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Report Number: ICRR0024670

1. Project Data

Project ID P152851	**Project Name** Can Tho Urban Development and Resilience
Country Viet Nam	**Practice Area(Lead)** Urban, Resilience and Land

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-85980,IDA-57790,TF-A3723	30-Jun-2022	198,187,894.91
Bank Approval Date	**Closing Date (Actual)**	
24-Mar-2016	30-Jun-2024	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	250,000,000.00	4,000,000.00
Revised Commitment	198,649,291.81	2,952,673.49
Actual	198,187,894.91	2,952,673.49

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

a. Objectives

The Project Development Objective (PDO) as stated in the Loan Agreement (Schedule 1, page 5) and the Project Appraisal Document (PAD, page 6) is:

"To reduce flood risk in the urban core area, and improve connectivity between the city center and the new low risk urban growth areas and enhance the capacity of city authorities to manage disaster risk in Can Tho City."

For the purpose of this Implementation Completion Results Report (ICRR) Review, the PDO is unpacked as follows:

PDO # 1. To reduce flood risk in the urban core area in Can Tho City.

PDO # 2. To improve connectivity between the city center and the new low risk urban growth areas in Can Tho City. and

PDO # 3. To enhance the capacity of city authorities to manage disaster risk in Can Tho City.

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

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

There were three components:

1. Flood risk management, and environmental sanitation. The estimated cost at appraisal was US$120.90 million. The actual cost was US$111.00 million. This component aimed to reduce flood-related risks in the urban core area of Can Tho city (Ninh Kiev and Binh Thuy Districts),using structural (engineering) and non structural measures (Information Technology (IT) systems). There were three sub-components:

(a) Priority Flood Control Investments in Urban core. Activities included financing for a limited polder approach (a flood risk management strategy) such as constructing an elevated road, embankments of Can Tho and Cal Son Rivers, and tidal gates for protecting the core urban area from river and tidal flooding.

(b) Drainage and Waste Water System. Activities included rehabilitating canal, drainage and sanitation infrastructure.

(c) Operation of the City Integrated Flood Risk Management System and Early Warning System. Activities aimed to provide institutional support to the city to develop: (i) protocols for operating flood control and drainage systems; (ii) an operation and maintenance (O&M) funding framework; (iii) coordinating protocols with other Mekong provinces for integrated river basin management and enhanced flood early warning systems; and (iv) improve early warning information system and raising public awareness through mass media and community organizations.

2. Urban corridor development. The estimated cost at appraisal was US$78.90 million. The actual cost was US$84.40 million. Activities in this sub-component planned to increase intra-city connectivity by

encouraging mixed-use, pedestrian and public transport oriented urban development in the less flood prone areas of Can Rang. Activities included:

(a) Road and Bridge Links. connecting the vertical axis of the city to facilitate connectivity between the new and existing populated areas in the city center and between inter-regional urban areas and promoting the public transport scheme of the City.

(b) Construction of the Residential Area for Resettlement. Activities in this sub-component included constructing 2,140 plots at the resettlement site (with social infrastructure such as a kindergarten and a primary school) and other infrastructure (sewage and drainage and solid waste collection systems, power and road networks).

(c) Effective Transport Systems Management and Equipment. Activities included feasibility studies on: (i) a pilot bus rapid transit (BRT) corridor and establishing a Public Transport Authority; and (ii) identifying opportunities for pedestrian oriented development; and (iii) a corridor development analysis.

3. Spatial planning platform and financial and social protection instruments. The estimated cost at appraisal was US$6.80 million. The actual cost was US$1.90 million. This component planned to build a management system for improving spatial planning, data and information management and responsiveness of safety nets to flood events. There were two sub-components:

(a) Risk Informed Spatial Planning Platform. Activities included developing a web-based geospatial database to serve as a single platform for spatial data.

(b) Disaster Responsive Social Assistance System. Activities included adapting the City's existing social protection system to become "disaster responsive".

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

Project cost. The estimated cost at appraisal was US$398.00 million. The actual cost was US$462.96 million.

Financing. The Bank financing for the project was US$250.00 million. Of this, US$195.23 million was disbursed. In addition, there was World Bank administered financing of US$2.95 million. USS$5.73 million was provided by the Switzerland: State Secretariat for Economic Affairs (SECO) Trust Fund administered by the Bank.

Borrower contribution. Borrower contribution of US$62.00 million was planned at appraisal. Their actual contribution was US$126.65 million.

Dates. The project was approved on March 24, 2016, became effective on November 30, 2016. The IBRD loan and IDA grant was scheduled to close on June 30, 2022 and the SECO grant on June 30, 2021. The project closed on June 5, 2024.

Changes. There were two level 2 project restructurings.

The first restructuring on June 28, 2021, extended the closing date for the SECO grant by a year from June 30, 2021, to June 30, 2022.

The Bank supported the following changes **through the second restructuring on August 1, 2022.**

- The original PDO indicator - increase in urban core land area protected from rainfall flooding for a 10-year return period and riverine flooding for a 100-year period - was split into two new PDO indicators (discussed in section four).
- The project scope was modified: Some activities were cancelled (two retention lakes, a road, a park along the embankment and the area of branch canal was reduced), due to the land acquisition and resettlement (LAR) issues in a densely populated core urban area with informal settlements. These technical adjustments were made to minimize LAR costs. Most activities were replaced with alternative technical solutions for reducing the LAR footprint.
- Counterpart funding was increased from US$62.00 million to US$148.00 million to cover the higher-than-expected cost of LAR.
- The SECO grant was reduced from US$10.00 million to US$4.00 million and the remaining US$6.00 million converted to a Bank-executed Trust Fund.
- The closing date was extended by two years from June 30, 2022, to June 30, 2024, for completing the ongoing activities.

Split rating. The PDO was unchanged and the scope was modified with technical solutions for reducing the LAR costs. These changes did not materially affect the theory of change. Therefore, this review does not use the split rating methodology for determining outcome rating.

3. Relevance of Objectives

Rationale

Country context. At the time of appraisal in 2016, Vietnam had transitioned from a rural to urban economy, with Vietnam's urban population increasing from 23.8% in 1999 to 33% in 2014. The Mekong Delta, an agricultural center for Vietnam, was exposed to disaster and climate risks. Climate change and rapid urbanization had led to increased disaster risks such as severe flooding. The project areas were in Can Tho City, the fourth most populated city in Vietnam and the largest city in the Mekong Delta.

Sector context. Can Tho City suffered significant economic losses due to large floods that affected about 69% of the core urban area, in the years before appraisal. Factors contributing to flooding included heavy rainfall and tidal increases exacerbated by poor drainage systems. The city's roads were prone to seasonal flooding. The inadequate consideration of links between transport infrastructure and land-use planning had led unplanned growth in low-lying areas. With multiple government agencies involved in flood management, there was no consolidated approach to maintenance procedures.

Government strategy at appraisal. The PDO was consistent with *Vietnam's Socioeconomic Development Strategy* for 2011 - 2020. The strategy identified measures needed to achieve sustainable growth, through

strengthening environmental protection, preventing adverse impacts of climate change and developing urban areas.

Current government strategy. The PDO is well-aligned with Vietnam's February 28, 2022, Decision No. 287/QD-TTg. The decision outlined the master plan for the Mekong Delta Region for the period 2021 - 2030, for resilient development of the Mekong Delta and for cities in particular.

World Bank (WB) strategy at appraisal. The PDO was well-aligned with the three pillars of the Country Partnership Strategy for (2012-2016): *Competitiveness, Sustainability and Opportunity*. The PDO was also relevant to the cross-cutting theme of "*resilience*", as the project would help in increasing the ability of Can Tho and its people to withstand the impacts of natural hazards.

WB strategy during implementation. The PDO was relevant to the focus areas three and one of the Country Partnership Framework (CPF) for 2018 - 2022. Focus Area three highlighted the need for *ensuring environmental sustainability and resilience* and focus area one the need for *enabling inclusive growth and private sector participation.*

Current WB strategy. The PDO continues to be relevant to the following pillars of the CPF for 2023 - 2027: *Resilient and efficient urbanization* under the urbanization and regional development pillar and *Digital transformation* under the innovation-driven growth pillar. The PDO is aligned with the priorities outlined in the WB's Country and Climate Development Report (CCDR) for Vietnam (July 2022). This report highlighted Vietnam's vulnerability to climate change due to its low-lying regions and river delta regions and recommended measures to protect assets, infrastructure and people in the Mekong Delta region and emphasized the need for public and private investments to achieve mitigation goals through coordinated regional programs for the Mekong Delta.

Previous Bank experience. The Bank has engaged with Vietnam on topics relating to urban development, disaster risk management and climate change in the past, through lending operations (the Vietnam Urban Upgrading Program and its successor - Mekong Delta Region Upgrading Project), as well as financing studies and technical assistance (TA) operations. These operations helped in making progress to date on improving urban infrastructure.

Current project scope. This project aimed to complement the Bank's engagement with Vietnam towards building resilience against disasters and climate risks and improving safety nets. The project addressed the social, environmental and financial dimensions of resilience by strengthening the city's capacity to manage flood risks by: (i) protecting the urban core through infrastructure investments; (ii) road infrastructure investments with the dual purpose of flood protection and connectivity; and (iii) establishing a disaster response safety net to protect the poor and vulnerable.

Relevance of PDO. The PDO is relevant to Can Tho City, current national and Bank strategy for Vietnam. The PDO was pitched at an appropriate level of the results chain, as the structural and non-structural investments were likely to help in reducing the flood risk, which in turn was likely to help the long-run objective of improving the sustainable growth of Can Tho City. The relevance of the PDO is further demonstrated by the Government's continued engagement with the Bank in four follow-on projects with a similar design to improve connectivity and reduce flood risk in the Mekong Delta and the country at large (discussed in Section Seven). The relevance of PDO is rated as High.

Rating
High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
PDO # 1. To reduce flood risk in the urban core area in Can Tho City.

Rationale
Theory of change. The structural investments were aimed at reducing flood risks. The outputs of investments such as upgrading embankments, tidal gates and valves, sewers, pipes and branch canals. were likely to help in reducing flood risk in the urban core area. The outcomes were likely to help in the long-term development objective of resilient growth in the City. The causal links between inputs, outputs and intended outcomes were logical. The outcomes were monitorable. The outcomes were contingent on the assumption that is sufficient funding by Can Tho City for the operation and maintenance (O&M) of the infrastructure.

Outputs.

- 14,200 meters (m) of upgraded embankments were installed as per the revised target and exceeding the original target of 10,000 m. Prior to construction of the embankment system, the flooded areas remained underwater for several days. A closure test of the Cai Khe tidal gate demonstrated a significant reduction in flood impact caused by river/tidal overflow in the core urban area.
- 15,300 m of upgraded sewers/pipes were installed as targeted.
- Three new tidal gates and ship locks and nine new flood prevention sluice gates were constructed as targeted.
- 5,373 m of canals were improved, far short of the revised target of 11,647 m.

Outcomes. The outputs described above were expected to have two outcomes: (i) increase the urban core land area protected from rainfall flooding for a ten year period and from riverine flooding for a 100 year period: and (ii) increase the number of people benefitting from activities (disaggregated by gender).

- 2,467 hectares (ha) of the urban area was protected from a 100- year return period, exceeding the target of 1,675 ha.
- 1,901 ha of the urban area was kept dry from a ten year return rainstorm, slightly short of the target of 1,976 ha.
- 422,015 people living were protected against ten year return period flood risk, exceeding the target of 420,000. 227,196 of the beneficiaries were women, exceeding the target of 216,000.

Efficacy of this PDO is rated as substantial, given the extent to which the targets were realized.

Rating
Substantial

OBJECTIVE 2
Objective
PDO # 2. To improve connectivity between the city center and the new low risk urban growth areas in Can Tho City.

Rationale
Theory of change. The project activities aimed at improving connectivity between the city center and the new low risk growth areas. The outputs of activities such as upgrading roads, bridges (including sidewalks) connecting the urban core and Cai Rang, together with TA activities aimed at producing public transport feasibility studies, were aimed at improving connectivity between the city center and the new low risk growth areas in Can Tho city. The outcomes were likely to help to the long-term development objective of resilient growth in Can Tho City. The causal links between inputs, outputs and intended outcomes were logical. The outcomes were monitorable. The outcomes were contingent on the assumption that there would be sufficient funding by Can Tho City for the O&M of the infrastructure.

Outputs.

- 19,000 Kilometers (km) of roads were constructed, exceeding the target of 10,400 km.
- Two bridges (including sidewalks) were built for connecting the urban core and Cai Rang as targeted.
- Five public transport feasibility studies were completed as targeted.

Outcomes. The outputs were expected to reduce the travel time between the urban core and Cal Rang center (NK to IC3) from the north and south, specifically from Ninh Kieu Port to Cal Rang and from Nguyen Van Cu (NVC) Road to Interlink Bus station in Can Rang (NCU-Bus).

- The travel time from NK -ICU declined by 26% slightly exceeding the target of 25%.
- The travel time from NVC to NCU bus declined by 30% as targeted.

Efficacy of this PDO is rated as substantial as the targets were met.

Rating
Substantial

OBJECTIVE 3
Objective
PDO # 3. To enhance the capacity of city authorities to manage disaster risk in Can Tho City.

Rationale
Theory of change. The outputs of activities such as spatial planning and risk information database for inter-departmental data sharing for disaster risk management, safety nets for affected people and training staff of

agencies, were likely to help in enhancing the capacity of the city authorities to manage disaster risks. The outcomes were likely to help in the long-term development objective of resilient growth in the City. The causal links between inputs, outputs and intended outcomes were logical. The outcomes were monitorable. The outcomes were contingent on the assumption that improved staff capacities of Can Tho officials would lead to more effective response to flooding.

Outputs.

- The Spatial Planning Platform (SPP) - designed to serve as a central repository for relevant geospatial data to support spatial planning, infrastructure development and O&M - was established as targeted.
- The Flood Risk disaster risk management system (FRMIS) - designed to provide real-time data and tools for managing flood risks and to enhance the City's ability to predict, monitor and respond to flood events - was installed as targeted.
- The Integrated Social Assistance System (ISS) - an IT system designed to provide timely monetary social assistance to the vulnerable households affected by disasters - was installed as targeted.
- 1,258 government and university staff were trained for using SPP and FRMIS. There were no targets for this indicator.
- The project intended to provide community-based flood early warning training to women in partnership with the women's union. This activity was not completed as the FRMIS only became operational towards project end, leaving no time to conduct a community wide training focusing on women.

Outcomes. The outputs described above were expected to increase the number of departments using the spatial planning and Risk Information Platform.

- Seven departments were using the spatial planning and risk information platform when the project closed as targeted ((the Department of Information and Communications (DOIC), the Department of Natural Resources and Environment (DONRE); the Department of Labor, Invalids and Social Affairs (DOLISA); The Department of Construction (DOC); The Department of Transport (DOT): Department of Planning and Investment (DPI) and; The Department of Agriculture and Rural Development.

Efficacy of this PDO is rated as substantial, as the intended target was realized.

Rating
Substantial

OVERALL EFFICACY
Rationale
Overall efficacy is rated as substantial, as the targets were realized for the most part.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic analysis. An economic analysis was conducted for the three project activities at appraisal and at closure using the Triple Dividend approach. These activities accounted for 95% the project cost (95%). The potential economic benefits of "resilient dividends" were expected to come from: (i) avoiding losses, based on the flood control infrastructures to reduce disaster-related damages; (ii) increased investments as a result of due to the reduced disaster risk; and (iii) benefits related to enhanced urban mobility, reduced vehicle operating costs (VOCs), time savings and spillover benefits from multipurpose infrastructure investments.

The ex-post Economic Internal Rate of Return (EIRR) was 50.44%, exceeded the ex-ante EIRR of 43.67%. However, the overall Net Present Value (NPV) at 12% discount rate at project closure was lower than projected at US$648.07 million, as compared to the NPV of US$1,494.50 million estimated at appraisal.

Operational and administrative issues during implementation. The project experienced significant delays in the initial years, with only 15.2% of the financing disbursed by the Mid-Term Review (30 months after project effectiveness), due to the slow pace of land acquisition and resettlement (LAR) process in the initial years, that were exacerbated by increased need for LAR due to design changes. Despite the household survey of Project Affected People (PAP) conducted at appraisal, the cost of LAR was significantly underestimated (discussed in section 8). These factors led to time overruns, with the project closing two years behind schedule. Despite the time overruns, two of the 30 civil works packages which were deemed to be unachievable were cancelled during the second restructuring, while three remained incomplete at closing and LAR and compensation to the PAP were pending when the project closed.

Overall efficiency is rated as Modest, due to the operational and administrative shortcomings during implementation.

Efficiency Rating

Modest

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	✓	43.97	95.00 ☐ Not Applicable
ICR Estimate	✓	50.44	95.00 ☐ Not Applicable

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

6. Outcome

The relevance of the PDO to the City, the government strategy and the Bank strategy is rated is High. Overall efficacy substantial, as the targets were realized for the most part. Efficiency is rated as Modest, due to the administrative shortcomings during implementation, that led to non completion of LAR activities. Taking these ratings into account, outcome is rated as moderately satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Government Commitment/Ownership. There is limited risk to the sustainability of development outcomes, given that the Government has requested the Bank for four follow-on projects with a similar design to reduce flood risk in the Mekong Delta and the country at large: (Dynamic City Integrated Development Project. Thai Nguyen: Dynamic Cities Integrated Development Project; Vinh Long City Urban Development and Enhanced Climate Resilience Project; and Vietnam- Integrated Resilient Development Project).

Financial risk. There is risk that the sustainability of development outcomes could be undermined due to inadequate funding for O&M. The ICR (para 77) notes that Can Thou City has integrated O&M costs into the budget planning process. The packages to improve canals that were not completed at project closure need to be completed by Can Tho City using its own funds.

Institutional risk. The project aided in developing three infrastructure systems - The Flood Risk Management and Information System (FRMIS), The Spatial Planning Platform (SPP) and The Integrated Social Assistance System (ISAS).- for sharing risk information using a unified spatial platform. Although the project defined institutional arrangements, there was limited time before the project to test the interoperability between the three systems.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank prepared this project based on lessons from previous Bank-financed projects in Vietnam and from the experiences from flood risk management projects financed by the Bank globally in Sri Lanka, Guyana, Argentina and China. Lessons incorporated included: (1) disasters need to be proactively managed, as opposed to treating them as exogenous shocks; (ii) recognizing that while infrastructure investments are necessary to reduce flood risk, such investments may be insufficient unless complemented by non structural measures to strengthen the ability of the city to integrate flood risk considerations into investment planning; and (iii) rather than overburdening the local authorities with the

responsibility of investments, the project was to be implemented by a Project Management Unit (PMU) housed within the People's Committee (PC) above the line departments (This approach was effective in coordinating different departments). The Bank prepared the project in collaboration with the Swiss Secretariat for Economic Affairs (SECO) which provided TA activities.

The preparation team identified several risks at appraisal, including technical, fiduciary and environmental and social risks. Even with mitigation measures, the overall project risk was rated as substantial at appraisal (PAD, page 15). The arrangements made at appraisal for fiduciary and safeguards compliance were appropriate (discussed in section 10).

There were moderate shortcomings at Quality-at-Entry. One, LAR costs were to be covered by counterpart funding. The project experienced delays in the initial years, due to inadequate counterpart funding. Two, the project activities were in densely populated urban areas, characterized by high levels of informality. At appraisal based on a household survey, it was estimated that land acquisition would involve 1,35.4 ha of land and affect 4,539 households (about 17,700 persons), of which 1,814 would need to be relocated. The land compensation was underestimated, leading to an almost two-fold increase of counterpart funding. Despite the increased counterpart funding and time overruns, compensation to the PAP were pending when the project closed. This resulted in incomplete civil works and the need for a Post-Closure Action Plan (PCAP) to address the outstanding issues post closure (discussed below).

Bank performance at Quality-at-Entry is rated as moderately satisfactory.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision
Over the project lifetime, the Bank conducted 15 supervision missions (implying twice a year missions). The missions were supplemented by additional technical missions, especially during the latter half of the project for resolving implementation issues. The missions included staff with expertise in disaster risk management, urban development, flood risk management, transportation and water and sanitation services. This helped in providing timely technical support. The continuity of support was maintained, with two Task Team Leaders (TTL) during implementation and the same TTL at appraisal and closing. Given the delays in initial years due to LAR issues, the Bank team recommended modifications to the technical design to reduce the LAR footprint through a hydraulic modelling conducted in December 2020. This improved implementation in the latter years. As compensation to PAPs were still pending when the project closed, the team provided a Post-Closure Action Plan (PCAP) address the outstanding LAR issues. The support provided by the supervision team aided in fiduciary compliance (discussed in Section Ten).

Bank performance during supervision is rated as satisfactory.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The results framework was clear and the key outcome indicators were adequate for monitoring project performance. The original key outcome indicator at design " increase in urban core area protected from rainfall flooding for a 10-year return period and riverine flooding for a 100 -year return period " should have been designed to separately measure the two different types of flooding " namely riverine/tidal flooding and rainfall flooding (this shortcoming was rectified through the second project restructuring. The M&E design appropriately included an intermediate indicator to measure the number of women living in the most flood-prone areas who received early warning training for floods.

M&E arrangements included using Geographic Information System (GIS) to monitor progress. The M&E design also advocated recruiting an M&E consultant to support implementation as neither the PMU nor the Can Tho City had adequate capacity to implement the project M&E.

There were however M&E design shortcomings. One, there were no clear indicators for monitoring the social protection dimension of the project: Two, given that the project financed a flood risk management information system (FRMIS) and a Spatial Planning Platform (SPP), the M&E framework could have benefitted from additional indicators aimed at monitoring the outcomes of these systems through beneficiary surveys: and three, it is not clear if the methodology for collecting data was clearly specified at appraisal.

b. M&E Implementation
There were delays in recruiting the M&E consultant for the project, The M&E consultant had difficulties identifying an approach to measure travel time reduction. As opposed to the indicator pertaining to the gender dimension of the project, the intermediate indicator monitored the number of city staff trained to operate the FRMIS and the SPP. While the indicator pertaining to the "increase in urban core land area protected from rainfall flooding were split to separate the two different types of flooding through the second project restructuring, the other deficiencies in M&E design were not rectified during implementation.

c. M&E Utilization
The ICR (para 63) noted that M&R reports were utilized for monitoring implementation progress and were the basis for the second restructuring when it became clear that the project will not achieve its objectives within the original implementation period. This formed the basis for the technical modifications of the original project design.

Overall M&E is rated as Modest due to the shortcomings in M&E design and implementation.

M&E Quality Rating
Modest

10. Other Issues

a. Safeguards

The Project was classified as a Category A (Full Assessment) project under the WB's safeguard policies: Five safeguard policies were triggered; (i) Environmental Assessment (OP/BP 4.01); (ii) Natural Habitats (OP/BP 4.04); (iii) Physical Cultural Resources (OP/BP 4.11); (iv) Involuntary Resettlement (OP/BP 4.12); and Projects on International Waterways (OP/BP 7.50) (PAD, page iv).

Environmental Assessment, Natural Habitats and Physical Cultural Resources. The environmental impacts during implementation (such as generation of dust, noise and wastewater and occupational health and safety risks) were anticipated at appraisal. These impacts were expected to be site-specific. Natural Habitats safeguards was triggered as the activities could affect water quality and aquatic life. Physical Cultural Resources was triggered as dredging and excavation activities could result in "chance finds". Environmental and Social Impact Assessment (ESIA) was conducted at appraisal and Environmental and Social Management Plans (ESMPs) were prepared and publicly-disclosed to address these safeguards.

Environmental safeguards was rated as Moderately Satisfactory during implementation (ICR, para 66). There were no accidents. However, over 200 simple houses built on weak geological soil foundation near construction sites were affected by cracking. The ICR notes that the PMU coordinated with the local authorities to monitor, relocate and compensate for the affected houses.

Involuntary Resettlement. LAR was foreseen at appraisal, as the project activities were in densely populated urban areas, characterized by high levels of informality, particularly near canals. Land acquisition of about 135.4 hectares of land were expected, which would affect 4,539 households (about 17,700 people). Of these, about 1,814 would have to be relocated. A Resettlement Action Plan (RAP) was developed at appraisal to address resettlement issues.

Social safeguards was rated as Moderately Unsatisfactory during implementation (ICR, para 69). By project's closing, there were a total of 4,627 PAPs and and the land acquired amounted to 978,448,32 square meters. There were pending issues pertaining to PAPs when the project closed. A Post-Closure Action Plan (PCAP) was developed to finalize land acquisition and resettlement issues. These activities are to be completed by end of 2026. The ICR (para 70) noted that a fatality occurred in August 2024 after the project closed. Investigations were ongoing to date.

The ICR (para 71) noted that the Grievance Redress Mechanism (GRM) functioned well. Throughout the course of the project, the GRM received, managed and resolved over 200 complaints pertaining to compensation prices and resettlement plots.

Projects on International Waterways. This safeguards was triggered as interventions in component one was located in a tributary of the Mekong River. An exception to the requirement was approved by the Regional Vice President as the activities were not likely to harm to riparian states.

b. Fiduciary Compliance

Financial Management (FM). The Bank conducted an assessment of the FM arrangements. The assessment concluded that the arrangements were adequate for meeting the Bank's requirements (PAD, para 66). FM performance was rated as moderately satisfactory (ICR, para 72). The project complied with the legal covenants. Most interim financial reports were submitted in a timely fashion. The audits were unqualified. However there were some issues pertaining to slow budget approval, delayed payments and expired contracts without extension.

Procurement. The Bank conducted an assessment of the procurement arrangements of the PMU at appraisal. The PMU had experience implementing Bank-financed projects. With mitigation measures, procurement risk was rated as substantial at appraisal. The procurement performance was rated as moderately satisfactory (ICR, para 73). The ICR noted that the project encountered procurement challenges initially. However, several procurement-related challenges received during implementation were resolved satisfactorily. There was no indication of either fraud or corruption during implementation.

c. Unintended impacts (Positive or Negative)

According to a survey conducted by the M&E consultant, land prices had significantly increased in the project areas (ICR, para 47).

d. Other

Not applicable.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	There were shortcomings at Quality-at-Entry.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR draws the following three lessons from the experience of implementing this project, with some adaptation of language.

1. Land acquisition, resettlement and compensation for the project affected persons needs consideration from appraisal, especially when project activities are in densely populated urban areas with informal settlements. Land acquisition and resettlement issues faced significant challenges in this project during implementation and these issues were pending when the project closed. A lesson from this project is that it is crucial to conduct land acquisition assessments that accurately reflect current market rates at appraisal and ensure that project affected persons are compensated during implementation. This is particularly so, given that land acquisition and resettlement issues pose reputational risk to the Bank .

2. Collaboration with external partners can raise the potential for success when the external partners are providing technical assistance activities in countries with weak implementation capacities. In this project, the SECO grant provided technical assistance activities that were complementary to the physical investments and were aimed at enhancing the City's capacity to manage urban development in a risk-informed context.

3. Establishing infrastructure management systems facilitate efficient use of disaster risk data across various departments and can help in ensuring long-term sustainability of development outcomes. This project demonstrated the importance of integrating sustainability from the very beginning through securing budget commitments, making technology choices and fostering a strong sense of ownership within the city government.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is clear and well-written. The theory of change articulated in the text clearly shows the causal links between project activities (inputs), outputs and the intended outcome and the theory of change explicitly states the assumptions underlying the results framework. The ICR draws reasonably good lessons from the experience of implementing the project. The photographs provided in Annex seven helps the reader to visualize the changes made by the project in the intervened areas of Can Tho City.

a. **Quality of ICR Rating**
Substantial