ethnic Minorities Development Plans (EMDPs) for these subprojects will be prepared in accordance with the frameworks and guidelines which have been adopted by the GoV and disclosed at the Vietnam Development Center in Hanoi and at the World Bank Infoshop in Washington DC.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The topographical features vary from mountainous and hilly landscape in Quang Ninh to flat peri-urban areas around HCMC, the yellow-red soils in the Northeast of Mekong, and to the wetlands in the Mekong Delta. The Mekong Delta has extensive river systems and areas of acid sulfate and saline soils.

The proposed transmission lines and substations are mainly in the peri-urban, agricultural and forest areas planted for production, but would not cross protected areas with significant biodiversity value or natural habitats.

Construction on the Mekong Delta will require special care to avoid significant impacts on the acid and saline soils with regard to temporary use of lands, as well as to minimize the disturbance to the inland waterways navigation.

Social characteristics. Resettlement process including consultations with DPs to mitigate adverse economic and social impacts including land acquisition and livelihood restoration for populations residing in the project areas, are the main social issues in the Project. Results of the social assessments for the baseline subprojects show that some ethnic Khmer peoples in the Tra Vinh province will be impacted by two proposed subprojects. However, according to the data gathered the impacts on the economic assets lost for the majority of DPs would be minor.

5. Environmental and Social Safeguards Specialists

Mr Quang Ngoc Bui (EASVS)

Ms Yen Thu Thi Cao (EASVS)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)	X	
Involuntary Resettlement (OP/BP 4.12)	X	
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: As for the parent project the subprojects will have positive environmental and social impacts since improvements in the transmission system will: (i) enable the siting of power plants away from population centers and at locations where impacts can be more easily managed; (ii) reduce the number of smaller "dirty fuel" back up and auto generation plants; and (iii) result in improved efficiency and, therefore, some reductions in GHG emissions. Negative environmental and social impacts for the transmission activities to be financed by the additional financing are, as for the parent project likely to be minor and temporary, and would include: impact of access roads on population settlements and of construction activity on the water quality in areas with high densities of rivers and canals.

The additional financing activities will not cause new impacts; hence the same safeguard policies triggered under the parent project- Environmental Assessment (OP4.01), Indigenous People (OP4.10) and Involuntary Resettlement (OP4.12) will be triggered for the additional financing loan. No new safeguards policies have been triggered by the seven subprojects in the baseline list for which all safeguards documents have been prepared, reviewed and cleared by the Bank, and disclosed. These subprojects total \$171 million or 95% of the Loan amount. In the event additional subprojects are proposed for Bank financing during project implementation, EMP, RP and EMPD if applicable for each project will be prepared in accordance with the Environmental Framework Guidelines for Transmission Projects, Policy Framework for Resettlement, Compensation and Rehabilitation of Project Displaced People and Policy Framework for Ethnic Minority Development Plan which have been approved by the Bank and adopted by the Government. The safeguard documents of additional subprojects will be submitted to the Bank for prior review before they can be considered eligible for financing.

- (1) Environmental Assessment (OP4.01)

During preparation of the parent project, Environmental Assessments (EAs) and Environmental Management Plans (EMPs) prepared for phase 1 subprojects and a policy framework (Environmental Framework Guidelines for Transmission Projects) was prepared to guide the preparation of environmental safeguards documents during the project's implementation phase. The EAs and EMPs prepared by the Borrower using these frameworks were appraised by the Bank team and found to be of adequate quality with appropriate baselines. Copies of all safeguard plans are provided to the Bank and also disclosed publicly and made available at project sites.

During implementation, independent consultants have been required to monitor the execution of the safeguards plans. While the Bank has considered implementation of safeguards policies to be satisfactory throughout the life of the project to date, there were some weaknesses with regard to the quality and timeliness of the work carried out by the independent monitoring consultants and the capacity of implementing agencies to supervise the independent agencies and to report on progress. Remedial measures were put in place including intensified supervision effort by the task team, training of consultants, use of a larger pool of consultants to perform independent monitoring and increased attention management oversight by EVN's project management. As a result there has been a good degree of improvement and the Bank is closely monitoring performance.

The environmental assessments (EA) prepared by the Borrower and their consultants for the proposed additional activities, indicate that all the proposed project investment components are clearly within the definition of Category B projects, as defined by paragraph 8(b) of OP 4.01 (i.e., they are of a type and scale whose potential adverse environmental impacts are less than those of Category A projects). The team's environmental specialists also concluded that the impacts of the proposed subprojects are likely to be site-specific, not sensitive, or irreversible, and in every case, mitigation measures can be designed to reduce negative impacts.

Appropriate Environmental Management Plans (EMPs) have been prepared for all subprojects in the baseline list. . The same project management boards that are implementing the ongoing project will also implement the additional activities including the safeguards policies. They will employ independent monitoring agencies and the Bank's task team will closely supervise the implementation of safeguards policies.

(2) Natural Habitats (OP4.04)

No baseline subprojects have identified impacts on natural habitats. For subprojects in the reserve list, potential natural habitats will be assessed during subproject appraisal as set out in the Environmental Guidelines

(3) Physical Cultural Resources (OP4.11)

No physical cultural resources have been identified as impacted; chance find procedures, as set out in the Borrower's regulations have been instituted for baseline subprojects. Similar provisions will apply to reserve subprojects.

(4) Involuntary Resettlement (OP4.12)

During preparation of the parent project, Resettlement Action Plans (RAPs), were prepared for phase 1 subprojects and a Policy Framework for Resettlement, Compensation and Rehabilitation of Project Displaced Persons (RPF) was prepared to guide preparation of the RAPs for subprojects that were to be appraised during the project's implementation phase. Involuntary resettlement activities were carried out in accordance with the safeguards instruments; the only issues being delays and sometimes the quality of reports of the independent monitoring parties. These issues have been largely addressed through intense Bank supervision: more competitive selection of independent monitoring agents and supported capacity building. The capacity of the implementing agencies to prepare and implement RAPs has been considered satisfactory.

For the seven projects under the additional financing, the number of affected people is much smaller. Only one subproject, the Quang Ninh - Hiep Hoa 500kV TL will impact about 2,195 households (9,411 people) of which 165 households (975 people) will have their houses impacted. Impacts on houses will be mostly partial and generally will not require the physical relocation of families outside their residential plots. These households will receive compensation for the impacts on their houses at replacement costs and a special allowance to cover livelihood losses during the period when their houses are reconstructed or reallocated. All DPs will also be assisted with allowances in order to restore their livelihood at least at the pre-project level.

In most cases the impacts will be involving some temporary loss of land to transmission tower foundations, substations and line stringing. Rights of way (ROW) of transmission lines will involve some restriction on land use to ensure safety, although can still be used for agriculture purposes, been most land impacts temporary. Crop compensation will be delivered in cash at current market rates. Land and other assets will be compensated at replacement cost. Particular attention will be paid in assuring that compensation rates indicated in government regulations will be adjusted to actually correspond to the current replacement costs.

(5) Indigenous Peoples (OP4.10)

During preparation of the parent project, none of the phase 1 subprojects triggered OP 4.10 (Indigenous Peoples). However, a Policy Framework and Guideline for Ethnic Minority Development Plans was prepared to guide the preparation of Ethnic Minority Development Plans for those subprojects that would be added during implementation. The policy was subsequently triggered for 2 subprojects under the second phase and EMDPs were prepared and executed satisfactorily.

For the proposed additional financing, impacts on ethnic minorities have been identified in two of the seven baseline subprojects; namely the Vinh Long- Tra Vinh 220 kV transmission line and the Tra Vinh 220kV substation in the Mekong Delta. About 188 households (868 people) and 11 households (43 people) belonging to the Khmer ethnic group will be affected by the transmission line and substation respectively. There will be some minimal permanent loss of land, and no physical households relocation is involved. Most land acquisition will be temporary during the construction period. Permanent acquisition of land will be about 0.36% of the total landholdings of the Khmer people s. The Khmer people were consulted during project preparation and meaningful information was provided in culturally appropriate manner.

The EMDPF prepared under OD4.20 has been updated based on the revised OP4.10 and has been cleared by the Bank and adopted by EVN. It will be applied in the preparation of EMDP for any subprojects that may be added to the project during its implementation phase that triggers ethnic minority policy.

Linkages to other projects

The Bank has reviewed the possible linkage of the Quang Ninh -Hiep Hoa 500 kV transmission line to the Quang Ninh 500 kV substation and to the Quang Ninh and Mong Duong thermal power plants and concluded that there is no linkage. The conclusion has been confirmed by the economic analysis carried out by a Bank consultant and the Regional Safeguards Coordinator has concurred with the approach and the conclusion reached.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The EA has shown that in general the potential impacts are minor, temporary and within the national environmental standards. These impacts will be mitigated and monitored as provided in the EMPs. Several actions have been proposed in the EMPs/EIAs and these include:

- (i) Construction of access roads, substations, and transmission lines, with associated tree cutting
- (ii) Increased levels of dust and noise from the use and movement of equipment (iii) Road damages and other transport disturbance due to the transportation of building materials.
- (iv) Impacts on forest, reserved land and biodiversity.
- (v) Soil erosion and landslide.
- (vi) Electromagnetic radiation and other health hazards.
- (vii) Unexploded ordinance.
- (viii) PCB leakage or disposal.

Successful appraisal of baseline subprojects was conditional on preparation of EMPs and EAs and their implementation is a project covenant to ensure that the mitigation measures will be included in the technical design and bid specifications. Subprojects drawn from the reserve list will require EMPs and EAs to be appraised, and implemented.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Alternatives have been analyzed in all individual EMPs/EIAs regarding the route alignments as to minimize impacts mainly on resettlement and in some circumstances on environment.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The Borrower has provided EAs, EMPs RAPs and where applicable EMDPs for all baseline subprojects. The Borrower has also updated Environmental Guidelines and the Ethnic Minority Development Policy Framework which have been adopted by the GoV and NPT. For subprojects drawn from the reserve list to be appraised successfully, EAs, EMPs and RPs and EMDPs must be prepared and appraised by the Bank. The local Departments of Natural Resources and Environment (DONREs) have been fully involved in the process by providing environmental certificates for subprojects, as required by the GoV. The 500 kV subprojects are subject to EIA clearance by MONRE.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

EA Disclosure and Consultation: For baseline subprojects, consultation has been conducted effectively throughout the EIA process, including meetings with local authorities, and public meetings with project affected households, DPs including ethnic minorities. Project stakeholders concerns were incorporated into the project design and EMP. Final EMPs/EIAs documents were locally disclosed, in accordance with the Bank's requirements, at various times during project preparation as they were completed. They were also disclosed at the Infoshop.

RAPs/EMDPs Disclosure and Consultation: consultations have been conducted effectively throughout the resettlement planning process, including inventory and socioeconomic surveys, interviews, and public meetings. The local people's participation processes are documented in the RAPs and EMDPs. All the RAPs/EMDPs have been locally disclosed in Vietnamese at the communes and districts offices in which the subprojects are located.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	11/06/2009
Date of "in-country" disclosure	12/21/2009
Date of submission to InfoShop	12/21/2009
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	04/16/2010
Date of "in-country" disclosure	04/21/2010
Date of submission to InfoShop	04/21/2010
Indigenous Peoples Plan/Planning Framework:	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	04/16/2010
Date of "in-country" disclosure	04/21/2010
Date of submission to InfoShop	04/21/2010
Pest Management Plan:	
Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
* If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	
The disclosure date for the EA and EMP refers to the date of disclosure of the EA and EMP of the largest subproject (the Quang Ninh- Hiep Hoa transmission line) since there are seven appraised subprojects each with its own separate EA and EMP. The Policy Framework for Resettlement, Compensation and rehabilitation of Project Displaced Persons was originally disclosed on January 1, 2005 for use under the parent project. It has been re-disclosed on April 21, 2010 for use under the Additional Financing Loan	

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	N/A
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes

If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? Yes

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Joel J. Maweni	08/03/2010
Environmental Specialist:	Ms Yen Thu Thi Cao	08/02/2010
Social Development Specialist	Mr Quang Ngoc Bui	08/02/2010
Additional Environmental and/or Social Development Specialist(s):	Ms Pilar Larreamendy	02/24/2011
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Sajjad Ali Shah	02/24/2011
Comments: Acting Safeguards Advisor		
Sector Manager:	Ms Jennifer J. Sara	02/24/2011
Comments: I approve the updated ISDS		