People's Committee of Can Tho Municipality  
Can Tho Sub-Project Management Unit of VUUP

RESETTLEMENT ACTION PLAN, PHASE 1
Final Report

Vietnam Urban Upgrading Project  
Can Tho Sub-Project

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

December 2003  
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Vietnam Urban Upgrading Project
Can Tho Sub-Project Management Unit

RESETTLEMENT ACTION PLAN – PHASE 1
FINAL REPORT

Client: People Committee of Can Tho Municipality

Project management: Can Tho Sub-Project Management Unit of VUUP

Consultant: Martin Associates P/L

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ABBREVIATIONS

Terminology

GDP  Gross Domestic Product
Ha  Hectare
IDA  International Development Assistance
Km  Kilometer
km²  Area, square kilometers
LURC  Land Use Rights Certificate
M  Meter
m²  Square meter
O&M  Operation and Maintenance
PAF  Project Affected Family
PAH  Project Affected Household
PAP  Project-affected Person
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)
JICA  Japan International Cooperation Agency
LHA  Land and Housing Authority
MOST  Ministry of Science, Technology, and Environment
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
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**: 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.

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 has been prepared for BVI International on behalf of the Can Tho Sub-project Management Unit of VUUP. It addresses the social and resettlement impacts of the project on the residents of the project affected area. The RAP is the outcome of an
extensive community consultation campaign starting in the year 2000 which saw the development of comprehensive community upgrading plans in each of the affected districts.

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

- Temporary use/leasing of land during construction
- Permanent land acquisition
- The need for 254 households to be relocated particularly those along the edge of the Xang Thoi canal and at the entrance to alleyways
- Partial impacts on 1843 households made up effects on houses and other structures such yards, shed, gardens and utilities.
- Temporary and permanent impacts on shops and small businesses
- 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 of 9.7 Ha in an agricultural area about 3 kms from the project area Thoi Nhut in An Binh Phuong. to house those project affected families (PAF’s) who have chosen to be relocated. This site presently supports 20 farming households.
- Positive effects on the quality of life of the other 3477 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 Can Tho. 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 254 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 254 households will need to be relocated to a resettlement area and there will be 1843 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) 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 microfinance 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 Can Tho 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 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.

1.3 Overall Project Description

1.3.1 Proposed Project

Can Tho is the administrative, economic and cultural centre of Can Tho province which is located to the southwest of Ho Chi Minh City. The VUUP project planning process began with a project preparation phase to identify the low income target areas within the city and wards which were 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 during the pre-feasibility study which collected key socioeconomic characteristics and identified and prioritized key infrastructure upgrading needs.

As a result of the preparation phase 11 inner city wards were selected for inclusion in the VUUP project. An Cu and An Hoi were the two wards selected for Phase 1 of the project Both wards have a combined area of 95ha and a population of 30,100 people in 3,682 households. The average population density in the two wards is 568 people/ha. The proposed project area has a much higher population density with a population of 22,405 people in just 4.9 Ha. (i.e. over 4000 people/Ha). So living conditions are very crowded and there are many low income people in temporary housing along the sides of canals and local arroyos. The project area mainly focuses on the catchments of the Xang Tho canal, lake and two adjoining arroyos which are located to the south of the Can Tho River and Hoang Van Thu road.

In the project wards, infrastructure is either non – existent or suffering from lack of adequate maintenance. Water and power supply systems fail to meet the need of residents and there are many small alleys without access, water supply and lighting.
Many households do not have water meters and electricity meters. Drainage is very poor and many residents usually discharge household grey water and garbage directly to drains and waterways leading to restricted flows and environmental pollution.

More than 60% of households do not have legal ownership so access to public facilities and financial loans (credits) is very limited. Such inadequate and degraded infrastructure fails to meet the demand of residents.

Typical problems include the following:

- Households live in small lanes and alleys with width below 2m and most remain unpaved leading to very poor traffic access;
- Drainage: many areas are regularly flooded during rain due to very low local elevation and the drainage system is insufficient and degraded;
- Sanitation: many of public WCs are degraded and not well managed and have caused pollution in the surrounding areas, Temporary garbage sites on the road shoulders roads in crowded locations cause traffic problems and local pollution.
- A public street light system has not been installed in most areas
- Most housing is of very poor quality and using the Vietnamese housing classification is either class 4 or temporary and most housing structures have been like this for many years.

Social infrastructure such as marketplaces, medical clinics, public entertainment area are seriously degraded and too small to meet the local demand;

1.3.2 Proposed Investment Components Phase 1

The larger project area of 95ha has a catchment which mainly drains to Xang Thoi Lake to the south of Hoang Van Thu Road and the Can Tho River and east of Ly Tu Trong Road. An existing tidal canal approximately 400metres long links the lake to the river. Two arroyos drain to the lake system—one to the east known as Con Arroyo and to the west known as the Mit Nai arroyo. The phase I project involves urban upgrading focussing on tertiary and trunk infrastructure around and within the lake catchment.

1.3.3.1 Component 1: Tertiary Infrastructure Upgrading And Service Improvement

The Project will provide an upgrading programme including widening and upgrading alleys (62 alleys, 9,641m long equivalent to 35,122m2 in An Cu and An Hoi wards), upgrading the water supply system & water drainage system, the lighting system, and garbage collection services Improvements are also planned for other facilities such as health clinics, schools and kindergartens.

1.3.3.2 Component 2: Primary And Secondary Infrastructure Network Upgrading

Proposals for Canal and Canal Embankments

A 10m corridor is to be developed for roads, sidewalks and utilities along each side of the Xang Thoi canal and around the lake. Within this corridor a 5m wide road with two
footpaths 3m and 2m wide will be developed on either side of the road. The roads along the banks of Xang Thoi Canal would be connected to Hoang Van Thu Street and the roads around the lake connected to De Tham Street. The road would provide access for bicycles and motorbikes with sidewalks for pedestrians and also allow for emergency vehicles (fire-engines and ambulances) solid waste collection and maintenance vehicles. Lake/canal embankments would be sloped towards the lake and canal in order to lower construction and operation and maintenance costs.

The depth of the lake after dredging is proposed to be 1.5m to 2m below the low tide level. The land between the new road and existing houses would be used as a utility corridor (water, sewer, street-lighting) and for a walkway. There will be a corridor allocated for the sanitation project by the German Development Agency (KfW) project involving a future interceptor sewer. Xang Thoi Canal would be re-adjusted and re-aligned to a total width of 20m (including embankments). The existing canal and lake would need to have some of the embankments filled along the west side of the canal and in some locations around the lake to suit the alignment of the road.

The road system would be combined with the local alley systems. Another bridge crossing of the canal would be included. Both Con and Mit Nai arroyos would be filled in, with box culverts and/or pipes and used for drainage purposes A 10 m corridor with road and sidewalks be developed within the filled Mit Nai arroyo, to connect with existing alleys. An in-situ resettlement area for approximately 50 houses or a new open space facility could also be developed within this arroyo.

1.3.3.3 Component 3: Development of Resettlement Site

Even though the planning process has attempted to minimise land acquisition and resettlement, the very high population densities found in the project have generated the need for some relocation of local residents. Consequently component 3 involves the development of a resettlement site for the Project affected families (PAF's).

In the resettlement area, the Project anticipates investment for construction of infrastructure and public facilities such as: schools, kindergartens and health clinics to assist in the process of restoring their lifestyle and livelihoods.

The Project's designated resettlement site is located at Thoi Nhut in An Binh Phuong, with an area of 9.7ha.
FIGURE 1-1: LOCATION OF THE AN CU AND AN HOI WARD IN CAN THO FOR PHASE I OF THE VUUP PROJECT

BẢN ĐỒ HIỆN TRANG CỦA PHƯỢNG AN CU VÀ AN HỘI EXISTING PLAN OF ANCU AND AN HOI WARD
1.4 Social Impacts and the Scale of Resettlement

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

Component 1 requires 82 households to relocate and partly affects 1618 households and other structures. Component 2 creates the need to relocate some 152 households and partially affects 205 household. Component 3 requires 20 households to be relocated.

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

- Temporary use/leasing of land during construction
- Permanent land acquisition
- The need for 254 households to be relocated particularly those along the edge of the Xang Thoi canal and at the entrance to alleyways
- Temporary and permanent impacts on shops and small businesses
- 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 of 9.7 Ha in an agricultural area about 3 kms from the project area at Thoi Nhut in An Binh Phuong to house those project affected families (PAF’s) who have chosen to be relocated. This site presently supports 40 farming households of which 20 will need to relocate
- Positive effects on the quality of life of the other 3477 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.

*Resettlement Policy Framework (RPF)* was adopted by Can Tho City Peoples’ Committee (No. 3233/UB, dated August 21, 2003) and approved by the Prime Minister (No. 1513/CP-NN, dated November 11, 03). The Ethnic Minority Development Strategy (EMDS) was also approved by Can Tho Provincial People Committee (No. 2323/QD-CT-UB dated July 14, 2003). The RPF has been disseminated to all relevant departments of Can Tho city and publicly disclosed at Ward PC offices and community areas participating in the first year program of phase 1.
Class 3&4 Alley widening
Infrastructure Improvement
Drainage, Electric
Schools, Medical Centres

Component 1
Tertiary

Component 2
Trunk infrastructure
Canal rehabilitate and widening
Road construction

Component 3
Resettlement Area

Figure 1-2
Can Tho Resettlement Impacts

82 HOUSEHOLDS TO BE RESETTED

1618 H PARTIALLY AFFECTED HOUSEHOLDS

152 HOUSEHOLDS RESETTED

205 HOUSEHOLDS PARTIALLY AFFECTED

HOUSEHOLDS TO BE RELOCATED IN SITU: 20

AGRICULTURAL LAND LOSS 9.7 Ha

ECONOMIC RESTORATION PROGRAMS REQUIRED TOTAL: 20
PROJECT BENEFITS

Phase 1

Direct benefits for 3477 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

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

Site Selection For Resettlement Site

The selection of the resettlement site involved an extensive search for a range of suitable sites which included the involvement of local World Bank staff. Optional sites were found to be too far from the project impact areas or were of insufficient size.

Due to the type of project being developed for component 2, it has been found possible to develop some in-situ resettlement in the Mit Nai Arroyo area. Present planning has estimated that if required there would enough area for 50 houses thus reducing the need for sites in the designated resettlement site.

1.6 Structure of the Document

As set out in the TOR, the 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 Can Tho in a little more detail.

Following a description of the existing socioeconomic environment within the context of the City of Can Tho 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. The next chapter includes a discussion of a social mitigation program which will assist PAH’s to restore their incomes and livelihoods after displacement by the project. The document then goes onto to address issues such as community consultation, institutional and implementation arrangements and environmental management. It concludes with sections on the implementation schedule and proposed costs and budget. In this Can Tho report there is also a chapter describing the results of a report on Ethnic Minorities which were found to be living within the study area of the VUUP project.

Some of the information presented is based on the results of sample surveys carried out for final feasibility studies rather than 100% census and inventories. Some of the detailed studies are in the final stages of completion as part of the detailed design phase of the project so there may be slight changes to final numbers once the report is finalized.
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 Can Tho Provincial Peoples’ Committee (No. 3233/UB, dated August 21, 2003) and approved by the Prime Minister (No. 1513/CP-NN, dated November 11, 2003). The Ethnic Minority Development Strategy (EMDS) was also approved by Can Tho Provincial People Committee (No. 2323/QD-CT-UB dated July 14, 2003). The RPF has been disseminated to all relevant departments of Can Tho city and publicly disclosed at Ward PC offices and community areas 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 during discussions between the Can Tho PMU and the World Bank that “fully affected households” would be defined as: (a) urban residents who will be left with less than 20m² of residential land, or who lose entire businesses; or (b) farmers who lose more that 25% of their productive agricultural land.

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:

- 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.


Tax of Land and Housing:

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


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”

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 bellow.

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.

The agreed cut-off date for Can Tho was July 1, 2003 for components 1 & 2 and August 1 for the resettlement site (Component 3).

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.

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 1 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.

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

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

**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.

**Step 3:** 20% of volunteer households 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 on the basis of need and agreed affordability for community contributions.
- Selected investments were to conform to the City's Master plan as well as the Ward's detailed planning criteria.
- Resettlement was to be minimized in order to reduce negative impacts on social structure and community networks.

3.2 Total Project Area

According to results of community workshops, the following 11 wards were proposed for the overall project: An Cu, An Hoi, Xuan Khanh, An Hoa, An Phu, Cai Khe, An Nghiep, An Thoi, Hung Loi, An Lac, Thoi Binh.

3.3 Project Phasing

In Phase 1 of the project, 6 quarters belonging to An Cu ward and 3 quarters belonging to An Hoi were selected. The selection was based on the following criteria:

- Scale of the project: measured in number of households and area serviced.
- Population density.
- Infrastructure condition.
- Conditions and capability to connect to primary and secondary infrastructure network.
- Social conditions.

Phase 1 Description

Phase 1 of Urban Upgrading Sub-Project of Can Tho City has 6 components as follows:

3.3.1 Component 1: Tertiary Infrastructure Upgrading And Service Improvement

The Project will provide an upgrading programme including widening and upgrading alleys (62 alleys, 9,641m long equivalent to 35,122m2 in An Cu and An Hoi wards), upgrading the water supply system & water drainage system, the lighting system, and garbage collection services. Improvements are also planned for other facilities such as health clinics, schools and kindergartens (see Figure 3-1A and 3-1B).
FIGURE 3-1A: COMPONENT 1 TERTIARY INFRASTRUCTURE
THE PLAN OF AN CU WARD
HÌNH 3-1A: BẢN ĐỒ HÀNG MỤC 1 CỘ SỢ HẠ TẦNG CẤP 3
PHƯỜNG AN CU'
FIGURE 3-1B: COMPONENT 1 TERTIARY INFRASTRUCTURE
THE PLAN OF AN HOI WARD
HÌNH 3-1B: HẢNG MỤC 1 CƠ SỞ HẠ TẦNG CẤP 3
PHƯỜNG AN HỘI
3.3.2 Component 2: Primary And Secondary Infrastructure Network Upgrading

Proposal for Canal and Canal Embankments

A 10m corridor is to be developed for roads, sidewalks and utilities along each side of the Xang Thoi canal and around the lake. Within this corridor a 5m wide road with two footpaths 3m and 2m wide will be developed on either side of the road. The roads along the banks of Xang Thoi Canal would be connected to Hoang Van Thu Street and the roads around the lake connected to De Tham Street. The road would provide access for bicycles and motorbikes with sidewalks for pedestrians and also allow for emergency vehicles (fire-engines and ambulances) solid waste collection and maintenance vehicles.

Lake/canal embankments would be sloped towards the lake and canal in order to lower construction and operation and maintenance costs (see Figure 3-2).

The depth of the lake after dredging is proposed to be 1.5m to 2m below the low tide level. The land between the new road and existing houses would be used as a utility corridor (water, sewer, street-lighting) and for a walkway. There will be a corridor allocated for the sanitation project by the German Development Agency (KfW) project involving a future interceptor sewer. Xang Thoi Canal would be re-adjusted and re-aligned to a total width of 20m (including embankments). The existing canal and lake would need to have some of the embankments filled along the west side of the canal and in some locations around the lake to suit the alignment of the road.

The road system would be combined with the local alley systems. Another bridge crossing of the canal would be included. Both Con and Mit Nai arroyos would be filled in, with box culverts and/or pipes and used for drainage purposes. A 10 m corridor with road and sidewalks be developed within the filled Mit Nai arroyo, to connect with existing alleys. An in-situ resettlement area for approximately 50 houses would also be developed within this arroyo.

Table 3-1

Cost Summary - Option 2 Preferred Option

<table>
<thead>
<tr>
<th>Component</th>
<th>Content - Explanation</th>
<th>Costs (Million VND)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Xang Thoi Canal</td>
<td>Construction costs for road and embankments</td>
<td>15,895</td>
</tr>
<tr>
<td></td>
<td>Costs for compensation and clearance</td>
<td>13,561</td>
</tr>
<tr>
<td></td>
<td>Total component costs for Xang Thoi canal</td>
<td>29,456</td>
</tr>
<tr>
<td>2. Xang Thoi Lake</td>
<td>Construction costs for road and embankments</td>
<td>9,373</td>
</tr>
<tr>
<td></td>
<td>Costs for compensation and clearance</td>
<td>12,738</td>
</tr>
<tr>
<td></td>
<td>Total component costs for Xang Thoi lake</td>
<td>22,111</td>
</tr>
<tr>
<td>3. Mit Nai/Con Arroyos</td>
<td>Construction costs for dredging and culverts</td>
<td>14,798</td>
</tr>
<tr>
<td></td>
<td>Costs for compensation and clearance</td>
<td>1,514</td>
</tr>
<tr>
<td></td>
<td>Total component costs for Mit Nai/Con arroyos</td>
<td>16,312</td>
</tr>
<tr>
<td>Total costs Option 2</td>
<td>Construction</td>
<td>40,066</td>
</tr>
<tr>
<td></td>
<td>Compensation / clearance</td>
<td>27,813</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>67,879</td>
</tr>
</tbody>
</table>

Prepared by Martin Associates P/L (Australia)
in association with Duong Thanh Water and Environment Ltd. (Vietnam)
The preferred option and the other three for the channel and lake edge treatment were discussed with representatives of key city departments at a workshop:

- **Option 1**: Modified Masterplan & FS (VND 64,966 million)
- **Option 2**: Modified FS by Thikeco (VND 67,879 million)
- **Option 3**: City Masterplan (VND 98,962 million)
- **Option 4**: Reduced Dimensions of Lake and Canal (VND 46,213 million)

A modified version of Option 2 was adopted, which broadly follows the original FS but proposed a causeway across the lake with a sluice rather than a bridge as originally proposed. This would retain water in the lake that is affected by tides, while allowing the lake to be flushed. During the World Bank appraisal mission, it was agreed that the design would be reconsidered to reduce the number of PAHs.

On the issue of Filling of the Con and Mit Nai arroyos with pipe or culvert, and then fill, the two arroyos—and use the filled Con arroyo either to create about 50 plots—it was found that this sub option could address some of the resettlement needs of the ward or use it as greenspace (e.g. park); and use the filled Mit Nai arroyo as an access road that would link with the local road network. The World Bank had no objection to this type of proposal.

Option 4 was considered to have the advantage of further resettlement requirements by building more on the lake surface itself.

### 3.3.3 Component 3: Development of Resettlement Site

Even though the planning process has attempted to minimise land acquisition and resettlement, the very high population densities found in the project have generated the need for some relocation of local residents. Consequently component 3 involves the development of a resettlement site for the Project affected families (PAF's).

In the resettlement area, the Project anticipates investment for construction of infrastructure and public facilities such as: schools, kindergartens and health clinics to assist in the process of restoring their lifestyle and livelihoods.

The Project’s resettlement site is located at Thi Nhiet hamlet, An Binh commune with revised area of 9.7ha, divided into lots of 40m², 60m² with:

- Technical infrastructure facilities: roads, power, water supply and drainage.
- Social infrastructure: kindergartens, primary schools, clinics, markets, garbage transfer sites.

(see Figure 3-3A and 3-3B)

### 3.3.4 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 (DONRE now) to hasten the progress of Building Owner and Land Use Certificates (BOLUCs) issuance. The project
will provide a computer network and help train administrative staff in better land and housing management.

3.3.5 Component 5: Micro-finance for Housing improvement

This component involves the development of a revolving fund which will provide low income household loans of up to VND 15 million to self-improve their houses in a period of 7 years (from 2004 - 2010).

3.3.6 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.
HÌNH 3-3A: VI TrÍ VÀ GIỚI HẠN KHU ĐẤT QUY HOẠCH
FIGURE 3-3A: COMPONENT 3 RESETTLEMENT SITE
Hình 3-3B: Hạng mục 3 vị trí Khu tái định cư

Figure 3-3B: Component 3 In Situ Resettlement Site

Phương án: San lấp Rạch Cồn
Option: Filling Con Arroyo
Photo 1  Can Tho  Project Impact area in one of the arroyos leading to the lake
The project includes installing pipe drainage, filling in the arroyo and using for in-
situ resettlement site

Photo 2  Can Tho  Existing Very Sub-standard Living Condition of residents
along the tidal lake and canal banks
Photo 3 Can Tho Component 2 Shows the tidal lake filled with sediment and low income housing on the edge in the background.

Photo 4 Can Tho Component 1 and 2 Showing Lake side established house. High Tide now comes to plastic pipe shown and higher for unusual tidal events.
4 TECHNICAL AND LOCATION OPTIONS

4.1 Component 1 Tertiary Infrastructure

This component used the Community Upgrading Planning Process (CUP) to select from a range of investments which met the needs and affordability criteria of each of the selected areas.

Two of eleven targeted wards were included in phase 1. The selection was based on the following criteria:

- Scale of the project: measured in number of households and area serviced
- Population density
- Infrastructure condition
- Conditions and capability to connect to primary and secondary infrastructure network
- Social conditions.

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 Component 2 Trunk Infrastructure

A number of options were proposed in the pre-feasibility and feasibility studies. 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 increases/reductions in corridor widths for technical and displacement reasons. The main options were as follows:

There were 4 investment options considered in Can Tho, which varied the size of the investment and the extent of community impacts. Two optimized planning and technical criteria and the other two focused on minimizing the resettlement impacts. The preferred option set out in Chapter 3 was a compromise between two of the options.

4.2.1 Option 1

This option maximized the final area of water in the rehabilitated lake which also increased the amount of resettlement necessary. It relied heavily on the new resettlement site being developed on the agricultural fringe of the City.

Option 1 – Modified Master Plan and Feasibility Study

Xang Thoi Canal was to be re-adjusted and re-aligned with a total width of 20m (including embankments). The existing canal was to have some of the embankments filled along the west side of the canal. Once Xang Thoi Lake was dredged/excavated,
the embankment was to be reconstructed towards the existing edge of the lake with filling as necessary to suit the road alignment.

The road system was combined with the local alley systems, as suggested in the original FS. This approach was particularly feasible along the entire east side of the canal, the north-east portion of the lake and the area adjacent to Mit Nai along the west side of the canal.

The bridge crossing the canal was to only be 27m long (as opposed to 90m long in the original FS) and was situated at a location more suitable for integration of existing alleys than the location proposed in the original FS. The bridge at Hoang Van Thu Street was located at a position taking into account a future widening of the street and was 40m long. Mit Nai & Con arroyos were to be upgraded by a combination of dredging and use of box culverts or drainage pipes solely at the upper reaches of the arroyos.

This option had a reasonable level of land clearance that was to result in relocation of 100 households, partially affecting 182 houses and required land acquisition of 6,727 m².

The main advantages of this option were as follows:
- cost savings in a shorter bridge crossing the canal
- access to existing alleys was improved
- relocation of households was a manageable amount

The main disadvantages of this option were as follows:
Mit Nai & Con Arroyos remained as open channels (risk to accumulating waste) and there was no provision for in-situ resettlement of relocated households.

### 4.2.2 Option 3 – Strict Adherence to City Master Plan

This option followed the approved master plan for CanTho City, however the road widths have been reduced from 20m to 10m in order to be consistent with the other proposals and to reduce impact of relocating households. Whilst there was an advantage for future development, it was felt that this option did not conform to the project objectives as agreed by the WB. Consequently, this option more closely approximated an urban renewal project rather than an urban upgrading project. The proposed interceptor sewer by KfW project would not be able to be implemented on the east side of the lake due to the large number of houses remaining between the lake and interceptor corridor.

This option had an excessive level of land clearance which would have resulted in the relocation of 212 households, partially affected 399 houses and would have required land acquisition of 14,792 m². Also, there was no provision for relocating houses and households between the road and the east side of the lake and these numbers were not included in the above estimates.
The main advantages of this option were as follows:
- cost savings in a shorter bridge crossing the canal
- conforms to future development objectives
- Mit Nai & Con Arroyos could become access roads to existing alleys

The main disadvantages of this option are as follows:
- relocation of households was excessive and difficult to manage
- WB project objectives are not achieved (risk to loan approval)
- the interceptor sewer by KfW project was to be adversely affected
- costs for implementation were high
- no provision for insitu resettlement of relocated households

4.2.3 Option 4 Reduction To Lake & Canal Dimensions

Xang Thoi Canal was to be re-adjusted and re-aligned with a total width of 10m (including embankments). The overall size of Xang Thoi Lake was to be reduced, with the intention to reuse excavated material from the lake to build up areas for construction of roads and embankments.

The primary objective of this option was to reduce construction costs and to minimize the affect on local residents due to relocation and compensation. Compared with the other 3 upgrading options, the numbers of removed and affected households were considerably less with relocation of only 54 households, partially affecting 111 houses and requiring land acquisition of only 3,341 m².

The bridge crossing of the canal was to be only be 27m long and the bridge at Hoang Van Thu Street was to be reduced to 35m long. Con and Mit Nai arroyos were to be simply be cleaned out and dredged.

The main advantages of this option were as follows:
- Relocation of households was minimized and easier to manage
- Costs for implementation were lowest
- Cost savings in shorter bridges crossing the canal

The main disadvantages of this option were as follows:
- Mit Nai & Con Arroyos remained as open channels (risk to accumulating waste)

This option sought to minimize resettlement impacts by focussing new construction on the current lake area and creating enough additional area on fill to build in situ resettlement areas and/or build all major drainage, embankments and roads thus avoiding most of the affected housing areas under other options.

4.2.4 Site Selection For Resettlement Site

Assuming that a resettlement site was necessary, a site selection process was carried out to select a site. The selection of the resettlement site involved an extensive search for a range of suitable sites which included the involvement of local World Bank staff.

Optional sites were found to be too far from the project impact areas or were of insufficient size. The Project's current resettlement site is located at Thoi Nhut hamlet,
An Binh commune with the revised area of 9.7ha which would be divided into lots of 40m², 60m² with:
- Technical infrastructure facilities: roads, power, water supply and drainage.
- Social infrastructure: kindergartens, primary schools, clinics, markets, garbage transfer sites.

The evaluation criteria used for selection of the technical options for component 2 had a significant effect on resettlement impacts.

4.2.5 Insitu Re-Settlement Sites

After discussions with the PMU to actually create land by filling in Con and Mit Nai arroyos, installing drainage culverts/pipes and incorporating tertiary upgrading of adjacent alleys, some in-situ resettlement has found to be possible for up to 50 houses. There are 2 other locations within the project area that could also serve as in situ relocation sites, however this would have required additional land acquisition so were not considered further. Since development of in situ resettlement has significantly less impact on relocated peoples and lower costs for resettlement, it was suggested that further consideration be given to these relocation alternatives.
5 SOCIO-ECONOMIC CONDITIONS IN CAN THO CITY

In 1992, Can Tho city was recognized by the Government as a Grade 2 which gives the City the same status as a District. It is the center of Can Tho. Presently Can Tho is considered the center of Mekong Delta and the western capital of the South West of Vietnam.

5.1 Project Area Boundaries

An Cu and An Hoi are 2 of 15 in-city wards of Can Tho city belonging to Can Tho province. They are located next to each other; the North is adjacent to Thoi Binh ward; the North East to Cai Khe ward; the South East to Tan An ward; the South to An Lac ward; the West to An Phu and An Nghiep wards.

5.2 Socio-Economic Situation

According to data taken from general statistics on the current situation of land use up for year 2001, natural land area of the two wards is 950,000 m², population of 30,100 people of which the proposed project area is 485,936m², population of 22,405 people with 3,682 households. The average population density is 568 people/ha. In these two wards, the proportion of low income quarters is rather high 9/44 (20.5% of the quarters in the survey coverage). An C- has the biggest number of poor households. They live on channels and arroyos. Their lives are very hard and unstable.

Table 5-1 Summary of socio-economic setting of An Cu and An Hoi wards
(Source: Pre-FS prepared in December 2002)

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>Year 2001</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land area</td>
<td>ha</td>
<td>48,594</td>
<td></td>
</tr>
<tr>
<td>Agriculture land</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Specialized land</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Dwelling land</td>
<td></td>
<td>48,594</td>
<td></td>
</tr>
<tr>
<td>Urban land</td>
<td></td>
<td>48,594</td>
<td></td>
</tr>
<tr>
<td>Suburb land</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>Person</td>
<td>22,405</td>
<td></td>
</tr>
<tr>
<td>Population density</td>
<td>people/ha</td>
<td>568</td>
<td></td>
</tr>
<tr>
<td>Number of households</td>
<td>household</td>
<td>3,682</td>
<td></td>
</tr>
<tr>
<td>Of which: Number of Khmer households</td>
<td>household</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Average income</td>
<td>VND/Mth/capita</td>
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</tr>
<tr>
<td>Number of schools</td>
<td>School</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Percentage of school children</td>
<td>%</td>
<td>98.2</td>
<td></td>
</tr>
<tr>
<td>Clinics</td>
<td>each</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
5.3 General Status Of Poor And Low Income Communities in An Cu and An Hoi

According to the household survey carried out in April 1999, 34% of houses are one-storey (grade 4) and temporary houses. The percentage of temporary houses in 9 quarters of An Cu and An Héi wards is 13.6%.

Living conditions: An Cu is one of the wards where the number of households without private electricity meters and water meters is the highest. The lack of drainage facilities is a pressing issue of the whole city. Most households discharge freely to alleys, channels which causes environmental pollution; many areas in the city are seriously flooded. In some areas households don’t have private toilets; some use public W.C or discharge to channels; a relatively high proportion of households have no private toilets, no separate water meters, no use of the garbage collection service and no separate electricity meters. Most alleys in the residential areas are winding with the width of < 2m that is difficult for transportation and fire fighting.

5.4 Needs Survey In Low Income Communities

Incomes of poor households in An Cu and An Hoi wards are so low that daily essential demands become unaffordable. Most of them have unstable and irregular jobs with low incomes. Their houses are usually temporary or rented premises. They are living in bad conditions without electricity, clean water, toilets, etc. Poor households can hardly enjoy public welfare facilities such as schools, health care services and they lack ability to pay for hospital and tuition fees. The following section outlines the needs as expressed in the socioeconomic survey carried out as part of the feasibility study.

Water supply

The City’s water supply network has been installed along all main roads. Most residents with official registrations (ho khau) in Can Tho city may use piped water if they have the ability to pay installation costs. The problem challenging the poor households is the costs for water meters and by-pass pipelines if they live far from the main pipelines. Currently 29.3% and 23.4% of households in An Cu and An Héi respectively have no water meters. Some households must tap water informally from neighbors or use public taps. Poor households living in suburban areas usually use water from rivers, channels, ponds for daily needs such as eating, drinking, bathing, etc. without hygiene conditions.

Drainage

In the areas of poor households, the waste water drainage system is not available, waste water is discharged directly to rivers, channels or alleys leading to frequent flooding and serious living environmental pollution.

Power Supply

The City’s power supply has been installed in residential areas, but it is still not available for poor households because they are unable to pay the costs for service and meter installation. Some households use power tapped informally from neighbors.
Currently 33.3% and 22.1% of households in An Cu and An Hêi respectively don't have private meters; the power wire systems are not safe. Most of alleys don't have power for lighting.

Transportation

There is a system of small alleys in residential areas. These alleys are often formed naturally from paths; they are small and winding; many still unpaved. In recent years, with the assistance of the city and province, residents in these areas have upgraded the alleys. So conditions in the alleys have been partly improved. but 53% of households still live in alleys narrower than 2m. The percentage of households living in alleys narrower than 2m has increased during the recent 10 years. Only 1.8% of access paths to houses are fully sealed and 39% of alleys themselves are covered with concrete or asphalt. Only 8.9% of households live in alleys temporarily covered with gravels and stone and 2.1% in earth alleys.

Housing conditions

The poor usually concentrate in following areas:
- On and along rivers and channels
- Deeply within residential areas with very poor access

The percentages of temporary houses (roof and cladding are mainly made of light materials: bricks, steel sheets, wood, thatch; floor made of cement, sand and cheap bricks) or single houses (one storey houses), of semi-permanent houses and permanent houses are 16.4%, 73.6% and 10% respectively. Much of the housing has been built by squatters without formal approval and more than 57.2% of households do not have legal ownership. The poor households have to live in the areas with bad environmental conditions with either no toilets or with very limited access to toilets. Consequently, improvement in such sub-standard living conditions is considered to be very urgent.

Solid Waste Collection

In An Cu and An Hoi wards, all areas have garbage collection operated by the City Environment Company. Some residents burn or bury garbage behind houses; some dispose garbage directly to channels, arroyos; some living near the public dust-bins dump garbage outside the dust-bins so that they do not have to pay the monthly service fee.

Social Infrastructure

Table 5-2

<table>
<thead>
<tr>
<th>No.</th>
<th>Wards</th>
<th>Schools</th>
<th>Clinics</th>
<th>Markets</th>
<th>Bridges</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Primary schools</td>
<td>Kindergartens</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>An Cu</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>An Hoi</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

Prepared by Martin Associates P/L (Australia)
in association with Duong Thanh Water and Environment Ltd. (Vietnam)
All public welfare facilities in the wards are seriously degraded and some areas have no facilities.

**Security in terms of building ownership and land use certificates (BOLUCs)**

Shortage of ownership warranty, especially BOLUCs and difficulties due to the absence of official registrations ("ho khau") are serious problems of many poor households. Main causes are costs and unclear procedures which means that many poor households are unable to obtain BOLUCs. This makes capable households reluctant to upgrade their existing houses because they are afraid of unsatisfactory compensation if they were required to relocate.

Poor households without official registrations face many difficulties in accessing public services as well as health care and education facilities.

**Table 5-3**

*Poor residential quarters covered in Phase 1 of the project*

<table>
<thead>
<tr>
<th>Wards</th>
<th>No. of quarters</th>
<th>No. of households</th>
<th>Population</th>
<th>Infrastructure condition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Alleys</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Length (m)</td>
</tr>
<tr>
<td>An Cu</td>
<td>6</td>
<td>3,369</td>
<td>20,678</td>
<td>11,942</td>
</tr>
<tr>
<td>An Hoi</td>
<td>3</td>
<td>313</td>
<td>1,727</td>
<td>1,443</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>2,682</td>
<td>22,405</td>
<td>13,385</td>
</tr>
</tbody>
</table>

**Characteristics of Project Affected Households**

**Component 2**

**Table 5-4**

*Monthly Household Income of PAH's*

<table>
<thead>
<tr>
<th>1</th>
<th>Income Range VND*</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>&lt;10000001</td>
<td>11.7</td>
<td>11.7</td>
</tr>
<tr>
<td>1.2</td>
<td>1000000 to &lt;2000001</td>
<td>34.4</td>
<td>46.1</td>
</tr>
<tr>
<td>1.3</td>
<td>2000000 to &lt;3000001</td>
<td>19.5</td>
<td>65.6</td>
</tr>
<tr>
<td>1.4</td>
<td>3000000 to &lt;4000001</td>
<td>18.8</td>
<td>84.4</td>
</tr>
<tr>
<td>1.5</td>
<td>4000000 to &lt;5000001</td>
<td>8.6</td>
<td>93.0</td>
</tr>
<tr>
<td>1.6</td>
<td>&gt;5000001</td>
<td>6.3</td>
<td>99.2</td>
</tr>
<tr>
<td>1.7</td>
<td>N/A</td>
<td>0.8</td>
<td>100</td>
</tr>
</tbody>
</table>
6 PROJECT IMPACTS AND RESETTLEMENT REQUIRED

6.1 Resettlement Required for the project

Though options for upgrading tertiary and related primary and secondary infrastructure for the low income area have been based on the principle of minimizing resettlement and adverse social effects, some PAF's will need to be relocated and others partially affected by land acquisition. These project impacts are as follows:

The scale of resettlement necessary for this Phase 1 project is summarized in Table 3-1.

Table 6-1
Summary of Impacts Land Requirements and Houses Affected Can Tho VUUP Project

<table>
<thead>
<tr>
<th>No.</th>
<th>Phase 1</th>
<th>HHs affected by Component 1</th>
<th>HHs affected by Component 2 and 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>HHs to be relocated</td>
<td>HHs partially affected, other structures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HHs to be relocated</td>
<td>Partially affected houses</td>
</tr>
<tr>
<td>1</td>
<td>An Cu</td>
<td>76</td>
<td>504</td>
</tr>
<tr>
<td>2</td>
<td>An Hoi</td>
<td>6</td>
<td>178</td>
</tr>
<tr>
<td>3</td>
<td>An Binh</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>82</td>
<td>682</td>
</tr>
</tbody>
</table>

Component 1 requires 82 households to relocate and partly affects a large number of houses and other structures. Component 2 creates the need to relocate some 152 households and partially affects 205 households.

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 234 households in the impact area particularly those along the edge of the Xang Thoi canal and at the entrance to alleyways
- Partial impacts on 682 households and 999 other structures
- Temporary and permanent impacts on shops and small businesses
- 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 of 9.7 Ha in an agricultural area about 3 kms from the project area at Thoi Nhat hamlet, An Binh commune to house those project affected families (PAF’s) who have chosen to be relocated. Due to the type of project involving some land reclamation and the availability of fill material, some in situ resettlement is could also be carried out within the Mit Nai arroyo.
- At the moment, there are 234 households that need to be relocated from the project impact area and up to 50 of these could be accommodated in the in-situ resettlement area.
- On the resettlement site itself, there is a need to relocate 20 households bringing the total to be relocated to 254 households. Assuming that 70% of these PAF’s choose relocation to the resettlement site, the total number of PAF’s to be accommodated at the resettlement site would be 178 households.

The social impacts of the project should be balanced against the positive effects on the quality of life of the other 3477 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.

6.2 Resettlement Planning Principles

The resettlement site was designed using the following planning principles

- In accordance with the City of Can Tho Master Plan
- Conforming with Vietnamese Planning standards for residential areas
- Incorporating the agreed resettlement planning framework set out in Chapter 2
- 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

As the number to be accommodated is relatively low and the planned resettlement site has an area of 9.7 Ha, it is considered that some additional consideration should be given to “strategic clustering” of the existing families on the site so that the need to move people immediately could be minimised. The number of PAF’s from the impact area that require resettlement at the new site is presently 20 families. The estimates of demand for sites at the resettlement site are set out in Table 6-2. Using Vietnamese planning standards of 40 m² per house and allowing for roads and other infrastructure, the total area required for the PAF’s would be 7200 m².

Table 6-2

<table>
<thead>
<tr>
<th>Component</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1</td>
<td>82</td>
</tr>
<tr>
<td>Component 2</td>
<td>152</td>
</tr>
<tr>
<td>Component 3</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>254</td>
</tr>
<tr>
<td>% Choose Resettlement 70%</td>
<td>178</td>
</tr>
<tr>
<td>Resettlement required From Impact Area</td>
<td>159</td>
</tr>
<tr>
<td>PAF’s that could be accommodated in situ within Impact Area</td>
<td>50</td>
</tr>
<tr>
<td>PAF’s to be moved to designated out of town site</td>
<td>109</td>
</tr>
<tr>
<td>Resettlement from original residents of the out of town site</td>
<td>19</td>
</tr>
</tbody>
</table>

It is important to understand that the results of the impact analysis suggest that presently only 109 PAF’s would need to be resettled at the out of town location. Consequently, another option to consider would be to increase the density of the in – situ resettlement site with two storey housing and increasing the area of fill which would virtually eliminate the need for an out of town resettlement site. The 20 PAF’s on the resettlement site would no longer be affected and the savings to the project would be of the order of $US 4.5 Million or VND 69750 Million. The other obvious benefit would be that the PAF’s in the impact area would be resettled in their own neighborhood and some of the relocation allowances that have been budgeted may not be necessary.
6.3 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.

6.4 Affordability

As discussed earlier, it is proposed 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 project cross subsidy could include:

- 155 plots of land set aside for pilot very low income program in the less favorable positions and the regulated price could be set under the average price.
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 site have average income/household of 1100000 VND. Average land area per household was found to be higher in some cases in Can Thos than in other project cities. Consequently these households were considered to be preferred for the larger lots of 60m².

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

### Table 6-3

**Affordability Groups used in Affordability Analysis based on Existing Average Land & Housing using Agreed Rates for Compensation**

<table>
<thead>
<tr>
<th>Category</th>
<th>HH</th>
<th>(m²)</th>
<th>Average m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Component 1 Larger Existing Land</td>
<td>31</td>
<td>4608</td>
<td>148.65</td>
</tr>
<tr>
<td>2. Component 2 Average</td>
<td>152</td>
<td>8292</td>
<td>53.50</td>
</tr>
<tr>
<td>3. Component 1 Smaller Houses</td>
<td>51</td>
<td>3043</td>
<td>58.52</td>
</tr>
<tr>
<td>4. Component 3 Resettlement Site</td>
<td>20</td>
<td>2000</td>
<td>100.00</td>
</tr>
<tr>
<td>5. Very Low Land Area &amp; Temporary House</td>
<td></td>
<td></td>
<td>10.00</td>
</tr>
</tbody>
</table>

Based on the discussions between the World Bank and the PMU a useable land area of 65,640m² was agreed for the resettlement site. This made the full development cost per m² is VND1,170,000, which gives a plot cost of VND46.8 million. The FS estimated that the minimum cost of a basic house to be VND27 million. The total minimum cost of a house plus plot, assuming full recovery of all development costs is therefore VND73.8 million. This was the figure used in the affordability analysis in Table 6-4.

The analysis assumed an average lot size of 40m² and the found that the packages were affordable for all groups except for the special case listed as very low land area with temporary house. Groups 1 and 2 were found to be in a position in which they would receive a considerable cash balance. That is they will receive more in total compensation than the cost of the basic housing land package. There is no reason why PAH’s in this situation could be offered higher basic plot sizes and also help to cross subsidize the the less well off PAH’s.

**PAH’s with less than 15m² 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.**

However it should be emphasised that in the component 1 & 2 impact area, there will be a some PAH’s with existing land areas below 15m² and in a few cases less than 10m².
Consequently, it is recommended that PAH’s with existing properties below 15m² 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 1.8 Million VND/m² which has been used in the preparation of the compensation cost table in Chapter 14.
### Table 6-4

**Affordability of Land/Basic House Package for 40m² Existing Land with Different Income and Housing Type**

<table>
<thead>
<tr>
<th>Residential Land</th>
<th>HH</th>
<th>(m²)</th>
<th>Average m²</th>
<th>Total Compensation Land</th>
<th>Total Compensation Housing</th>
<th>Special Allowances</th>
<th>Total Compensation</th>
<th>Cost of Land/Basic House</th>
<th>Gap to Finance</th>
<th>Payment Required 15 year</th>
<th>Income Constraint/ Month</th>
<th>Difference</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 Larger Existing Land</td>
<td>31</td>
<td>4608</td>
<td>148.65</td>
<td>267561290</td>
<td>88000000</td>
<td>10,000,000</td>
<td>365561290</td>
<td>73800000</td>
<td>-291761290</td>
<td>Cash Balance</td>
<td>Affordable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 2 Average</td>
<td>155</td>
<td>8292</td>
<td>53.50</td>
<td>96294194</td>
<td>88000000</td>
<td>10,000,000</td>
<td>194294194</td>
<td>73800000</td>
<td>-120494194</td>
<td>Cash Balance</td>
<td>Affordable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 1 Smaller Houses</td>
<td>52</td>
<td>3043</td>
<td>58.52</td>
<td>16759650</td>
<td>10,000,000</td>
<td>89960419</td>
<td>73800000</td>
<td>33800000</td>
<td>70,622</td>
<td>275000</td>
<td>204,378</td>
<td>Affordable</td>
<td></td>
</tr>
<tr>
<td>Component 3 Resettlement Site</td>
<td>20</td>
<td>2000</td>
<td>100.00</td>
<td>30000000</td>
<td>0</td>
<td>10,000,000</td>
<td>40000000</td>
<td>73800000</td>
<td>-120494194</td>
<td>Cash Balance</td>
<td>Affordable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Low Land &amp; Temporary House</td>
<td>10.00</td>
<td>10800000</td>
<td>8000000</td>
<td>10,000,000</td>
<td>28800000</td>
<td>73800000</td>
<td>45000000</td>
<td>-269,323</td>
<td>125000</td>
<td>144,323</td>
<td>Not Affordable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10 year Loan

<table>
<thead>
<tr>
<th>Residential Land</th>
<th>HH</th>
<th>(m²)</th>
<th>Average m²</th>
<th>Total Compensation Land</th>
<th>Total Compensation Housing</th>
<th>Special Allowances</th>
<th>Total Compensation</th>
<th>Cost of Land/Basic House</th>
<th>Gap to Finance</th>
<th>Payment Required 15 year</th>
<th>Income Constraint/ Month</th>
<th>Difference</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 Larger Existing Land</td>
<td>31</td>
<td>4608</td>
<td>148.65</td>
<td>267561290</td>
<td>88000000</td>
<td>10,000,000</td>
<td>365561290</td>
<td>73800000</td>
<td>-291761290</td>
<td>Cash Balance</td>
<td>Affordable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 2 Average</td>
<td>155</td>
<td>8292</td>
<td>53.50</td>
<td>96294194</td>
<td>88000000</td>
<td>10,000,000</td>
<td>194294194</td>
<td>73800000</td>
<td>-120494194</td>
<td>Cash Balance</td>
<td>Affordable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 1 Smaller Houses</td>
<td>52</td>
<td>3043</td>
<td>58.52</td>
<td>16759650</td>
<td>10,000,000</td>
<td>89960419</td>
<td>73800000</td>
<td>33800000</td>
<td>70,622</td>
<td>275000</td>
<td>204,378</td>
<td>Affordable</td>
<td></td>
</tr>
<tr>
<td>Component 3 Resettlement Site</td>
<td>20</td>
<td>2000</td>
<td>100.00</td>
<td>30000000</td>
<td>0</td>
<td>10,000,000</td>
<td>40000000</td>
<td>73800000</td>
<td>-120494194</td>
<td>Cash Balance</td>
<td>Affordable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very Low Land &amp; Temporary House</td>
<td>10.00</td>
<td>10800000</td>
<td>8000000</td>
<td>10,000,000</td>
<td>28800000</td>
<td>73800000</td>
<td>45000000</td>
<td>-394,219</td>
<td>125000</td>
<td>269,219</td>
<td>Not Affordable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


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 low to medium, with a modal household income level between 500000 to 1100000 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 km from the impact area in the inner city of Can Tho. Community initiatives to promote local public transport should be 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 Phase 1, this should be relatively easy at the new site. However it will 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
be necessary in Can Tho which has an on-going problem with sluggish economic growth.

**Skills Development Through Increased Training Opportunities**

This should cover a number of areas, including vocational training, business and market development skills enhancement. Typically established approaches to skills transmission/enhancement under relocation programs have been to provide a personal allowance to relocatees for six months coupled with small training grants which are paid to local authorities. It is understood that the take-up of training opportunities has been low because people cannot see that such courses will directly lead to a job and even those completing a training course have had limited success in gaining employment. In addition, a disincentive to undertake a training course is the absence of income for the participants; this could be alleviated by employer surveys and the development of training needs analysis. Vocational training should meet the needs of the private sector and also focus on identifying small business opportunities in the resettlement area.

Consequently, it is recommended that a training and vocational officer and small business development coordinator be appointed as part of the PMU team to carry out a vocational survey with local private and public enterprises so that the requirements of potential employers are addressed. Training programs can then be designed and implemented using the survey information. Some additional technical assistance funding should also be made available for consultants to develop a small grant and loan program for SME’s and small businesses to develop proposals and business plans for possible funding from other sources.

**Facilitating the Job Market**

The core objective is to create partnerships with existing businesses and industries located close to the resettlement sites so that through “in-house” training new employment opportunities can be made available to resettled people. The upgrading project itself probably provides the most realistic opportunity for employment in semi-skilled and specialist. Provision for training programs could be built into the specifications for all contract packages.

Where an employer agrees to partake, the project through their training and vocational officer would assist in setting up in-house training to ensure that workers develop appropriate skills appropriate to market needs. The cost of the training could be met from the small training grants as part of the training technical assistance. It would be intended that at the end of the training period that the trainees would be retained as permanent employees, or at least be more competitive in seeking new employment elsewhere.

**Assisting Vulnerable and Marginal Groups**

There is now ample anecdotal evidence form newspaper reports about similar projects in both HCM city and Hanoi that agricultural workers and managers are one of the most vulnerable groups arising from the need to build new resettlement sites. Large areas of agricultural fields and fishponds are taken out of production leaving large numbers of families with non-viable property sizes to continue rice or fish production.

Each of these PAH’s will be provided additional special allowances of 5,000,000 VND per family to assist with problems associated with the loss of productive land.
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 Can Tho, there are large areas of agricultural land affected by the project which may 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.

#### 7.2.1 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 party 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.

**Example of Program Application**

**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
- 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 I 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 I of the project.

Types of projects would include:

- Local Recreational or Sporting Facilities
- Simple improvements to urban design (e.g. street trees, bike paths, bike racks etc.)
- Implementation of Waste Management (e.g. composting) activities.
- Local Public Transport Initiatives
- Environmental Awareness Campaigns
- Support for Community Centres
8 CONSULTATION AND PARTICIPATION

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 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.

Table 8-1 The CUP Planning Process

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<tr>
<th>STEPS</th>
<th>CONTENTS</th>
<th>METHOD OF IMPLEMENTATION</th>
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<tbody>
<tr>
<td>1</td>
<td>INTRODUCING DUCI THE PROJECT</td>
<td>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.</td>
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<td>Distribution of documents and leaflets about the project to Agencies, Districts and Wards.</td>
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<td>Information concerning the details of the planning process were communicated in news media</td>
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<td>2</td>
<td>CONFIRMATION OF UPGRADING NEEDS OF COMMUNITIES</td>
<td>Organization of community conferences including representatives of local authorities, community-based organizations, quarter and cell administrators, residents in communities.</td>
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<tr>
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<td></td>
<td>Meeting, participants discussed and confirmed each community’s wish to participate in the project and officially endorsed the upgrading needs of communities.</td>
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<td>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</td>
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Prepared by Martin Associates Pl (Australia) in association with Duongthanh Water and Environment Ltd (Vietnam)
<table>
<thead>
<tr>
<th></th>
<th>PLANNING ENGINEERING OPTIONS TO SATISFY COMMUNITY DEMANDS</th>
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| 3 | • 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. |   |

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<th>FEEDBACK FROM BROADER AFFECTED COMMUNITIES</th>
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| 4 | • 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.  
  • Agreed options based on meeting 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. |   |

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<th>FINAL ENDORSEMENT OF PREFERRED OPTIONS</th>
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| 5 | • 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. |   |

In Can Tho, the consultation process outlined in Table 8.1 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. More detail on the Can Tho process for component 2 is set out below.

One of the principles of the Can Tho Project was the participation of communities in all steps: Project preparation, Project implementation, management and operation of the infrastructure system upgraded. Community participation from PFS stage, alternatives suggestion to FS was as follows:
In August 2002, 1st community meetings were held under the chairmanship of the leaders of People’s Committee, representatives of unions of ward and of management boards. These were held to present aims, Project selection criteria and further input was provided on how areas were to be selected and the needs of infrastructure upgrading in selected quarters were discussed.

After recognition of upgrading needs suggested at the 1st community meeting, survey on actual situation of tertiary infrastructure in suggested quarters including alley roads, power and water supply, water drainage, bridges and social facilities such as clinics, kindergartens, primary schools and markets were carried out by Consultants.

Results of the survey were reported to the community at the 2nd community meetings held in September 2002 with generally the same participants of the 1st community meeting but number of participants increased. After the 2nd community meeting, Technical Consultant started to consider primary technical alternatives for the quarters which need to be upgraded.

The 3rd community meetings were held at the end of October 2002 to discuss the selection of technical alternatives for each item to be upgraded. Results of the selection by the community was recognized by the Consultant as a basis of study.

Based on the selected alternatives by the community, the Technical Consultant prepared preliminary designs according to upgrading scale suggested by the community, further publicised the drawings and the list of potentially affected households in the selected areas at least 1 week before the 4th community meetings to agree on upgrading scale and financial contribution level. Result of the 4th community meetings were the basis for preliminary design of items by the Consultant.

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.

Consultation on the 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

9.2.1 Administrative structure for Project Management

The VUUP Can Tho Sub-Project will be implemented under the management of the 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 Provincial People’s Committee in management of the VUUP Project in Can Tho. 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 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 Provincial institution working under the direction of Provincial PC. DTPW is a Provincial agency responsible for management of all activities involving public transportation, public utilities services such as water supply, drainage and sanitation and public works in Can Tho Province.

Project Management Unit

Working under the DTPW, 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.

9.2.2 Can Tho 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 only 254 families, the People’s Committee of the Province or City are fully responsible for compensation and resettlement activities within their jurisdiction. In Can Tho, there are a number of institutions involved in compensation and resettlement when government recovers land for public purposes. Their names and responsibilities are described below.

Can Tho People’s Committee
The Can Tho People’s Committee reports to the Provincial Government. Can Tho City has District Status so it must apply to the Province for much of its budget.

Department of Planning and Investment
The Department of Planning and Investment (DPI) is a key agency under the Provincial PC, it is responsible for overall management of short and long term plans and programs for socio-economic development of the Province. In Can Tho, normally the DPI is responsible for the project evaluation and approval. When the Project is approved by the Provincial PC or GOV, DPI is responsible for setting up the annual budget plan, including the budget for compensation and resettlement.

Department of Construction Land Management and Housing (DCLMH) (DONRE now)
Working under the People’s Committee of the Province, 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 Provincial level, overseeing and managing resettlement programs for the development of the City. The DCLMH looks after the work of relocation and resettlement and also works with PMUs and City People’s Committees in implementing Project related RAPs.

Department of Finance
The Department of Finance is a two-tiered government agency; it acts as a Provincial department to help the Provincial 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 DFP 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.

**Municipality People’s Committee (MPC)**

The Municipality People’s Committee (MPC) is the government agency for administrative management at the City level. In accordance with Vietnamese regulations, the Municipal People’s Committee is responsible for compensation, assistance planning and resettlement of the affected population. Based on the Direction of the Chairman of the Province PC, the Chairman of Province PC establishes the Project Compensation and Resettlement Committee (PCRC). The PCRC is formed by the Chairman or Vice-chairman of the MPC, the Head of the Municipal 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 Municipal-level responsibility and complaints arising from compensation and relocation are directed to the People’s Committee of the Municipality.

**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.

### 9.3 Finalization of this RAP

Can Tho Provincial People’s Committee will shortly direct the People’s Committee of the Municipality to establish the Project Compensation and Resettlement Committee (PCRC).

The Project Compensation and Resettlement Committee would take the necessary actions to assist the City authorities for implementation of this RAP.
9.4 Institutional Arrangements for Implementation of Compensation and Resettlement

9.4.1 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 Can Tho Province, the MPC of Can Tho City directs the Project Compensation and Resettlement Committee (PCRC) to take full responsibility for implementation of the RAP. The members of PCRC are those described in the previous section, some representatives of local government institutions will be included as members if required by the City PC. Then the Chairman of the MPC 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 Van Mieu Ward.

9.4.2 Responsibilities of Organizations for Implementation of RAP

People’s Committee of Can Tho Province

The People’s Committee of Can Tho Province will be responsible for:

- Directing the People’s Committee of Can Tho 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 MPC to respond to grievances of PAFs, in case the PCRC responses did not satisfy the grievances of PAFs;

Municipal People’s Committee

The Municipal 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 province on the issues related to implementation of the RAP;
- Directing its 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 the Municipality 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.
**CAN THO PROVINCIAL PC**

**Project Steering Committee**

**Can Tho Municipal PC**

**Project Compensation and Resettlement Division** → **PMU VUUP Project**

**External Monitoring Organization**

**Relevant Depts.** (DONRE, DOF, DOC, DPI, etc.)

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

**Internal Monitoring Division**

**Figure 9-1**

*Administrative and Organization Structure for RAP Implementation.*

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in association with Duongthanh Water and Environment Ltd (Vietnam)
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 Municipal People's Committee (MPC) or Municipal Resettlement Committee (MRC) within fifteen days from the date of the receipt of the decision in stage 1. The Municipal People's Committee (MPC) or Municipal Resettlement Committee (MRC) 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 municipal level, he/she can appeal to the Provincial People's Committee (PPC) or Provincial Resettlement Committee (PRC) within 15 days of receiving the decision of the MPC or MRC. The Provincial People's Committee (PCC) or Provincial 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 Municipal level, the case may be submitted for consideration by the Provincial 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 Municipal 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:

- 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.
- Oversee that the RAP’s are implemented as designed and approved.
- Verify that funds for implementing the RAP’s are provided to the respective PMUs at local level (provincial/municipal) 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.
- 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 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.
Department of Construction Land Management and Housing (DCLMH) (DONRE now)

Coordinating with the Provincial 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;

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 Ward

The PC of the Ward 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 agency 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 agency 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.
### Figure 12-1 Implementation Schedule

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<td>Resettlement Workshops</td>
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<td>Detailed Measurement Survey</td>
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<td>Economic restoration program</td>
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<tr>
<td>Development of Site</td>
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<tr>
<td>Provision of Serviced Sites/Basic House</td>
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<td>Resettlement of PAF</td>
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<tr>
<td>Internal Monitoring</td>
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<tr>
<td>Monitoring By External Consultant</td>
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<td>External Evaluation of Consultant</td>
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</tbody>
</table>

**Legend**
- Full Time Activity
- Unplanned Extension
- Intermittent Activity

Prepared by Martin Associates Pty (Australia)

In association with Duong Thanh Water and Environment Ltd. (Vietnam)
Site Clearance and Resettlement Schedule

The original time schedule for compensation and site clearance for Can Tho was estimated as follows:

- Passing the Policy Framework for compensation and site clearance and publishing to the people: July 15, 2003;
- Listing project-affected households and carrying out the declaration: from July 16 to August 15, 2003;
- Preparing design, withdrawing land, bidding for construction of the resettlement area: by Nov. 15, 2003;
- Surveying, verifying and calculating value of compensation: from Aug. 16 to Nov. 15, 2003;
- Paying compensations: from Nov. 16, 2003 to Mar. 15, 2004;
- Constructing the resettlement area’s infrastructure: from Nov. 16, 2003 to Mar. 15, 2004;
- PAF’s to be removed to the resettlement area: from Mar. 16, 2004 to June 15, 2003;
- Handing over the site to the contractors: by June 15, 2004.

The plan of site clearance is proposed as follows:

Table 11-2
Site Clearance Schedule

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>Number of annual relocated HHs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>1</td>
<td>Component 1: Tertiary infrastructure</td>
<td>58</td>
</tr>
<tr>
<td>2</td>
<td>Component 2: Primary and secondary</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>infrastructure</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Resettlement site</td>
<td></td>
</tr>
</tbody>
</table>

In case the resettlement site is not finished building in the first year (2004), households are to be provided rental accommodation at least 3 months before moving to resettlement housing in order to ensure the progress of construction.

In order to start implementation of component 1 at an early date, the possible need for temporary relocation (i.e. resettlement prior to the completion of the resettlement site) was discussed between the World Bank and the PMU. This is not mentioned in the RPF, and packages without, or with only very few, PAHs to be relocated should be scheduled in the first year program. Temporary resettlement should only be applied in very special circumstances. In such special cases, the PMU would, with the endorsement of PPC,
submit a proposal, with possible solutions to IDA (World Bank) for prior approval. Such proposals should contain: i) the reason and necessity for undertaking temporary resettlement; ii) an incentive package to ensure that PAHs are not unreasonably inconvenienced; iii) documentation of the consultation with PAHs, demonstrating that they are clearly informed about entitlements, time of moving, and that they agree to the conditions; and iv) a determination of the expected period of temporary resettlement, which should be as short as possible.
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 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 Can Tho are as follows:

- Speculative buying of the resettlement site
- Drainage impacts of the resettlement site on the surrounding areas
- Urban design associated with any in-situ resettlement site that may be carried out in order to optimise open space and recreational opportunities for the host community and PAF’s.

Community based environmental initiatives would be encouraged as part of the CEDP Social Mitigation which has been discussed in Chapter 7.
14 COSTS AND BUDGETS

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 of the compensation package rather than to lead to 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.

14.1 Land and Housing Values

Resettlement compensation costs are based on information directly derived from field investigation. A resettlement census and survey was conducted in October 2002 and September October 2003 and this recorded socio-economic details of the up-grading together with information on land and structures to acquired by the project.

Residential land values are based on local current market prices as obtained from Ward authorities and the people themselves. Local views on prices were collected during October/November 2002 from the Community Focus Groups set up to discuss urban upgrading in low income areas alongside the Canal. This grass-roots evaluation was verified against more "formal" figures provided by Ward authorities and from information collected from the District Authorities earlier in the Study. It was agreed that the following average unit costs for land and houses, based on replacement costs as defined in the RPF, will be proposed for approval by the PPC:

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit Cost (VND/m2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Land</td>
<td></td>
</tr>
<tr>
<td>Along roads</td>
<td>7,800,000</td>
</tr>
<tr>
<td>Along alleys</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Agricultural Land</td>
<td>150,000</td>
</tr>
<tr>
<td>Houses and structures</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Houses and structures at resettlement site</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Source: Final World Bank Aide Memoire 12/19/03 P 7.
There are obviously many fine gradations in the price of land depending on its specific location, with “illegal” land\(^1\) directly by the arroyo side fetching less than 1 million / m\(^2\) compared to land located on a major lane or road which is selling at more than VND 5 million / m\(^2\) or above.

### 14.2 Compensation Payments

Extensive discussions were conducted with the PMU regarding realistic unit costs for land to be applied for the RAP for Phase 1. While the Detailed Measurement Survey (DMS) to be carried out later may change the actual amount needed for replacement compensation, the rates proposed by the PMU may be below replacement cost. This is considered to be a vital role of the RAP process so that local governments can feel safe that the amount of approved compensation approved in each budget year is adequate to satisfy the requirements. Experience in many other projects has shown this issue to be a main cause of project delays once implementation begins.

Having evaluated the various factors involved in determining the value of land, it was considered and agreed by the PMU that a cost of VND 1.8 million / m\(^2\) is representative of the overall value of land to be acquired by the project and this figure has been used when preparing resettlement cost estimates shown in *Table 14-2*.

Based on the above discussion this average compensation unit cost was used to estimate the estimated cost of compensation and resettlement with an unadjusted total figure assuming that all compensation is paid in cash. However, to avoid double counting, the final cost of compensation table was reduced by the estimated cost of providing the plot with basic house packages plots to 70% of fully affected PAHs.

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 14.2*.

As 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”. In order 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.

*Table 14-2* shows a complete breakdown of the proposed payments for compensation. The total figure for Component 1 is VND 22 Billion or US$ 1.4 Million. For Component 2 the total figure was 52 Billion VND or US 3.5 Million and for Component 3 the total figure was 15.7 Billion or US 1.01 Million. The Total unadjusted figure for all three components was US 89.5 Billion VND or US5.75 Million.

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\(^1\) This refers to government land which has been illegally occupied. Although completely devoid of any possibility of official tenure, pressure for living space in low-income areas is such that people are willing to buy dwellings built on such land.
### Table 14-2

**Estimated Compensation Payments Adjusted for Land for Land Packages plus All Special Allowances, Social Mitigation Program and External Monitoring**

<table>
<thead>
<tr>
<th>Component 1 Urban Upgrading</th>
<th>Unit or Price</th>
<th>Quantities</th>
<th>VND</th>
<th>VND</th>
<th>$US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land tenure, along road/alley surface (most is alley under 3m)</td>
<td>1,800,000</td>
<td>4,608</td>
<td>8294400000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land tenure along road alley (alley under 3m) not legal</td>
<td>1,080,000</td>
<td>3,043</td>
<td>3286656000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent houses</td>
<td>1,100,000</td>
<td>3,994</td>
<td>1408000000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households partially affected (already included above)</td>
<td>659</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other structures</td>
<td>800000</td>
<td>999</td>
<td>7992000000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Special Allowances RPF**

| Economic Rehabilitation Agriculture | 5000000 | 0 | 0 |
| Businesses | 5000000 | 16.4 | 820000000 |
| Moving Allowance | 5000000 | 82 | 410000000 |
| Livelihood | 1080000 | 82 | 88560000 |
| Early Mover Bonus | 5000000 | 41 | 205000000 |
| Utilities | 2000000 | 82 | 164000000 |
| Total | 949560000 | | $56,126 |

**Component 2 Trunk Infrastructure**

| Relocated household | Number | 152 |  |
| Partially affected household | Number | 205 |  |
| Area of acquired land | m² | 14,770.8 |
| Relocated land | 1800000 | 8,292.0 | 14925600000 |
| Partially affected land | 1800000 | 6,478.8 | 11661926400 |
| Total | 26587526400 | | $1,753,324 |

| Area of floor to be cleared | m² | 13,270.8 |
| Class 1 house | 4000000 | 47.2 | 188800000 |
| Class 2 house | 3600000 | 714.0 | 2570400000 |
| Class 3 house | 3159000 | 3,072.1 | 9704763900 |
| Class 4 house | 1200000 | 8,921.9 | 10762800000 |
| Temporary house | 656000 | 515.3 | 338004000 |
| Total | 23508247900 | | $1,516,661 |

**Special allowances**

| Economic Rehabilitation Agriculture | 5000000 | 0 | 0 |
| Businesses (Component 2) | 5000000 | 33.2 | 166000000 |
| Moving Allowance | 5000000 | 152 | 760000000 |
| Livelihood | 1080000 | 152 | 164160000 |
| Early Mover Bonus | 5000000 | 83 | 415000000 |
| Utilities | 2000000 | 152 | 304000000 |
| Total | 1809160000 | | $116,720 |

Prepared by Martin Associates P/L (Australia)
in association with Duongthanh Water and Environment Ltd (Vietnam)
Adjustments were then made for the "Land for Land" component of VND 19.2 Billion or $1.24 M. After this subtraction the Total adjusted figure was 70.2 Billion or US 4.53 Million. When administration and allowances for the social mitigation program and external monitoring are included the Final Total Adjusted Figure is 76 Billion VND or US$ 4.9 Million.

It is important to understand that the results of the impact analysis in Chapter 6 show that presently only 109 PAF’s would need to be resettled at the out of town location. There are actually more PAF’s needing relocation at the resettlement site than there are coming from the project impact area in town around Xang Thoi lake. Consequently, another option to consider would be to increase the density of the in - situ resettlement site with two storey housing and increasing the area of fill which would virtually eliminate the need for an out of town resettlement site. The 20 PAF’s on the resettlement site would no longer be affected and the savings to the project would be of the order of $US 4.5 Million or VND 69750 Million. The other obvious benefit would be that the PAF’s in the impact area would be resettled in their own neighborhood and some of the relocation allowances that have been budgeted may not be necessary.
15 ETHNIC MINORITY ASSESSMENT

Sub-projects may be performed in communes/wards where ethnic minorities are living. According to the Operational Directive on Indigenous people (OD 4.20), an Ethnic Minority Development Plan (EMDP) should be carried out where ethnic minority households are living based on a strategic framework for ethnic minorities.

Ethnic minorities are social groups with social and cultural characteristics differ from the surrounding society and may be vulnerable by the same to their development. According to the Operational Directive OD 4.20, ethnic minorities may be determined at locations of special geographical conditions through the following different characteristics:

- Having close relation regarding family records as well as natural resource in these quarters;
- Having personal characteristic as well as determinations of persons as members in a distinct cultural group;
- Using local/native language which is normally different from the national language;
- Having the presence of cultural custom institution and power; and
- Having products expressing the major living orientation.

Objectives of Ethnic Minority Strategy:

The main objective of the strategy is to ensure that Khmer community values and rights are respected and the cultural life of the community is not adversely affected during the project and will receive equivalent interests in respect of culture, society and economy.

Ethnic minority communities within the Project:

Within the project area in Can Tho there is one Khmer ethnic minority. Currently, the Khmer make up 6% of the total population of Mekong River Delta.

The Ethnic Minority Advisory Group has worked with the Project Management Unit (PMU) of Can Tho city to discuss on the plan to review ethnic minority communities that may be involved in Phase 1 of the project in An Cu and An Hoi wards.

During the preliminary survey it was found that there were 63 Khmer households in the An Cu ward, but there were only 21 households living in the vicinity of project affected areas. (making up 0.57% of 3,682 beneficiary households). At An Hoi ward, there were 44 Khmer households dispersed widely, but there were only 4 households living in the vicinity of project affected areas (making up 1.3% of 298 beneficiary households).

At An Cu ward, the Peoples' Committee of the ward supplied a list of 63 Khmer households, of which 21 were living in the project area. The Advisory Group met Mr. Dao Van Tu - the Head of the Quarter to reconfirm this list and were informed there are now only 18 households. During further detailed surveys, the Advisory Group found that only 15 households were actually living in this area. All of these households were interviewed during the detailed socioeconomic survey and the results have been tabulated and included in Volume 2 of the RAP. The results showed only slight differences in the socioeconomic characteristics of the Khmer people compared to those...
of the mainstream Kinh Community. On many variables, the Khmer people were better off than in the mainstream community.

Among the Khmer households beneficiaries participating into Phase 1, there is only one household without an electricity meter, one without a water meter and one with neither and this household was in the target group of the Hunger Elimination and Poverty Reduction Programme (another GOV program) and has been given a house.

When preliminary design drawings were circulated to local communities for final consultation before the detailed design, the Consultant worked with community representatives to identify Project affected families (partial demolition or relocation) and found out that in Phase 1 no Khmer households are directly affected by the Project
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></td>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<td>2. Loss of houses and structures</td>
<td></td>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<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>
<td></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 houses and land</td>
<td>PAPs are entitled to the following compensation choices: PAPs choosing the relocation option are entitled to rent a house with equal rented floor area, the same standard of building and facilities and at an equal rent rate as the house lost. PAPs choosing the self-relocation option are entitled to cash assistance in an amount equal to 60% of the substitution costs of the rented floor area plus 60% of the replacement costs of the rented land area. Self-relocating PAPs who are sharing a rented house are entitled to cash in an amount equal to 60% of the substitution cost of the rented floor area plus 60% of the replacement cost of the shared rented land.</td>
</tr>
<tr>
<td></td>
<td>(b) Legal and legalizable renters of project affected upgraded house</td>
<td>PAPs are entitled to compensate the cost of upgraded house.</td>
</tr>
<tr>
<td></td>
<td>PAPs are entitled to compensate the cost of the additional structures built in rented house</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PAPs are entitled to 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>
<td></td>
</tr>
<tr>
<td></td>
<td>PAPs are entitled to compensation of 1,000,000 VND per month per family having small business lost for six months.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PAPs are entitled to compensation at 100% of substitution cost of lost fruit bearing trees or lost trees of commercial value and at market price for crops.</td>
<td></td>
</tr>
<tr>
<td>4. Business' losses</td>
<td>eligible owners of affected big business</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>eligible owners of affected small business</td>
<td>PAPs are entitled to compensation at 100% of the replacement costs in cash as follows: All cost for relocation and rehabilitation of affected public utilities OR Cash compensation at 100% of the substitution cost of public utilities lost.</td>
</tr>
<tr>
<td>5. Utilities' losses</td>
<td>eligible owners of affected privately owned utility lines and meters</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>eligible owners of affected public utilities</td>
<td>PAPs are entitled to compensation at 100% of the replacement costs in cash as follows: All cost for relocation and rehabilitation of affected public utilities OR Cash compensation at 100% of the substitution cost of public utilities lost.</td>
</tr>
<tr>
<td>6. Transition assistance</td>
<td>eligible relocated PAPs</td>
<td>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.</td>
</tr>
<tr>
<td>Type of entitlement and Allowance</td>
<td>Definition of entitled Person</td>
<td>Entitlement</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>7. Loss of jobs or severely affected on productive land</td>
<td>Legal and legalizable PAPs losing jobs</td>
<td>Relocated PAPs are entitled to a livelihood cash allowance of: 180,000 VND per month for 6 months for each PAP.</td>
</tr>
<tr>
<td>8. Bonus</td>
<td>PAPs moving out of the Project area on time</td>
<td>PAPs are entitled to a cash bonus of 5,000,000 VND/PAF at most.</td>
</tr>
<tr>
<td>9. Social subsidy</td>
<td>PAPs having social subsidization from the GOV</td>
<td>These PAPs will be assisted 1,000,000/household</td>
</tr>
</tbody>
</table>
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 (Decree 22/CP)</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>- Not mentioned</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></td>
<td></td>
<td>- Permit to apply depreciation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Not mentioned</td>
</tr>
<tr>
<td>Time of compensation</td>
<td>Before moving</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>Rehabilitation measures</td>
<td>Additional support required to improve the living standards of PAP, especially the severely affected people and the vulnerable groups.</td>
<td>Not clearly mentioned</td>
</tr>
<tr>
<td>Consultation</td>
<td>PAPs have to be consulted during RAP preparation and implementation, including host communities</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>Social structure</td>
<td>Shall be considered in all project planning processes (pre-existing communities, neighborhoods, kinship groups shall be resettled as a group)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>Land use right certificate</td>
<td>Have to be granted to all relocated PAPs without delay</td>
<td>Not mentioned</td>
</tr>
</tbody>
</table>
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.