Report Number: ICRR0022186

1. Project Data

Project ID P084773	**Project Name** VN-Trung Son Hydropower Project
Country Vietnam	**Practice Area(Lead)** Energy & Extractives

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-80410	31-Dec-2017	291,003,002.31
Bank Approval Date	**Closing Date (Actual)**	
26-Apr-2011	31-Dec-2019	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	330,000,000.00	0.00
Revised Commitment	330,000,000.00	0.00
Actual	291,003,002.31	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

The Project Development Objectives, as mentioned in the Loan Agreement (LA), as well as in the PAD (page 4), were to “supply least-cost electric power in a safe, and environmentally and socially sustainable way”.

For the purpose of the review, the extent to which the objectives of (a) supplying power at least cost, (b) supplying power in a safe manner, (c) in a socially and environmentally sustainable way, have been achieved will be evaluated individually.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

1. Dam and Auxiliary Construction: (estimated cost at appraisal: US$265.2 million, of which US$238.9 million from IBRD; actual cost: US$274.6 million)

This component financed construction of the main roller-compacted concrete (RCC) dam on the Ma River, near Co Me village, a 260 MW powerhouse generation facility, and related structures. In addition, it supported the construction of works to upgrade a 20.4 km road from Co Luong village to the project site, some minor bridges, a new 110/35 kV substation at Mai Chau town and the 35 kV line needed to provide power for project construction.

2. Transmission Line (estimated cost at appraisal: US$18.4 million, actual cost: US$13.8 million)

This component was intended to construct a 65 km, 220 V transmission line to evacuate power to a grid connection point in Tan Lac District in Hoa Binh Province. It also supported related consulting services to conduct independent environment and social monitoring of the component.

3. Social and **Environmental Mitigation:** (estimated cost at appraisal: US$43.4 million; actual cost: US$53.2 million)

This component supported implementation of the Resettlement, Livelihoods and Ethnic Minorities Development Plan (RLDP) and the Public Action Plan (PHAP), as well as other actions for managing biodiversity, protected areas and physical cultural resources. It also supported training and capacity building activities of the Trung Son Hydropower Company's staff Restructuring and with respect to environmental management.

4. **Capacity Development and Scale-Up:** (estimated cost at appraisal: US$3 million; actual cost: US$0.2 million)

This component supported capacity-strengthening activities aimed at bringing hydropower projects of the electricity utility (EVN) up to international standards. This included studies on social development, environment and health management, basin management and water use, hydrology and dam safety, and other activities.

Project Cost:

Actual costs at project closing, according to Annex 3 in the ICR, were lower than estimated at appraisal, working out to US$355.4 million, against the estimated US$410.9 million. These amounts are comparable to those in the Data Sheet in the ICR. The main savings came from the principal component (Dam and

Ancillary Construction), which was completed well under budget (US$274.6 million against the appraisal estimate of US$311.8 million).

Financing: The sources of funding for this project at appraisal consisted of IBRD resources of US$330 million, of which US$291.1 million was disbursed..

Borrower Contribution: The Borrower committed US$81.72 million contribution to this project at appraisal. Actual disbursements by project closing amounted to a lower figure of US$64.42 million.

Restructuring and Dates: The project was restructured twice, initially on December 30, 2015, to enable the project to finance costs associated with self-arranged construction of houses, and the second time on December 19, 2018, to extend the closing date retroactively from December 31, 2017, to December 31, 2019. This was to allow for (a) the scale up of the Community Livelihood Investment Program (CLIP), to emnhance its sustainability; (b) upgrade the access road and resettlement infrastructure, which had been damaged by heavy rains and floods, and (c) address dam safety risks posed by large landslides upstream and downstream. The extension did not affect the Theory of Change or expected outcomes and targets.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

3. Relevance of Objectives

Rationale

Country Context: Vietnam's growth rate of 7 percent per annum over several years and its rapid movement towards industrialization and urbanization have contributed to the country's rising demand for power. At the time of appraisal, it was estimated that Vietnam's energy needs would call for generation capacity of 25 GW by 2015 and 39 GW by 2020. Vietnam's options for power generation included hydro power potential of over 20 GW, plus sizable resources of coal and gas. From an emissions standpoint, it was expected that hydro power could have a decisive impact on the country's future emissions path, since it would avoid building a new coal-fired plant. As hydro power represented one of the lowest cost sources of new power supply, Vietnam was constructing new plants – large and medium sized - to add to the capacity of the existing 1,920 MW Hoa Binh plant, so as to raise the total generating capacity to about 4,800 MW.

In 2005, the Government of Vietnam and the Bank agreed on a two-pronged strategy for assisting the country develop its hydro power potential. The first was a multi-year program of advisory and capacity-building assistance, with special focus on resettlement and environmental management. The second was investment lending assistance, including the current (Trung Son) project.

Alignment with Strategy: The project supports the Government of Vietnam's objective, expressed in the Socio-Economic Development Plan (SEDP) for 2011-15, of developing an electric power system responsive to the country's economic and social needs, as well as the current SEDP for 2016-20, which emphasized the country's intention to "actively respond to climate change, prevent natural disasters, and enhance natural resource management and environmental protection".

The project's objectives are also highly consistent with the objectives of the Bank Group's most recent Country Partnership Strategy (CPS), FY18-22, which (via Focus Area 3) reiterated the country's commitment to affordable electricity through a low-carbon pathway, including renewables and reduction of greenhouse gas (GHG) emissions. Under this Focus Area, the Government committed to investing in renewable energy sources and promoting energy efficiency, while increasing climate resiliency and strengthening disaster risk management.

Based on the above, the Relevance of Objectives is rated High.

Rating
High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
"To supply least cost electric power"

Rationale
Theory of Change:

A broad causal link can be drawn between the project's activities, which included (a) construction of a dam on the Ma river, (b) construction of a transmission line, and the outcomes of increased supply of electrical energy from the Trung Son commune area in Than Hoa province to the power grid. The renewable nature of the hydro resource would contribute to ensuring a least-cost generation path. The activities themselves appear appropriate to achieve the desired outcomes, though the theory of change discussion in the ICR does not specifically analyze whether the need to meet other objectives relating to dam safety and environmental sustainability could raise capital costs sufficient to impact attainment of the least-cost outcome.

Outputs:

The following intermediate outcomes were achieved, as noted in Annex 1 of the ICR:

- Procurement of three main contracts and construction of the dam and appurtenant structures was completed by September 2019, on schedule

- Construction of access roads and bridges was completed by September 2019, on schedule

- Construction of power supply lines was completed by September 2019, on schedule

Outcomes, as noted in Annex 1 of the ICR:

The objective of supplying power, at least cost, was achieved (ICR, paras 28-32). The project became operational in 2017, the first 65 MW unit being commissioned in February and all four units by June of that year. Electricity production was 859 GWh in 2017 (translating into 1,021 GWh on an annualized basis), 1079 GWh in 2018, in both years slightly higher than target. Total power production did decline in 2019 to 650 GWh, though on account of a severe drought. Peak capacity actually achieved was 84 MW, substantially greater than the "guaranteed output" (defined as generation of one unit at minimum operating level and minimum turbine flow) of 43.5 MW used as the indicator at the time of appraisal.

The project's estimated levelized cost of energy (LCoE - a measure of lifetime costs divided by energy production) at appraisal had been US$4.9/kWh (at 2010 prices). Taking into account achieved capital cost savings, the actual LCoE was estimated at US$4.0/kWh, allowing the project to achieve the lowest LCoE-solar photovoltaic feed-in tariff of US$9.35/kWh and for Wind of US$7.9 – 9.8/kWh. Also, according to the ICR (p.12) the capital cost of the project ($ per kW) was among the lowest among projects financed by the World Bank over the past decade, and the only one to have achieved a significant cost under run, as a result of good construction management and project preparation. It should be noted that the actual financial cost of electricity from the Trung Son project during each of the first three years turned out to be significantly lower than forecast at appraisal (for Year 3, 2019, for instance, the cost was US$4.14/kWh as against the forecast of US$5.33/kWh). Finally, Trung Son now participates in Vietnam's competitive wholesale electricity market. As noted in the ICR, in 2017-18 (data for 2019 not yet available), its cost of producing electricity was lower than all large thermal projects (para 32).

Based on the above, it would appear that the objective of supplying electric power at least cost was fully achieved. As such, the efficacy with which this objective was achieved is rated **High**.

Rating
High

OBJECTIVE 2
Objective
"To supply power in a safe manner."

Rationale
Theory of Change:

A direct causal link can be drawn between the project's activities in installing dam safety measures during construction, ensuring rigorous standards, putting adequate Operation & Maintenance (O&M) measures in place, and ensuring post-completion surveillance and monitoring, and the objective of power supplied in a safe manner.

Outputs:

- A rigorous quality assurance mechanism was put in place in the project design, construction and operation phases, in line with international best practices.
- The project was acknowledged by the power utility EVN as one of the first projects in Vietnam to incorporate additional safety measures such as an emergency spillway for dam and powerhouse protection

during a maximum flood, a bottom outlet for emergency drawdown, and a sediment flushing sand sluice to reduce sediment deposits.

Outcomes:

The project met all key technical parameters and quality standards, and has been operating safely without any significant issues arising. Safety risks posed by landslides, upstream and downstream, were properly addressed in 2018, after the project became operational. All key components (dam, powerhouse, substation) were safely operated during the most recent floods. Procedures for regular surveillance and monitoring have been put into place. The ICR reports (para 38) that in this project "The health impact assessment and management are considered international best-practice in hydro power development and constitute a model for integrating health in all infrastructure projects".

Based on the above, it can be concluded that the safety objective of the project was achieved. Accordingly, the efficacy with which this objective was achieved is rated **High**.

Rating
High

OBJECTIVE 3
Objective
“To supply power in an environmentally and socially sustainable way”

Rationale
Outputs:
(Environmental):

- The Environmental Management Plan (EMP) and Environmental Impact Assessment (EIA) were satisfactorily prepared in line with Government of Vietnam and World Bank guidelines

- Environmental performance was consistently rated as either Satisfactory or Moderately Satisfactory during project implementation.
- Studies of aquatic and terrestrial biodiversity were conducted, found to be of high quality, and rigorously implemented. The project was the first in Vietnam to provide direct support to protected areas beyond direct impct mitigation – to include capacity building on wildlife and forest-cover monitoring. This included engagement with the global tiger conservation program of the World Wildlife Fund.
- An adaptive management approach was applied during implementation, reflected in preparation and implementation of a reservoir filling plan that included a pioneering fish rescue and restoration program.

(Social):
- Resettlement compensation: Households were fully compensated on schedule (by end-2019)
- Livelihoods restoration program was implemented on schedule (end-2019) and maintained in all affected villages

- Health communication and education were being implemented in all affected villages
- Effective awareness of health risks of all ethnic groups achieved

- Public Health Action Plan was being implemented in all project communes

Outcomes:

The environmental sustainability objective of the project would depend on the project being able to demonstrate that there was no irreversible damage to the environment from the development. The results indicator for this was the satisfactory compliance with the Environmental Management Plan, with there being no cases pending. This target was successfully met by the scheduled date. At project closing, four of the seven environmental triggers recorded were rated Satisfactory and the remaining three, Moderately Satisfactory in terms of compliance. There were no significant unresolved issues at closing, though some non-critical gaps with international best practice were identified in respect of site restoration.

The social sustainability of the project depended on demonstrating that the livelihoods and quality of life of Displaced Persons (DPs) were maintained at pre-project levels. The results indicator was the Living Standards Score, which was to be maintained at 100 percent for 100 percent of all Displaced Persons – and this was achieved by project closing. An Impact Survey conducted in 2017 indicated that 77 percent of households were satisfied with their relocation and 89 percent were satisfied with their new houses in the relocated site. Access to social infrastructure had improved, with 93 percent of households having access to electricity, and 100 percent of households having access to health services and education (ICR, para 37).

Based on the above, the environmental and social sustainability objectives of the project were achieved. The efficacy with which this objective was achieved is rated **High**.

Rating
High

OVERALL EFFICACY

Rationale
The efficacy of individual objectives was High for each of the PDOs. The operation achieved its key objectives of constructing a dam and power station that would provide clean hydroelectric power at least cost, to meet the increasing demand for electricity in the country. The dam was operated in a safe and sustainable (socially and environmentally) manner – as confirmed in a post-completion survey. The project also achieved substantial reduction in carbon emissions, far below the cost of other renewable energy projects implemented over the past decade, and lower than all thermal generation costs. In light of this, overall efficacy is rated **High**.

Overall Efficacy Rating

High

5. Efficiency

Economic and Financial Efficiency:

Economic analysis of the project conducted at appraisal indicated an economic internal rate of return (EIRR) of 18.9 percent, and a net present value (NPV) of US$361 million, without climate benefits being added, discounted at 10 percent. Economic analysis conducted in the ICR indicates a rate at project closing of 20.2 percent for the EIRR and an NPV of US$202 million, without climate benefits being added. With the addition of climate benefits (measured as the value of avoided green house gas emissions due to the generation of hydroelectricity instead of using fossil fuels), the EIRR and NPV at project closing work out to 28.1 percent and US$467 million, against appraisal estimates of 21 percent and US$451 million respectively. Financial analysis of the power company was not conducted at appraisal, and was therefore not conducted in the ICR.

Administrative and Operational Efficiency:

The project's construction costs ended up being significantly lower than estimated at appraisal (VND 5,464 billion vs an estimated VND 6,732 billion, or 17 percent lower. These savings were achieved as a consequence of lower-than-expected price inflation and also efficient procurement and construction management that did not need to draw much upon the allowances for physical contingencies. The project company's strong capacity allowed it to utilize the packaging procurement approach (as distinct from engineering, procurement and construction contract), in turn allowing it to procure the exact goods or services needed for the project from a market well-known to it. Advance procurement preparation also facilitated procurement using qualified contractors, suppliers and consultants in a timely manner, enabling the project to be delivered on schedule and below estimated costs at appraisal.

The project's closing date was extended by two years, but this was largely in order to extend the livelihood program and to rehabilitate project infrastructure, damaged by unexpected floods during implementation. The extension of closing deadline did not affect relevant civil works nor the scheduled start of project operations.

Based on the above, the project's efficiency is rated **High**.

Efficiency Rating

High

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	21.00	100.00 ☐ Not Applicable

ICR Estimate	✓	28.10	100.00 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The project's objectives were highly relevant to the Government's strategy, as well as to the World Bank's current Country Partnership Framework. Overall efficacy was found to be High, as the project achieved its key objectives at a high level. The efficiency with which the project was implemented was also rated High, taking account of economic efficiency as well as administrative and operation efficiency. On the basis of these results, the project's overall outcome is rated Highly Satisfactory.

a. Outcome Rating

Highly Satisfactory

7. Risk to Development Outcome

A key risk pertains to climate change and the associated hydrological uncertainties. Several years of dry season inflows and the unexpected storm in August 2018 suggests the possibility of increasing hydrological volatility, which could be an indication of long-term climate change. If these changes were to persist, long-term average power generation could decline by up to 5 percent a year, resulting in a reduction in the project's benefits by up to 1 percent in terms of the EIRR (ICR, para 95).

There is also a broader risk of benefit erosion if there were to be a slump in international fuel prices, which would result in a reduction in avoided thermal energy costs. However, according to calculations made by the ICR (Annex 4), even a decline in LNG process to US$3 per mmBTU (million British Thermal Units) would not affect the project's economic returns too severely (ICR, Annex 4, para 50).

The current COVID-19 global crisis has the potential to impact the project, as it has for other forms of economic activity. According to the ICR (para 97), this risk is not expected to be significant.

8. Assessment of Bank Performance

a. Quality-at-Entry

The design of the project benefited from the World Bank's experience in the sector, as well as its extensive dialogue with the government on its development aspirations and implementation preferences. The fiduciary requirements of the project, especially relating to social safeguards, also received considerable attention during preparation. Project preparation included an extensive political economy analysis and mapping of key stakeholders to facilitate strategic communications and

consultation (ICR, para 67). It included an extensive consultation process and engagement with Civil Society Organizations (CSO).

The ICR (para 90) noted that project implementation benefited from extensive preparatory works undertaken prior to Board approval. These included the appointment of various technical, environmental and social positions within the project company, and advanced procurement works to get various contracts for goods and services in place – which ensured a prompt start to project construction, and to implementation of environmental and social actions.

The project put into place detailed arrangements during implementation to ensure the supervision and oversight of dam construction, construction of resettlement sites and livelihood development activities, environment management and capacity building. A designated Project Implementation Unit (PIU) was put in place, backstopped by the utility, EVN (ICR, para 69). Implementation arrangements proposed during appraisal were detailed, and clarified the relationships between key stakeholders, An Implementation Support Plan was also devised, based on the project's design and risk profile, to provide technical support to the project company and implementing agency to enable them to ensure fiduciary compliance with World Bank guidelines and carry out risk mitigation measures adequately.

Quality-at-Entry Rating
Highly Satisfactory

b. Quality of supervision
Based on the ICR (paras 92-93), the project was well supervised, with 140 supervision missions which included 17 formal (bi-annual) missions and numerous "ad hoc technical support and environmental and social safeguard missions depending on implementation progress,emerging risks, and technical complications" (ICR, para 72) undertaken over the 8 years since effectiveness, and with support from field-based staff and task team leaders in the country office. Interaction between the Bank team and the relevant government agencies was strong and the Bank was able to respond to the client's needs on a timely basis, as well as to address issues arising during implementation. The Bank team worked closely with the project company on construction supervision, quality control, dam safety assurance, governance and related issues. The ICR reports (para 92) that Bank missions discussed issues such as changes in construction procedure or schedule, and maintained a strong presence throughout project implementation.

According to the ICR (para 93), the Bank's implementation support was "distinctly above the average for comparable World Bank-financed investments". To some extent this was driven by the client's desire to use the project as a learning experience and to develop an operation that was technically sound, economically successful and consistent with international best practice in environmental sustainability and dam safety. According to information provided by the team, a "risk-based and adaptive management approach to supervision" was adopted, whereby supervision priority was given to higher-risk issues such as dam safety or issues requiring timely action at key junctures: e.g. implementation of a downstream impact mitigation plan prior to reservoir impoundment. The Bank team was agile in adapting to the needs of the various stakeholders, as reflected in the two restructurings.

The ICR reports (para 73) that the Bank team was candid in its reporting on the project's performance, in Implementation Status and Results Reports (ISRs). Though there were three changes in task team

leadership, two country office-based staff with necessary technical expertise were involved throughout project implementation, along with other Bank staff and consultants, which provided the necessary continuity. Although not specifically clarified by the ICR, information provided subsequently by the team (see Section 10 for details) confirmed that issues related to specific safeguard policies were closely monitored by the Bank team during implementation, and communicated to the client via detailed action plans that were duly recorded in mission Aide Memoires, and all of these policies were complied with by project closing. Towards this end, in addition to the Bank's hands-on supervision, the project's safeguards performance was subjected to the review of an independent consultant and panel of experts.

Quality of Supervision Rating
Highly Satisfactory

Overall Bank Performance Rating
Highly Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The design of the M&E system reflected the results chain and included relevant PDO-level and intermediate-level indicators to monitor the progress of activities and outcomes related to the project. Also included were indicators to monitor progress in procurement of main contracts and construction of project infrastructure, as well as progress of resettlement compensation, livelihood restoration, implementation of the EMP, among other activities. These indicators adequately captured the contribution of project components and activities toward achieving project outcomes.

Project monitoring was the responsibility of the Trung Son project company, with support from consultants. The ICR reports (para 77) that there was adequate collection of evidence during project implementation to facilitate long-term O&M. especially with respect to dam safety, outside of the results framework. The project company developed an extensive surveillance and monitoring system, including a comprehensive monitoring database and periodic dam safety assessments.

b. M&E Implementation
M&E was implemented by the project company, by an independent consultant and by the utility, EVN, which also had some data collection responsibility. The ICR reports that M&E was satisfactorily implemented, with all project indicators being monitored closely and systematically recorded in ISRs, along with Aide Memoires. The project company was effective in performing its monitoring function, ensuring that data collected were of good quality and based on sound methodologies. A Mid-Term Review was conducted, which noted the implementation challenges at the time and the steps being taken to address them.

c. M&E Utilization

Data collected for M&E was used to monitor the status of the project. Project implementation relied heavily on M&E data and information conveyed periodically to the management entities.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Environmental and Social Compliance

The project was classified as Environmental Category A, triggering the following eight safeguard policies: (a) Environmental Assessment (OP/BP 4.01), (b) Natural Habitats (OP/BP 4.04), (c) Pest Management (OP/BP 4.09), (d) Physical Cultural Resources (OP/BP 4.11), (e) Involuntary Resettlement (OP/BP 4.12), (f) Indigenous Peoples (OP/BP 4.10), (g) Safety of Dams (OP/BP 4.37) and (h) Projects on International Waterways (OP/BP7.50) .

Some 1,885 ha of land were affected, across three provinces. The ICR does not specifically confirm whether or not the above policies were complied with, although it mentions that an Environmental Impact Assessment (EIA) and an Environmental Management Plan (EMP) were satisfactorily prepared in line with the Government's and the World Bank's safeguard policies (para 84) but it does not specifically confirm compliance with the above environmental safeguards. The ICR noted that Dam Safety plans were prepared in line with OP/BP 4.37 and international standards/practices. A Project Technical Advisory Panel performed a review function and, according to the ICR (para 70), greatly contributed to the safety of the dam and associated structures – establishing a dam safety management mechanism for the long term (ICR, para 84).

The project affected 3,413 households, of which 695 had to be relocated. By project closing, all project-affected persons had been compensated, and a total compensation of US$24.98 million equivalent had been paid. The 695 households were relocated to 13 resettlement points, each household receiving 400 sq m of residential land and 300 sq m of garden land. Multiple rounds of consultation were conducted throughout the project cycle for the ethnic groups in project areas (mainly Thai, Muong and H'mong). A system to receive and record complaints from affected persons was established, with representatives of local civil society organizations (CSOs) as observers in some of the consultations. This laid a foundation for internal monitoring and created a reporting mechanism for the project company to make decisions relating to the social impact of the project's civil works and resettlement activities.

All eight safeguard policies triggered were complied with. Towards this end, a number of environmental and social safeguard plans - such as the Construction Impact Management Plan, the Reservoir Clearing Plan, and the Environmental Monitoring Plan, among others - were (satisfactorily) prepared, implemented and reported in the various Aide Memoires, and tightly supervised by the client and Bank team during implementation. These plans were complemented by additional studies (e.g. Cumulative Impact

Assessment) - including 6 wildlife monitoring reports and 15 fish monitoring reports. All Environmental and Social mitigation measures were implementewd fully, with no issues pending at project closing.

b. Fiduciary Compliance

The project company's Accounting and Finance Department performed its financial management functions satisfactorily and in compliance with the World Bank's financial management policies and procedures. Interim financial reports were submitted on time, on a quarterly basis, to the Bank. Independent financial audits were conducted annually, and reports – of acceptable quality – were submitted to the Bank on a generally timely basis. Though the ICR does not specifically mention whether or not financial audits were unqualified, subsequent information provided by the team indicates that annual financial audits of the project's financial statement all received unqualified opinions.

As regards procurement, as mentioned in Section 5, earlier, the project succeeded in putting in place a sound procurement approach (packaging approach). The use of efficient procurement practices, compliant with the Bank's procurement guidelines, enabled the project to be completed on time and under estimated appraisal cost.

c. Unintended impacts (Positive or Negative)

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d. Other

The Trung Son project served as demonstration project, helping to build domestic expertise in hydropower development through an on-the-job training process and technical assistance. Many of the practices and protocols used in the project have now been adopted by EVN and been applied to other ongoing hydropower projects in Vietnam. The Project Technical Advisory Panel (PTAP) that was instituted, brought about good international standards and practices that contributed to critical dam safety reviews and dialogue between its in-house engineers and its national design firm at various stages. The project's experience also helped expand the knowledge of local authorities and rural populations on their rights in relation to the development of such projects.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Highly Satisfactory	Highly Satisfactory	
Bank Performance	Highly Satisfactory	Highly Satisfactory	
Quality of M&E	Substantial	Substantial	

Quality of ICR	---	Substantial

12. Lessons

IEG derives the following key lessons, drawn from the ICR:

Careful project preparation can make for successful implementation: The Sung Tron project benefited from an extended project preparation period, which allowed for a robust design and advanced procurement work. The extended period also allowed for strong partnership between Bank and Government to develop, which ensured commitment and sustained ownership on the part of the Government. Advance procurement preparation of works related to construction of access roads, and preparation of detailed bidding documents for goods and works contracts prior to World Bank Board approval meant that the project was ready for implementation upon effectiveness.

Strong community, local government and civil society engagement is important to the success of multifaceted projects: The Trung Son project benefited from the strong support of the local community, civil society organizations, project-affected communities and local governments, as a result of active engagement with these stakeholders during preparation and throughout implementation. Several consultations were held in local languages, to better understand the perspectives of stakeholders, so that concerns could be fully addressed wherever possible.

Flexibility in project design is important to implementation success: One major lesson learnt during implementation was that the selection of resettlement sites should have been coordinated earlier with project-affected persons, and the option of self-construction of houses been included at the outset, rather than requiring the restructuring of December 2015. However, on account of the flexible design of the project and the strong community support that was garnered, this could in fact be accomplished subsequently, without acrimonious delays.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is clearly written, concise and consistent with guidelines. It provides a good description of the project's objectives, activities, design, and a detailed theory of change. The analysis is evidence-based. The ICR has provided useful details on the project's environmental and social performance, as well as on its procurement performance, although it did not provide a statement of actual compliance with each of the safeguard policies, which is a shortcoming. It also failed to specify whether independent audits were all unqualified. Finally, an area where some additional information would have been useful (though this information was subsequently provided to IEG by the team) is in the discussion on Bank performance, particularly the quality of supervision, where more details on the adequacy of supervision resources and inputs – could have been useful in support of the ICR's conclusions.

a. Quality of ICR Rating
Substantial