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Socialist Republic of Vietnam

Ministry of Industry and Trade

ETHNIC MINORITY PLANNING FRAMEWORK

For

VIETNAM SCALING UPENERGY EFFICIENCY PROJECT

August 2019

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Acronyms and Abbreviation

AP	Affected Person
CEMA	Committee for Ethnic Minority Affairs
CPEE	Clean Production and Energy Efficiency
DP	Displaced Person
DPC	District People's Committee
EE	Energy efficiency
EMDP	Ethnic Minority Development Plan
EMPF	Ethnic Minority Planning Framework
EMs	Ethnic Minorities
ESCOs	Energy Service Companies
GFU	Grievance Facilitation Unit
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEs	Industrial Enterprises
MOIT	Ministry of Industry and Trade
MONRE	Ministry of Natural Resources and Environment
NOL	No Objection Letter of WB
OP	Operational Policy
PB	Participating Bank
PC	People's Committee
PCR	Physical cultural resources
PFIs	Participating Financial Institutions
PMB	VEEIEs Projects Management Board
PMU	Project Management Unit, representing Project Owner
PO	Project Owner
PPC	Provincial People's Committee
SA	Social Assessment
TA	Technical Assistance
VEEIEs	Vietnam Energy Efficiency for Industrial Enterprises
WB	World Bank
PIE	Program Implementing Entity
RSF	Risk Sharing Facility

GCF	Green Climate Fund

SECTION 1. INTRODUCTION

1.1. Project Description

Vietnam is one of the most energy-intensive countries in East Asia, its energy intensity increasing about 10 percent in period 2001-2010, in which electricity demand increasing annually about 13 percent in period 2001-2010 and about 11 percent during 2011-2015. According to the Vietnam Energy Statistics 2015, total primary energy supply of Vietnam was 70,588 KTOE. In Vietnam's overall energy intensity, industry is the most energy-intensive economic sector, accounting for 47.3 percent of the final energy use. Rapid increase in the industrialization and less effective energy use are main factors for Vietnam's energy intensity to be high in comparison with other countries.

Vietnam has limited domestic energy resources, most of the larger hydropower projects developed, primary energy resource and fossil exhausted, renewable energy such as small hydropower, wind, solar and another type limited by regulatory and financial framework, cost of investment and technology.

In next decades, Vietnam energy demand is still increase, the dependence on imported energy resource affecting energy security, impacted by international and regional energy cost. The cost of energy to Vietnam's consumers currently amounts to around US$14-15 billion per year. In the power sector alone, the financing needs are about US$7.9-10.8 billion annually to meet future demand for generation and network investments.

In the Power Development Plan for the period 2011 – 2020 with vision to 2030 revised and passed by the Prime Minister of Vietnam on March 18, 2016 (PDP7 revised), energy demand for national economic-social development is around 7.0 percent per year in the value of GDP. In this scenario, the increase of national electricity demand in the next period is significant reduction in comparison with the previous period, but still high compared to other countries, especially 10.6 percent per year (in period 2016 – 2020), 8.5 percent per year (in period 2021 – 2025), and 7.5 percent per year (in period 2026 – 2030). Current demand projections show a dramatic increase from 45,000 MW to 60,000 MW in 2020 to 129,500 MW in 2030. It is a big energy challenge to provide capital for expansion, improvement of transmission grids, distribution, investment, development of new electricity as well as sufficient provision of primary power for electricity plants.

According to the Bank's Low Carbon Study 2011, Vietnam could save up to 11 GW of new generation capacity by 2030 if comprehensive demand-side EE investments are carried out, especially energy intensive industrial enterprises such steel, cement to be able to reduce 30 percent of greenhouse gas from those activities.

Vietnam has also pledged, in its Nationally Determined Contribution (NDC) submitted to the United Nations Framework Convention on Climate Change (UNFCCC), to reduce 8 percent of the GHG emission during 2021 - 2030 compared to the business-as-usual scenario and to further aim at 25 percent reduction with support from the international community. In Vietnam's NDC report, GHG emission in energy sector is 85 percent of total GHG emission of nation by 2030. Therefore, EE plays important role for national energy saving if organized and implemented sufficiently, to help sustainable economic development and environmental

protection, to conduct Vietnam's pledge of reduction of GHG emission, responding to global climate change.

In order to meet energy demand, and to reduce GHG emission as pledged to international community, Vietnam needs to aim target of sustainable development of energy sector. One of strategic measures is energy efficiency use and energy efficiency for society, especially energy intensive industrial enterprises such steel, cement, chemicals, food processing, consumer goods, etc. In fact, investment for energy efficiency is multiple-purpose measure, including resources saving, environmental pollution reduction, economic efficiency, energy efficiency use, increasing competition in reduction of production cost, saving for energy expense.

Therefore, proposed project "Vietnam Scaling Up Energy Efficiency" is important for social-economic development, environmental protection, and improvement of energy efficiency activities, reduction of GHG emission in industrial and energy sectors, implementation of the Paris Agreement on Climate change and NDC of Vietnam for 2021 – 2030. Simultaneously, the project contributes importantly for implementation of the national priority policies on energy efficiency and energy security, reduction of GHG emission and environmental protection.

Under Component 1, the Project will provide partial credit guarantee to Participating Financial Institutions (PFIs) to cover potential defaults on loan (PFIs Loans) provided by PFIs to Industrial Enterprises (IEs) and energy service companies (ESCOs) to finance eligible EE subprojects. These subprojects are under energy intensive industries such as cement, iron and steel, and pulp and paper. The following potential energy saving measures will be used: (a) adoption of energy saving industrial technologies (e.g., efficient industrial boilers, kilns, and heat exchange systems); (b) recovery and utilization of wastes and waste heat; (c) installation of highly efficient mechanical and electrical equipment (e.g. motors, pumps, heating and ventilation equipment); and (d) industrial system optimization to reduce energy use. Under component 2, the Project will provide different technical assistance and capacity building activities to MOIT, IEs, PFIs to leverage the energy efficiency policy development, commercial involvement, and industries voluntary agreements.

Project Development Objective (PDO): The project development objective is to improve energy efficiency in Vietnam's industrial sector and contribute to achieving the government's energy efficiency, ensuring energy security, implementing tasks and GHG's reduction objective.

Project components: The project consists of two components:

(1) Component 1 –Risk Sharing Facility - RSF

GCF provides a seed funding grant of 03 million USD to pay for Program Implementing Entity including PIE's operating expenses and resolving issues arising from the guarantees during the first operating years of the project (if any) in order to assess the GCF RSF managed by the World Bank.

PIE will conduct activities relevant to providing risk guarantees for energy efficiency loan project in the Vietnam's industrial sector, facilitating energy efficiency investment project to assess US$ 75 million from RSF developed by GCF and authorized by the World Bank.

The Fund will provide a partial credit risk guarantee (sub-guarantee) for the Participating Financial Institutions (Commercial Banks) to guarantee Industrial

Enterprises' loans. In case IEs have insufficient cash to service the debt will lead to the inability to repay loans to PFIs, the RSF will make payment with an estimated average guarantee of 50% amount of debt during the project period.

Currently, according to normal trading mechanism, the PFIs decide the interest rate when reviewing, evaluating, appraising and negotiating with IEs in order to ensure the competitiveness in the market. However, with the provision of an estimated average of 50% amount of debt from GCF, it will be one of the factors for the commercial banks to consider reducing loan interest rate due to the shared risk factors of the project and the lower requirement of collateral. In addition, the technical assistance using ODA fund will also be focused on supporting PFIs' professional activities (such as selection, appraisal, project management …) and building capacity for PFIs in order to reduce input costs, thereby contributing to reducing loan interest rate to IEs. Industrial enterprises, ESCOs, and consulting firms will also be provided essential technical assistance for project development, capacity building and image promotion… during the implementation of project. During the development of project, the World Bank and Ministry of Industry and Trade conducted series of consultation workshops with the participation of enterprises, commercial banks, financial institutes, PFIs all expressed their interest in the guarantee fund and proposed to reduce loan interest rate from 1 – 1.5% when the guarantee is covered. All of these factors will contribute to increase the feasibility of each energy efficiency sub-project as well as the feasibility of VSUEE during the implementation of project.

(2) Component 2: Technical assistance:

- Study, develop mechanisms, policies and solutions to achieve energy efficiency objectives; support to develop energy efficiency business models in the industrial sector;

- Study, develop technical guidelines to promote the application of energy management solutions for Vietnam's industrial sectors;

- Building capacity for managers, technical staffs of Ministries, localities, industrial zones, key energy consumption facilities, supporting the implementation of short-term and long-term training programs on human resources in the field of energy efficiency, training, conferences, workshops, communication, experience sharing inland and outland related to energy efficiency in industries, energy and climate change response, green growth.;

- Building capacity for PFIs to improve their knowledge, experience and expertise in identifying, appraising and implementing energy efficiency lending projects in the industrial sector and business development of energy efficiency credit products;

- Building capacity for IE and energy efficiency service providers (Energy Service Company - ESCOs) to identify energy efficiency projects and carry out energy audits, technical designs and project preparation to develop bankable projects;

- Support the implementation of Vietnam's NDCs commitment in energy, industry to implement the Paris Agreement on climate change such as developing and operating MRV systems for GHG reduction at the sector level, sub-industry, studying the development of GHG emission factors for a number of high emission sectors, developing NAMA proposals and implementation mechanism for some potential industries, pilot developing low carbon emission models for industrial enterprises;

- Support the management, supervision, operation of the project such as the operation of Project Office, purchasing equipment, renting office for project staffs and experts, travel supports, accommodation and perdiem for project managers and support staffs.

A detailed TA and capacity-building program and plan for the MoIT, PFIs, and IEs, and

the associated procurement plan, will be developed for the first 18 months.

Project target area

- The IEs use loan to invest, implement energy efficiency measures in the energy-intensive industrial sectors such as cement, steel, pulp and paper, chemical and fertilizer, mining … of both public and private sectors;

- Commercial banks participating in the project: receive benefits by assessing to low-cost risk management tools, developing credit products on energy efficiency. In addition, participating banks are trained and improve their capacity in the preparation, appraisal and management of energy efficiency project.

- The agencies directly participate in the project implementation includes: central and local EE state management units, project management units, commercial banks, energy service consulting firms, energy conservation centers entire country.

Anticipated subproject types

Energy efficiency technologies vary by industrial sub-sectors but typical energy-saving measures includes:

- ***Energy systems****:* upgrading boilers and switching fuels, using co-generation facilities and electric-driven systems, including compressed air systems, electric chillers, machinery and lighting;
- ***Process technology****:* upgrading and replacing equipment, machinery and facilities;
- ***Waste heat and waste use***: use of waste heat (of hot/warm gases, liquids and solids) and burning combustible waste (gases, liquids, solids).
- ***Use of Renewable Energy (RE)*** sources in order to decrease fuel and/or electricity consumption in IEs may also be considered.

The Figure 1 below depicts the energy flows and investment in typical industrial enterprises.

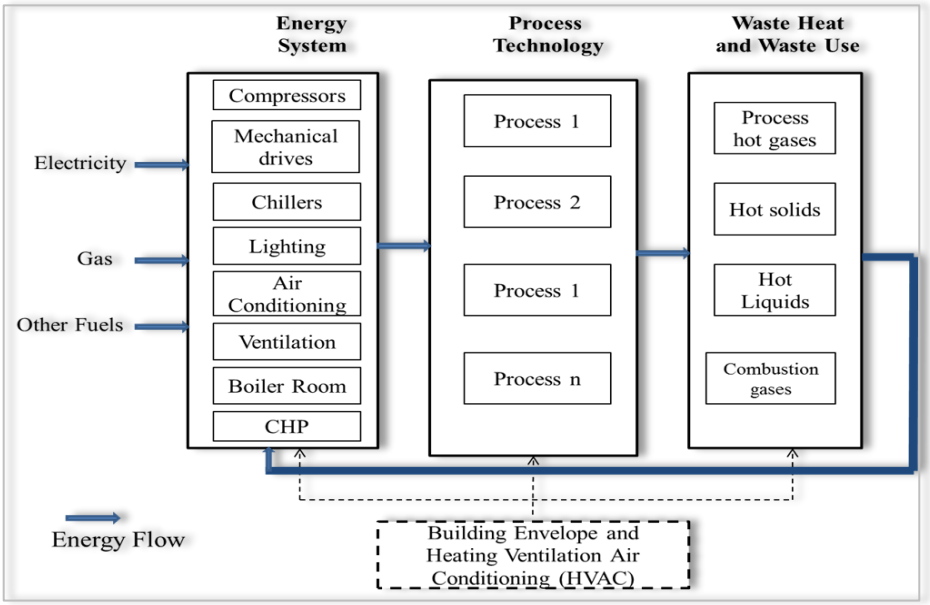


Figure 1: Potential EE Measures

Energy intensive industrial sectors include cement, steel, textile, pulp and paper, food processing, bricks and ceramics, which are originated in targeted sub-projects.

Hereafter is listed some of potential energy efficiency and energy saving projects of three intensive energy industrial sectors including cement, steel, pulp and paper.

Energy saving and energy efficiency projects for cement industry include, but not limited as:

- Using roller mill for grinding raw material,
- Improving furnace fans and optimization of fans,
- Installation of variable speed drivers,
- Using waste fuel and waste heat recovery.
- Utilization of heat exhaust for power generation.

Energy saving and energy efficiency projects for steel and iron industry include, but not limited to:

- Oxy-fuel burners/lancing
- Construction of closed production lines
- Replacement of low performance air compressor,
- Installation of inverter for motor to operate at low or fluctuating load.
- Waste Heat Recovery utilizes the heat from flue gas (exhausted heat from electric arc furnaces, furnaces, kilns, etc.).
- Combustion air preheating for reheating furnace.

Energy saving and energy efficiency projects for Pulp and paper industry include, but not limited to:

- Investment of a new efficient boiler for cogeneration (heat and electricity),
- Replacement of motors,
- Switching biomass fuel technology,
- Chemical waste recovery for heating.

The subprojects under the Bank's partial guarantee have not been identified by appraisal. In addition, the nature and location of investments under the original VEEIE and the Scaling Up Project are the similar. As such, during the preparation, the Ethnic Minority Planning Framework (EMPF) for the original VEEIE project has been updated by MOIT to ensure that it is pertinent for Scaling Up Project. The EMPF provide guidance and sets out the requirements to ensure the safeguard compliance of the Project during implementation period. The EMPF is in accordance with the Bank's safeguard policies and national legislations.

The EMPF will be adopted by MOIT and integrated in the Project Operation Manual to ensure that environmental and social issues will be considered together with other requirements during project implementation. The social safeguard documents comprising the Resettlement Policy Framework (RPF) and the Ethnic Minority Policy Framework (EMPF) for the project have been prepared separately and submitted to the Bank. The safeguard screening and preparation of EMPs, RPs, and EMDPs for the future subprojects will be carried out during implementation.

1.2. Ethnic Minority Planning Framework (EMPF)

This EMPF establishes policies, principles and procedures to be followed by potential energy efficiency subprojects, and provides a framework for the required information dissemination and consultation process and formulation of Ethnic Minority Development Plans (EMDPs) for subprojects in order to ensure cultural, economic and social benefits of affected people. This EMPF will be applied to all relevant energy efficiency subprojects and activities if subsequent stages of project design or implementation are to presence of ethnic minorities or their collective attachment to land/natural resources in the subproject areas.

This Ethnic Minority Planning Framework (EMPF) is prepared based on the World Bank's OP 4.10– Indigenous People (July 2005 revised in April 2013) and the Vietnam's relevant laws and regulations.

The EMPF will provide a framework on the process to be followed, field investigations to be carried out, and documentations to be prepared depending upon the types and scale of the impacts and applicability of the EMPF. Training and capacity building programs, to ensure adherence to the EMPF, will be carried out as part of the project mobilization and institutional strengthening for all involved, i.e. provincial authorities, participating banks, subproject developers, and the administrative units, responsible for reviewing subproject proposals against the eligibility criteria. The VSUEE Project will provide sub-project guarantee only where free, prior and informed consultation results in broad community support for the project. A report is needed, as part of the RP, describing the consultation process followed with full documentation (minutes of meetings held, etc.) certifying support by the community/communities.

Objectives of the EMPF

In Vietnam, ethnic minority groups generally share the following characteristics:

- An intimate understanding and long stay in the territory, land or area of their ancestors closed attachment to the natural resources;
- Self-identification and recognized by neighboring members by their distinctive culture;
- A language different from the national language;
- A long traditional social and institutional system;
- A self-provided production system.

From the Bank perspective, OP 4.10 - Indigenous People as "a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees:

- self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;
- customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- an indigenous language, often different from the official language of the country or region" (OP 4.10, paragraph 4).

The Bank's OP 4.10 - Indigenous People indicates that the strategy for addressing the issues pertaining to indigenous peoples must be based on the Free, Prior and Informed Consultation of the indigenous people themselves. Thus, identifying local preferences through direct consultation, incorporation of indigenous knowledge into project approaches, and appropriate early use of experienced specialists are core activities for any project that affects indigenous peoples and their rights to natural and economic resources.

The main objective of the ethnic minority policy framework is to ensure that the development process fosters full respect for their dignity, human rights, cultural uniqueness and that ethnic minorities do not suffer adverse impacts during the development process and they will receive culturally-compatible social and economic benefits. The EMPF provides framework for not only mitigate, but ensure benefits among the EMs of impacts and based on the free, prior and informed consultations with affected ethnic minority people. The EMPF ensures: (a) how to avoid potential adverse impacts on ethnic minority communities; or (b) when potentially adverse impacts on ethnic minority peoples are unavoidable, be minimized, mitigated, or compensated; and (c) ensure that EMs receive social and economic benefits in a culturally appropriate manner and inclusive in both gender and intergenerational terms, and obtain broad community support for the proposed sub-projects.

1.3 Ethnic Minorities in Vietnam

Vietnam is a multiethnic country with over fifty distinct groups (54 are recognized by the Vietnamese government), each with its own language, lifestyle, and cultural heritage. Many of the local ethnic groups are known collectively in the West as Montagnard or Degar. The largest ethnic groups are: Kinh (Viet) 86.2%, Tay 1.9%, Tai Ethnic 1.7%, Muong1.5%, Khmer (Kho Me) 1.4%, Hoa 1.1%, Nung 1.1%, Hmong 1%, others 4.1% (1999 census). The Viet (Kinh)

people mainly inhabit in the Red River delta, the central coastal delta, the Mekong delta and major cities. The other 53 ethnic minority groups, totaling over 8 million people, are scattered over mountain areas (covering two-thirds of the country's territory) spreading from the North to the South. Among ethnic minorities, the most populated are Tay, Thai, Muong, Hoa, Khmer, Nung... with a population of around 1 million each, while the least populated are Brau, Roman, Odu with several hundred people each. The Viet people succeeded in establishing a centralized monarchy right in the 10th century. The Cham people once boasted a flourishing culture early in the history. The Tay, Nung, and Khmer peoples had reached high levels of development with the presence of various social strata. The Muong, H'mong, Dao, Thai peoples... gathered under the rule of local tribal heads. Many ethnic groups divided their population into social echelons, especially those who lived in mountainous areas.

A number of ethnic minorities had mastered some farming techniques. They grew rice plants in swamped paddy fields and carried out irrigation. Others went hunting, fishing, collecting and lived a semi-nomadic life. However, a fundamental solidarity among ethnic groups has been established on top of this difference as a result of a century long cooperation on the soil of Vietnam. Right in the first century of the history, a mutual supplement in economic relationship between lowland people and mountainous people was formed. This solidarity had been unceasingly strengthened during wars of resistance for defending the country. Through the shared struggle for defending and building of the country and the mutual assistance for co-existence and development, a common community between the Viet people and other ethnic minority peoples had been established and continuously consolidated and developed.

Ethnic minorities in Vietnam have enjoyed better legal and political status than minority groups have in many other countries in the region, or around the world. The State of Viet Nam has the policy of not discriminating against indigenous peoples as showed by the presence of Council for Ethnic Minority in the National Assembly. The Constitution that ethnic minority people could use their own languages to reserve its cultural distinctions. In the Government of Viet Nam, Committee of Ethnic Minorities Affairs (CEMA – a ministerial level agency) is responsible for all activities related to ethnic minority people. In general, ethnic minority people have received many benefits as a result of government policies. They have received preferential treatment in college admission processes and other supports (e.g. cooking oil, kerosene, and iodized salt have been provided to them at heavily subsidized rates.

The government, foreign donor agencies, and many NGOs have organized numerous development and special assistance programs that targeted ethnic minorities. Very large sums of money have been invested with the intention of helping the uplands in general and ethnic minorities in particular to "catch up" with lowland areas. And yet ethnic minorities in Vietnam are still severely disadvantaged. While many - probably most - ethnic minority households have better material standards of living today than they did ten or fifteen years ago, they are still not catching up with the rest of the country economically. Indeed, they are in many ways falling further behind. The remaining poor are harder to reach; they face difficult challenges of isolation, limited assets, low levels of education, poor health status—and poverty reduction has become less responsive to economic growth. Ethnic minority poverty is a growing and persistent challenge. Although Vietnam's 53 ethnic minority groups make up less than 15 percent of the population, they accounted for 47 percent of the poor in 2010, compared to only

29 percent in 1998. Using a new poverty line that better reflects living conditions of the poor, 66.3 percent of minorities are poor in 2010 compared to only 12.9 percent of the Kinh majority population (WB, 2012). There are many reasons for the pervasive poverty of ethnic minority groups in Vietnam. The EM peoples are struggling and confronting challenged when having to deal with severe stresses placed upon them from population growth, natural resources depletion, and cultural dislocation resulting from decades of externally imposed change.

SECTION 2. POTENTIAL IMPACTS OF THE PROJECT

2.1 Potential benefits for local communities

The implementation of Scaling Up Energy Efficiency Project (VSEEP) will be an important factor for economic development in remote and rural areas, and provide more opportunities for rural households to access good electricity supply quality, convenient transport systems, and better job switching. The Government's Poverty Reduction program will be more effective, reducing the gaps between regions. IE will improve their production efficiency by using preferential loans. They will be able to expand the production in the localities, strengthen the quality of customers' services, reduce electric loss, and increase the number of users.

Local communities have opportunities to approach new culture and technique, improve the quality of their lives and access better public services. Potential positive impacts of VSEEP on the ethnic minority community are described in the Table 1, as follows.

Table 1 Beneficial Impacts

No.	Beneficial Impacts	Description
1	Improving the spiritual and material life of local people, contribute to development and poverty reduction	Positive support to the local socioeconomic development/support, crafts activities and services, improving the spiritual and material life of local people.
2	Creating more jobs for local people	The pre-construction, construction, operation activities all require local general/skilled workers.
3	Creating favorable conditions for	The road leading to the IE's plant through

	production activities.	villages will be expended and upgraded. The transportation of agricultural products and travelling of local people will thus become much easier and more convenient.

2.2 Adverse impacts on local communities

Potential negative impacts of VSEEPs on the ethnic minority community are described in the following table.

Table 2 Adverse Impacts

No.	Adverse Impacts	Description
1	Acquisition of productive land, affecting livelihoods of local people	Implementing the subproject components will acquire part of productive land of HHs within subproject area, adversely affecting production activities of the local people. Income from crops, farm produce of local people is affected due to several perennial plants, fruit trees are affected by construction activities of the subproject.
2	Temporary impacts on production activities of local people	Spoil rock/soil, debris, construction materials would drop onto farming fields during construction, and installation activities would impact on production of households concerned.
3	Environmental pollution	Subproject activities as transport of construction materials, construction activities, etc. would cause pollution in subproject and adjacent areas due to noise, dust, smoke, pollution of water and soil, hazardous waste, etc.
4	Impacts on native culture and social safety	A large number of workers will come and work in the community for a period of time. This is also likely to pose a threat for issues related to social security and cultural conflicts (i.e. commercial sex, drug abuse, theft etc.)
5	Risks for labor accidents	Given the large number of workers and that some of them who are recruited but not trained, and are inexperienced in terms of labor safety; the chances of labor accidents

No.	Adverse Impacts	Description
		are high.
6	Risks for HIV/AIDS infection, women trafficking and other social evils	During the construction of the subproject, there is no way can avoid communicating between workers and local people, so there is a chance for HIV infection, women trafficking, and other social evils.

SECTION 3. LEGAL FRAMEWORK RELATED ETHNIC MINORITIES

3.1 Legal Status of Minority Ethnic Groups

All ethnic groups in Vietnam enjoy full citizenship and are protected on terms of equality under the law and national constitution. According to Article 60 of the Constitution (2013) stipulates that the State will take charge of and will ensure the promotion of the cultural values of all the nationalities in Vietnam. The Constitution ensures that all nationalities enjoy equal status. Nationalities other than Kinh are not designated as ethnic minorities in the Constitution, but "ethnic minorities" are recognized in development policies for mountainous regions. Articles 61 of the Constitution designate nationalities living in the mountainous regions as "national minorities" and stipulate that they will be given priority in education and health-care. A number of ethnic groups with small population numbers and important development constraints are recognized as "especially difficult national minorities" in development policies.

3.2 Policies and legal provisions of Vietnam relevant to the ethnic minorities

To address land related issues and others in order to achieve purposes of hunger eradication and poverty reduction for the whole poor people in Vietnam in general and ethnic minorities in particular, many policies have passed by the Government of Vietnam, however in the framework of this EMPF, some key policies which take major influence on these purposes are presented, as follows:

- The Electricity Law No. 28/2004/QH11 and the Law No. 24/2012/QH13on amending and supplementing a number of articles of the Electricity Law No. 28/2004/QH11 on support for the electricity sale price in rural, mountainous, border and island areas.
- Decree of the Prime Minister No. 05/2011/NĐ-CP dated 14/ 01/2011 on ethnic Minorities work.
- Decision of the Prime Minister No.132/QD-TTg, dated on 8th Oct., 2002 on allocation of productive and residential land funds for ethnic minorities in Central Highlands of Vietnam;
- Program 134 or Decision of the Prime Minister No.134/2004/QD-TTg, dated on 20th July, 2004 regarding policies on providing the poor and hard-life ethnic minorities with productive and residential land; houses; and domestic water.;
- Program 135 according to Decision of the Prime Minister No.135/1998/QD-TTg, dated on 31st July,1998 and Decision of the Prime Minister No.551/QD-TTg, dated on 04 April, 2013 on supporting infrastructure investment, production for extremely poor/border communes, ones located in historic safety zones, and extremely poor villages;
- Decision of the Prime Minister No. 153/2004/QĐ-TTg, dated on 17th Aug., 2004 regarding Strategic orientation for sustainable development in Vietnam (Agenda 21 of Vietnam) and Decision of the Prime Minister No. 432/2012/QĐ-TTg, dated on 12th April, 2012 regarding Approval of Strategic sustainable development in Vietnam, period 2011-2020.

However, there is no clear legal framework for consultations with ethnic minorities in relation to development projects.

Participation/Grassroots Democracy

To implement Directive No. 30-CT/TW of the Politburo dated 18thFeb., 1998 on the preparation and implementation of the regulation of democracy at grassroots level, the Government issued Decree No.79/2003/ND-CP dated 7th July, 2003 replacing Decree No 29/1998/ND-CP dated 11th May 1998, and issuing Ordinance No.34/2007/PL-UBTVQH11 dated 20 April, 2007 on the implementation of democracy in communes, ward and township levels. These Decree and Ordinance provide the basis in Vietnam to encourage formal participation of commune authorities. Today, community participation in the preparation of development plans at local level has been institutionalized in number of provinces, particularly those with significant ethnic minority population. The cultural, linguistic and social differences of upland ethnic groups, as well as the special needs of the economically disadvantaged groups are thus recognized.

Legal Framework Implementation

The Government agency responsible for upland ethnic groups is Committee for Ethnic Minority Affairs (CEMA). CEMA is a ministerial-level agency under the Government, performs its functions of state management on ethnic minority affairs nationwide and on public services within its authorities. The specific functions and tasks of the Committee are prescribed at the Decree No.60/2008/ND-CP dated 9th May, 2008 prescribing the functions, tasks, powers and organization structure of the Committee for Nationalities. In addition to the national office in Hanoi, CEMA has departments in each province. In 1995, CEMA developed a framework for External Assistance with the Development of Ethnic Minorities. This framework resulted in a strategy for the development of ethnic minority people within the Government's goal of stability, sustainable growth and reduction of poverty. The key points of this framework are:

- To fight against poverty;
- To encourage active participation of the populations of ethnic minorities in their own development;
- To reinforce the institutions involving ethnic minorities;
- To develop natural and human resources in a sustainable manner; and
- To ensure mutual respect between, and increase responsibility of, the parties involved.

3.3 The World Bank Policy on Indigenous Peoples

The objective of the Bank's policy on Indigenous People, OP 4.10 is to ensure that the development process fosters full respect for their dignity, human rights, and culture uniqueness. More particularly the central objective of the policy is to ensure that indigenous peoples do not suffer adverse effects during the development process, and that they receive benefits which are culturally appropriate to them. The strategy to meet the objectives of the Bank's policy in addressing the issues pertaining to indigenous peoples must be based on their free, prior and informed participation of the indigenous people themselves, which requires identifying local preferences through direct consultation.

Indigenous people are commonly among the poorest segments of a population. They engage in economic activities that range from shifting agriculture to wage labor or small-scale market-oriented activities. The definition of Indigenous Peoples used by World Bank is very similar to the Government of Vietnam" definition of Ethnic Minorities.

Any project proposed for the World Bank financing that have a significant effect on ethnic minorities are required to follow the following procedure:

- A **screening** to identify whether ethnic minorities are present in or have collective attachment to the project area;
- If ethnic minorities are present, a **social assessment** will be prepared to determine the project's potential positive and adverse impacts, and to examine if modification of the project design can minimize any adverse impacts and enhance positive benefits;
- A **process of free, prior and informed consultation** with the effected ethnic minority communities in order to identify their views and to ascertain whether there is broad community support for the project;
- If the free, prior and informed consultation concludes that ethnic minority communities broadly support the project, an **Ethnic Minority Development Plan** (EMDP) will be prepared in consultation with the communities, outlining the benefits that they will receive from the project and how any adverse impacts have been minimized or mitigated; and
- **Disclosure** of the plan.

To ensure that ethnic minority groups are included in appropriate ways in the development process, the policy requires the preparation of an Indigenous Peoples Plan (IPP). Although the policy is about Indigenous People, all ethnic minority groups (with the exception of Hoa/Chinese) in Vietnam are considered indigenous; therefore, the IPP process is referred to as the EMDP process in Vietnam.

SECTION 4. CONSULTATION AND INFORMATION DISCLOSURE

Consultation activities will be continuously conducted throughout various stages of the project implementation (e.g. planning, implementation, monitoring). During these processes, public information and consultation will be conducted to gather information for assessing the project resettlement impacts and to provide recommendations on possible alternative technical options to reduce and/or mitigate potential negative resettlement impacts on local population and to proactively address issues or problems that may emerge during implementation. Local authorities, affected communities and EMs will be informed about the project proposal, its objectives and proposed activities, at an early stage of project preparation. The key discussion points will be focused on the development needs and priorities of local locality and their perception toward the project objectives. EMs will also be consulted on project potential impacts and possible measures to reduce potential negative impacts, and improve benefits for local people. (see Table 3 for further information)

Meaningful consultation will be conducted through open public consultation to achieve the following objectives: (i) involvement of EMs and stakeholders in resettlement planning and enable them to participate in the assessment of impacts and risks; (ii) participation in making decision that affects their lives; (iii) transparency in information of benefits and entitlements and (iv) understanding the role of stakeholders and EMs in the application of OP 4.10. The consultation methods will be tailored to each targeted group, including (but not limited to) participatory rapid appraisal, stakeholder consultations through site and household visits, public meetings, focus group discussions and the household socioeconomic survey.

The consultation process confirms that affected EM communities (i) broadly support project objectives; (ii) are aware of project benefits, and believe them to be culturally appropriate; (iii) have had sufficient opportunity to identify their preferences and constraints, as relate to compensation and resettlement as well as environmental issues. For Energy Efficiency for Industrial Enterprises Project, a two-step consultation process is designed to ensure the compliance with the Indigenous People Policy (OP4.10) of the World Bank:

- During the project preparation, consultations with EM groups through free, prior and informed consultations to obtain their broad support. Responsible staff of Implementing Agencies (IAs) and commune' authorities identify potentially affected EM communities and conduct consultations. Women of EM communities will be encouraged to join the consultation. Topics of group discussions include project information; potential impacts and proposed mitigation measures; concerns and question of ethnic minority people (EMs); and their broad support the project.
- During the project implementation, consultations with EMs groups to obtain information on the particular needs, challenges and any potential areas where additional support and/or different kind of support may be required. IAs will ensure that all EMs groups are included in the consultation process and that the consultations are conducted in an interactive way, promoting open discussion.

At subproject level, the respective EMDP will define specific actions defining how each EMs will be fully informed and consulted by the project management unit and the relevant unit

of District Peoples' Committee (DPC) and/or Communes Peoples' Committees (CPC). The participation of women in consultation process will be prioritized. Implementing Agencies (IAs) are responsible for establishing and maintaining suitable tools/instruments to ensure that all activities related to consultation, participation and disclosure will be properly tracked and documented.

Per requirement of OP 4.10, the Vietnamese version of this EMPF and all EMDPs will be available to the public at the PFIs, PMBs, and project sites and before and after it is approved by the Government. The English version of all EMPF and EMDPs will be disclosed at the World Bank external websites both before and after they are approved by relevant authorities. All social safeguard instruments will also be made available at relevant websites. To the extent possible, the PMB will made social safeguard instruments publicly available through newspaper, leaflets, local radio to ensure a wide access to this information.

Table 3Consultation Schedule for EMDP

No.	Task	Responsible person	Material & forms
1	Inform ethnic minority commune leaders and local authorities about the sub-project	IEs or consultants	Project brochure (IEs to provide sample)
2	Conduct screening to determine types and numbers of ethnic minority households living in area of zone of influence of subproject.	IE or IE's Consultants	Provide Screening/EM Inventory Form
3	Request EM commune leaders, local authorities to help with completing Screening/EM Inventory	IEs, PFIs	Official letter
4	Undertake social impact assessment ethnic minority households in zone of influence/area of subproject. Conduct focus group discussions with three separate groups of ethnic minorities as part of SA: leaders; men; and women	IE or IE's Consultants	SIA Form
5	Analyze and write up findings of SA	IE or IE's Consultants	SIA Form
6	Meet EM leaders and members and discuss findings of SA	IE or IE's Consultants	
7	Prepare Action Plan with local authorities, ethnic minority representatives and their leaders	IE or IE's Consultants	Action Plan Form

No.	Task	Responsible person	Material & forms
8	Meet with designed Engineers to discuss feedback from the commune and use information to design and mitigation measures	IE or IE's Consultants	
9	Send all Inventories, SAs, Action Plans to PFIs	IEs	
10	Summarize information and submit to IDA/World Bank. Important – the reports should be submitted with submission of its proposed subproject Program.	PFIs	
11	Monitor implementation of Ethnic Minority Action Plan	IEs, PFIs, Local authorities, Representatives of EM, Independent Monitors for RP implementation.	Monitoring Reports

During the preparation of the EMPF, a consultation workshop was held on 29 May 2018. One week prior to the workshop, invitations and draft EMPF were sent to stakeholders including representatives from the Ministry of Industry and Trade, Non-governmental organizations (Pan Nature), State Bank of Vietnam, MONRE, PVN, EVN, Vietnam Steel corporation and potential PFI participants.

Public consultation took place at the meeting room of MOIT at No.54 Hai Ba Trung street, Hanoi, Vietnam. Participation included PMU staffs, representatives from the Ministry of Industry and Trade, local consultants, Non-governmental organizations, State Bank of Vietnam, MONRE, PVN, and potential PFI participants. The consultation workshop aims to introduce the safety police frame of ESMF, RPF, EMPF and to identify the potential social and environmental impacts of the project and on that basis, inform the design/intervention strategy as well as develop appropriate safety tools.

The draft EMPF is sent to the relevant Ministries in the project area for additional comments before finalization. The almost participants expressed the agreement with the EMPF however, there are some comments and concerns were presented during the workshop and reflected in the EMPF.

The results of the consultation workshop focused on the following points:

Comments	***Feedback of PMU and Consultant***
• The framework should be built so that	• Consultancy will consider the comments

Comments	*Feedback of PMU and Consultant*
commercial banks can easily access to implement because PFIs' staffs only have financial and banking skills, they could not understand and fully grasp the procedures and regulations stated in the framework. • The contents of this framework should also be detailed in the Operational Manual (OM) for environmental engineering conditions with a detailed guideline provided for the project appraisal staffs of commercial banks. • The current regulations of Vietnam are very much and international regulations are more and more complex. Resulting in a difficulty for the IEs to meet normal standards in accordance with both laws. This leads to many restrictions on access to capital and reduced competitiveness. Therefore, it is suggested that in the process of developing the project and negotiating with the World Bank, the project management board of the MoIT should discuss this matter in order to harmonize the benefits between the disbursement unit and the borrowing unit. • Clarify the rules and procedures when a default occurs. In this case, what is the standard for being guaranteed with loans? PFIs are also expected to reduce interest rates, to offset the costs. • Regarding the screening of projects, do the new construction projects or upgrading projects must comply with the regulations of Vietnam or WB? • In the technical assistance component, the community capacity building should be provided to enable the community to understand the extent of their participation at any stage of the project. • And in the case of a project rehabilitation that requires staff's skill improvement, the cost of upgrading that skill will be included the borrowing capital of the project or other source?	to specify criteria in the policy framework. • The policy framework and guidance will be adjusted so that easily access to conduct in fact. • In the project OM, the types of projects will be stated in accordance with both Vietnam and the World Bank regulations. • Regarding the request for assistance to negotiate with the World Bank, PMB found that this GCF project has very favorable support and not much content for negotiating interest rates. • On the criteria for guarantee payment, this issue is not yet decided; it will be exchanged and clarified with the World Bank. • The VSUEE project is leveraging the attractiveness of the VEEIE project and the Interest rate is still in the negotiation process to find a solution for interest rates. The World Bank is also considering a mechanism to reduce the risk for commercial banks when the exchange rate changes. • Regarding the screening of projects, the new construction project or renovation must comply with the regulations of Vietnam. If the upgrading and rehabilitation projects are implemented within the project site, it would be the WB policy frameworks such as OP 4.12 and OP 4.10 are not required. • The technology transfer, capacity building will depend on specific case that is identified within each project or from the investor's capital. Technical assistance will be provided as a part of the subproject depends on negotiation in the contract of equipment purchase. • If the project is upgraded or renovated to make the environment is better,

Comments	*Feedback of PMU and Consultant*
• If the project is of a type that has a major impact on the environment, when it is upgraded or renovated, would it be also a large impacted project or not?	environmental rehabilitation and restoration, the project owner will not have to re-conduct EIA, only the environmental protection plan is needed. If a large-scale renovation project can increase capacity and the project has been implemented for too long, it may still be necessary to redo the EIA.
• After 6 months - 1 year, when subproject inspections were conducted, the subproject did not meet the standards set by the WB, would the subproject be excluded from this VSUEE project? In this case, there will be damage to both customers and banks, the bank cannot withdraw the loan amount and guarantee fees that the bank has spent. In this case, please clarify and consider which mechanism to overcome or compensate for damage in this case for the PFIs.	• To reduce damages as mentioned from the guaranteed projects, PFIs are required to strengthen their responsibility for the verification and supervision throughout the project implementation process. • Such as the problem arises would be found out in early stage and then both the bank and the borrowing IEs will have to agree on a corrective plan. • World Bank and PMU will give time for PFI and IEs to remedy. If after a period of time that no remedial action has been taken or if no corrective action has been taken, the funding side must take action. • In fact, the risks will fall into the banks more than the business. That involves banking constraints on the responsibility of reviewing and evaluating projects to make loan decisions.
• The State Bank of Vietnam has cooperated with IFC has issued a risk assessment manual for socio-economic development in 10 sectors in Vietnam according to Vietnam standards and EHS standards. Moreover, The State Bank of Vietnam also training for commercial banks, including the energy sector. The consultant should refer to this manual for the policy framework. • In fact, it is difficult for most credit officers of commercial banks to have technical knowledge. While these policy frameworks are highly technical, particularly in the screening phase with implementers such IEs and PFIs resulting difficult for the project	• The consultant and the project team will receive comments from the State Bank of Vietnam and will approach the issued manual for further reference. • Projects implemented in Vietnam must comply with the regulations of Vietnam first. The GAP analysis will be specified and then requirements for additional actions or solutions as stated in this policy framework depending on the project. • The competitiveness, depending on the choice of the borrower, for the loan project of the World Bank, costs for safety policy of Environment and society

Comments	*Feedback of PMU and Consultant*
appraisal process. The consultants and PMUs should take note during the drafting of policy frameworks so that IEs and PFIs are easier to access and use the frameworks. • Also consider training the appraisers so that they can use and apply this policy framework for subsequent screening and appraisal of subprojects. • The application of the policy framework would affect the competitiveness of the bank, with too many strict criteria on socio-economic development of the policy framework must meet. So please clarify, which of Vietnam's or World Bank's regulations that IEs will follow. When compliance with Vietnam regulations, it has met the regulations of World Bank policy framework?	will be much higher but more safety, less risky for the subprojects.
• Please provide specific kinds to identify subprojects in Group A, Group B or Group C in the policy framework. • • Public consultation will be conducted for these sub-projects during the EIA process; however, while compiling with the policy framework, there are some uncertainties with requirements for public consultation. These should be specified in the policy framework. • Consultancy to refer to project classification in the law on public investment in which projects are classified into group A, B or C.	• For the screening content, this section should be carefully considered to identify kinds of A, B or C under the framework of the World Bank. • Can refer to the OP 4.01 WB in the appendix, consultants will absorb and will clarify, quantify in the policy framework. • The consultant will consider the project classification in the Public Investment Law. However, the classification of the project will still be under the guidance of the World Bank and the Vietnam Laws and Regulations. If it is required to more clearly, the consultant will add to the framework for project clarification as stipulated by Vietnamese and WB regulations.
• About the policy framework, it is not clear whether new policy frameworks, or any legislation how to update to these frameworks.	• The updating of the documents is possible because in these frameworks of the environment, social, resettlement and ethnic minorities are conformed to the prevailing legal documents Vietnam and WB.

The Vietnamese version of the EMPF was published at the Ministry of Industry and Trade's office on 23 May before the consultation workshop. The final Vietnamese version was published at the Ministry of Industry and Trade website and VEEIE Project's website on October 23, 2020 and the English version will be published at the World Bank websites before sending it to appraisal committee.

SECTION 5. COMPLAINTS AND GRIEVANCES

The IEs shall establish a complaints and grievances mechanism to receive and resolve the resettlement, cultural conflicts, access natural resources, livelihood and agricultural land issues of project-affected communities/person/EMs. The mechanism shall be based on principles as (i) proportionality; (ii) accessibility; (iii) transparency; and (iv) cultural appropriateness, as follows.

(i) Proportionality means scaling the mechanism to the project needs. In a project with low potential adverse impacts, simple and direct mechanisms for problem solving is preferred for addressing and resolving complaints such as public meetings, telephone hotline, existing media, brochures, and a community liaison officer;

(ii) Accessibility means establishing a mechanism which is clear, free of charge and easy to access for all segments of the affected communities/EM households and other potential stakeholders. The best way of achieving this is to localize the point of contact. This is valid both for the owner and its construction contractor. Related to that, staff with the appropriate skills, training and familiarity with community liaison work should be employed in the field as quickly as possible. Accessibility enables owner to build more constructive relationships with local communities. This will also help intervene quickly in any dispute or social unrest and in an appropriate manner because maintaining a regular presence of a familiar face in the field greatly helps engendering trust and thus, constructive and closer relations;

(iii) Transparency means that members of the affected communities know who is responsible for handling the complaints and communicating the outcomes of corrective actions to be taken about the complaints. This will be helpful in that people have confidence in the grievance mechanism to be used both by project owner and the construction contractor;

(iv) Culturally appropriateness means having cultural sensitiveness while designing and executing the grievance mechanism.

To implement these principles, the IEs will be accessible to its stakeholders and should respond to their complaints in the shortest possible time. The critical issue for responding to complaints is to ensure that all received complaints are recorded; relevant division of the IEs is responsive to complaints; and that corrective actions are mutually acceptable. Thus, responses to complaints will be satisfactory for both parties, actions are followed up, and the complainants will be informed about the outcomes of the corrective actions. (see Figure 2)

In case, there is no agreement between the parties and the project affected communities/person, complaints and grievances shall be submitted to state justice system with responsibilities as follows.

First level - At Commune People's Committee (CPC)

An aggrieved affected household may bring his/her complaint before the receiving department of a Commune People's Committee to be received and guided for necessary procedures. The CPC will meet personally with the aggrieved affected household and will have

5 days following the lodging of the complaint to resolve it (Note: in remote and mountainous areas, the complaint should be resolved within 15 days. The CPC secretariat is responsible for documenting and keeping file of all complaints that it handles. Upon issuance of decision of CPC, the complainants can make an appeal within 30 days. If the second decision has been issued and the household is still not satisfied with the decision, the household can elevate his/her complaint to the DPC.

Second level - At District People's Committee (DPC)

Upon receipt of a complaint from a household, the DPC will have 15 days (or 45 days in remote and mountainous areas) following the lodging of the complaint to resolve the case. The DPC is responsible for documenting and keeping file of all complaints that it handles. Upon issuance of decision of DPC, the complainants can make an appeal within 30 days. If the second decision has been issued and the household is still not satisfied with the decision, the household can elevate his/her complaint to the PPC.

Third level - At Provincial People's Committee (PPC)

Upon receipt of complaint from the household, the PPC will have 30 days (or 45 days in remote and mountainous areas) following the lodging of the complaint to resolve the case. The PPC is responsible for documenting and keeping file of all complaints. Upon issuance of decision of PPC, the household can make an appeal within 45 days. If the second decision has been issued and the household is still not satisfied with the decision, the household can elevate his/her complaint to the court within 45 days.

Final level - Court of Law Decides

Should the complainant file his/her case to the court and the court rule in favor of the complainant, then provincial government agency will have to increase the compensation at a level to be decided by the court. In case the court will rule in favor of PPC, the complainant will have to receive compensation as described in the approved compensation plan and comply with all requirements of land clearance.

To assure that the mechanism described above is pragmatic and acceptable to affected EMs, consultations with local authorities and affected communities about this mechanism is in need, particularly consultations with vulnerable groups.

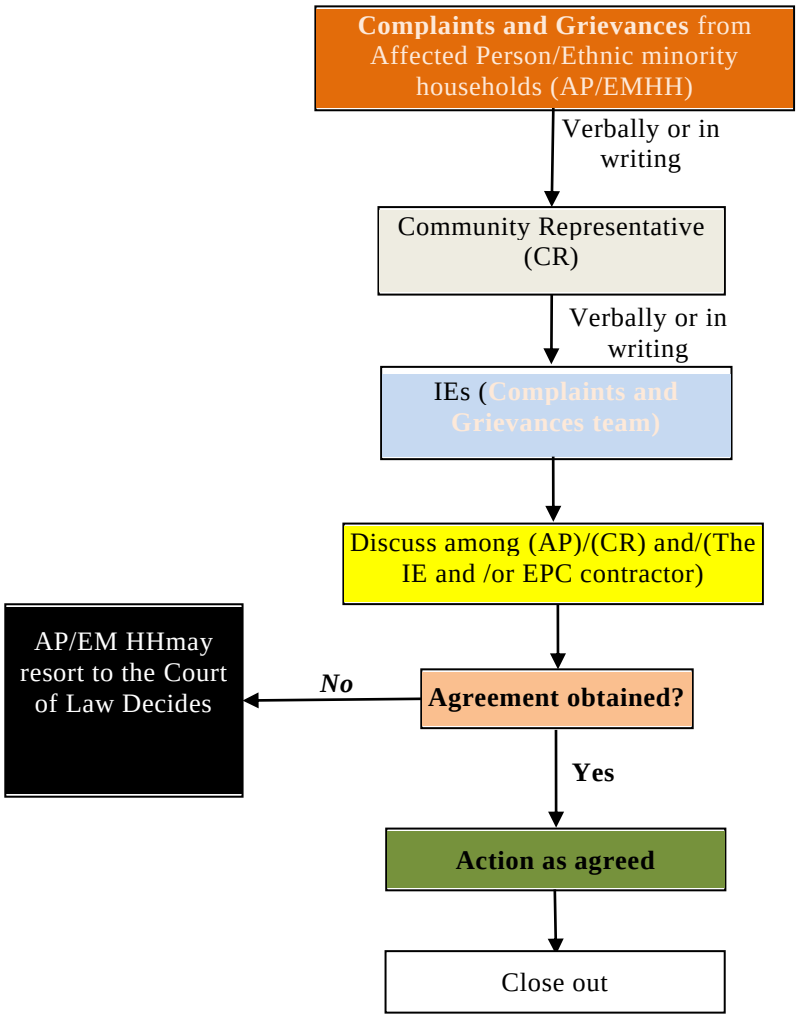


Figure 2 Basic Complaints and Grievances Mechanism of the Project

SECTION 6.MONITORING AND EVALUATION

To ensure that the EMDPs are transparently implemented and complies with the EMPF and the World Bank's Indigenous People Policy (OP4.10), a monitoring and evaluation mechanism is necessarily established for all project components throughout the process of the project implementation. Monitoring and evaluation is a continuous process. The PMB will be in charge of the internal monitoring and an external agency recruited by PMB will be in charge of the independent monitoring and evaluation. To the extent possible, PMB will consider integrating the internal and external monitoring required under OP 4.10 into similar task under OP 4.12. The findings of both RP monitoring and EMDP monitoring should be included in one report to submit to the PMB and PFIs and the WB for review.

The internal monitoring will be monthly conducted by the PMB, with the following objectives:

- Ensure that all negative impacts of the subprojects on EMs are mitigated, minimized or compensated in compliance with EMDP under this EMPF;
- Ensure that measures of benefit maximization and adverse impact mitigation are implemented in culturally appropriate way for ethnic peoples;
- Identify whether the free, prior and informed consultations for ethnic people communities are conducted in culturally appropriate manner for ethnic peoples or not;
- Determine if complaint procedures are followed the EMPF and propose solutions if there are pending issues;
- Conform with relocation and land clearance and construction commencement to ensure that affected EMs have been provided with compensation, allowance, and relocation satisfactorily before construction commencement.

The external monitoring will be conducted by an external agency specialized in the social science. Key indicators of external monitoring and evaluation are presented as follow:

- Public consultation and awareness of project benefits, resettlement policy and entitlements of affected EM (if relevant);
- Level of satisfaction of affected EMs with the provisions and implementation of the EMDP;
- Grievance redress mechanism (documentation, process, resolution);
- Effectiveness and sustainability of entitlements and income rehabilitation measures for affected EMs;
- Gender impacts and strategy;
- Capacity of affected EMs to restore/re-establish livelihoods and living standards. Special attention provided or to be provided to severely affected and vulnerable households;
- Resettlement impacts caused during construction activities;

- Participation of affected EMs in EMDP planning, updating and implementation;
- Institutional capacity, internal monitoring and reporting; and
- Channeling of government funds for compensation payment and allowances for severely affected EMs if any.

SECTION 7. GUIDELINES FOR ETHNIC MINORITY DEVELOPMENT PLAN (EMDP)

During the preparation phase of the subprojects the main focus will be to carry out the screening, social assessments and option assessment, establish the institutional framework, inform and sensitize all the affected ethnic minority communities, conduct a free, prior, and informed consultation with the communities, and assess whether the communities are provided their broad support for the subproject.

7.1 Project principles for Ethnic Minority Development Plan

The basic ethnic minority development principles of the project include:

- Ethnic minorities are encouraged to participate in all project activities and they will benefit from the project in a way which is culturally appropriate;
- Adverse impacts on ethnic minority communities, as distinct and vulnerable groups, should be avoided or minimized by exploring all viable options;
- Preparation of EMDP (as part of project preparation) and its implementation is to be carried out with participation and consultation of ethnic minority people; and
- Implementation schedule and budget for EMDP (including participatory mechanisms and surveys) and implementation must be incorporated into each project.

7.2 Issues in Land Acquisition and Relocation of Ethnic Minorities

In case of acquisition of land occupied by EM, both the Resettlement Policy Framework and this EMPF must be complied with. The policy requires a Resettlement Plan compatible with ethnic minorities' cultural preferences, using a land-based resettlement strategy. The following will be observed in regard to preparation for land acquisition and relocation of ethnic minorities:

- The REDP will not agree to physical relocation of ethnic minority peoples if they have not provided their broad support;
- Affected ethnic minorities, together with consultative committee, participate in the preparation of any relocation;
- Food security in the new settlement is ensured at a minimum to the degree of the previous settlement;
- The relocation sites would have access to facilities and services at least of the same level, if not better, to the land lost;
- Information on relocation to affected ethnic minorities is provided using the communication guidelines recommended in the following section;
- Relocation of affected communities would be completed before construction work starts;
- If directly affected by a project, ethnic minorities are entitled to compensation for all lost land and affected assets, incomes and businesses at replacement costs and provided

with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, incomes and productive capacity;

- Lack of legal rights to assets and access lost or adversely affected will not bar them from entitlement to such compensation and rehabilitation measures;
- In case where relocation or displacement of ethnic minority households is required, efforts shall be made so that the level of existing infrastructure and the social and cultural institutions of the people being resettled, the host community and community they moved from should be maintained or improved;
- Compensation for ethnic minorities, female headed-households, families with the disabled or elderly will be carried out with respect for their cultural values and specific needs.

7.3Preparation of Ethnic Minority Development Plan

a. Screening

As a first step Screening will be carried out to identify presence of ethnic minority communities and anticipated opportunities and risks that are related to the implementation of the project. Screening will also identify the environmentally sensitive and socially critical areas including special use forests that would be excluded from any proposed project activities.

All communes that are candidates for sub-Project will be visited (at the time of first consultation with communes) by a team made up of the World Bank Task Team, IEs, and local authority. Prior to the visit, the respective IEs will send a letter to the communes informing the commune leaders that they will be visited by the respective IE or project consultants which would like to discuss sub-project. The letter will request that the communes invited to the meeting have representatives of farmers and women associations, village leaders, and key staff of commune for discussion on the sub-project. If there are ethnic minorities in the commune, their leaders should be invited to the meeting as well. During the visit, the commune leaders and other participants will present their views with regards to the sub-project.

At this visit, the team will undertake a screening for ethnic minority population with the help of ethnic minority leaders and local authorities. The screening will check for the following:

- Names of ethnic groups in the commune
- Total number of ethnic minority groups in the commune
- Percentage of ethnic minority of commune population
- Number and percentage of ethnic minority households along the zone of influence of the proposed sub-Project.

Table 4 Screening Guidelines for EMDP

When to do screening: At the time of the first consultation with a commune.
What information to collect: The screening will collect demographic data of ethnic minorities who live along the zone of influence.

How to collect the information: It can be obtained from ethnic leaders, village leaders and commune authorities.

Who will do the screening: IE or their Consultants Time required: The screening of each commune will take about one day to complete.

b. Social Assessment

If the results show that there are ethnic minority communities in the zone of influence of the proposed sub-project, a Social Assessment (SA) will need to be undertaken by the IE or their Consultants for those project areas to evaluate the project's potential positive and adverse effects on the ethnic minority communities, and to examine project alternatives where adverse effects may be significant. The breadth, depth, and type of analysis in the social assessment are proportional to the nature and scale of the proposed project's potential effects on the ethnic minority communities, whether such effects are positive or adverse. The social assessment is carried out by the social scientists (consultants) whose qualifications, experience, and TOR are cleared by the Bank.

The SA will include: baseline data, institutional analysis, it will determine the framework for consultation during the project cycle. Information will be gathered from several separate group meetings: ethnic minority leaders; ethnic minority men; and ethnic minority women, especially those who live in the zone of influence of the proposed work under sub-project. Discussions will focus on sub-project positive and negative impacts, community support; and recommendations for design and implementation of sub-project. The borrower will be responsible for analyzing the SA, and for leading the development of an action plan with the ethnic minority communities, project engineers and other staff. Various decisions on next steps will be described as follows:

- If the SA indicates significantly adverse impacts and/or strong resistance of the ethnic minority community, IE or their Consultants is required to explore alternative options. It is worth to note that the impacts are not only in terms of land losses (which are regulated in respective RP), but also other intangible impacts at community level;
- If the ethnic minority community supports the sub-Project implementation an EMDP will be developed to address the potential positive or negative impact of the subproject.

Table 5 Social Assessment Guidelines for EMDP

When to conduct SA: If the screening results show that there are ethnic minority households along the zone of influence of the subproject, a social impact assessment will be undertaken.

What information to collect: The SA will gather relevant information on the following: demographic data, social, cultural and economic situation; and social, cultural and economic impact-positive and negative-of the proposed sub-project.

How to collect the information: Information will be gathered separate group meetings with the following ethnic minority groups: 1) EM leaders; 2) EM men;

and 3) EM women, especially those who live in the zone of influence. Who will conduct the SA: IE or their Consultants?

Time required: The SA data collection for each commune will take about two to three days. It will take another two or three days to analyze the data and prepare the final report.

c. Ethnic Minority Development Plan (EMDP)

When the SA identified that the proposed subproject affects EMs, an EMDP is required for the subproject to ensure that (a) EM peoples affected by the subproject receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on EMs are identified, those adverse effects are avoided, minimized, mitigated, or compensated for. When ethnic peoples are the sole or the overwhelming majority of direct project beneficiaries, the elements of an EMDP should be included in the overall project design and in RP of the subproject, and a separate EMDP of each subproject is not required.

The IAs is in charge of preparing EMDP with the technical support of qualified social consultant. The EMDP will be prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed. The EMDP includes the following elements:

(i) A summary of the information on the legal and institutional framework applicable to EMs on the demographic, social, cultural, and political characteristics of the affected Ethnic Peoples' communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend;

(ii) A summary of the social assessment;

(iii) A summary of results of the free, prior, and informed consultation with affected ethnic peoples' communities that was carried out during the project preparation and led to broad community support for the project;

(iv) A framework for ensuring free, prior, and informed consultation with affected ethnic peoples' communities during the project implementation;

(v) An action plan of measures to ensure that the EMs receive social and economic benefits that are culturally appropriate, including, if necessary, measures to enhance the capacity of the project implementing agencies;

(vi) When potential adverse effects on ethnic peoples are identified, making a appropriate action plan of measures to avoid, minimize, mitigate, or compensate for these adverse effects;

(vii) The cost estimates and financing plan for the EMDP;

(viii) Accessible procedures appropriate to the project to address grievances by the affected ethnic peoples' communities arising from project implementation. When designing the grievance redress procedures, the availability of judicial recourse and customary dispute settlement mechanisms among the Ethnic Peoples should be taken

into account;

(ix) Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the EMDP. The monitoring and evaluation mechanisms should include arrangements for the free, prior, and informed consultation with the affected ethnic peoples' communities.

d. Implementing EMDP

Responsibilities of relevant agencies and stakeholders are presented as follows.

- *PFI and WB:* All EMDPs prepared under VSUEE must be reviewed by PFI and WB before the official implementation. The PIE will support the PFIs in identifying suitable projects, but it is the PFI's responsibility to appraise the EE projects based on the eligibility requirements set out in the OM;
- *IE or their Consultants:* need to discuss and get Bank's NOL before entering the official preparation of such document;
- *IAs*: is responsible to collaborate with relevant local authority in implementing EMDP;
- *CPCs at provincial, district, commune level*: Coordinating with IE, Consultants, IA to carry out EMDP in consistent with this principles of this EMPF and regulations of Vietnam;
- *Community organizations as Women's Union, Famer Association, etc.:* will play an active role in implementing and monitoring of the EMDP;
- *EMs:* participating in monitoring EMDP implementation such as progress, sufficiency, appropriateness, etc.

All activities of the EMDP implementation throughout a subproject should take place in a culturally appropriate way for affected EM people. The IE or their Consultants will set up routines for regular dialogue and meetings with local authorities, representative community groups, and traditional leaders representing EMs.

The capacity of the executing agencies at province and district levels for social safeguard implementation should be strengthened and improved to meet the WB's requirements. It also needs to build capacity of local communities on implementation and monitoring of RP and EMDP. Therefore, IE or their Consultants is responsible for providing training courses and workshops on the implementation and monitoring of RP and EMDP for local executing agencies and communities. The training should be organized before starting any activities relating to the implementation of RP and EMDP. Training courses should be held at each level including province, district and commune so that different stakeholders could be involved in. The training courses given to ethnic peoples should be in a culturally appropriate manner for them.

The EMDP should have an implementation schedule that is coordinated with the subproject implementation. Logically, social impact assessments and group meetings should be undertaken before sub-project designs are prepared. Compensation for land acquisition should be satisfactorily completed at least one month prior to start of civil work. Monitoring should take place at the recommended and specified times by the EMDP during project cycle.

The budget for the EMDP implementation will be estimated during the EMDP preparation based on specific activities proposed for each EMDP. The EMDPs will define and provide budgets for the implementation. The funding for the preparation and implementation of EMDPs comes from the Governmental counterpart fund (could be included in budget for the social safeguard policy implementation of the project).

Table 6 Action Plan Preparation Guidelines for EMDP

When to prepare action plan: Immediately after the SA, if the ethnic minority supports for the sub-project.
How to prepare an action plan: The plan to be prepared based on the results of consultation and participation of EM groups.
What is in an action plan: It will consist of (1) legal framework; (2) mitigation activities; (3) technical identification of development; (4) institutional arrangement for implementation; (5) implementation schedule; (6) monitoring and evaluation; and (7) cost and financing plan.
Who will prepare the action plan: IE or their Consultants in coordination with the commune leaders, ethnic minority leaders in consultation with the EM community and district authority?
Who will implement the action plan: IEs and MOIT's PMBs, Communes and EM leaders?