

Second Request for Inspection: Vietnam Coastal Cities Sustainable Environment Project **Inspection Panel Note to Management on Additional Issues Received during Eligibility**

1. As part of its eligibility determination of the Request for Inspection and the Requesters, the Inspection Panel undertook a visit from November 12 to 21, 2023, to the Project site and met with the various stakeholders. During its meetings with the Requesters the Panel met with two groups of Project Affected Households (PAHs). The Panel also received letters and documentation from several of the PAHs present at the meetings.
2. The first group was constituted of PAHs who were to be resettled and were later informed that they would no longer be resettled as part of the Project (these households are located in the 4.83 hectares), and the second group was constituted of PAHs who had already been resettled; this group included one of the Requesters. The second group was composed of approximately fifteen people among them four women and raised concerns about valuation methodology; impact from the loss of income; police presence during compensation payment; and consultation and disclosure of information. With the exception of the police presence, these concerns were also raised in the Request for Inspection.
3. The Panel informed Management that it had received the above-mentioned concerns during the field visit. Management agreed to provide a response to these concerns, which are herein relayed to Management.

Valuation Methodology

4. Several of the individuals in the second group disputed the methodology for valuation and the resulting compensation amounts. They compared the compensation amounts to the price they had paid for their land at the time of purchase. They stated that the compensation paid did not allow them to replace the land that was taken with a similar land.
5. The following are summaries¹ of what the Panel was told by the PAHs located in the 2.6 hectares and 6 hectares areas that have been already acquired by the Project:
 - A community member, whose land is in the 2.6-hectare part of the resettlement area, said that he had a 153 square meters plot of land. He stated that he had purchased the plot of land in 2015 for 800,000 VND per square meter. However, he told the Panel that he was offered the rate of 300,000 VND per square meter of land and in total he received 39 million VND. He further indicated that he wanted to construct a house on this land and that he now has nowhere else to build a house for his family, which includes four children. He stated that he was pressured to accept the payment, and he was offered a bonus if he accepted the payment early.
 - Another community member told the Panel that she had a 1500 square meters plot of land in the acquired 6-hectares area. However, she indicated that she was compensated for only 1200 square meters of land. She stated that she was told that she was not paid for 300 square meters

¹ The Panel notes that there are some inconsistencies in the figures as relayed by the PAHs.

of her land because of a road passing through. It was not clear to the Panel whether it was an existing or a planned road. She said that out of the 1200 square meters, 500 square meters were compensated at a lower value.

- Another community member stated that he purchased 176 square meters of land before 2010, prior to the commencement of the project. He told the Panel that he purchased his plot at 200,000 VND per square meter; however he was subsequently offered compensation (56,000,000 VND) at a rate of 320,000 VND per square meter, which he stated was below the land value at that time. He stated that after more than ten years the value of his land had increased more, and therefore the compensation to which he is entitled, should have been more. He added that after the Ngoc Hiep Ward resettlement project was set up, a decision was made to revoke his ownership of the land as well as those of households in the area.
- Another community member informed the Panel that the cash compensation offered for his 600 square meter plot was very low. He told the Panel that he received no replacement land in the compensation package for the land he lost. He indicated that he called the local authorities five or six times since March 2021. He stated that no one answered him.
- Another community member stated that he purchased his land in 1994 or 1995. However, his land has been acquired under the Project. He told the Panel that he had refused to accept the compensation package because it was lower than what he expected.
- One of the community members stated that his nephew bought the land in 2003 at a rate of 2 million VND per square meter and that he was offered compensation at 400,000 VND per square meter. He said that by the time the land was taken, one square meter of land was worth 6 million VND on the open market.
- The community members showed the Panel a document purportedly issued by the Provincial authorities showing the price of a square meter of land at about 9 million VND per square meter. It is the Panel's understanding that this valuation of land relates to land plots that are allocated in the 6 hectares area.
- A woman said her mother owned 700 square meters of land. But the authorities estimated the plot to be 600 square meters. They complained to the authorities on several occasions. She stated that the explanation they received was that there was a drainage channel passing through the land and therefore the land area to be compensated for was estimated at 600 square meters only at 320,000 VND per square meter. She stated that the compensation was very low. They refused compensation for three years until they felt forced to accept. She said that there was a group of 17 PAHs in a similar situation. She added that they asked for the valuation to be at 1,000,000 VND per square meter.
- Community members informed the Panel that some PAHs received compensation based on a valuation of 1,000,000 VND per square meter. They said this was the case because the land was located near the main road and because the Project authorities wanted to create a model resettlement.

Impact from the Loss of Income

6. Community members informed the Panel that they had fruit trees, such as mangoes, bananas, coconuts, papaya and jackfruit growing on their land. They stated that this represented additional revenue for them.

- A community member told the Panel that she had 125 square meters plot of land. She had papaya and other fruit trees growing on it. She also had a water well. She did not agree with the compensation that was offered to her because she thought it was low, and she preferred to receive a land-for-land compensation.
- One community member said that she used to sell the fruits that she grew on her land in the market, and that generated a secondary income to her. She said that the acquisition of her land led to a loss of this revenue. She added that no one had asked her about the loss of income she generated from these trees.

Police Presence during Compensation Payment

7. Several community members stated that when they refused the compensation amount offered to them, the Project officials came to them accompanied by police officers. They indicated that they felt pressured to accept the compensation because of the police presence. They said they received less than what was stated in the compensation documents because, according to them, the amount was discounted to cover the cost of the presence of the police. Community members told the Panel that, at the time of compensation payment, officers from the Project came to their houses with the police and ward authorities. They said it was confusing. They said that they were told that if they did not accept compensation, the land would be reclaimed without compensation. They said they were afraid and did not know where to complain and therefore accepted the compensation. Some say that they were forced to sign the compensation agreement. They told the Panel that the compensation amounts were less than originally stated and a “*police enforcement fee*” was deducted.

Consultation and Disclosure of Information

8. Community members stated that although there were several meetings with Project officials, they did not find the information received useful or sufficient. They said that the timing of consultations was during their working hours, and it was not convenient for some of them to attend. They added that they were not informed that there was a World Bank project or that the World Bank resettlement policy applied and what their entitlements would be.

9. They said that they were given documents containing information on the compensation payments but they stated that they were compelled to return them at time of compensation payment.

