



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 29-Mar-2019 | Report No: PIDC26409

**BASIC INFORMATION****A. Basic Project Data**

Country Vietnam	Project ID P169954	Parent Project ID (if any)	Project Name Southern Waterways Logistics Corridor (P169954)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Dec 02, 2019	Estimated Board Date May 05, 2020	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) Socialist Republic of Vietnam	Implementing Agency Ministry of Transport	

Proposed Development Objective(s)

The project development objective is to improve the efficiency and safety of two key inland waterways in Southern Vietnam.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	331.00
Total Financing	331.00
of which IBRD/IDA	300.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	300.00
IDA Credit	300.00

Non-World Bank Group Financing

Counterpart Funding	31.00
Borrower/Recipient	31.00



Environmental and Social Risk Classification

High

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Vietnam has achieved strong economic growth which has resulted in poverty reduction in the past few decades. Since the late 1990s, political and economic reforms have transformed Vietnam from one of the poorest countries in the world to a lower middle-income country with a Gross Domestic Product (GDP) per capita of US\$2,553 estimated at the end of 2018.¹ Between 1990 and 2018, real GDP grew at an average annual rate of 6.8 percent. Economic growth coupled with the government's strong focus on inclusive social development has enabled Vietnam to drastically reduce the incidence of extreme poverty and broaden prosperity. The poverty rates based on national and international poverty lines reduced from 20.9 percent in 2010 to 9.8 percent in 2016.²
2. Much of Vietnam's growth has been driven by increased participation in trade and investment in infrastructure including transport, and initially buoyed by low manufacturing costs and cuts in international trade tariffs. In 2017, Vietnam's trade as a percentage of GDP was 200%, which made it the 6th highest in the world.³ Some key commodities include seafood, agricultural products, crude oil and related products, textiles and apparel, electronics and furniture. In the last two and half decades, under the effects of multilateral and bilateral free trade agreements signed and implemented by Vietnam, tariffs on international trade have been sharply reduced, which helped to significantly reduce trade costs.
3. As Vietnam's labor costs have increased, and with the emergence of other low manufacturing countries, it has become increasingly important for export cost competitiveness to be driven by other factors such as efficient supply chains and lower transport and logistics costs. The scope for continued tariff reductions is narrowing, so further reductions in trade costs need to be achieved by reducing costs tied to non-tariff measures (NTMs) and logistics. Addressing these issues and sustaining cost competitiveness has become a primary objective by the Government of Vietnam (GoV), as evidenced for example by the Ministry of Transport's increasing focus on logistics and the

¹ International Monetary Fund, World Economic Outlook Database, October 2018

² World Bank, Vietnam Poverty and Shared Prosperity Update Report, 2018 and 2019

³ World Bank, Open Data Database, March 2019



establishment of the Vietnam Trade Information Portal (VTIP). VTIP is a one-stop point for information relating to import, export, and transit in Vietnam.

4. In Vietnam, two regions account for most of the nation's economic activity and it is crucial to support their sustained growth. Southeast and Mekong River Delta (SMRD, population 33 million), is located at the southern end of the country and includes the main commercial capital Ho Chi Minh City (HCMC). The Red River Delta (population of 20 million), located at the northern end of the country, includes Hanoi as its main conurbation. Taken together, these regions account for about 60 percent of the population but more than 80 percent of its industrial output and more than 90 percent of its seaport container throughput. Of these economic poles, SMRD is by far the larger, accounting for between 60 and 70 percent of their combined economic activity. The SMRD is also the most important agricultural and aquaculture region of Vietnam for both domestic consumption and exports.

Sectoral and Institutional Context

The National Transport Sector

5. Vietnam's inland freight transportation market is dominated by two modes: inland waterways transport (IWT) and road transport. Based on 2018 tonnage figures, IWT accounts for about 17 percent of the national freight transportation share, while trucking and coastal shipping account for about 77 percent and 5 percent respectively. However, based on ton-km figures, IWT accounts for 18.9 percent of the total, while road and coastal shipping account for 23.7 percent and 55.7 percent respectively. This reflects that IWT and coastal shipping are used appropriately for the longer distances of freight transportation. Vietnam's waterways carry a much higher proportion of the national freight (almost 19 percent in terms of ton-km) when compared to other leading IWT regions of China, United States of America and European Union which carry about 5 to 8 percent each. There is no country in the world except for the Netherlands that uses the waterways more for freight transport than Vietnam.
6. International experience has shown that waterways can lead to lower logistics and environmental costs compared to individual trucking. Economies of scale from increased consolidation reduces logistics costs. A 40-foot container's cost can be about as low as 10 percent of road transport's, if the consolidation brings about adequate economies of scale.⁴ Moving more cargo onto larger vessels on waterways is also more environmentally friendly as it consumes only 17 percent of road's and 50 percent of rail's energy consumption (ton-km).⁵ Road transport emits 2-3 times the emissions of waterways.
7. However, the IWT sector only receives a small portion (about 1-2 percent) of the total transport budget annually due to insufficient funds. Vietnam's waterways have experienced serious shortfalls in improving and maintaining its infrastructure compared to its needs and compared to investment in other modes. The average budget allocation for the road network is 15-20 times higher per ton-km carried than for the waterways network. Over a decade, the country has been financing its IWT infrastructures mostly through Official Development Assistance (ODA-loans and grants mainly from the World Bank) and operations and maintenance (O&M) of national waterways through the national budget. Fees and charges collected from IWT users are insignificant due to the low value of bulk commodities

⁴ Transport Development Strategy Institute Report, 2017

⁵ European Parliament, Reducing CO₂ Emissions from Transport, 2015



carried and the international record of waterways being largely public infrastructure. The project corridors connect the most economically important ports in Southern Vietnam and are national public goods. A recent increase in maintenance funds has helped to improve the quality of IWT but there are inadequate funds to cover capital expenditures. The Prime Ministerial Decision 47/2015 pledged to increase the maintenance funds for waterways for the period of 2016-2020. As a result, in 2017 maintenance funds for IWT increased significantly, about 88 percent higher than in 2013. However, this is still inadequate to fully cover maintenance costs and to start on any waterways improvements projects required.

Transport and Logistics in the SMRD Region

8. The SMRD region is home to Vietnam's largest network of rivers and canals, largest port at HCMC in terms of volumes, and the only deep-water port at Cai Mep Thi Vai (CMTV), which collectively form a dominant transport network in the SMRD region and the country's waterborne trade. The logistics flows in the SMRD are projected to increase more than three-fold, to around 942 million tons by 2040. The Mekong Delta is the largest producer of rice and seafood products in Vietnam. Sugar is produced in the whole of Vietnam, but the Mekong Delta has a share of 25 percent of national production and 10 percent is cultivated in the southeast region. Significant construction materials like cement, sand and stone are produced in the Delta, and used in the rapidly growing regions. Such products are frequently carried via the waterways for domestic and international trade. Similarly, steel and energy products use IWT extensively because of the large volumes involved and numerous plants are usually situated along inland waterways. Rapid increases in the flow of goods, and materials to and from the Mekong Delta and greater HCMC/CMTV have resulted in high traffic growth. For example, during 2006-2016, inland waterway freight tonnage in the southern region grew at a strong average annual rate of 6.6 percent.
9. Despite its economic significance, the SMRD region faces several transport challenges if it is to sustain its track record of promoting national growth and poverty reduction going forward. Many of the region's main waterborne transport arteries and nodes—which touch most of the region's freight by volume—suffer from supply-demand mismatches. These supply-demand mismatches have primarily resulted from chronic underinvestment in capital and maintenance expenditures for the waterways and canals of the Mekong Delta. This impacts logistics and export costs, as well as causes delays. If the waterways are not upgraded, some traffic may have to move to road which will increase GHG emissions and face increased transport costs and delays due to congestion.

Challenges in SMRD Waterways Logistics

10. Can Tho, to the east of HCMC, is the principal Mekong Delta port for general and containerized cargo to and from HCMC and CMTV. HCMC Port is the largest port in Vietnam in terms of volumes. However, it is a city port and its depth is limited to 8.5 meters in some sections. CMTV is the country's only deep-sea port, with depth of 14 meters and ability to handle vessel sizes of around 20,000 TEU or 200,000 deadweight tons. In the longer run, CMTV should gradually become the largest port in Vietnam, because of the depth restrictions in the city port and the inability to cater to the increasingly large vessels globally. Better connections between Can Tho and HCMC/CMTV, via an East-West corridor, is considered one of the most effective ways of improving regional and international freight connectivity for the Delta region. Most IWT activity in the Mekong Delta utilizes a combination of major river channels and purposefully built canals.



11. A number of key canals, which have less freight-carrying capacity and are more exposed to siltation than the main river channels, have increasingly become bottlenecks for supply chains linking the Mekong Delta with HCMC due to shallow and narrow waterways, sharp bends, and bridges with insufficient vertical and horizontal clearances. These important waterways include (i) the Cho Gao Canal, considered the most pressing waterway bottleneck in the region at present; and (ii) the Mang Thit Canal, which directly connects Can Tho Port with the Mekong river and is heavily silted up at present, impeding or delaying navigation.
12. The 28.5-kilometer Cho Gao Canal (Class III in some areas and Class II in others⁶) is one of Vietnam's most heavily transited waterways. Use of this canal saves shippers time and costs as it most directly connects the Delta and HCMC/CMTV. However, the canal is relatively narrow at its bed with several ferry crossings, fuel stations and bulk terminals, and therefore capacity-constrained and not optimally functioning. Over recent years, traffic growth and expansion of average vessel sizes have resulted in heavy congestion at Cho Gao. This has increased logistics costs, undermined navigation safety, and accelerated bank erosion. Most vessels on this waterway are old and are frequently overloaded. The power/load ratio between propulsion power and cargo transported by these vessels is low. As a result, the push tugs for sand barges struggle when required to execute maneuvers, particularly at portions of the canal with sharp bends. However, vessel owners are unwilling to invest in larger, more modern vessels due to the lack of investments to upgrade the waterways.
13. The 52.0-kilometer Mang Thit Canal (Class III) is another vital waterway of the Mekong Delta. Crucially, its close proximity to Can Tho Port makes Mang Thit the most direct way for Can Tho-originated cargo to reach the Cho Gao Canal en route to HCMC/CMTV. Upgrading works for the Mang Thit Canal to Class III were completed in 2005 but rapid siltation has reduced the available draught to only 1 to 1.5 meters. Bridges in this section have insufficient vertical and horizontal clearances (7m and 20m accordingly) and the radius at sharp bends is only 200 to 400m. As a consequence, vessels of over 100 tons can no longer access the Mang Thit canal and instead have to follow the River Tien to Long Xuyen and then the River Hau to Can Tho, an additional distance of over 90 kilometers.
14. Furthermore, Dong Nai, north to HCMC/CMTV, is an important industrial area and source for construction materials. Dong Nai's population has been rapidly growing in recent years, mainly driven by migrant workers coming to the province to work in factories. Dong Nai is also plentiful with forest resources and mines. Currently, cargo originating at Dong Nai port faces delays to get to the deep-sea port at CMTV in the South, even though the North-South corridor is the most direct route, because some of the vessels cannot travel in low tide and have to wait for high tide. On the other hand, National Highway number 51, the main route connecting HCMC and CMTV for container transportation is overloaded, causing frequent traffic jams. Therefore, it is paramount to improve the North-South waterways corridor to serve some of the traffic. This corridor passes through Dong Tranh river that has five sharp bends and shallow water sections that need to be improved to allow vessels to navigate full time.

⁶ Vietnam's inland waterway network classification has six classes for national waterways, with Class V being the smallest waterways to Special Class being the largest waterways. About 7 percent of national falls in special class, 10 percent in Class I, 12 percent in Class II, 52 percent in Class III, 16 percent in Class IV and 3 percent in Class V.



15. The lack of waterways upgrading to accommodate larger vessels has inhibited the private sector to invest in larger vessels, as well as improved cargo handling equipment for ports. Vessels on Vietnam waterways typically carry bulk and are on average 100 tons, while vessels in Europe can go over 2,000 tons. This significantly increases operating costs and logistics costs, due to the lack of economies of scale. The inability to accommodate larger container vessels on waterways also prevents containerization, which is a growing global trend towards increasing multi-modal transport. This inhibits the economic growth of the Mekong Delta.
16. Since 1997, the GoV and the World Bank have implemented inland waterway infrastructure development projects in the Mekong Delta. These projects improved the navigation capacity of selected corridors in the Mekong Delta inland waterway network to Class III standards. However, robust inland waterway traffic demand growth in the southern region in recent years, has resulted in a need to further upgrade key waterway routes to Class II standards and beyond. This will allow full-time navigation of larger vessels, increase cargo consolidation, reduce delays and lower logistics costs.
17. Furthermore, the safety of IWT has improved over the years but the trend has not been consistently downwards. Overall, the number of IWT accidents and fatalities in Vietnam have reduced since 2012 to 2017. However, this masks an increase in accidents and fatalities from 90 accidents and 66 fatalities in 2014 to 96 accidents and 74 fatalities in 2016.⁷ This is because of the increasingly high traffic on the waterways, without any vessel traffic management systems.
18. There is a need to continue to upgrade alternative corridors in the Mekong Delta network to better match supply and demand, remove congestion bottlenecks, improve network resiliency and safety, increase consolidation via larger barges, and reduce logistics costs and GHG emissions. Taking into account these challenges, the World Bank and the GoV agreed to further develop the waterways to improve the transport and logistics in the SMRD region.

Relationship to CPF

19. The proposed project is aligned with the 2018-2022 World Bank Group Country Partnership Framework (CPF) for Vietnam. The CPF has three focus areas: (i) enable inclusive growth and private sector participation; (ii) invest in people and knowledge; and (iii) ensure environmental sustainability and resilience. The proposed project supports the CPF's first focus area for enabling inclusive growth and private sector participation, by enhancing Vietnam's main logistics corridors and lowering trade logistics costs, which will contribute to the country's trade competitiveness. The proposed project also supports the CPF's third focus area for ensuring environmental sustainability and resilience, by the increased use of waterways through the upgrading of two key corridors. The initiatives will reduce GHG emissions relative to trucking, which produces at least 2-3 times more emissions.
20. The proposed project will also contribute to infrastructure development, one of three key focus areas laid out in the GoV's Socio-Economic Development Strategy (SEDS) 2011-2020. The project aligns with the GoV's strategy of

⁷ World Bank, Inland Waterways Transport in Vietnam Report, 2019



developing the key economic zone of the Mekong Delta and its transportation system as well as the Southeast Region, as confirmed by the Prime Ministerial Decisions 11/2012 and 939/2012 respectively.

21. The proposed project supports the World Bank's Twin Goals of ending extreme poverty and boosting shared prosperity. The target areas—the Mekong Delta and greater HCMC—are critical to Vietnam's economic growth, a necessary condition for poverty reduction. About 17 percent of the population living in Mekong Delta and South east provinces (excluding HCMC), are below the poverty line; and about 40 percent are part of the bottom 40 percent expenditure group nationwide. The proposed project will improve access from/to the Mekong Delta; and link it to the HCMC and deep-sea import/export terminals in CMTV. This will help boost economic activity and employment in the Mekong Delta, thereby contributing to the reduction in existing regional disparities.

C. Proposed Development Objective(s)

The project development objective is to improve the efficiency and safety of two key inland waterways in Southern Vietnam.

Key Results (From PCN)

22. The achievement of the PDO may be measured through the following possible outcome indicators:

- i. Cargo volumes in the corridors (East-West Corridor, North-South Corridor): Project will increase cargo volumes in each corridor.
- ii. Travel time along the East-West Corridor: Project will decrease travel time in the corridor.
- iii. Accidents on the corridors (East-West Corridor, North-South Corridor, Cho Gao Canal): Project will decrease accidents and fatalities on the corridors.

23. Indicators (i) and (ii) will measure the efficiency aspect of the PDO and indicator (iii) will increase the safety aspect of the PDO.

24. Intermediate indicators could include the following:

- i. Length of waterways widened and deepened (km)
- ii. Length of embankments constructed (km)
- iii. Number of bridges reconstructed
- iv. Number of ferry landing stages reconstructed
- v. Length of waterways with navigation aids installed (km)
- vi. Installation of the vessel traffic management system along Cho Gao Canal

25. The indicators will be adjusted as necessary, and a detailed results framework will be developed during preparation.

D. Concept Description



26. The project is designed to address some of the key challenges of inland waterways in Southern Vietnam outlined above. The design takes into account the need to significantly improve the efficiency and safety of inland waterway services in order to make waterway transport a preferred mode of transport by cargo transporters. The two project logistic corridors (East-West and North-South) will be upgraded, which will accommodate increased logistics flows and allow for larger vessels. After the upgradation, travel distance will be reduced by about 92km on the East-West Corridor. Improved inland waterway corridors will help reduce logistics costs, delays and the negative impacts of road congestion and GHG emissions. The propose project will also introduce new features such as implementation of navigational aids along the entire length of the project corridors and a vessel traffic management safety system along the busiest waterway section at Cho Gao Canal. This will enhance safety along the busy waterways.

Project Status

27. A feasibility study (FS) for the proposed project was completed in September 2017. The study was financed by World Bank's Project Preparation Technical Assistance Facility (PPTAF) (P144174). In order to identify the optimal logistics network in Southern Vietnam, the FS studied 18 alternative routes. A multi-criteria analysis was utilized to identify the most impactful project corridors. The criteria included (i) the transport cost benefit per invested US Dollar and annual maintenance costs for the required upgrading (20 percent weightage); (ii) the increase in safety of navigation, defined by the relative navigation time and taking into account the total length of the route and lockage time (10 percent weightage); (iii) the environmental, social and resettlement impact of the required upgrading interventions (50 percent weightage); and (iv) the total investment required for the required upgrading interventions (20 percent weightage). Based on the multi-criteria analysis, the corridors proposed to be financed under this project provide the most overall benefits net of costs.

28. **Project Components:** To support the achievement of the PDO and to support Vietnam's inland waterways development plan, the proposed project will comprise the following components:

Component A: East–West Waterway Logistics Corridor (estimated cost: US\$304 million). This component will finance the upgrading of 239km of a key east-west inland waterways corridor, connecting Can Tho Port – Mang Thit – Cho Gao – HCMC/CMTV port, from navigation Class III in most sections to Class II along the whole route. In particular, this component will support (i) widening and deepening of the waterways (dredging volume of 6.0 mil m³, bend correcting and river cut-off at Mang Thit and Rach La rivers); (ii) construction of embankments of about 37.5km; (iii) reconstruction of three bridges at Tra On, Mang Thit and Cho Lach for higher and wider vessel clearances; (iv) reconstruction of 16 ferry landing stages; (v) reconstruction of about 18km access roads to connect with existing roads; (vi) building 86 irrigation and drainage-related items; and (vii) installation of navigation aids along the entire route.

As stated above, after the upgradation, the East-West Corridor will reduce travel distance by about 92km than the existing alternative route that travels through Hau river and Tien river. The Class II corridor will have a Least Available Width (LAW) of 55m for canals, 75m for rivers, 3.3m Least Available Depth (LAD), 500m minimum curved radius for canals and 700m for rivers. The typical vessel on this corridor is about 100-300 tons. The upgraded corridor will allow a self-propelled fleet with a tonnage up to 600 tons or 3-layer container ships (about 150 twenty-foot equivalent units - TEUs) to travel through the corridor. The bigger vessels up to 1500T can navigate during high water levels. The bridges will be built with vertical and horizontal clearances of 9.0m and 80m (or 70m for Cho Lach bridge) respectively. The roads will be upgraded to local roads class III.



Component B: North-South Waterway Logistics Corridor (estimated cost: US\$24 million). This component will finance the upgrading of 81km of a key north-south corridor, connecting Dong Nai port – HCMC/CMTV port, from navigation Class III on some sections to Class II and beyond throughout.⁸ It will support (i) widening and deepening of waterways (dredging volume of 2.5 mil m³, removing some shoals and bend correcting at Dong Tranh river); (ii) construction of embankments of about 0.6km; (iii) reconstruction of 0.6km roads; and (iv) installation of navigation aids along the route. After the upgradation, the corridor will have a channel width LAW of 60m for canals, 90m for rivers, LAD 7.0m, 500m minimum curved radius for canals and 700m for rivers. Currently, a typical vessel can be about 3,000 or more tons but cannot navigate full-time and must wait for high-tide. This will allow ships up to 5,000T or 4-layer container ship (about 200 TEUs) to navigate full-time along the North-South Corridor.

Component C: Installation of a vessel traffic management system (VTMS) along the Cho Gao canal (estimated cost: US\$3 million). This will be the first VTMS in inland waterways in Vietnam and will increase safety and traffic flow efficiencies in the busiest section of the Mekong Waterways. A VTMS proposed under this project will provide (i) information services about the fairway (layout, depths), tides, weather, navigation rules and waiting facilities at both ends; (ii) traffic services; (iii) communication services through Very High frequency (VHF) radio between the control center and boats. The VTMS will minimize risks of groundings, especially at the sharp curve at Rach La, reduce collisions, casualty risks, and costs from such accidents. Further, it will reduce significant waiting time costs of vessels. Such a system will allow Vietnam to leverage technology to increase safety and traffic efficiencies, which is vital in an increasingly busy waterway.

29. Climate Change Screening and Mitigation Measures. Based on the Climate and Disaster Risk Screening conducted, the project is exposed to a Moderate risk to climate change and disasters. The Mekong Delta is sensitive to flooding and a sea level rise, as well as saltwater intrusion. Projected increases in rainfall and runoff will have implications for flooding, whereas the increase of temperature and reduction of precipitation in the dry season will cause saltwater intrusion. Mitigation measures incorporated into the project design will include: (i) increasing the drainage capacity of the canal systems; and (ii) incorporating climate and disaster risk factors in the engineering designs.

Implementation Arrangements

30. The Ministry of Transport (MOT) will own the project, oversee project implementation, coordinate between central and provincial government agencies, ensure compliance with government rules and World Bank policy requirements. MOT will also be responsible for the approval of the overall FS/construction investment report and overall procurement plan. As the line agency, MOT will approve detailed engineering designs and cost estimates, bidding documents/request for proposals, bid/proposal evaluation reports, evaluation reports and sign contracts; and review the quality of works and review periodic reports.
31. Project Management Unit-Waterways (PMU-W), assigned by MOT, will be the implementing agency of the project. PMU-W will be responsible for overall project management, including procurement, financial management, contract management, day-to-day supervision of project activities, training, monitoring and evaluation, and communication with the World Bank.
32. Vietnam Inland Waterway Administration (VIWA) is the operator of national-level waterways, and the implementing agency for inland waterway policies. VIWA is responsible for the operation and maintenance of infrastructure along

⁸ Please refer to footnote 6 which explains waterways classification.



national rivers, including river ports and for the maintenance of aids to navigation; as well as strengthening maintenance capacity, including for the project corridors after completion.

- 33. Provincial People’s Committees and Departments of Transport (PPCs & PDoTs) will be responsible for the overall environmental and social safeguards of the project. Their responsibilities will include land acquisition, implementation of the resettlement and compensation of the respective inland waterway sections within their administrative jurisdictions.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No



Summary of Screening of Environmental and Social Risks and Impacts

As part of E&S screening, the team has reviewed a number of relevant documents, including project concept note, the draft Feasibility Study, the draft ESIA, RPF, and RAP, Land Law, Labor code, Law on Environmental Protection, Law on Biodiversity. The project is classified as high risk for environment and social. The ESS1 through ESS8 and ESS10 have been identified to be relevant for the project. The main environmental risks and impacts are related to Component A and B of the project. The main environmental risks and impacts during pre-construction, and construction include: (i) safety risk due to UXOs; (ii) adverse impacts due to clearance of 3.2 ha of mangrove in the buffer zone of the 32,700 ha Can Gio protection forest, a Biosphere Reserve which is protected by the national regulation; (iii) Water pollution in the surrounding areas due to disposal of the excavated materials; (iv) risks to health and safety of local people and construction workers; and (v) water pollution due to dredging affecting aquatic life and water supply; (vi) waterway traffic safety risk; and (vii) disturbances to waterways transport. The main environmental adverse risks and impacts during operation would include: (i) impacts on water quality and aquatic life as a result of increased waterway traffic; (ii) waterway traffic congestion and safety risk; and (iii) oil leakage due to waterway traffic accidents. There are a number of relevant adverse social impacts that need to be addressed including 1) land acquisition 2) resettlement, 3) disruption of water based transport and livelihoods, 4) disruption of river bank agricultural activities 5) health risks and risk of gender based violence from labor influx 6) disruption of land, livelihoods and cultural activities of ethnic minorities 7) disruption of intangible cultural heritage 8) and the risk of disproportionate impacts on vulnerable people (ethnic minority, female headed, elder and disabled households) in the project impact zone. Most of these impacts have been assessed, and mitigation measures proposed, as part of a social impact assessment (which includes a social action plan) already prepared by the implementing agency. The Bank Policy on Projects on International Waterways is triggered for the project because the project canals, Mang Thit, Cho Lach, Ky Hon, Cho Gao, Rach La, and Nuoc Man, are connected to Mekong River, which is an international waterway. The proposed investments under the project will involve additions or alterations that will rehabilitate, upgrade, or make changes to existing schemes affecting the upstream riparian countries. Therefore, policy will be triggered for the project. Notifications to riparian states will be made [or a waiver will be sought] prior to the approval of the Project. The draft ESIA, RPF, EMPF, RAP, and EMDP have been prepared under a Bank Technical Assistance following the requirements of the current safeguard policies. However, these safeguard instruments have not been reviewed and cleared by the Bank. They will be revised in manner proportionate to the nature and scale and the potential risks and impacts of the project, and consistent with the requirements of the Bank Environmental and Social Framework (ESF). The environmental and social assessment procedure will follow requirements of the relevant ESSs in identifying and managing the environmental and social risks and impacts including direct, indirect, cumulative, and residual impacts.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.



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