

**Project for Improvement of Urban Infrastructures for Mitigating Climate Change  
Impacts in 04 Coastal Provinces in the Northern Central Region (CRUIV)**

**Ngoc Lac Urban Infrastructure Improvement Subproject,  
Ngoc Lac district, Thanh Hoa province  
STATUS REPORT ON COMPENSATION, SITE CLEARANCE, AND  
RESETTLEMENT**

July 2023

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Report submitted by:

A joint venture between Consultant and Inspection Joint Stock Company of Construction Technology and Equipment (CONINCO) and BERIM SA

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## 1. Introduction

This Report on Status Report on Compensation, site clearance, and Resettlement has been prepared in accordance with the Terms of Reference with the Technical Assistance (TA) consultant<sup>1</sup>. The purpose is to provide a snapshot of the progress toward completion of the site clearance, requirements and the implementation of the Resettlement and Ethnic Minorities Development Plan (REMDP).

This report is for the Ngoc Lac subproject, updated by 31 July 2023.

Activities for compensation, land clearance and resettlement are required in conjunction with the investment works of the subproject as listed in **Table 1** and shown in **Figure 1**.

*Table 1 Construction items and location*

No.	Construction Items	Commune/Town
1	Wastewater treatment plant and collection system <ul style="list-style-type: none"> <li>- Wastewater treatment plant. Capacity 900 m<sup>3</sup>/day</li> <li>- Gravity pipe wastewater collection system. L=3000m</li> <li>- Pressured pipes L=3087m</li> <li>- 3 new raw water pump stations</li> </ul>	Minh Son commune
2	Construction and expansion of urban water supply system <ul style="list-style-type: none"> <li>- Upgrade of water treatment plant to 8,000m<sup>3</sup>/day</li> <li>- New raw water pipeline. L=8841m</li> <li>- New clean water distribution pipeline. L=85270m</li> <li>- 3 new raw water pump stations</li> </ul>	Van Am, My Tan communes
3	Construct a new flood retention basin, 9.9 ha <ul style="list-style-type: none"> <li>- Bank protection, management road, trees and landscaping</li> </ul>	Ngoc Lac town
4	Construct new roads <ul style="list-style-type: none"> <li>- Route 1: Ao village to Quac village, L=2480m</li> <li>- Route 2: HCM highway to Route 3, L = 3908m</li> <li>- Route 3: HCM highway to Cho Cong area, L = 2680m</li> <li>- Route 4: HCM highway to My Tan - Cao Ngoc Road, L = 4,950m</li> </ul>	Ngoc Lac town, Ngoc Lien, Ngoc Son
5	05 new bridges (over river) <ul style="list-style-type: none"> <li>- Bridge at Km0+077.79 on Route 1</li> <li>- Bridge at Km1+757 on Route 1</li> <li>- Bridge Km2+500 on Route 3</li> <li>- Bridge Km2+965.57 on Route 4</li> <li>- Bridge Km0+213.76 for the wastewater treatment plant access</li> </ul>	Ngoc Lac town
6	River bank protection works along Cau Chay River embankment <ul style="list-style-type: none"> <li>- Total length =7,998m</li> <li>- Management road, 4m wide</li> </ul>	Ngoc Lac town
7	Drainage works <ul style="list-style-type: none"> <li>- 5 drainage lines from Ho Chi Minh Road to Cau Chay River, total</li> </ul>	Ngoc Lac town

<sup>1</sup> TA Contract: Deliverable 13.

No.	Construction Items	Commune/Town
	<p>length is 1,615m</p> <ul style="list-style-type: none"> <li>- Cau Trang drainage canal from Cau Trang on HCM Road to Cau Chay River</li> <li>- Cau Truc drainage canal from Cau Trang on HCM Road flowing through Cau Tang on National Highway 15A to Cau Chay River</li> </ul>	

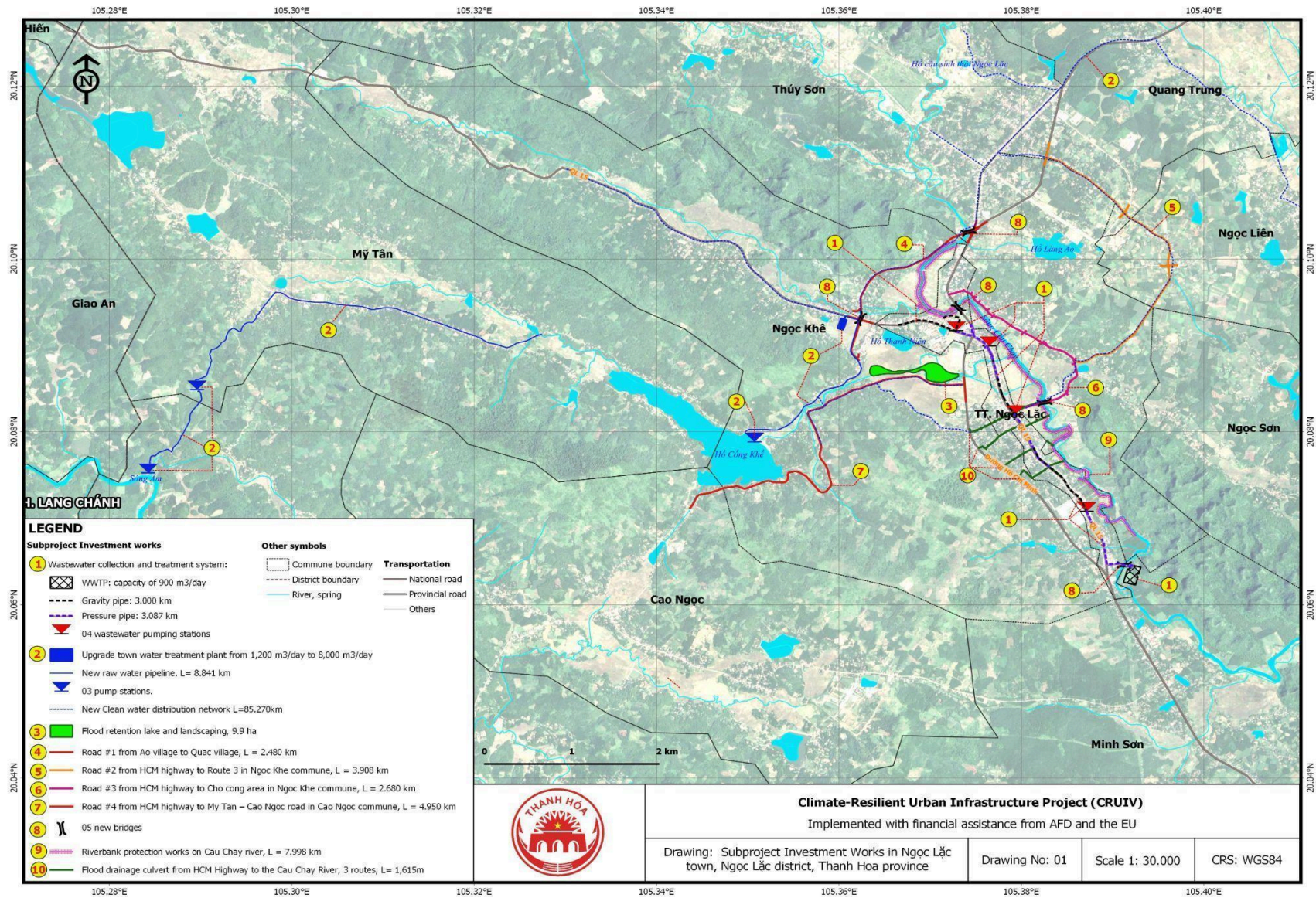


Figure 1: Ngoc Lac subproject - construction works



## 2. Assessment of Compensation and Resettlement Requirements

### 2.1. Overview

Social safeguard policy documents reflecting the scope of the project's compensation and site clearance impacts have been prepared in stages, including:

- Resettlement Policy Framework<sup>2</sup> (RPF): The initial Resettlement Action Plan (RAP) 2019;
- Resettlement Action Plan<sup>3</sup> (RAP): Initial preparation of a draft RAP in 2020.
- Updated RAP, referred to as the Resettlement and Ethnic Minorities Development Plan (REMDP): Initially submitted to AFD on 28/04/2023 and then revised based on AFD's comments from 07/07/2023. Revised document submitted to AFD on 18/07/2023. NOL for the REMDP was issued by AFD on 26/7/2023, in its document ref. NLA [D277]

The resettlement impacts estimated at each stage are summarized in **Table 2**. Based on the initial RAP, the estimated cost of compensation of 24,376 million VND was converted to Euros and included in the Credit Facility Agreement<sup>4</sup>. The cost of compensation was estimated to be €927,832 to be paid with counterpart funds.

*Table 2 Summary of estimated subproject resettlement impacts*

Estimated Project Impact	Implementation stage		
	RPF (2019)	Initial draft RAP (2020)	REMDP (2023)
Affected households (estimated)	>300	981	334
Affected persons (estimated)	N.A	N.A	1,722
Vulnerable households	N.A	N.A	25
Displaced households	70	15	0
Total area affected (m <sup>2</sup> )	201,000	243,050	248.247
Estimated cost <sup>5</sup> of compensation and resettlement activities (VND million)	79,255	24,376	24,364

<sup>2</sup> Resettlement Policy Framework prepared for the Climate-Resilient Urban Infrastructure in Central North Vietnam / Pre-Feasibility Study Update. January 2019. SCE consultants

<sup>3</sup> Resettlement Action Plan for Ngoc Lac Urban Infrastructure Improvement Subproject, Ngoc Lac District. Prepared by: Institute of Sustainable Development and Climate Change 2020 <draft>. This document was submitted nor fully verified.

<sup>4</sup> Credit Facility Agreement CVN 1197-01-N, 16/11/2020 between AFD and the Ministry of Finance on behalf of the Government of Vietnam.

<sup>5</sup> Includes compensation for land, structures and other assets as well as support, income restoration program costs, monitoring and evaluation costs

## 2.2. Preparation of the REMDP

The PMU commissioned consultants to prepare an REMDP which was based on the construction footprint from the detailed design and a detailed measurement survey (DMS) conducted in December 2022. The REMDP was initially submitted to AFD on 28/04/2023 and then revised based on AFD's comments from 07/07/2023. The revised document was submitted to AFD on 18/07/2023. NOL for the REMDP was issued by AFD on 26/7/2023, in its document ref. NLA [D277]

Preparation of the REMDP takes into account the available DMS results as well as information from a socio-economic survey and consultations with local authorities, communities, and affected households.

DMS results show that: there are 334 affected households, including 204 (61%) ethnic minority households. No households need to be relocated and resettled. A total of 248,247m<sup>2</sup> of land is affected, of which 219,977m<sup>2</sup> is residential land, 27,890m<sup>2</sup> is public land, and a small amount (379m<sup>2</sup>) is other land for organizations.

The estimated cost of compensation of 24,364 million VND converts to an equivalent cost in Euro of approximately €967,000 (exchange rate of 25,200, July 2023), only slightly different from the amount in Euro included in the Loan Agreement of €927,832.

A Livelihood and Income Restoration Plan (LIRP) has been prepared to restore conditions for severely affected households and vulnerable groups. Supporting activities will be based on a needs assessment survey, and will include vocational training, access to capital via loans, and job creation.

## 2.3. Responsibilities for REMDP implementation and monitoring

The PMU and Ngoc Lac District Compensation, Assistance, and Resettlement Board (DCARB) have overall responsibility for implementation of the REMDP, including providing compensation and overseeing support, and resettlement.

Implementation of the REMDP is monitored by a Resettlement Independent Monitoring Consultant (R-IMC). The procurement of this consultant is expected to be completed in Q3/2023. During implementation, the R-IMC will provide monitoring reports every 6-months.

# 3. REMPD Implementation Status

## 3.1. General Progress of Compensation and Resettlement

At the moment, the subproject has 12.44 ha of cleared sites.

## 3.2. Site Cleared under previous Projects

The project have 12,44 ha cleared site from the other project.

## 3.3. Gender Issues

Men and women are equally involved in the project's compensation and site clearance process, as required by the sponsor.

### 3.4. Social Risk

The subproject has not commenced construction, so there is no social negative impact on the local communities.

### 3.5. Livelihood Restoration Program

Because the DMS process has not been completed, there is no complete list of severely affected households and affected households belonging to the vulnerable group, so a livelihood restoration program has not been developed for the subproject.

At the moment, only displaced households and households losing over 30% of their productive land holding are identified. Those losing from 20-29% of their productive land holding (10-29% for vulnerable households) have not been identified. The TA Consultant has drawn the attention of Ngoc Lac PMU on identifying severely affected households as per the Project's RPF and Livelihood Restoration Program.

### 3.6. Ethnic Minorities

Of the affected households 204 (or 61%) are ethnic minority households (from Muong, Dao, Thai peoples) but none of these lose more than 10% of their production area or need to be displaced. A socio-economic survey shows that the ethnic minority households have a similar livelihood, culture, and lifestyle to the Kinh people in the area, and are not disproportionately affected by the project.

The affected EM households have been consulted and provided suitable compensation and support entitlements as per the project's policies. However, the support for vulnerable groups has not been applied.

### 3.7. Settlement of Complaints or Grievances

The REMDP describes a formal process for potentially affected people to register a complaint or grievance with the compensation or resettlement process. Complaints can initially be sent verbally or in writing to the People's Committee of the commune/town or Ngoc Lac District DCARB, who shall respond and seek an agreeable solution. If this can not be achieved the issue can be brought to the PPC for final resolution.

Until now, 110 AHs and 1 affected organization included in the name lists of Decisions No.1828, 2269, 2719 and 2258 have received compensation payment, and none of them filled any complaint.

## 4. Conclusion and Next Steps

Overall, it is concluded that the subproject has prepared the REMDP and established a resettlement mechanism that is fully compliant with the CRUIV project RPF and Vietnam's regulations. The REMDP has received AFD's NOL ref. NLA 277 dated 26 Jul 2023.

Progress with resettlement actions is well advanced and is expected to be completed in Q4/2023.

The next steps and expected time frame are listed in Table 4.

**Table 5. Next Steps and Expected Completion Time Frame**

Items	Description	Expected completion
1	Complete the DMS	December 2022 (done)
2	Finalize the REMDP including AFD favorable consideration	July 2022 (done)
3	Due Diligence Report (DDR) for areas cleared under previous projects	November 2023
4	Site Clearance Completion (SCC) report for Construction package	November 2023
10	Monitor implementation of the REMDP, including the LIRP	R_IMC to prepare monitoring reports 6-monthly
11	Prepare completion report for the REMDP implementation	2025

The next resettlement status report will be prepared in December 2023.



## Appendix 1: List of Key Documents for Resettlement

Updated 07/06/2023

Items	Document Description	Status
1	Initial Draft Resettlement Action Plan (RAP): - Prepared in 2020; - Not submitted for approval	Draft only
2	Resettlement and Ethnic Minorities Development Plan (REMDP)	Received AFD's NOL ref. NLA[D277] on 26 July 2023
2. Due Diligence Report		
3.1	DDR for sites previously cleared	Report not yet prepared
3. Site Clearance Completion reports		
3.1	Site Clearance Completion reports	Report not yet prepared
4. Reports from the Independent Monitoring Consultant		
4.1	Report 1 - To be prepared in 6 months from construction commencement	Report not yet prepared