

REPORT No. 185668-VN

**THE INSPECTION PANEL**

**REPORT AND RECOMMENDATION  
ON A  
REQUEST FOR INSPECTION**

**SOCIALIST REPUBLIC OF VIET NAM**

**VIETNAM COASTAL CITIES SUSTAINABLE  
ENVIRONMENT PROJECT  
(P156143)  
(SECOND REQUEST)**

JANUARY 22, 2024



**Inspection Panel Report and Recommendation**  
**on a**  
**Request for Inspection**  
**Viet Nam: Vietnam Coastal Cities Sustainable Environment Project (P156143)**  
**(Second Request)**

**A. Introduction**

1. On August 27, 2023, the Inspection Panel (the “Panel”) of the World Bank (the “Bank”) received a Request for Inspection (the “Request”, attached hereto as Annex 1) related to the Bank-financed Viet Nam: Vietnam Coastal Cities Sustainable Environment Project (P156143) (the “Project”).<sup>1</sup> The Request was submitted by 31 individuals (“the Requesters”) living in Ngoc Hiep Ward, Nha Trang City, Khanh Hoa Province in Viet Nam. This is the second request related to the Project.<sup>2</sup> On September 8, 2023, the Panel acknowledged receipt of the Request by issuing a Notice of Receipt on its website and on September 25, 2023, after conducting its due diligence, the Panel registered the Request.

2. From November 14 to 21, 2023, a Panel team visited the Socialist Republic of Viet Nam to inform its report and recommendation to the Board of Executive Directors (the “Board”) as to whether an investigation into the matters alleged in the Request is warranted. During its visit to Ngoc Hiep Ward, the Panel met with other community members affected by the Project who raised additional grievances (attached hereto as Annex 2) and who asked that these be included as part of the Request. The Panel shared these grievances with Bank Management (“Management”) who agreed to respond to them.<sup>3</sup> The Panel is including these community members as additional Requesters and the information provided by them as part of the Request.

3. The Request raises five interrelated allegations concerning the resettlement process:

- i) restrictions placed since 2016 on the properties of affected households in the Ngoc Hiep Resettlement Site (NHRS), rendering owners unable to apply for new land certificates, or build, repair, or rent their structures,
- ii) inconsistent application of resettlement policies and related consultations which, the Requesters claim, resulted in unfair treatment of some affected households,
- iii) the adequacy of the valuation methodology used for Project-related resettlement that, according to them, resulted in unfairly low compensation packages,
- iv) intimidation during the resettlement process, and
- v) the alleged exclusion of households from the resettlement process for having complained about aspects of the Project.

---

<sup>1</sup> The Request relates to the implementation of activities in Nha Trang City, Khanh Hoa Province, as part of the Viet Nam: Vietnam Coastal Cities Sustainable Environment Project. The reference to “Project” in this report relates only to the Nha Trang City activities.

<sup>2</sup> The Panel received a first request on December 27, 2022. The Panel did not register the request because Management was not given an opportunity to address the concerns raised. The Notice of Non-Registration is available at: <https://www.inspectionpanel.org/sites/default/files/cases/documents/163-Notice%20of%20Non-Registration-23%20February%202023.pdf> [Accessed: 22 January 2024].

<sup>3</sup> As part of sharing the additional concerns with Management, and in order to provide Management with sufficient time to respond, the Panel requested, and the Board of Executive Directors (the “Board”) approved, an extension to the submission of this Report to January 22, 2024.

4. Based on the information provided in the Request, Management’s response, and meetings with the various stakeholders in Viet Nam, the Panel determined that the Requesters and the Request for Inspection meet the technical eligibility criteria set out in the Panel Resolution. The Panel considers the alleged harm to be plausibly linked to the Project. The Panel also considers that the Request raises several allegations of harm that taken together constitute a serious allegation of harm and possible policy non-compliance. Based on the above Panel observations and review, the Panel recommends conducting an investigation into the issues of alleged harm and related possible noncompliance with the applicable World Bank policies.

## **B. Project Description**

5. The Board approved the Viet Nam: Vietnam Coastal Cities Sustainable Environment Project on May 5, 2017. At the time of approval, the Project was financed through a US\$ 37.5 million Loan from the International Bank for Reconstruction and Development (IBRD) and a US\$ 190.2 million equivalent Credit from the International Development Association (IDA). The Project has US\$ 46 million counterpart funding by the Borrower. The Project’s total cost was US\$ 273.7 million equivalent at the time of Project approval, with a closing date of December 31, 2022.

6. On December 30, 2022, the Project was restructured to extend the closing date to June 30, 2024. The restructuring also reduced the Project’s cost and changed the financing mechanisms. The Bank’s Restructuring Paper<sup>4</sup> states that while there are no changes in the Project’s scope or activities, some of the infrastructure works in Nha Trang City were cancelled. As a result, the IBRD Loan was decreased from US\$ 37.5 million to US\$ 34.2 million, and the IDA Credit decreased from US\$ 190.2 million to US\$ 156.4 million equivalent. However, the counterpart financing was increased from US\$ 46 million to US\$ 50 million. The total Project cost was adjusted to US\$ 240.6 million. The Project was 57.43 percent disbursed at the time of receipt of the Request.

7. The Project was designated as a Category A project and triggered Bank safeguard policies Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12). Following the restructuring, the Project categorization remained the same.

8. The Project Development Objective (PDO) is *“to increase access to sanitation services and improve the operational performance of sanitation utilities in the Project Cities.”*<sup>5</sup> The Project cities are Dong Hoi (Quang Binh Province), Quy Nhon (Binh Dinh Province), Phan Rang-Thap Cham (Ninh Thuan Province), and Nha Trang (Khanh Hoa Province). According to the Project

---

<sup>4</sup> The World Bank, 2022, Restructuring Paper on a Proposed Project Restructuring of Vietnam Coastal Cities Sustainable Environment Project to the Socialist Republic of Vietnam. Report No. res53942 (“Restructuring Paper”). Available at: <https://documents1.worldbank.org/curated/en/099000012312216703/pdf/P15614305ac6260d508a57016815ad02a9a.pdf> [Accessed: 22 January 2024].

<sup>5</sup> Vietnam – Coastal Cities Sustainable Environment Project (English) – Project Appraisal Document (PAD). Washington, D.C.: World Bank Group, p. 6, para. 26. Available at: <https://documents1.worldbank.org/curated/en/249981494208862167/pdf/Vietnam-CCSEP-PAD-PAD2075-04182017.pdf> [Accessed: January 22, 2024].

Appraisal Document (PAD), the implementing agencies for the Project are the Project Management Units (PMUs) of four provinces: Quang Binh, Binh Dinh, Ninh Thuan, and Khanh Hoa. The Request for Inspection only relates to the NHRS in Nha Trang City, Khanh Hoa Province. The PMU for this Project sits in the Khanh Hoa Provincial Peoples' Committee (PPC).

9. The Project has four components. Component 1: Sanitation Infrastructure Expansion – supports investments in flood reduction works, drainage and wastewater collection networks, wastewater treatment plants, school sanitation and public toilets, solid waste management, and implementation support including engineering design, construction supervision, financial audits and environmental and social management.<sup>6</sup> Component 2: Urban Connectivity Improvement – covers priority roads and bridges along canals, drains, and rivers to create new or upgrade existing, key, arterial roads, link roads, and local roads, thereby increasing the connectivity of the cities' road network.<sup>7</sup> Component 3: Compensation and Site Clearance – provides funding for compensation, site clearance, resettlement site works, associated implementation support for, among others, engineering design, construction supervision, financial audits, and environmental and social management<sup>8</sup> (the Government counterpart funding would be used for site clearance, relocation, compensation expenses, and housing<sup>9</sup>). Component 4: Implementation Support and Institutional Reform – supports a capacity strengthening program for the PMUs and relevant agencies.<sup>10</sup>

10. The Project's December 2022 Restructuring Paper describes the agreement between the Bank and the Borrower to cancel specific civil works contracts that were part of the original, planned investments. Management states this cancellation reduced the land needed for the Project. The Restructuring Paper provides updates on the progress of the NHRS.<sup>11</sup> It states that an independent consultant was hired to verify land prices and recommend adjustments to the compensation packages to be approved by the Khanh Hoa authorities.<sup>12</sup> The Restructuring Paper states that 160 of 585 households originally identified for resettlement had received approval for their compensation packages. It adds that “*construction of phase 1 of Ngoc Hiep resettlement site is ongoing [...] and the site clearance for phase 2 of this site has started [...].*”<sup>13</sup>

### C. Summary of the Request for Inspection

11. During its eligibility visit, the Panel met with Project-Affected Households (PAHs) whose land was to be acquired in the NHRS. This land is scattered and totals a five-hectare area. The Panel also met with PAHs whose land – a separate, six-hectare area of the NHRS and scattered land in the NHRS adding a further 2.5-hectare – had already been acquired by the Project.

---

<sup>6</sup> PAD, pp. 7-8, para. 31.

<sup>7</sup> PAD, p. 8, para. 33.

<sup>8</sup> PAD, p. 8, para. 33.

<sup>9</sup> PAD, p. 8, para. 34.

<sup>10</sup> PAD, p. 8, para. 35.

<sup>11</sup> The Ngoc Hiep resettlement area was part of the Provincial Government's Master Plan developed in 2005, that identified the area for urban development. In 2016, an area of 13.45 hectares of land was demarcated for resettlement purposes in the area. See Management Response, p. 6, para. 14.

<sup>12</sup> Restructuring Paper, December 2022, p. 7, para. 4.

<sup>13</sup> Restructuring Paper, December 2022, p. 7, para. 4.

12. The Request raises five interrelated allegations concerning the resettlement process:
- i) the Requesters state the restrictions placed on the properties of affected households in the NHRS in 2016 prevent owners from applying for land certificates, building or repairing their structures, or renting their current dwellings. According to the Request, the Bank subsequently informed the Requesters in February 2023 that their land would no longer be required for Project-related resettlement. However, documents issued by the Provincial Authorities state that their land would be taken for “*phase 2*” of the Ngoc Hiep resettlement. This ambiguity has created uncertainty among the Requesters about the status of their land.
  - ii) the Request alleges inconsistent application of resettlement policies and related consultations, which would result in unfair treatment of some affected households.
  - iii) the Request states that some who are affected by the resettlement process dispute the adequacy of the valuation methodology and fairness of compensation packages they claim fall short of what they should receive.
  - iv) the Request claims they were intimidated during the resettlement process and land and properties were forcibly taken.
  - v) the Request alleges that some Requesters were excluded from the resettlement process for having complained about aspects of the Project.

13. **Alleged Restrictions on the Use of Land Due to the Resettlement Process.** The Request claims that the intended resettlement of households in the “*Ngoc Hiep Resettlement Area Infrastructure Construction Project*” has imposed restrictions on land and properties across the NHRS since 2016. The Request alleges that these restrictions are related to the Project’s resettlement process, and have prevented the affected households from applying for land certificates, building new structures, or repairing or renting out their current dwellings.

14. The Requesters with land or structures in the five-hectare portion of the NHRS state that the Bank informed them in February 2023 that the five hectares would not be acquired for the Project. The Request claims that the Bank had informed them they would get a written confirmation from Provincial Authorities of Khanh Hoa that the area would not be acquired for this or any other Project. The Request states that this led the Requesters to believe that their land would not be acquired “*for any reason, for any project in the future.*”

15. The Request adds that on May 11, 2023, the Bank informed the Requesters it was working with the PMU and Khanh Hoa Provincial People’s Committee to issue a final decision by June 30, 2023, that would remove existing restrictions so that they would be able to build or repair their houses. The Request states that, instead of what the Bank informed them, they discovered information from the Khanh Hoa Provincial People’s Committee, dated June 27, 2023, stating that a “*phase 2*” of the NHRS, to be implemented after 2024, would use their land. The Request claims that since the concerned households have received no assurance from the Provincial Authorities that their lands will not be used, they fear that they will be forced “*to hand over [their] land*” in the future.

16. The Request states that the different communications from the Bank and the Project authorities about whether their land would be acquired have created uncertainty for them. They are unclear whether their land and households are, or will be, affected by the resettlement process.

17. **Alleged Inconsistent Application of Resettlement Policies Resulting in Unfair Treatment.** The Requesters allege they were not informed that the Bank's Involuntary Resettlement Policy applied to Project-related resettlement. The Request claims that the land acquisition process has, in some cases, been conducted in line with the Project's Resettlement Policy Framework, but in other cases, the local authorities have used different resettlement methods to develop the compensation packages.

18. The Request alleges that the Project is taking their land and is "*expelling*" affected households for a "*land fund*."<sup>14</sup> It states that using their land to resettle people affected by other projects is "*extremely unreasonable*."

19. **Alleged Inappropriate Valuation Methodology and Inadequate Compensation.** The Request claims that some of the affected households, whose assets were acquired for the Project, state that they disagreed with the compensation packages offered to them, claiming the amounts therein were insufficient to acquire land in the area at current market prices. The Request claims that some households who disagreed with the compensation amounts were nonetheless "*forced*" to comply with the land acquisition process. Furthermore, they claim not to have additional financial means to build their houses as their living conditions are already extremely challenging. They state that the situation of some single-parent households, affected by the resettlement, will be further aggravated as they have neither alternative housing options nor stable employment.

20. The Request adds that some community members were denied land as part of the resettlement package and were informed by Provincial Authorities that they were ineligible for land resettlement. It states that some community members are yet to be compensated. The Request claims that many others "*are suffering*" due to compensation amounts they consider inadequate. It claims that one community member still waiting for compensation and has to borrow money to "*continue her living and to support her children*."

21. The Request questions the basis for determining the value of land and the methodology used to calculate it. The Request claims that, although some land is residential and used for perennial crops, the Project classifies it as "*annual-crop land*" or "*field land*." The Request considers that this has resulted in "*unreasonable*" land valuations. The PAHs whose land had already been acquired by the Project made several claims, including that their land was undervalued, the compensation did not cover the entire land area, the compensation was insufficient to acquire replacement land, and the amounts were discounted by a "*police enforcement fee*."

22. **Allegation of Intimidation During the Compensation Process.** The Request states that the Requesters are concerned that their land will be acquired by force in the future. They state that, in the past, PAHs were forced to hand over their empty land. The Request states that one PAH was coerced to accept the compensation payment. It added that most of the households whose land was acquired did not agree with the compensation amounts and did not voluntarily give up their land which, according to them, was forcibly taken.

---

<sup>14</sup> The Project's Resettlement Action Plan (RAP) refers to a "*land fund*". See, The Coastal Cities Sustainable Environment Project – Nha Trang City Sub-Project – Resettlement Plan (Final Draft) – Nha Trang, November 2016, p. 49, para. 76.

23. Some affected people who owned land in the six-hectare and 2.5-hectare areas informed the Panel during its visit that when they refused the compensation amount offered, 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 added that, when compensation was paid, officials from the Project, police, and ward authorities visited their houses that are not located in the NHRS. They said the police presence was confusing. They said they were told that if they did not accept the compensation offered, the land would be taken without compensation. Everyone who told the Panel about the police presence, claimed they accepted the compensation because they were afraid; they felt coerced into signing the compensation agreement. They told the Panel that the compensation amounts were less than what they originally believed they were entitled to because a “*police enforcement fee*” was deducted from the compensation amount.

24. **Alleged Exclusion from the Resettlement Process.** The second Request states that households filed complaints to World Bank Management and to the Inspection Panel (the first Request) in December 2022. It claims that “*after [their] complaint about unfair compensations in the resettlement policies, in February 2023, the World Bank project excluded [their] houses from resettlement.*” Having actively engaged with the Project since 2016, they believed the exclusion of their land from the Project was unjustified.

#### **D. Summary of the Management Response**

25. In accordance with the Panel’s Resolution,<sup>15</sup> after registration of the Request by the Panel, Bank Management is required to prepare a response (the “Management Response” or the “Response”) to the concerns raised in the Request within 21 business days.<sup>16</sup> On November 8, 2023, Bank Management submitted its Response (attached hereto as Annex 3).

26. As noted above, during its visit the Panel met with additional community members affected by the Project. The community members raised additional grievances and asked that they be included as part of the Request. The Panel shared these grievances with Management, who agreed to respond to them. On December 20, 2023, Management provided an Addendum with its response (attached hereto as Annex 4). Below is a summary of the key points in the Management Response and its Addendum.

27. Management states that it has carefully reviewed the issues raised in the Request and believes the Bank has complied with its policies and procedures applicable to the matters raised in the Request.<sup>17</sup> Management does not believe that the harm cited in the Request stems from noncompliance with Bank policy and that, as a result, the Requesters’ rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its

---

<sup>15</sup> The World Bank, 2020, The World Bank Inspection Panel, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, September 8, 2020 (“Inspection Panel Resolution” or “Panel Resolution”), Inspection Panel, Available at: <https://www.inspectionpanel.org/sites/default/files/documents/InspectionPanelResolution.pdf> [Accessed: 22 January 2024].

<sup>16</sup> On October 6, 2023, Bank Management sought from the Board an extension until November 8, 2023, to prepare the Response, and the Board approved this extension.

<sup>17</sup> Management Response, p. 15, para. 44.



policies and procedures.<sup>18</sup> Management maintains that the Requesters' concerns relate to the possibility of future land acquisition and compensation process which are beyond the remit of the Bank-financed Project.<sup>19</sup>

28. **The Project and the Resettlement Site.** In its Response of November 8, 2023, Management provides a background and history of the NHRS. Management states that the 2005 “*government’s Master Plan*”<sup>20</sup> for the Ngoc Hiep area identified it for urban development and demarcated 13.45 hectares in the same area for resettlement purposes.<sup>21</sup> The Response states that the Master Plan was updated in 2016 to further specify intended use.<sup>22</sup> According to Management, between 2016 and 2021, the provincial authorities undertook an acquisition process of the 13.45 hectares land, and acquired and cleared six hectares in 2018 and 2.5 hectares in 2021.<sup>23</sup> Management states the Government allocated resettlement plots in the NHRS for households displaced by the Project’s civil works.<sup>24</sup> According to the Management Response, it was anticipated that the 13.45 hectares in the NHRS would be needed for Project-related resettlement, including the unacquired five-hectare portion.<sup>25</sup>

29. **The December 2022 Project Restructuring.** Management explains that delays in two contracts that were eventually canceled resulted in the restructuring, which extended the Project’s closing date and reduced the scale of investments.<sup>26</sup> According to Management, “*the change in Project scale justified the discontinuation of the acquisition of the 5 ha [hectare] portion of the Project.*”<sup>27</sup> Management contends that the households in the five-hectare portion of the NHRS are now outside the scope of the Bank-supported Project, and “*Bank Policy does not provide for the acquisition of land that is not required for a project.*”<sup>28</sup> Management adds that “*the RPF/RAP does not apply and the RAP was revised accordingly.*”<sup>29</sup>

30. **Restrictions to the Use of Land in the NHRS.** Management maintains that the Project has introduced no changes to land use rights and has not supported the implementation of any restrictions. Management also maintains that the Master Plan, and the Government’s land acquisition notice for the NHRS, introduced restrictions on the Requesters’ ability to use the land as stated in the Request.<sup>30</sup> Management recognizes that since 1994, land plots within what later became the 8.5-hectare portion changed hands through a series of largely informal land transactions that occurred until the start of land acquisition in 2016.<sup>31</sup> Management states while it

---

<sup>18</sup> Management Addendum to the Response, p. vi, para. viii.

<sup>19</sup> Management Response, p. 15, para. 45.

<sup>20</sup> Management Response, p. 12, para. 28.

<sup>21</sup> Management Response, p. 5, para. 12, and p. 6, para. 14.

<sup>22</sup> Management Response, p. 5, para. 12.

<sup>23</sup> Management Response, p. 6, para. 14, and p. 7, para. 18.

<sup>24</sup> Management Response, p. 6, para. 15, and p. 7, para. 17.

<sup>25</sup> The NHRS comprises six hectares of land acquired and cleared in 2018, 2.6 hectares acquired and cleared in 2021, and 4.83 hectares that remained unacquired to date. The Management refers to the 2.6 hectares area as 2.5 hectares and to the 4.83 hectares area as five hectares for easier reading.

<sup>26</sup> Management Response, p. 3, para. 11, and p. 20.

<sup>27</sup> Management Response, p. 14, para. 39.

<sup>28</sup> Management Response, p. 11, para. 26.

<sup>29</sup> Management Response, p. 20.

<sup>30</sup> Management Response, p. 13, para. 34.

<sup>31</sup> Management Addendum to the Response, pp. 1-2, para. 4.

“understands and acknowledges the situation the Requesters are facing,” Management maintains that the Requesters’ grievances “can only be addressed by the relevant government agencies.”<sup>32</sup>

31. **Application of Resettlement Policies.** Management states that the RAP prepared in 2016 included options for land-for-land and cash compensation. Due to the limited availability of land, selection criteria were introduced to the land-for-land option.<sup>33</sup> Management states that a “lottery (plot allocation process) that the Request refers to was conducted by local authorities on January 5, 2018, to allocate in-situ resettlement plots to eligible households in the 5 ha. However, since all compensation packages for the 5 ha of Ngoc Hiep resettlement site were revoked, the lottery results are no longer valid or relevant.”<sup>34</sup>

32. According to Management, several of the affected people in the six-hectare and 2.5-hectare areas raised the fact that they did not receive replacement land in the form of an in-situ plot in the NHRS. Management states that no one lived on-site and therefore none were entitled to a replacement land plot. Management indicates that while Bank Policy does not require provision of replacement land, a “preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based,” which is not their case.<sup>35</sup>

33. **Land Valuation, Compensation, and Acquisition.** Management states that calculation of compensation followed the Project’s RAP. After identifying eligibility and entitlements of each affected household, the City authorities calculated the compensation for each affected property by multiplying its area by its replacement cost and adding any entitled financial allowances support. According to Management, the compensation calculation formula is “*compensation amount = (affected land area) x (replacement cost) + (affected non-land asset) x (replacement cost) + (relevant financial allowances)*.”<sup>36</sup>

34. Management adds that to ensure the compensation was calculated following the principle of replacement cost, an independent land valuation firm was hired by the Bank to conduct a replacement cost survey for this area. The independent survey concluded that the proposed rates in the compensation packages were consistent with “actual” prices in the local land market and were calculated using two different methodologies cleared by the Bank: (i) the direct comparison method – for those sections where there were at least three recently recorded transactions for a given area and land classification, and (ii) the coefficient-based method – for those sections where there was a limited number of successful land transactions on the market and no land auctions in the Project area.<sup>37</sup>

35. *Concerning the Households in the Five-hectare Area.* Regarding the valuation methodology and compensation packages, Management states that the Request refers to the initial discussions about draft compensation packages prior to the Project’s restructuring (on December

---

<sup>32</sup> Management Response, p. 11, para 23.

<sup>33</sup> Management Response, p. 14, para. 41.

<sup>34</sup> Management Response, p. 18.

<sup>35</sup> Management Addendum to the Response, p. 9, para. 25.

<sup>36</sup> Management Addendum to the Response, p. 5, para. 9.

<sup>37</sup> Management Addendum to the Response, p. 5, para. 10.

30, 2022), when the acquisition of the five-hectare portion was still being considered for the Project. The Bank reviewed the draft compensation packages.

36. Management notes that this review indicated that “*some packages were using coefficients for land plots in the Ngoc Hiep resettlement site that were not compliant with the RAP and needed correction.*”<sup>38</sup> Management explains that “*the province applies a coefficient for those who are not entitled to land-for-land compensation in order to obtain a land plot in a resettlement site – effectively increasing the purchase price of the land plot. Notwithstanding this local regulation, the RAP requires replacement cost for all acquired land and structures.*”<sup>39</sup> The Bank determined that the compensation packages using coefficients for land plots in the NHRS were not compliant with the RAP, which requires that the principle of replacement costs be followed.<sup>40</sup> According to Management, a new decision changing the coefficients to align with the RAP was approved by the Provincial Government.<sup>41</sup>

37. Following the restructuring, Management states that, on February 17, 2023, the Provincial Authorities issued a notice to the households in the five-hectare portion informing them of the decision not to acquire their land, and that an official decision would follow.<sup>42</sup> Management states that the Bank took several steps to urge Provincial Authorities to issue the official decision in a timely and transparent manner. According to Management, the agreed deadline was June 30, 2023. Management states that the first formal decision on discontinuing land acquisition for the Project was issued on July 18, 2023. Management states that the authorities formally revoked the compensation packages offered to the PAHs in the five-hectare portion of the NHRS at the end of August 2023.<sup>43</sup> In reference to the Requesters’ concern relating to a Province-led “*phase 2*” of land acquisition after 2024, Management states that “*the Bank has no authority over the future use of the 5 ha.*”<sup>44</sup>

38. *Concerning the Households in the Six-hectare and 2.5-hectare Areas.* Management adds in its December 20, 2023, Addendum to the Response, that the additional concerns pertain to the six-hectare and 2.5-hectare areas of the NHRS where land has been acquired.<sup>45</sup> Management states that it has reviewed all 222 individual compensation packages of the affected households across the six-hectare and 2.5-hectare areas of land acquired, the cadastral maps, as well as minutes of the consultations and the payment of compensation. Following this review, Management considers the Requesters’ concerns unfounded.<sup>46</sup> Management states that no PAHs had to physically move from the six-hectare and 2.5-hectare areas since no one lived in the acquired land.<sup>47</sup> The Addendum states that at the time of land acquisition, the entire six-hectare and 2.5-hectare areas consisted of agricultural land, a cemetery, and other public land. Management states that 85 percent of the six-

---

<sup>38</sup> Management Response, p. 18.

<sup>39</sup> Management Response, footnote, p. 18.

<sup>40</sup> Management Response, p. 18.

<sup>41</sup> Management Response, p. 18.

<sup>42</sup> Management Response, pp. 29 and 30.

<sup>43</sup> Management Response, p. 14, para. 37.

<sup>44</sup> Management Response, p. 25.

<sup>45</sup> Management Addendum to the Response, p. v, para. i. Households displaced by the infrastructure works supported by the Project in other parts of Nha Trang City are being moved to this area.

<sup>46</sup> Management Addendum to the Response, p. v, para. iii.

<sup>47</sup> Management Response, p. 6, para. 16.

hectare and 2.5-hectare was bare, with the remaining 15 percent containing some fruit trees and crops (vegetables) for private use.<sup>48</sup>

39. Management states its understanding that much of the concern over insufficient compensation for land is based on the frustration that complainants were unable to realize anticipated gains from the speculation that conversion of their agricultural land to residential land, which has a significantly higher value. Management adds that the claim that compensation was insufficient to buy replacement land is incorrect since the land acquired was agricultural, and that the correct replacement type would also be agricultural. Management emphasizes that unfulfilled expectations do not constitute harm under the Panel Resolution.<sup>49</sup> Management states that Bank policy requires compensation at replacement value at the time of acquisition; it does not require the consideration of prices paid to acquire the land or for unrealized speculative gains.<sup>50</sup>

40. The Management Addendum states that the February and June 2023 due diligence efforts reviewed all 222 compensation packages offered to the households in the six-hectare and 2.5-hectare areas of the NHRS.<sup>51</sup> The due diligence concluded that the compensation packages complied with Bank policy requirements, with the exception of 19 households. Management confirmed that the 19 noncompliant cases identified were sent to the PMU by the Bank in June 2023 to bring them into compliance.<sup>52</sup>

41. Eighteen of the 19 noncompliant cases identified by the Bank had part of the affected land compensated using a lower valuation.<sup>53</sup> According to Management, these 18 cases received compensation following national law, which provides for a lower rate for land greater than 750 square meters, which is not in accordance with the RAP. Management states that the compensation packages for these households were revised and the resulting additional payments are being processed.<sup>54</sup>

42. The nineteenth case is that of the vulnerable household mentioned in the Request.<sup>55</sup> The Addendum states that the household is a single mother with a disabled daughter and that the household had received compensation for her acquired piece of agricultural land in March 2021. However, the due diligence review found that the household was entitled to a special financial allowance as a vulnerable household, which the provincial authorities authorized in October 2023 and informed the household accordingly. The Addendum states that the household refused to accept it, insisting instead on receiving a resettlement plot. Management adds that, according to the RAP, since the household did not live on-site and the land is agricultural without a house, the household is only entitled to cash compensation.<sup>56</sup> Management also adds that if the household continues to refuse the special financial allowance, the funds will be placed in an escrow account.<sup>57</sup>

---

<sup>48</sup> Management Addendum to the Response, p. 2, para. 5.

<sup>49</sup> Management Addendum to the Response, p. v, para. iv.

<sup>50</sup> Management Addendum to the Response, p. 7, para. 20.

<sup>51</sup> Management Response, p. 7, para. 18, and Management Addendum to the Response, p. 3, para. 7.

<sup>52</sup> Management Addendum to the Response, p. 3, para. 7.

<sup>53</sup> Management Addendum to the Response, pp. 3-4, para. 7.

<sup>54</sup> Management Addendum to the Response, pp. 8-9, para. 24.

<sup>55</sup> Management Response, p. 14, para. 40.

<sup>56</sup> Management Addendum to the Response, p. 4, para. 7, footnote 3.

<sup>57</sup> Management Addendum to the Response, p. 4, para. 7.

43. Management adds that they reviewed the cases where the Requesters raised the issue of being compensated for only a portion of their property. According to Management, upon review it became clear that these land plots included portions of public land which the Requesters did not legally own and for which they cannot be compensated.<sup>58</sup>

44. Management's Addendum states that six households in the six-hectare and 2.5-hectare areas rejected the compensation offered and were subject to compulsory land acquisition that was carried out in March 2021. It adds that the compulsory land acquisition followed due process under national law, which is consistent with the Project's RAP, including adequate advance notice and the opportunity to lodge complaints. Management indicates that since no one lived on the acquired land, no evictions took place. Management adds that the compensation amounts for the six households were deposited in an escrow account and that in November 2023, one of the households requested the funds and was paid while the compensation payments for remaining five are still pending collection.<sup>59</sup>

45. Management states that the Requesters' claim that some PAHs received compensation of VND 1 million per square meter, is incorrect. Management reviewed all compensation packages across the six-hectare and 2.5-hectare areas and can confirm that all were compensated at a maximum rate of VND 400,000 per square meter.<sup>60</sup>

46. Management adds that the Borrower engaged an Independent Monitoring Consultant (IMC) to conduct a post-compensation assessment of the land acquisition in the six-hectare and 2.5-hectare areas of the NHRS. According to Management, IMC's post-compensation assessment report determined that "*none of the evaluated affected households were worse off because of the land acquisition process*"<sup>61</sup> and confirmed the compensation packages' compliance with the RAP, which is consistent with the Bank's own due diligence report. The post-compensation assessment also stated that consultations, public disclosure, and grievance management activities complied with the RAP.<sup>62</sup>

47. **Alleged Police Participation in the Land Acquisition Process.** Management states that police presence is required by law in the case of compulsory land acquisition and when the compensation payment is made in cash.<sup>63</sup> It adds that, for the compulsory land acquisition process in the six-hectare and 2.5-hectare areas, police were present to support public officials and to ensure safety for all involved, since public officials were carrying large sums of cash for compensation payments.<sup>64</sup> Management indicates that it is unclear how PAHs could have been "*pressured to accept the compensation payments*" when at that point there was no negotiation, the State was applying eminent domain, and compensation payments refused by some PAHs would

---

<sup>58</sup> Management Addendum to the Response, p. 8, para. 23.

<sup>59</sup> Management Addendum to the Response, p. 3, para. 6.

<sup>60</sup> Management Addendum to the Response, p. 8, para. 22.

<sup>61</sup> Management Addendum to the Response, pp. 4-5, para. 8.

<sup>62</sup> Management Addendum to the Response, p. 4, para. 8.

<sup>63</sup> Management Addendum to the Response, p. 10, para. 30.

<sup>64</sup> Management Addendum to the Response, p. 10, paras. 31-32.

have been deposited in escrow accounts.<sup>65</sup> Management states that eminent domain does not require the affected households to consent to the acquisition or to the price offered.<sup>66</sup>

48. Management considers that the “*deduction*” from compensation payments due to “*police presence*” raised by the Requesters is either a misunderstanding or misrepresentation. Management states that the Project’s RAP includes an incentive bonus entitlement (10 percent of the compensation value), which is added to the entitled compensation for all affected households who vacate their affected land within 20 days of receiving the compensation amount, and an additional allowance of VND 3 million if the land is handed over the day the compensation payment is received. According to Management’s Addendum, the bonus payment seeks to create a financial incentive to implement the land acquisition quickly and if a household exceeds the 20-day cut-off period, it receives the full compensation entitlement without the bonus.<sup>67</sup>

49. **Exclusion From the Resettlement Process.** Management states that the exclusion of the five hectares from the land acquisition was not in response to complaints filed by community members.<sup>68</sup> It states that “*the change in Project scale justified the discontinuation of the acquisition of the 5 ha for the Project.*”<sup>69</sup> According to Management, the exclusion resulted from the Project restructuring, which “*involved the cancellation of two contracts for technical reasons.*”<sup>70</sup>

#### **E. Panel’s Eligibility Determination**

50. The Panel’s eligibility determination is based on information presented in the Request, the Management Response, various documentary evidence, information gathered through conversations and discussions with different stakeholders, including during the Panel’s visit to Viet Nam.

51. To inform the Panel’s eligibility determination, from November 14 to 21, 2023, a Panel Team consisting of Panel Member (and lead inspector for the case) Ibrahim Pam, Senior Operations Officer Serge Selwan, and Research Analyst Rupes Kumar Dalai visited Viet Nam. Investigations Officer Ayako Kubodera joined the Team on November 17, 2023. Senior Environmental Specialist Richard Wyness conducted the desk review of Project documents.

52. During their visit, the Team met with various stakeholders including officials in Ha Noi from the Ministry of Finance, the Ministry of Construction, and the Ministry of Natural Resource and Environment, the Project’s consultants, as well as World Bank staff. In Nha Trang City, the Team met with officials of the Khanh Hoa Provincial Peoples’ Committee (PPC), the Compensation Committee, the Ngoc Hiep Ward People’s Committee, and the supervising consultant. Over two days the Team met with the Requesters and other affected community members in the Ngoc Hiep Resettlement Site.

---

<sup>65</sup> Management Addendum to the Response, p. 10, para. 33.

<sup>66</sup> Management Addendum to the Response, p. 10, para. 34.

<sup>67</sup> Management Addendum to the Response, p. 10, paras. 28-29

<sup>68</sup> Management Response, p. 14, para. 39.

<sup>69</sup> Management Response, p. 14, para. 39.

<sup>70</sup> Management Response, p. 3, para. 11.

53. The Panel would like to express its appreciation to all the parties with whom it met for taking the time to see it, and for providing valuable information and sharing their views openly. The Panel extends its appreciation to the Government of Viet Nam for their cooperation and support. Special thanks are given to the World Bank Country Office staff in Han Noi for their assistance with logistical arrangements for the Team’s visit. The Panel also thanks the Requesters for the information and coordination prior to and during its visit.

54. The following sections cover the Panel’s determination of the technical eligibility of the Request in accordance with the criteria set out in the Panel Resolution (subsection E.1), observations on other factors (subsection E.2), and the Panel’s review (subsection E.3) supporting the Panel’s recommendation.<sup>71</sup>

### **E.1. Determination of Technical Eligibility**

55. The Panel is satisfied that the Request meets all six technical eligibility criteria of its Resolution in relation to the issues raised in the Request, as described below. The Panel notes that its confirmation of technical eligibility, which is a set of verifiable facts focusing largely on the content of the Request as articulated by the Requesters, is not an assessment of the merits or substance of the claims made.

- Criterion (a): “*The affected party consists of any two or more persons with common interests or concerns and who are in the borrower’s territory.*” The Request is submitted by community members from Nha Trang City, Viet Nam, who currently own or owned land in the NHRS. During its visit to Viet Nam, the Panel had the opportunity to meet with the Requesters. The Panel team noted that the Requesters have common interests and concerns related to their land use and household properties. The Panel considers that this criterion is met.
- Criterion (b): “*The Request does assert in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the Requester.*” The Panel notes that the allegations in the Request assert in substance that a violation of the provisions of Bank’s operational policies and procedures is likely to have a material adverse effect on the Requesters. The Request raises concerns about the Project’s involuntary resettlement process and disputes the adequacy of the valuation methodology and compensation packages. Furthermore, the Request alleges inconsistencies in the application of policies during the resettlement process and related communications, which have created uncertainty among the community. The Requesters allege that they were inadequately informed about the policy that applied to the resettlement, including the option for land-for-land compensation. Additionally, the Request claims that certain Requesters were excluded from the resettlement process due to their previous complaints about certain aspects of the Project. Some Requesters claim to have been intimidated into accepting compensation payments and signing compensation agreements. The Panel considers that this criterion is met.

---

<sup>71</sup> The Resolution, paras. 13-15 and 29.

- Criterion (c): *“The Request does assert that its subject matter has been brought to Management’s attention and that, in the Requesters’ view, Management has failed to respond adequately demonstrating that it has followed or is taking steps to follow the Bank’s policies and procedures.”* The Panel received correspondence demonstrating that Bank Management was aware of the concerns raised in the Request prior to its submission to the Panel. The Requesters expressed dissatisfaction with how the Bank attempted to address these concerns. The Panel considers this criterion is met.
- Criterion (d): *“The matter is not related to procurement.”* The allegations in the Request do not raise issues of procurement. The Panel considers that this criterion is met.
- Criterion (e): *“For projects approved by the Executive Directors before the date of this Resolution [September 8, 2020], the related loan has not been closed or substantially disbursed or for projects approved by the Executive Directors on or after the date of this Resolution fifteen months have not yet passed from the date the related loan has been closed.”* At the time of receipt of the Request, the Project was not closed, and stood at 57.43 percent disbursed. Therefore, the Panel considers that this criterion is met.
- Criterion (f): *“The Panel has not previously made a recommendation on the subject matter or, if it has, that the Request does assert that there is new evidence or circumstances not known at the time of the prior Request.”* The Panel considers this criterion is met as the Panel has not previously made any recommendations on the subject matters raised in the Request.

## **E.2. Panel Observations Relevant to its Recommendation**

56. In making its recommendation to the Board, and consistent with its Operating Procedures,<sup>72</sup> the Panel considers whether:

- there is a plausible, causal link between the harm alleged in the Request and the Project,
- the alleged harm and possible Bank noncompliance with its operational policies and procedures may be of a serious character, and
- Management has dealt appropriately with the issues, as per the Management Response, or has acknowledged noncompliance and presented a statement of remedial actions that address the Requesters’ concerns.

57. In the following section the Panel provides its preliminary observations on the alleged harm and compliance, noting that in doing so at this stage of the Panel process, it makes no definitive assessment of the Bank’s compliance with its policies and procedures or any adverse material effect this may have caused.

58. **The Project and the Ngoc Hiep Resettlement Site.** During its visit the Panel sought clarifications about the Provincial Master Plan. The Ministries in Ha Noi informed the Panel that

---

<sup>72</sup> Inspection Panel Operating Procedures, 2020, pp. 17-18, para. 48. Available at: <https://www.inspectionpanel.org/sites/default/files/documents/IPN%20Operating%20Procedures-1%20December%202022.pdf> [Accessed: 22 January 2024].



the preparation of urban development master plans is the prerogative of the Provincial authorities that determine the needs for city development. The PMU informed the Panel that the Master Plan in Nha Trang had defined an area of 35 hectares for urban development and that restrictions were imposed on any structures present there. It added that in May 2016, Khanh Hoa Provincial authorities delineated 14.4 hectares as the Ngoc Hiep Resettlement Site (NHRS) to respond to resettlement needs triggered by different projects. According to the PMU, in August 2016 the Khanh Hoa PPC approved reducing the NHRS from 14.4 to 13.45 hectares.

59. Bank staff informed the Panel that the Master Plan was prepared by the Provincial authorities many years prior to the Project. Management also informed the Panel that it provided no input for the preparation of the Master Plan or its update in 2016, which allocated 13.45 hectares for resettlement in the NHRS. At the time of Project approval (May 5, 2017) all 13.45 hectares were to be acquired for Project-related resettlement needs in accordance with the Project's RAP. Management informed the Panel that following Project restructuring in December 2022, the area of land required for Project related resettlement was reduced due to the cancellation of two Project contracts. Management mentioned that the canceling of the two contracts has no bearing on the achievement of the Project's Development Objectives.

60. During its visit the Panel met with the consulting firm that had prepared the Project's RPF and RAP. The firm informed the Panel that, at the time of Project design, the need for land for Project-related resettlement could not be precisely determined. According to the firm, the NHRS has a capacity of 600 to 700 plots, and during preparation of the RAP, the Project estimated it required 400 plots for resettlement. The December 2022 Project restructuring resulted in the reduction in the amount of land required for Project-related resettlement and the number of plots needed was lowered to 235. The Management Response states that, based on the December 2022 restructuring, the Project formally dropped the requirement for land located in the five-hectare portion of the NHRS that had not yet been acquired and this was reflected in the updated RAP.<sup>73</sup>

61. Bank staff told the Panel that the first six hectares of land acquired within the NHRS to resettle PAHs displaced by the Project-related infrastructure was acquired in 2018. The PMU informed the Panel that the land acquisition strategy prioritized unoccupied land, with a preference for bare land. Management informed the Panel that the land was classified agricultural land. The PMU also informed the Panel that after acquiring the six hectares, the process of acquiring the remainder of the 13.45 hectares area continued.

62. During its visit the Panel, together with the PMU, toured the site of the first six hectares of land acquired for the NHRS. The Panel noted that the six-hectare site has been elevated to a height of about one-and-a-half meters above the surrounding land creating an embankment which, according to community members, reduced access to the surrounding land and could potentially result in a change in the surface water drainage pattern.

63. The PMU informed the Panel that the subsequent round of land acquired for the NHRS, in 2021, was a total area of 2.5 hectares. In accordance with the land acquisition strategy, the acquisition process continued to prioritize uninhabited and bare land. Once restructuring interrupted the Project-related resettlement process, outside the six hectares of land acquired in

---

<sup>73</sup> Management Response, p. 7, para. 19.

2018, the NHRS consists of a patchwork of acquired land plots (2.5 hectares) and unacquired plots (five hectares).

64. **Restrictions to the Use of Land and Impact on the Households in the Unacquired Five Hectares.** The Panel notes that according to Management, some of the Requesters' concerns pertain to the period when the Government was expected to acquire the five hectares for the Project.<sup>74</sup> According to Management the Project restructuring made it such that these aspects are not relevant as the acquisition of five hectares is no longer necessary and will not take place under the Project. Management reiterated this point during its meeting with the Panel.

65. Community members informed the Panel they were notified about the acquisition of their land and related restrictions in 2016. They said they have suffered adverse impacts, since they are not allowed to make repairs or carry out additional construction due to the restrictions imposed by the Project's resettlement process.

66. During its visit the Panel heard testimony from several community members with land in the five-hectare area regarding the restrictions imposed on the management of their structures. One person told the Panel that Project authorities did not allow him to repair or rebuild his house which is deteriorating. He said the house is in such a bad condition that it would not survive another rainy season. He further stated that in 2018, he moved his daughters out of the house for safety reasons. Three community members, whose houses have house-numbers from the municipality, told the Panel that the authorities prohibited them from repairing and maintaining their houses. The Panel observed leaking roofs, cracked ceilings, or mold on walls and ceilings.

67. During the Panel's meetings with the households located on plots in the unacquired five-hectare portion of the NHRS, the Panel was informed that the Land-Use Rights Certificates (LURCs) for their land were for agricultural use. During the Panel's walkthrough, the Panel observed residential structures with street address signs displaying the plot number and street name. Community members told the Panel that their houses are legally recognized, and that ward authorities placed the street signs a few years ago. They told the Panel that the signs demonstrate the authorities' recognition of the residential structures, despite the land being classified agricultural land.

68. The Provincial Authorities informed the Panel that the acquisition of the remaining five hectares of land plots in the NHRS will continue under a "*phase 2*", which will start in 2025. A community member told the Panel that this decision was formalized on July 18, 2023, by the Khan Hoa Provincial Authority. Some community members said they do not oppose resettlement, as long as it is carried out correctly, with fair valuation and compensation. Management stated to the Panel that "*phase 2*" is not part of the Project.

69. **Application of Resettlement Policies – Valuation, Compensation, and Livelihood Restoration (Impact on Affected Households<sup>75</sup> of the Six-hectare and 2.5-hectare Land Areas).** During its visit the Panel was approached by approximately 15 individuals who were

---

<sup>74</sup> Management Response, p. 7, para. 19.

<sup>75</sup> The Panel understands that, in the context of the six-hectare and the 2.5-hectare areas, the term "*households*" refers to the families owning land in these areas.

affected by the land acquisition in the six-hectare and 2.5-hectare areas in 2018 and 2021 respectively.

70. A community member told the Panel that the households do not understand why they do not qualify for land-for-land compensation, while Project-displaced households resettled from outside NHRS are allocated their land. They added that, in addition, the compensation amount was insufficient for them to acquire replacement land. They told the Panel that they were enrolled in a lottery for land allocation in NHRS. However, they were subsequently informed that they were no longer eligible for land-for-land compensation and that they would not be included in the land allocation lottery. The Panel notes that Management stated the RAP included a land-for-land compensation option and given the limited availability of land, this option was limited to “*the need for housing and shelter of those being relocated, and specifically whether they owned another house somewhere else in Ngoc Hiep commune.*”<sup>76</sup> The Panel however notes that according to the 2016 RAP, the land-for-land option is available to all affected households without distinction between resettled households located in NHRS and those outside.

71. During meetings with the Panel, Management stated that Viet Nam has a strict approach to land rights and ownership and all land is Government-owned; land users are given LURCs in accordance with the use of the land. Following national legislation, the value of the land is determined by one of the following classifications: agricultural, industrial, perennial, or residential. The LURCs can be bought and sold, and with them the right to use the land according to its classification. Management informed the Panel that this created two different valuation methodologies to determine the prices for land: i) the established price based on the land’s classification; and ii) the market value based on recent transactions. The Panel notes that land classification is done by the Borrower and is unrelated to the Project.

72. During discussions with the Panel, representatives of the six-hectare and 2.5-hectare areas shared their views on the valuation and compensation processes stating that compensation was reduced by unfair valuation based on the agricultural land LURCs. They told the Panel that they cannot purchase replacement land in the area with the compensation amounts. They compared these amounts to those they paid when they acquired the land, sometimes several years ago. Some community members told the Panel that, since they believed the valuation was unfair and the amounts were much lower than anticipated, they repeatedly rejected the compensation payment. They also told the Panel that they met with the Project authorities several times (one said eight times) in attempts to convince them of the inadequacy of the compensation offered.

73. Two community members alleged that the Project took their entire land, but the Project deducted parts of their plots when calculating the compensation valuation. They claim the Project authorities told them that when the land that is on a road or contains public drainage it would not be compensated, and Management also confirmed this view. The two community members further told the Panel that the Project gave two different valuation figures within the same plot of the land – one figure much lower than the other – which they think is unfair. Management stated that there were 18 cases where compensation was calculated following national law which provides for a lower rate for land that is greater than 750 square meters. Management stated that this was not compliant with the RAP and each case was identified through a Bank review. These cases were

---

<sup>76</sup> Management Response, p. 14, para. 41.

sent to the PMU for correction, in June 2023, and the revised compensation packages were being processed.

74. Some community members told the Panel that their land generated secondary income as they used it for economic activities. A community member told the Panel that he had a fishpond to hatch fish to sell. Two community members told the Panel that they had trees – such as mangoes, bananas, coconuts, and jackfruit – that produced fruit sold in the market. They told the Panel that the Project had surveyed and registered the number of trees but did not enquire about the related loss of income. Management’s Addendum explained that it had reviewed the allegations of loss of secondary income from fruit trees and vegetable gardens, found 24 land plots with trees and small crops in the area where land was acquired, and stated that all 24 households were compensated for losses relating to these resources.

75. **Alleged Intimidation Related to Police Presence.** Some community members, who initially rejected the compensation amounts, told the Panel that they felt compelled to accept them because of the police presence during compensation payment process. They said they were told that their land would be taken without compensation if they continued to reject the compensation offered. They said they felt intimidated and worried about the perception that the police presence was creating in their neighborhood. Community members who accepted the compensation amounts after the involvement of the police told the Panel that a “*police enforcement fee*” was deducted from the payment they received. For one household, the deducted “*police enforcement fee*” was 10 percent of the compensation amount. Another community member told the Panel that he was offered a “*bonus fee*” if he accepted the compensation before the deadline set by the Project authorities. Management disagreed that PAHs were pressured and states that eminent domain does not require the affected households to consent to the acquisition or to the price offered. Management added that there is no evidence to substantiate the Requesters claims in that regard. Management also added that the police are typically present in the case of compulsory land acquisition and when the compensation payment is made in cash.<sup>77</sup>

76. **Consultations and Disclosure of Information.** The community members affected by the resettlement in all three areas of the NHRS told the Panel that they had been consulted by Project authorities in the context of the land acquisition process. They stated that during the consultation they were told how the land acquisition would be implemented, but said their views were not taken into consideration. They claimed that the consultations did not provide them a clear understanding of the Bank Project or the associated Bank policies. They said that, based on subsequent research, they realized that Bank policy affords them rights that were not included, such as the land-for-land option. They also told the Panel that they were not informed about the compensation methodology used to determine the price of their land. Some stated that they are unaware of the Project-related grievance redress mechanism or any other way to raise their complaints and concerns. The community members who spoke with the Panel, stated that no Bank staff visited their community.

77. The PMU informed the Panel about the extent of the consultations conducted. The PMU stated that it actively engaged with the community throughout the process, and that it ensured that each PAH was informed about the decision that resulted from the restructuring. During its meeting with the Panel, Management stated that consultations with the landowners in the six hectares were

---

<sup>77</sup> Management Addendum to the Response, p. 10, para. 30.

carried out following the national process and the RAP, and within one year of the land acquisition notification. Management concluded that the affected people in the six hectare were consulted, and public notification of the RAP and the Project activities were undertaken. According to Management, consultations with the owners of the 2.5-hectare plots were more complicated and were conducted during the COVID-19 pandemic. Management stated that its due diligence confirmed the consultation with the owners of the six-hectare and 2.5-hectare areas took place.

78. **Exclusion From the Resettlement Process.** The Panel observes that there are diverging views on whether the five-hectare Requesters were excluded from the resettlement because they had filed complaints. The Panel notes that Management asserts that restructuring has resulted in less land required for the Project, and that the land in the five-hectare area was no longer needed. Community members in the five-hectare area believe that the Project excluded the acquisition of their land because of their complaints.

### E.3. Panel's Review

79. The Panel appreciates the importance of this Project for the city of Nha Trang. The Panel also appreciates the productive discussions it held with the Requesters and the additional information they provided during its visit. The Panel values the detailed discussions it had with the Government entities, and the information they shared. The Panel also acknowledges Management's detailed responses to the issues raised in the Request, and its willingness to provide further information.

80. The Panel's review below consists of assessing the information it received and determining whether there is a plausible, causal link between the harm alleged in the Request and the Project. It also assesses whether the alleged harm and possible Bank noncompliance with its operational policies and procedures may be of a serious character; and whether Management has dealt appropriately with the issues or has acknowledged noncompliance and presented a statement of remedial actions that address the Requesters' concerns.

81. The Panel's consideration is divided into four sections as per below:

- i) **Restrictions on the Use of Land and Impact on the Households of the Unacquired Five Hectare.** The Panel notes that in 2005 a Provincial Master Plan designated a 35-hectare area for urban redevelopment. In August and September 2016, after approval of the Project's Concept Note in March 2016, the Master Plan was updated to include the development of a resettlement site with 13.45 hectares of land to be acquired during 2016-2018.<sup>78</sup> The Panel notes that the 2016 update of the Master Plan was contemporaneous with the development of the Project RAP and the required resettlement in the NHRS needed for the Project. The Panel notes that community members informed the Panel that land transactions continued after 2005 and it was not until 2016 that the restrictions in NHRS were applied. The Panel also notes that Management recognized that informal land transactions occurred until the start of land acquisition in 2016. The Panel was informed by PAHs that the restrictions have allegedly caused serious harm to community members.

---

<sup>78</sup> Management Response, Annex 2-Timeline, p. 28.

The Panel, therefore, determines that there is a plausible link between the alleged harm resulting from the restrictions on the use of land and the Project.

- ii) Application of Resettlement Policies – Valuation, Compensation, and Livelihood Restoration (Impact on Affected Households of the Six-hectare and 2.5-hectare Land Areas).** The Panel acknowledges the concerns raised by PAHs whose land in the six-hectare and 2.5-hectare areas was already acquired in relation to the implementation of the RAP. Such concerns included the adequacy of land valuation and dissatisfaction that land was compensated according to its official agricultural classification, resulting in amounts they considered unfair and losses to livelihoods. The Panel notes that it is unclear why some PAHs were excluded from the land-for-land entitlement described in the 2016 RAP, while other PAHs from outside the NHRS were included. The Panel notes that the Requesters were originally enrolled in a lottery for land allocation and had been provided with tickets for that purpose. Some of the Requesters showed the Panel the lottery tickets. The Panel notes that because the PAHs in the NHRS did not have the opportunity to partake in the lottery for land allocation, none were allocated land in the NHRS. The Panel also notes that the Requesters alleged the valuation process resulted in compensation amounts that did not afford them the ability to replace their lost land or restore their livelihoods.
- iii) Alleged Intimidation Related to Police Presence.** The Panel notes that the police presence was in the context of the six-hectare and 2.5-hectare of land to be acquired for the Project. The Panel also notes that this land had no assets, no one lived there, and the land was being obtained through eminent domain. The Panel notes that some of the Requesters allege they felt intimidated by the police presence and felt coerced to accept the compensation amounts offered. The Panel notes that this is a serious concern.
- iv) Exclusion From the Resettlement Process, Consultation, and Disclosure of Information.** The Panel observes that there are diverging views on whether affected people were excluded from the resettlement of the five hectares because they filed complaints. The Panel notes that some of the Requesters from the five-hectare, six-hectare, and 2.5-hectare areas claim that their views were not taken into account during the consultation process and that the consultations did not provide them with a clear understanding of the Bank Project or the associated Bank policies. The Panel also notes the Requesters claim they were not given a clear understanding of the resettlement processes associated with the Bank Project and how their plots would be affected.

## **F. Panel Recommendation**

82. The Panel notes that the Requesters and the Request for Inspection meet the technical eligibility criteria set out in the Panel Resolution. The Panel considers the alleged harm to be plausibly linked to the Project. The Panel also considers that the Request raises several allegations of harm that, taken together, constitute a serious allegation of harm and possible policy noncompliance. Based on the above Panel observations and review, the Panel recommends conducting an investigation into the alleged issues of harm and related possible noncompliance with the applicable World Bank policies.

83. If the Board of Executive Directors concurs with the Panel's recommendation, as per paragraph 30 of the Panel Resolution, the Accountability Mechanism Secretary, acting in her capacity as the Head of the Dispute Resolution Service shall offer the Requesters and Borrower an opportunity for dispute resolution that has a scope which "*is limited to project-related issues raised in the Request for Inspection and identified as the issues to be investigated in the Inspection Panel's report to the Executive Directors recommending investigation.*"

84. The Panel will commence its investigation if the Requesters and Borrower do not agree to dispute resolution or if a dispute resolution agreement is not reached by the Parties within the stipulated period.





**Request for Inspection**



# Complaint (Request for Inspection) Form

**To:**  
**The Chair, Inspection Panel**  
**The World Bank Accountability Mechanism, MSN: MC 10-1007, 1818 H St., NW, Washington, DC**  
**20433, USA. Fax: +1(202)-522-0916. Email: [ipanel@worldbank.org](mailto:ipanel@worldbank.org)**

*(Please answer the questions below as best as you can. Once the form is submitted, we will contact you to collect any additional necessary information.)*

## Section 1: Complaint

1. What harm do you believe the World Bank-financed project caused or is likely to cause to you or your community? Please describe in as much detail as possible.

The World Bank project is causing us harm. We are the households that are directly affected by “Ngoc Hiep Resettlement Area Infrastructure Construction Project”, which is part of component 3 of the project “Sustainable environment in coastal cities” for short. CCSEP. Our situation was extremely difficult, managed, borrowed money from many places to build a house to cover the sun and rain. It is known that Ngoc Hiep resettlement area project is a loan project of the World Bank. The policy of the project is for social security purposes, creating favorable conditions for households affected by the project to stabilize their lives and have better or at least equal living conditions than before. affected by the project. We very much agree with the above policy, so we have cooperated in the inventory of assets, supporting the project to be completed soon.

We have a house, land and are living in the place where the land is acquired before the cut-off date is the date of issuance of the notice of land acquisition 1/9/2016. We consider that we are eligible for on-site resettlement according to regulations, but the Project Management Board gave various reasons for us not to be granted resettlement land. There are a number of households that have been eligible for resettlement grant, the list has been publicly posted and the lottery has been held to select the land plot, but now under the new plan, they are not allowed to resettle. The project had a decision on land acquisition and a decision approving the compensation, support and resettlement plan in 2016 but the project management board based it on Decision No. 10/2021/QD-UBND dated August 26, 2021 of Khanh Hoa Provincial People's Committee to make compensation, support and resettlement plans is unreasonable. Conditions for land allocation for resettlement comply with Decision No. 10/2021/QD-UBND dated August 26, 2021 of Khanh Hoa Provincial People's Committee, so what Decision does the price of resettlement land follow? The price of resettlement land for ineligible cases is calculated by a coefficient of 1.05 or 1.5 compared to the price of eligible resettlement land? The current status of our land is residential land, land for perennial crops, but the Project Management Board based on the origin of land from before 1994, which is field land and annual crop land, to apply a compensation price of 400,000 VND to 600,000 VND/m<sup>2</sup> is too unreasonable. With this compensation price, the households who lost their land cannot afford to buy land at the current market price. Most of the households whose land was acquired did not agree with this compensation price, did not voluntarily allocate land, some households were forced to acquire land. Households eligible for resettlement grant do not have enough money to buy resettlement rates, even less money to build houses to stabilize their lives. The project has only one, but sometimes the policy of applying the resettlement policy framework of the "sustainable environmental project in coastal cities" signed with the World Bank, sometimes according to Decision No. No. 29/2014/QD-UBND dated December 21, 2014, sometimes applying the Decision No. 10/2021/QD-UBND dated August 26, 2021 of the People's Committee of Khanh Hoa province to make a compensation plan. Does project management still apply Decisions? Ngoc Hiep Resettlement Project recovers houses and land that are not part of the resettlement land fund of households who are producing and living stably for decades in the locality, expelling us from the locality to make a land fund. Provision for resettlement for households affected by other projects is extremely unreasonable.

However, after reviewing the Compensation, Support and Resettlement Plan of the project publicly listed at the People's Committee of Ngoc Hiep Ward and the Development Project Management Board of Khanh Hoa Province, we completely disagree with the compensation package and unfair treatment with this method. We complained to the World Bank and the Inspection Panel about the above irregularities in the Project. After our complaint about unfair compensations in the resettlement policies, in February 2023, the World Bank project excluded our houses from resettlement and promised us that we will get a written note that our land and houses will not be used by the Bank or any other project. After engaging since 2016, the Project excluded our land from the project. Until today, now we have not received the assurance that our lands will be safe and not used for the Project. In the report of notice of Non-Registration of The inspection panel, it showed that Khanh Hoa provincial will not acquire our land under the World Bank Project, and we will no longer "considered as project affected household". It means our land will not be acquired for any reasons, for any project in the future. And World Bank also had the confirmed in writing of Khanh Hoa provincial about this matter.

But actually, at the meeting with Project manager unit, they only mention that "STOP site clearance" our land and cancel the compensated counting sheet that they issued before, not mention about cancel the Decision of land acquisition for Ngoc Hiep project. And at the meeting with Khanh Hoa manager on 24 March, the manager didn't make sure that our land will not be acquired. We don't know what will be going on with our land. The Ngoc Hiep project has been started from 2016 and it's still affected to us up to now. During the time for project, We could not do anything with our land. We could not apply for land certificate, could not repair or build house, could not sell or for rent....

On 25 of March. We also have included two letters of affected people and consider as part of the group of complainants. Their living conditions are very difficult. They are single mom like me and they have no house, there no stable job. They only have a small land is the biggest of their property. Beside two persons, there are a lot of affected people who have the same situation. We will have no house to live in if our land will be acquired for Ngoc Hiep resettlement because the compensate package did not comply The World Bank's policy framework.

On September 10, 2014 one community member built a house for her mother and daughter to have a place to live, just built it, on October 3, 2014, the Ward People's Committee decided to dismantle their house and tear it down. The wall fell down, I begged and begged but was still forced, her mother and herself had to stay here and there. Until 2016, the Ward People's Committee and the Project Board announced that this area was planned to be the Ngoc Hiep resettlement area and offered a compensation price of 54 million. But they didn't accept it because the money was too little for the land when I bought it and the house was demolished. They have applied for consideration of the City People's Committee and the Provincial People's Committee according to her wish to grant her 1 resettlement lot, but the departments answered the application that she is not eligible to receive resettlement and until now, she have not received the compensation yet. Now she is asking the World Bank to help, because their land is within 5 hectares and is irrevocable, they hope that their land will be returned to them and allow them to build a house and make a red book on the land. above land for mother and daughter to live stably.

Another community member is a single mother raising a disabled daughter (who is blind, both hands and feet have no fingers and nerves). She used to own land plot number [REDACTED] sheet number [REDACTED] extracted from cadastral measurements of land area No [REDACTED] scale 1/500 of Ngoc Hiep Ward, established on September 27, 2016 by the Technical Center for Natural Resources and Environment. and certified by the Department of Natural Resources and Environment on November 21, 2016, corresponding to a part of land plot number [REDACTED] cadastral map sheet number [REDACTED] Ngoc Hiep ward, Nha Trang city, Khanh Hoa province. She was forced to recover the above 145m2 land, although she wrote a petition and presented the situation and asked to be considered for support, she was still coerced and compensated for more than 90 million VND. Although they disagree. They still have to receive money to support their children, and borrow money to continue living. She is currently staying with her biological mother's house to live and raise my children. Apart from the land property that was coerced, her son and herself have no other assets. She write here with her honest

feelings. She still hopes that the Project team will consider and support her so that her mother and she can have a less difficult and miserable life in the future.

There are many other community members who are suffering similar situations.

On 11 of May, the World Bank informed us that they are working with the Project Management Unit and Khanh Hoa Provincial People's Committee to issue a final decision to cancel the acquisition of land in the area of 5 hectares in Ngoc Hiep Resettlement area, This decision will be issued by June 30, 2023. It will remove existing project-related restrictions on our property and we will have the authority to build or repair house according to local regulations.

We are very pleased to receive this information, we trust the follow up of the World Bank so we wait patiently until June 30, 2023.

On June 30, the World Bank again announced that "The World Bank has followed up with the local authorities to no longer acquire 5 hectares for the purposes of the Project. The deadline has been agreed between the provincial government and the Bank is June 30, 2023...However, there are some delays in administrative procedures..., the Bank will continue to monitor this agreement and its representatives. The bank's senior staff will come to Nha Trang to meet with the provincial leaders to agree not to delay any further.

But we found on June 27, Khanh Hoa Provincial People's Committee issued an official document No. 6312/UBND-XDND on adjusting the infrastructure construction project of Ngoc Hiep resettlement area in the direction of diverging the project into 02 phase (phase 1 makes investment on the recovered land, implementation time is 2016 in 2024; phase 2 makes investment on unrecovered land, implementation time is after 2024).

There was a conflict between the update by the World Bank on June 30 and the decision No. 6312/UBND-XDND dated June 27 of the People's Committee of Khanh Hoa province.

We think Khanh Hoa managers will force us to hand over our land to project after CCSEP finish.

We would request the inspection panel to investigate our complaint.

2. What is the name of the World Bank project? (If known)

Vietnam Coastal Cities Sustainable Environment Project (P156143)

3. Where is the World Bank project located? (Please include country name)

Nha Trang city, Vietnam

4. Do you live in the project area?

Yes.

5. Have your concerns previously been reported to the World Bank? If yes, please provide the details about those communications and explain why you are not satisfied with the Bank's response.

Yes. We sent complaint to World Bank in December 2022. We wrote to Inspection Panel at the same time. Inspection Panel did not register as Bank did not have opportunity to respond. Bank excluded our land from the project and promised that our land will not be used by the project.

On March 25, 2023, we wrote two additional community member complaint to GRS (Case Number FY23-GRS-1743, Vietnam CCSEP Project (P156143))

On July 1, 2023, we wrote a concern to GRS (Case Number FY23-GRS-1743, Vietnam CCSEP Project (P156143)) about the decision No. 6312/UBND-XDND dated June 27 of the People's Committee of Khanh Hoa province.

On 17 Feb 2023 The PMU informed that the remaining five hecta would not be acquired for the project . Our land will no longer be handed over to the project but we have not received the Decision to cancel land acquisition for 5 hecta.

At the meeting with the PMU on 23 Feb 2023, They informed us the same information. We told them our concerns and we need Khanh Hoa people's provincial committee to confirm and issue the Decision so that We can request for a resident land license then we can repair or build the house on land. We still have not received their reply.

On 20 March 2023, We sent the second complaint to the World bank project team, Khanh Hoa people's province, Nha Trang people's province and PMU.

On 24 March 2023, We had a meeting with them. At the meeting, We asked them if our land was acquired, please issue the Decision and allow us to repair or build a house because our house has been degraded for the last 7 years. But The managers said that in a short time our land will not be acquired. PMU has to submit the solution to Khanh Hoa chairman before 30 June 2023 so that he can decide whether or not to acquire our land. And he said that during this time, We are not allowed to repair or build the house because that area is agricultural land.

In fact, The land was agricultural land based on the original land before 1994. After 1994, the owner divided many small lots (100-200m2) and sold them to us to build a house. It is not suitable for producing agricultural products. We have houses on it before the cut off date and we need to repair or build a house to live in. If we are not affected by the Ngoc Hiep resettlement project, we can submit for a resident land according to Vietnam land law.

We are concerned that our land will be acquired, maybe be forced to hand over to the project in the future. Because in the past, there were some cases of force to hand over their empty land to the project that I mentioned before.

On August 15, 2023, we sent the third complaint of community to GRS, The World Bank project team, Khanh Hoa Chairmain, Nha Trang committee and PMU.

We need the Decision of Khanh Hoa people's provincial committee to cancel the land acquisition according to the issue on 17 Feb 2023 and informed on 24 Feb 2023 by PMU. We need The World bank has respond if our land will be acquired for any reason before or after CCSEP finish.

6. If known, please list the World Bank's operational policies procedures you believe have not been followed.

World Bank Involuntary Resettlement Policy

7. Do you expect any form of retaliation or threats for filing this complaint?

8. In addition to receiving information about the Compliance investigation process, would you also like to receive information about the option of dispute resolution?

yes.

## Section 2: Contact Information

9. Are you complainants or a representative of complainants\*?

Complainants:  Representing a complainant or community:  Other:  (Please explain)

10. Would you like your name and contact details to be kept confidential? (We will not disclose your identities to anyone without your prior consent.) Yes  No

11. Complainants' or representatives' names (minimum two names and signatures are required):

No	Complainants' Name	Phone	Address
1			Ngoc Hiep, Nha Trang
2			Ngoc Hiep, Nha Trang
3			Ngoc Hiep, Nha Trang
4			Ngoc Hiep, Nha Trang
5			Ngoc Hiep, Nha Trang
6			Ngoc Hiep, Nha Trang
7			Ngoc Hiep, Nha Trang
8			Ngoc Hiep, Nha Trang
9			Ngoc Hiep, Nha Trang
10			Ngoc Hiep, Nha Trang
11			Ngoc Hiep, Nha Trang
12			Ngoc Hiep, Nha Trang
13			Ngoc Hiep, Nha Trang
14			Ngoc Hiep, Nha Trang
15			Ngoc Hiep, Nha Trang
16			Ngoc Hiep, Nha Trang
17			Ngoc Hiep, Nha Trang
18			Ngoc Hiep, Nha Trang
19			Ngoc Hiep, Nha Trang
20			Ngoc Hiep, Nha Trang
21			Ngoc Hiep, Nha Trang
22			Ngoc Hiep, Nha Trang
23			Ngoc Hiep, Nha Trang
24			Ngoc Hiep, Nha Trang
25			Ngoc Hiep, Nha Trang
26			Ngoc Hiep, Nha Trang
27			Ngoc Hiep, Nha Trang
28			Ngoc Hiep, Nha Trang
29			Ngoc Hiep, Nha Trang

30				Ngoc Hiep, Nha Trang
31				Ngoc Hiep, Nha Trang

12. By completing and submitting this form, we authorize the Inspection Panel to investigate the issues as described in this form

**CHỮ KÝ CÁC HỘ DÂN KHIÊU NẠI**

STT	Họ và tên	Số điện thoại	Chữ ký
1)			
2)			
3)			
4)			
5			
6			
7			
8			
9.			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19.			
20			
21			
22			
23			
24			
25			
26			
28			
28			





*Your personal data will only be used and disclosed for the purpose for which it was collected in accordance with the WBG Data Privacy Policy. Inspection Panel will not disclose information provided by complainants that may reveal their identity outside of responsible World Bank units without their consent.*

NOTES:

- *\*If you are a representative of complainants, we will need a letter from the complainants authorizing you to represent them.*
- *Please attach supporting documents, if available.*
- *If you have any difficulty in completing the form, please contact the World Bank Accountability Mechanism at Email: [ipanel@worldbank.org](mailto:ipanel@worldbank.org) or by phone: +1-202-458-5200.*

**Inspection Panel Note to Management on  
Additional Issues Received During Eligibility**



## **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 summaries<sup>1</sup> 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

---

<sup>1</sup> 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.





**Management Response**



**MANAGEMENT RESPONSE TO  
REQUEST FOR INSPECTION PANEL REVIEW OF THE  
VIET NAM: COASTAL CITIES SUSTAINABLE ENVIRONMENT PROJECT –  
SECOND REQUEST (P156143)**

Management has reviewed the Request for Inspection of the Viet Nam: Coastal Cities Sustainable Environment Project – Second Request (P156143), received by the Inspection Panel on August 27, 2023 and registered on September 25, 2023 (RQ23/03). Management has prepared the following response.

**November 8, 2023**



## CONTENTS

<b>Abbreviations and Acronyms .....</b>	<b>iv</b>
<b>Executive Summary .....</b>	<b>v</b>
<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>II. THE REQUEST.....</b>	<b>1</b>
<b>III. PROJECT BACKGROUND.....</b>	<b>2</b>
<b>IV. RELATIONSHIP OF THE PROJECT AND THE NGOC HIEP RESETTLEMENT SITE .....</b>	<b>5</b>
<b>V. MANAGEMENT’S RESPONSE.....</b>	<b>11</b>

### Map

Map 1. IBRD No. 47559 – Aerial View of Ngoc Hiep Resettlement Site

### Annexes

Annex 1. Claims and Responses

Annex 2. Timeline

### Figures, Tables and Photos

Figure 1. Master Plan of Ngoc Hiep Residential Area with Ngoc Hiep Resettlement Site

Table 1. Ngoc Hiep Resettlement Site Composition

Table 2. Impact of the 2022 Project Restructuring on Resettlement

Photo 1. Aerial View of Ngoc Hiep Resettlement Site before development (2015)

Photo 2. Aerial View of Ngoc Hiep Resettlement Site in March 2023

## **ABBREVIATIONS AND ACRONYMS**

CCSEP	Coastal Cities Sustainable Environment Project
CPC	City People's Committee
Ha	hectare
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IPN	Inspection Panel
LURC	Land Use Right Certificate
OP	Operational Policy
PAH	Project-affected Household
PMU	Project Management Unit
PPC	Provincial People's Committee
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SDR	Special Drawing Rights
US\$	United States Dollar

## EXECUTIVE SUMMARY

### *The Project*

- i. The objective of the *Viet Nam Coastal Cities Sustainable Environment Project (CCSEP)* is to increase access to sanitation services and improve the operational performance of sanitation utilities in four coastal cities. In all, it is expected that the CCSEP will directly provide 240,600 people with access to sanitation and reduce the risk of flooding for 44,700 people. The CCSEP supports the expansion of sanitation infrastructure, such as construction of storm water pumping stations and retention lakes, sewerage networks, and a wastewater treatment plant (Component 1). In addition, it supports urban connectivity improvements, such as the construction of various city roads and urban river embankments (Component 2).
- ii. The CCSEP is supported by a US\$156 million IDA Credit and a US\$34 million IBRD Loan to the Socialist Republic of Viet Nam. The Request only relates to implementation in Nha Trang City (Khanh Hoa Province), which is referred to in this document as “the Project.”
- iii. *The Project works affect some 464 households in Nha Trang City whose land had to be acquired.* Those Project-affected households were either financially compensated or were awarded replacement land plots and housing units as appropriate, on a resettlement site (the Ngoc Hiep resettlement site), which the government decided to develop to absorb displaced households affected by this Project as well as other local development projects. The Project required a specific number of land plots on the larger Ngoc Hiep resettlement site. It is, however, the government’s land acquisition for the development of the Ngoc Hiep resettlement site to which the Request for Inspection pertains, and not the resettlement resulting from the Project works.
- iv. The CCSEP became effective on January 18, 2018. Due to significant delays in preparing sites for construction in Nha Trang, two contracts were in turn delayed. These contracts eventually had to be cancelled, and hence the works could not be completed during the Project’s lifetime. The CCSEP was restructured on December 30, 2022 to maximize the Project’s development impact despite the low capacity for implementation, as reflected in the delays and weak contract management. The restructuring adjusted the scale of investments and partially cancelled funds. In Nha Trang, investments under Component 2 were cancelled, which significantly reduced the number of people that needed to be resettled because of the Project works.

### *The Request*

- v. The Request for Inspection was submitted by 31 individuals who live in Ngoc Hiep Ward, Nha Trang City, Khanh Hoa Province in Viet Nam (the “Requesters”). The Requesters are not affected by the works supported by the Project or the resulting

- resettlement. Based on the information provided in the Request, the Requesters are residents of a 5 ha portion of the designated Ngoc Hiep resettlement site, which was not acquired and is not needed for the Project.
- vi. This is the second Request for Inspection concerning the CCSEP, after a first Request (received on December 24, 2022) was not registered by the Panel as it did not meet admissibility criteria. Specifically, “*the Panel was not satisfied that Management had a reasonable opportunity to respond to the allegations raised in the Request. Furthermore, considering the change in the scope of land acquisition and resettlement, which excluded the area where the Requesters live from the Project’s resettlement program, the Panel considers the Requesters are now no longer affected by the Project’s resettlement valuation and compensation process.*”<sup>1</sup>
- vii. The Requesters’ complaint includes the following key issues: (i) they contest the compensation rates for the land that were offered or consulted upon when acquisition of the land was planned for the Project; (ii) they seek assurances from the Bank that the government will not acquire their land in the future, irrespective of the purpose; and (iii) they request the removal of legal zoning and construction restrictions to which their land is subject.

### ***Management’s Response***

- viii. ***In Management’s view the Requesters are not affected by the Project. Based on the information provided in the Request, they are inhabitants of a 5 ha portion of the Ngoc Hiep resettlement site which was not acquired and is not needed for the Project. However, this area had been designated by the government already in 2005 for urban redevelopment, including land for resettlement purposes – unrelated to and pre-dating the Project. Management understands and acknowledges the situation the Requesters are facing, however, the concerns raised in the Request are grievances that are not related to the Project, and can only be addressed by the relevant government agencies.***
- ix. ***The Ngoc Hiep resettlement site was created by the government to absorb people that are being displaced by local development projects, including Bank-financed and non-Bank-financed projects.*** However, the Ngoc Hiep resettlement site is not financed by the Project or any other Bank-supported project and is not “*a loan project of the World Bank*” as described in the Request. The resettlement site is 13.5 ha, of which the Project is using 6 ha that have already been acquired for it. The remaining area of the resettlement site includes another 2.5 ha of land already acquired but not needed for the Project, and 5 ha that were not acquired and are not needed for the Project.

---

<sup>1</sup> See paragraphs 3 and 16 of the Inspection Panel’s Notice of Non-Registration (IPN REQUEST 22/08), dated February 23, 2023.



- x. ***Delays in implementation led to a restructuring of the CCSEP in 2022, which reduced the Project’s footprint, resulting in a significant decrease in the number of Project-affected households to be resettled – well below the numbers that were initially estimated.*** Prior to the Project restructuring, the acquisition of the 5 ha portion was anticipated to also be needed for the Project. At that time, local authorities held initial discussions with households living in that 5 ha portion about draft compensation packages, to which the Request refers. However, this process of preparing, consulting upon and offering compensation packages was discontinued as a result of the restructuring, with no compensation packages accepted or paid, and no household moved from the 5 ha portion. Management notes the extended delays that occurred in informing the households (including the Requesters) of this development, despite the Bank’s repeated efforts to encourage the Borrower to inform the households in a systematic and timely manner. The delays may explain the erroneous references in the Request about draft compensation packages that have in fact already been revoked.
- xi. ***The Request complains about a resettlement process that the government initiated when it started to plan for, acquire and develop the Ngoc Hiep resettlement site to serve the resettlement needs of different public development projects.*** The development of the area where the Ngoc Hiep resettlement site is located was anticipated at least since the 2005 Master Plan and started before the Project was effective. Although Bank policy applies to the portion of the resettlement site required for relocating Project-affected people, any potential future acquisition of the 5 ha raised in the Request is unrelated to the Bank-financed Project. ***In other words, the Requesters would find themselves in the same situation even if the Bank-supported Project did not exist.***
- xii. ***While the Requesters do not wish to be resettled, as expressed in the Request, some have suggested that as an alternative, they could be resettled as part of the Bank-financed Project so as to benefit from the requirements of Bank policy.*** This, however, is not possible as the households in the 5 ha portion of the Ngoc Hiep resettlement site are outside the scope of the Bank-supported Project, and their relocation is not required for the Project.
- xiii. ***The Request claims that the exclusion of the 5 ha from land acquisition was in response to complaints filed by community members.*** Management notes that restructuring decision was based solely on the delays in Project implementation, as described above, leading to the necessity of changing the Project’s scale through a restructuring. The government’s decision to discontinue the land acquisition process for the Project and the subsequent discontinuation of the compensation process was due to the change in the Project’s scale.
- xiv. ***While none of the Requesters from the 5 ha portion had their land taken, were evicted or have moved, the Request includes anecdotal concerns about the completed land acquisition process for the remaining parts of the site, i.e., the 6 ha and the 2.5 ha. Management notes that none of the Requesters were affected***

*by the resettlement process in these other parts of the site.* Specifically, these concerns relate to:

- *Compensation packages.* Management has reviewed the compensation packages for the 222 households whose land was acquired in the 6 ha and 2.5 ha portions of the site and confirms that the majority of the compensation packages were consistent with Bank policy requirements, with 17 cases that had to be brought into compliance following the Bank’s review.
  - *Land and properties allegedly forcibly taken.* Seven households located in the 6 ha and 2.5 portions of the resettlement site had rejected the compensation offered and were subject to compulsory land acquisition in March 2021. This was done in accordance with Bank policy and the compensation deposited in escrow accounts. There were no evictions since none of these households had houses on or lived on the acquired land.
  - *Vulnerable household.* One vulnerable household had agricultural land in the acquired 2.5 ha portion. The Bank’s due diligence review completed in June 2023 found that this household was considered vulnerable and entitled to receive additional support, which was authorized for payment, as per the provisions of the Resettlement Action Plan (RAP). Since the household did not collect the payment, it will be deposited into an escrow account.
- xv. The Request also raises concerns about a house demolition on the 5 ha portion in 2014. Since this occurred before the Project’s footprint was defined and its potential resettlement impacts assessed, the incident pre-dates the Project and it is therefore unrelated. It also illustrates that there were pre-existing building restrictions for the area, which pre-date the Project.
- xvi. ***Many of the issues raised in the Request pertain to the period when the government was expected to acquire the 5 ha for purposes of the Project.*** This applies specifically to the past draft valuation of assets, the compensation rates for different types of land, and the eligibility criteria for in-situ resettlement (i.e., households that would be resettled within the site). ***With the discontinued acquisition of the 5 ha, however, none of these issues is relevant any longer, because all the compensation packages were revoked, and the Requesters are no longer subject to the Project’s resettlement valuation and compensation process.***
- xvii. ***The Requesters seek assurances from the Bank that the government will not acquire their land in the future. This is not an assurance the Bank can provide since it has no authority over government plans to acquire land or change land use.*** The Bank cannot opine on future government decisions regarding such land acquisition and land use. The Bank confirmed to the Requesters that the Project would not need to acquire their land. At no point, however, was a “promise” made that the Requesters’ land would not be used by “any other project.” Nor did the Bank promise that building restrictions on their properties would be removed. The Bank would have no basis or authority to make any statements of this nature. While

the 5 ha are no longer required for the Project following its restructuring, Management notes that the plots in question remain on land earmarked by the government's Master Plan for resettlement purposes.

### **Conclusion**

- xviii. ***Management has carefully reviewed the issues raised by the Requesters and does not believe that the harm cited in the Request stems from non-compliance with Bank policy. Management believes that the Bank has complied with its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.***
- xix. ***The Requesters' concerns relate to the possibility of future land acquisition and compensation process that is beyond the Bank-financed Project. The fact that this land had been considered previously for acquisition by the Project does not alter the situation. The government's Master Plan defines land use and zoning restrictions for the Requesters' land, which is outside the Project's purview. The Requesters' situation would not be different in a scenario without the Project, since the 5 ha area had been designated in 2005 by the government for urban redevelopment, including land for resettlement purposes – unrelated to and pre-dating the Project.***



## I. INTRODUCTION

1. On September 25, 2023, the Inspection Panel registered a Request for Inspection, IPN Request RQ23/03 (hereafter referred to as “the Request”), concerning the Viet Nam: Coastal Cities Sustainable Environment Project (P156143) financed by the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD) (collectively, “the Bank”).

2. ***Structure of the Text.*** Following the introduction, this document contains the following sections: Section II presents the Request; Section III provides background information on the Project; Section IV discusses issues related to the Request; and Section V contains Management’s Response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format. A timeline with key dates relevant to Management’s response is provided in Annex 2.

## II. THE REQUEST

3. The Request for Inspection was submitted by 31 individuals who live in Ngoc Hiep Ward, Nha Trang City, Khanh Hoa Province in Viet Nam (hereafter referred to as the “Requesters”).

4. ***This is the second Request for Inspection, after a first Request (received on December 24, 2022) was not registered by the Panel as it did not meet admissibility criteria.*** Specifically, *“the Panel was not satisfied that Management had a reasonable opportunity to respond to the allegations raised in the Request. Furthermore, considering the change in the scope of land acquisition and resettlement, which excluded the area where the Requesters live from the Project’s resettlement program, the Panel considers the Requesters are now no longer affected by the Project’s resettlement valuation and compensation process.”*<sup>1</sup>

5. ***Based on the information provided in the second Request, the Requesters are residents of the 5 hectare (ha) portion of the resettlement site that is not needed or being acquired for the Project.*** Their complaint includes the following key issues: (i) they contest the compensation rates for the land that were offered or consulted upon when acquisition of the land was still planned; (ii) they seek assurances from the Bank that the government will not acquire their land in the future, irrespective of the purpose, and (iii) they request the removal of legal zoning and construction restrictions to which their land is subject.

---

<sup>1</sup> Paragraphs 3 and 16 of the Inspection Panel’s Notice of Non-Registration, dated February 23, 2023.

### III. PROJECT BACKGROUND

6. **The CCSEP.** The objective of the Viet Nam Coastal Cities Sustainable Environment Project (CCSEP) is to increase access to sanitation services and improve the operational performance of sanitation utilities in four coastal cities. In all, it is expected that CCSEP will directly provide 240,600 people with access to sanitation and reduce the risk of flooding for 44,700 people. The CCSEP supports the expansion of sanitation infrastructure, such as the construction of storm water pumping stations and retention lakes, sewerage networks, and a wastewater treatment plant. In addition, it supports urban connectivity improvements, such as the construction of various city roads and urban river embankments.

7. An IDA Credit and an IBRD Loan to the Socialist Republic of Viet Nam to finance the Viet Nam Coastal Cities Sustainable Environment Project (CCSEP) (P156143) were approved by the Board of Executive Directors on May 5, 2017. The CCSEP consists of four sub-projects in Dong Hoi City (Quang Binh Province), Quy Nhon City (Binh Dinh Province), Nha Trang City (Khanh Hoa Province), and Phan Rang–Thap Cham City (Ninh Thuan Province). The Request concerns the sub-project in Nha Trang City. ***For the purposes of this Management Response, the term “Project” refers only to CCSEP activities in Nha Trang City.***

8. The original amounts of the IDA Credit and the IBRD Loan were SDR140.5 million and US\$46 million, respectively, with a closing date of December 31, 2022. On December 30, 2022, the CCSEP was restructured to: (i) extend the Project closing date to June 30, 2024; (ii) partially cancel the IDA Credit and IBRD Loan by SD25.592 million and US\$11.797 million, respectively; and (iii) adjust disbursement categories.

9. **Components.** The CCSEP has four components: Component 1 – Sanitation Infrastructure Expansion (US\$135.19 million); Component 2 – Urban Connectivity Improvement (US\$27.46 million); Component 3 – Compensation and Site Clearance (US\$31.47 million); and Component 4: – Implementation Support and Institutional Reform (US\$8.63 million).

10. **Description of Activities.** *Activities under each component of the CCSEP in Nha Trang include the following:*

- **Component 1 – Sanitation Infrastructure Expansion (US\$35.8 million):** This component finances: (i) construction of tertiary sewers, household connections, and other connections in the central and southern areas of Nha Trang City; (ii) construction of a storm water retention lake and storm water pumping station; (iii) construction of a sewerage network in the northern areas of the city; and (iv) construction a wastewater treatment plant for the northern areas of the city.
- **Component 2 – Urban Connectivity Improvement (US\$13.6 million):** This component finances: (i) river embankment and construction of road along the embankment on the southern side of the Cai River; (ii) construction of City Road

No. 4 along the railway; (iii) river embankment on northern side of the Cai River; and (iv) construction of the Chu Dong Tu road.

- *Component 3 – Compensation and Site Clearance (US\$8.2 million):* This component provides funding for compensation of households affected by investments under Components 1 and 2, and clearance of sites for investments under those same components. The site for resettling Project-affected households (PAHs) in Nha Trang City, however, is the Ngoc Hiep resettlement site, which is being developed by the government for several investment projects in Nha Trang City, of which the Project is one.
- *Component 4 – Implementation Support and Institutional Reform (US\$2.5 million):* This component provides funding to: (i) support the Project Management Unit (PMU) to implement the Project; (ii) improve institutional arrangements for urban sanitation services; and (iii) improve the capacity of the agencies in Nha Trang City to better manage assets and deliver wastewater services.

11. **Implementation Status.** The CCSEP became effective on January 18, 2018. However, due to delays in allocation of budgetary resources from the central government to the cities, implementation did not start until 2019 and was subsequently affected by the Covid-19 pandemic. By October 2022, the physical completion rate in Nha Trang City had reached only approximately 27 percent of its planned scope. For Component 2, only two of three construction contracts had been awarded and the physical completion rate was just about five percent of the planned scope. The CCSEP was restructured on December 30, 2022 to extend the closing date by eighteen months (to June 30, 2024), reduce the scale of investments, partially cancel funds, and revise disbursement categories accordingly. The Project restructuring involved cancellation of two contracts for technical reasons.<sup>2</sup> Implementation of both contracts was significantly and they could not be completed by the closing date of the Project. The restructuring aimed at maximizing the Project's development impact despite the low capacity for implementation, as reflected in the delays and weak contract management. Since the restructuring, Project implementation has not improved as expected and, as a result, the Bank is actively discussing with local authorities the cancellation of the remaining investments under Component 2. As of September 2023, the status of implementation was as follows:

- *Component 1:* Physical completion rate at 78 percent of the planned scope.
- *Component 2:* Physical completion rate at five percent and all construction activities suspended since December 2022.
- *Component 3:* There are 464 households defined as PAHs under Components 1 and 2 in Nha Trang City. Of these, 118 PAHs have received compensation packages, of which 102 households have handed over their land for the purposes of the Project.

---

<sup>2</sup> The resettlement delays referred to in the [Restructuring Paper](#), however, pertain to land acquisition at the Project works site and *not* at the Ngoc Hiep resettlement site.

- *Component 4*: Most of the planned activities have been completed, except the ongoing activities supporting Project implementation, which will continue until Project closure.





13. During preparation, the Project considered using the capacity of different resettlement sites, separately and in combination. Specifically, resettlement sites at **Ngoc Hiep, Dat Lanh** and **Hon Ro** were considered to be used for PAHs affected by Project works. However, Dat Lanh and Hon Ro eventually were rejected by the PAHs and hence were dropped by the Project.

14. **The Project has not financed the acquisition and development of the Ngoc Hiep resettlement site in Nha Trang City.**<sup>4</sup> The Project has used only a portion of the resettlement site, which was acquired and developed by the government independently. The Master Plan designated the entire area (13.5 ha) to serve as a resettlement site. The government acquired and cleared the portions of the site over time to serve the demands and needs of local development projects: 6 ha in 2018, and 2.5 ha in 2021; a 5 ha portion remains unacquired. Table 1 shows the composition of the resettlement site:

**Table 1. Ngoc Hiep Resettlement Site Composition**

Portion*	Required and used for the Project	Status
6 ha	Yes	Acquisition completed in 2018
2.5 ha	No	Acquisition completed in 2021
5 ha	No	Not acquired

\* The exact sizes of the resettlement site portions are set out below. For easier reading, this report uses the rounded figures (in parentheses): 13.45 ha (13.5 ha) – 6 ha (no change); 4.83 ha (5 ha); 2.62 ha (2.5 ha).

15. **The government allocated the number of resettlement plots in the Ngoc Hiep resettlement site required for the Project to absorb displaced PAHs who were entitled to land-for-land compensation.** The number of resettlement plots required by the Project changed during Project implementation and eventually was limited to the 6 ha portion of the site that had been cleared and developed for that purpose. From the outset, the total number of resettlement plots available on the Ngoc Hiep resettlement site significantly outnumbered those required by the Project, and even more so after the Project’s downscaling following its restructuring.<sup>5</sup>

16. The Bank has reviewed all the compensation packages offered to households in the 6 ha and 2.5 ha portions whose land was acquired between 2018 and 2021, and has determined that the majority of the compensation packages complied with Bank policy requirements, while 17 packages had to be brought into compliance based on the Bank’s review. No residents had to physically move from the 6 ha and 2.5 ha portions since no houses existed in either portion.

<sup>4</sup> It should be noted that this is different from the practice applied in the other provinces where the CCSEP is being implemented, and where the CCSEP financed the land acquisition.

<sup>5</sup> The Ngoc Hiep resettlement site holds ca. 650 plots, while the Project initially required only 400 plots and eventually only 235 plots.

17. **Two separate resettlement activities** occurred in relation to the Project:
- *PAHs. These are households that had to be moved to the Ngoc Hiep site from other locations because of the civil works supported by the Project. These households are covered by the Resettlement Action Plan (RAP).*
  - *Households who were using or owned land in the 6 ha portion needed for the Project, as well as those in the 2.5 ha portion whose land needed to be acquired.<sup>6</sup> These households are also covered under the RAP.*
18. **Acquisition of the 6 ha and the 2.5 ha portions of land was progressively undertaken between 2016 and 2021.** The Bank undertook a due diligence review of the compensation package provided between February and June 2023 (as part of supervision), which confirmed that the acquisition process and compensation by the government were consistent with Bank policy requirements, while compensation packages for 17 of the 222 households had to be brought into compliance following the Bank’s review.
19. **Early on during implementation, it was expected that the Project might require more than 6 ha for resettlement purposes. This is why the acquisition of the 2.5 ha and the 5 ha portions was considered.** However, following the Project’s restructuring in 2022, which reduced its footprint, the number of PAHs to be resettled to the Ngoc Hiep resettlement site was significantly reduced, from 291 to 215 households. This translated into a 40 percent reduction in the number of required resettlement plots (from an estimated 400 to 235). Based on this change, the Project formally dropped the remaining previously acquired 2.5 ha and the unacquired 5 ha from the resettlement footprint (as reflected in the updated RAP) because these portions were not needed for the Project to achieve its objectives. As a result the government discontinued the land acquisition of the 5 ha portion. The households of that 5 ha portion were able to remain in situ and were unaffected by the Project following this development. The Requesters are located in this 5 ha portion of the resettlement site.

**Table 2. Impact of the 2022 Project Restructuring on Resettlement**

<b>Pre-restructuring (2016-2022)</b>	<b>Post-restructuring (After January 2023)</b>
Total PAHs: 593	Total PAHs: 464
- Component 1: 64 PAHs	- Component 1: 66 PAHs
- Component 2: 529 PAHs	- Component 2: 398 PAHs
<b>Of which to be resettled: 291</b>	<b>Of which to be resettled: 215</b>
<i>(estimated resettlement plots: 400)</i>	<i>(estimated resettlement plots: 235)*</i>

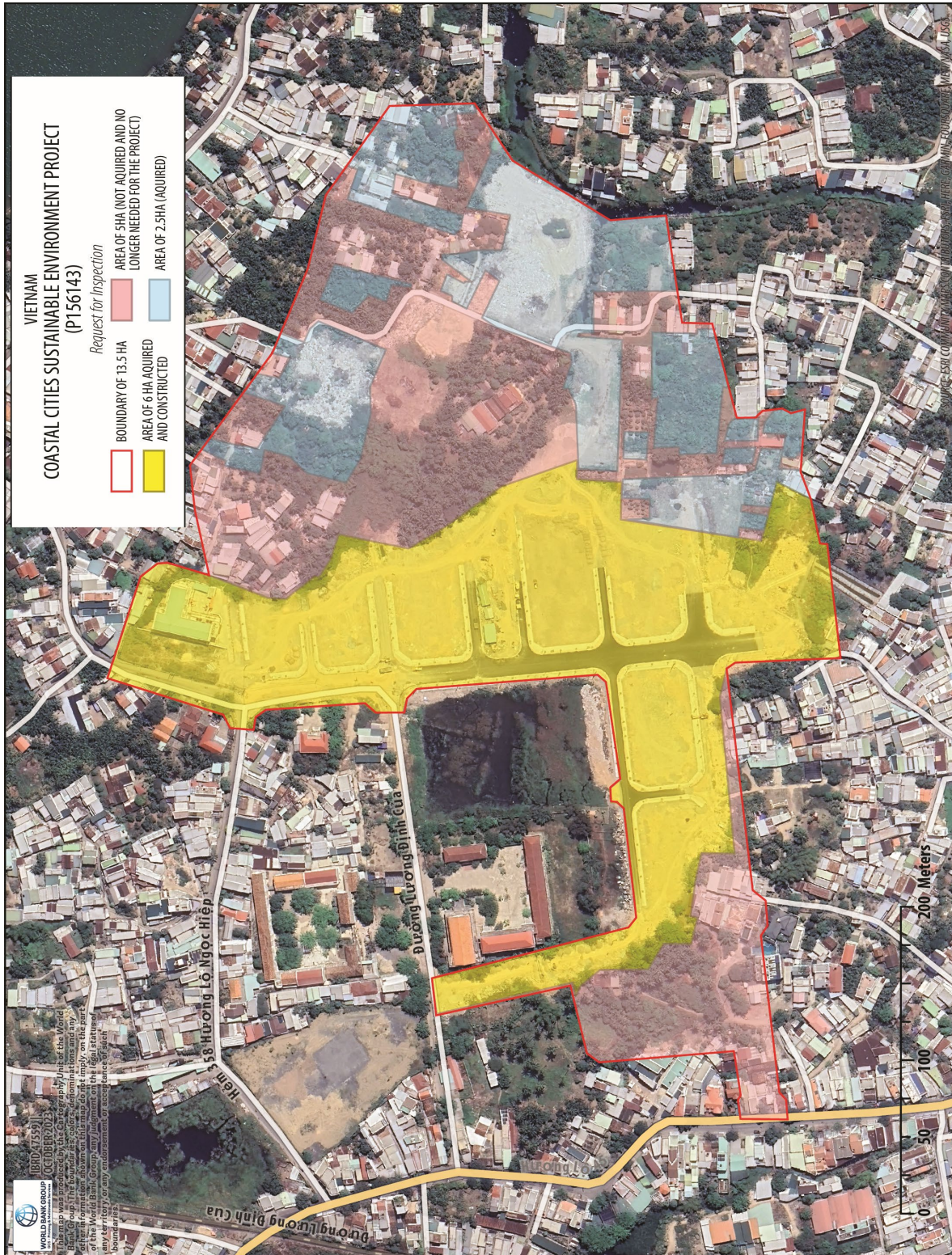
\* Some PAHs are entitled to multiple resettlement plots due to family size.

20. **Prior to the restructuring, when the acquisition of the 5 ha portion (and the use of the already acquired 2.5 ha portion) was still thought to be necessary for the Project, initial discussions were held with households living in that portion about draft compensation packages, to which the Request refers.** For households in the 5 ha portion, twenty-eight compensation packages were offered on August 21, 2018, but none was

<sup>6</sup> The 2.5 ha portion was acquired for the purpose of the Project but was not needed for the Project following the restructuring.

accepted by the households. The local authorities continued discussing the compensation packages offered, but the Covid-19 shutdown slowed down all aspects of the implementation process.

21. The delays in two contracts that were eventually cancelled resulted in the restructuring. The restructuring then led to a reduction in the area of land required and the subsequent discontinuation of the proposed acquisition of the 5 ha portion, following which all draft compensation packages were revoked. No compensation packages were accepted or paid, and no household was moved. Management notes the significant delays in informing the 5 ha households (including the Requesters) of this development. Despite the Bank's repeated efforts to encourage the Borrower to inform the households in a timely manner, they were only advised of this development on February 17, 2023. The revocation of the compensation packages was formally confirmed by the authorities at the end of August 2023.



**Map 1. IBRD 47559 – Aerial View of Ngoc Hiep Resettlement Site (showing the 6 ha acquired and used by the Project [yellow], the acquired 2.5 ha [blue], and the unacquired 5 ha [pink] portions)**



*Photo 1. Aerial View of Ngoc Hiep Resettlement Site before development (2015)*



*Photo 2. Aerial View of Ngoc Hiep Resettlement Site in March 2023*

## V. MANAGEMENT'S RESPONSE

22. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

23. ***In Management's view, the Requesters are not affected by the Project. Based on the information provided in the Request, they are inhabitants of the 5 ha portion of the Ngoc Hiep resettlement site which was not acquired for the Project.<sup>7</sup> Management understands and acknowledges the situation the Requesters are facing, however, the concerns raised in the Request are grievances that are not related to the Project, and can only be addressed by the relevant government agencies.***

24. There are 165 households that use or own land in the 5 ha portion, of which 89 have houses there. Their complaint essentially is three-fold: the Requesters (i) contest the compensation rates for the land that were offered or consulted upon when acquisition of the land was still being discussed; (ii) seek assurances from the Bank that the government will not acquire their land in the future, irrespective of the purpose; and (iii) request the removal of legal zoning and construction restrictions to which their land is subject.

25. ***The Requesters complain about a resettlement process that the government initiated when it designated the Ngoc Hiep resettlement site to serve the resettlement needs of different public development projects and started to develop it.*** The area where the Ngoc Hiep resettlement site is located was designated for urban redevelopment already in the Master Plan, well before the Project started. Any potential future acquisition of the 5 ha raised in the Request is unrelated to the Bank-financed Project. ***In other words, the Requesters would find themselves in the same situation even if the Bank-supported Project did not exist, and therefore have not suffered any material adverse effect as a result of the Project.<sup>8</sup>***

26. ***As expressed in the Request, the Requesters do not wish to be resettled. However, some of them have suggested that as an alternative, they could be resettled as part of the Bank-financed Project so as to benefit from the requirements of Bank policy.<sup>9</sup>*** This, however, is not possible. The households in the 5 ha portion of the Ngoc Hiep resettlement site are outside the scope of the Bank-supported Project, and the acquisition of their land is not required for the Project to achieve its objective. Bank Policy does not provide for the acquisition of land that is not required for a project.

27. ***The Requesters also seek assurances from the Bank that the government will not acquire their land in the future. This is an assurance the Bank cannot provide since it***

<sup>7</sup> The Requesters have been confirmed to reside or own land exclusively in the 5 ha portion, based on the resettlement baseline that was developed earlier.

<sup>8</sup> See paragraph 39 of the 2020 Inspection Panel Resolution which states: "For assessing material adverse effect, the without-project situation should be used as the base case for comparison, taking into account what baseline information may be available. Non-accomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project situation will not be considered as a material adverse effect for this purpose. [...]" (Paragraph 39, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, The World Bank Inspection Panel, September 8, 2020.)

<sup>9</sup> This was expressed in several communications that Requesters sent to the Bank team.

***has no authority over government plans to acquire land or change land use beyond the context of a Bank-financed project.*** Management also notes that the Requesters continue to live on or have land in an area that has been designated by the Master Plan to serve as a government resettlement site. It is therefore possible that they may be resettled at some point in time, but this will not be because of the Bank-financed Project. Even in the absence of the Project, the Master Plan indicates that the resettlement site would have been used for the resettlement needs of other government projects.

28. ***Management notes that the Requesters may be affected by future government activities on the 5 ha portion of the Ngoc Hiep resettlement site.*** Such activities, however, are distinct from the Bank-financed Project and not required for it. The Requesters' concerns result from the fact that they have an interest in or reside on land that the government's Master Plan identifies to serve as a resettlement site, portions of which have since been successively acquired and developed by the government for that purpose. ***The Request claims that the Ngoc Hiep resettlement site "is a loan project of the World Bank." This, however, is not correct as the Ngoc Hiep resettlement site is not financed by the Project or any other Bank-supported project.*** The Project Appraisal Document clearly explains that CCSEP is supporting the acquisition and development of resettlement sites *in other Project locations*.<sup>10</sup> However, this is not the case for Khanh Hoa Province, where the Project used a portion of a resettlement site that the government had already identified, planned for, and started to develop. Bank policy applies to the portion of the site used for Project resettlement. The remainder of the site is unrelated to the Project and hence Bank policy does not apply.

29. ***The Ngoc Hiep resettlement site was created to absorb people that are being displaced by local development projects. The Project is using about half (6 ha) of the 13.5 ha site for the PAHs displaced by Project works. The site is also absorbing affected households from other (non-Bank-supported) projects, such as a provincial dam project.*** The remaining 2.5 ha that have already been acquired, as well as the unacquired 5 ha, may be used in line with the Master Plan for the resettlement of people unrelated to the Project.

30. ***Thus, the concerns raised in the Request are grievances unrelated to the Project and should be directed to the relevant government agencies.*** Specifically, these concerns pertain to: (i) the legal classification of the Requesters' land; (ii) the restrictions on construction and rental activities; and (iii) the possible future land acquisition by the government and the applicable terms.

31. ***The Request also raises anecdotal concerns about the completed land acquisition process for the 6 ha (used for the Project) and the 2.5 ha portions, although none of the Requesters are affected by the resettlement process in these other parts of the site.*** Management has reviewed the compensation packages for the households whose land was acquired in the 6 ha and 2.5 ha portions of the site (222 in total) and confirms that the majority of the compensation packages were consistent with Bank policy requirements, while 17 of the 222 households had to be brought into compliance following the Bank's

---

<sup>10</sup> i.e., Dong Hoi City (Quang Binh Province), Quy Nhon City (Binh Dinh Province), and Phan Rang–Thap Cham City (Ninh Thuan Province).



review. Management would be pleased to respond to concerns from these households or their authorized representatives to provide clarifications if desired. The Request for Inspection, however, does not indicate that the Requesters are mandated to represent the households that owned or used land on the 6 ha and 2.5 ha portions of the site which were acquired in 2018/2021.

32. ***Moreover, the Request raises concerns about a house demolition that occurred on the 5 ha portion in 2014, well before the Project started.*** The demolition appears to have been related to a violation of building restrictions on agricultural land. Such restrictions pre-dated the Project and were not imposed in connection with the Project.

33. Management responds below to specific issues in more detail.

34. ***Land classification and land use rights.*** The Project has not introduced any changes to the land use rights or land classification of the Requesters' land. Vietnamese laws and government decisions related to master plans and land acquisition introduce different restrictions in connection with the use of land. In this case, the Master Plan, and the government's decision to issue the land acquisition notice for the Ngoc Hiep resettlement site, introduced restrictions on the Requesters' ability to *"apply for land certificates, build structures, repair, or rent their current dwellings."*<sup>11</sup> These decisions (Master Plan and land acquisition notice) remain valid and in effect regardless of the Project. Currently, most households on the 5 ha portion do not possess a valid *Land Use Right Certificate (LURC)* which also is required for some of the above-cited activities (e.g., construction, rental, transfer). The Project has neither supported the development of the resettlement site, nor has it put in place or supported the implementation of any of the said restrictions. Management notes that the Request itself identifies the agricultural classification of the land as the reason for the restrictions, rather than the Project.

35. ***Management understands that plots of land on the resettlement site were converted from agricultural to residential use without formal approval by the competent authorities.*** The conditions for legalizing such conversion include compliance with the approved Master Plan. According to the Master Plan covering the Ngoc Hiep resettlement site, the existing land use in many cases is not in compliance with the purposes defined therein, which possibly has prevented the conversions. Management notes the original agricultural character of the area as shown in Photo 1 above.

36. ***Possible future land acquisition by the government.*** While the 5 ha are no longer required for Project following its restructuring, Management notes that the plots in question remain on land earmarked by the Master Plan for resettlement purposes. The Bank cannot opine on future government decisions regarding such land acquisition and land use. The Bank confirmed to the Requesters that the Bank-supported Project would not need to acquire the land. At no point, however, was a "promise" made that the Requesters' land would not be used by *"any other project."* Nor did the Bank promise that zoning or

---

<sup>11</sup> Vietnamese law allows for repairs with the approval of the competent authorities.

building restrictions on their properties would be removed. The Bank would have no basis or authority to make any statements of this nature.

37. ***Valuation methodology and compensation packages.*** With the decision not to acquire the 5 ha for the Project, all compensation and support packages that had been consulted upon and/or offered were revoked. It is possible that the Request refers to these initial discussions about draft compensation packages that took place at the time the acquisition of the 5 ha portion was still being considered by the Project, that is, prior to the Project restructuring. For households on the 5 ha portion, twenty-eight compensation packages were offered, but none was accepted or paid, and no household had moved at the time the compensations packages were revoked. Management notes the significant delays in informing the 5 ha households (including the Requesters) of this development: they were only advised of this on February 17, 2023, and the packages were formally revoked by the authorities at the end of August 2023.

38. ***Land and properties allegedly forcibly taken.*** Management notes that none of the Requesters from the 5 ha portion had their land taken, were evicted or have moved. In the 6 ha and 2.5 ha portions of the resettlement site, seven households (5 households in the former and 2 households in the latter) had rejected the compensation offered and were subject to compulsory land acquisition in March 2021. The Bank confirmed this was done in accordance with OP 4.12, including the application of adequate advance notice and opportunity to lodge complaints. Since no one lived on the acquired land, no evictions took place. The Bank reviewed the compensation packages in question and confirmed that they complied with Bank policy requirements.

39. ***“Exclusion” from the resettlement process.*** The 5 ha was not excluded from land acquisition in response to complaints filed by community members. The restructuring decision was based on the delayed implementation, as described above in paragraph 11. The change in Project scale justified the discontinuation of the acquisition of the 5 ha portion for the Project.

40. ***Vulnerable household.*** The Requesters mention a vulnerable household from the 2.5 ha portion, whose land was acquired in 2021. The RAP specifies that vulnerable persons are entitled to a special financial allowance. The Bank’s due diligence review, completed in June 2023, found that this household indeed is considered vulnerable and hence entitled to receive additional support, which the provincial authorities authorized for payment. Since the household did not collect the payment, it will be deposited into an escrow account. This affected household, however, is not part of the Request for Inspection.

41. ***Eligibility for on-site resettlement.*** The RAP included a land-for-land compensation option. Given the limited availability of land, the RAP introduced selection criteria for that option, in particular the need for housing and shelter of those being relocated, and specifically whether they owned another house somewhere else in Ngoc Hiep commune. The remainder of the households were entitled to cash compensation only. However, with the discontinued acquisition of the 5 ha portion, the compensation packages including this option are no longer available in any case.

42. ***Engagement with communities regarding the use of the 5 ha portion following Project restructuring.*** Starting in February 2023, the government conducted several activities to inform the households on the 5 ha portion that their land would no longer be used for the purposes of the Project following the restructuring. This included consultations with the households, disclosure of relevant documents, and mass media communications. The Bank has monitored these activities and encouraged the government to ensure that the households are provided with accurate information in a systematic and timely manner. Despite this, Management notes that there have been significant delays with regard to the internal government processes to finalize the required decisions related to the discontinuation of the land acquisition for the 5 ha, as well as formally informing the affected community. Since February 2023 Management has repeatedly urged the government in writing to swiftly inform the concerned households of the changes introduced by the Project's restructuring. The Bank has also communicated directly with households from the 5 ha who approached the Bank regarding the impacts of the Project restructuring and informed them that the land acquisition process under the Project was discontinued for the 5 ha.

43. ***Ongoing construction works on the Ngoc Hiep resettlement site.*** Construction of the 6 ha portion of the Ngoc Hiep resettlement site is nearly complete. The 6 ha portion is at a higher elevation than the surrounding environment, which had been identified as at risk for stormwater drainage issues in the other areas of the resettlement site during the rainy season. To prevent this, the provincial authorities are putting in place appropriate measures for slope stabilization and improvements in the drainage around the 6 ha portion by directing stormwater runoff towards the river. The Bank team is continuing to coordinate with the provincial authorities to ensure that any potential impacts on the 5 ha portion are appropriately mitigated and managed, and is monitoring these efforts.

## **Conclusion**

44. ***Management has carefully reviewed the issues raised in the Request and does not believe that the harm cited in the Request stems from non-compliance with Bank policy. Management believes that the Bank has complied with its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.***

45. ***The Requesters' concerns relate to the possibility of future land acquisition and related compensation process that is beyond the remit of the Bank-financed Project. The fact that this land had been considered previously for acquisition by the Project does not alter the situation. The government's Master Plan defines land use and zoning restrictions for the Requesters' land, which is outside the Project's purview. The Requesters' situation would not be different in a scenario without the Project.***



## ANNEX 1: CLAIMS AND RESPONSES

No.	Claim	Response
1.	<p>The World Bank project is causing us harm. We are the households that are directly affected by “Ngoc Hiep Resettlement Area Infrastructure Construction Project”, which is part of component 3 of the project “Sustainable environment in coastal cities” for short. CCSEP. Our situation was extremely difficult, managed, borrowed money from many places to build a house to cover the sun and rain. It is known that Ngoc Hiep resettlement area project is a loan project of the World Bank.</p>	<p><b><i>In Management’s view, the Requesters are not affected by the Bank-funded Project. Instead, the Requesters are affected by government activities on the Ngoc Hiep resettlement site that are distinct from the Bank-funded Project, and not required for it.</i></b></p> <p>The Project in Nha Trang City is financed by Bank funds under decision of the Khanh Hoa PPC, No.3348A/QD-UBND, dated October 31, 2016.</p> <p>The Ngoc Hiep resettlement site was developed, funded and is managed by the city/province, independently of the Project, based on the Master Plan. The objective of the government was to develop a resettlement site to receive people displaced by local development projects.</p> <p>The statement that the Ngoc Hiep resettlement site “is a loan project of the World Bank” is incorrect. The Project did not finance acquisition of a resettlement site in Nha Trang. Rather, the government allocated a 6 ha portion of the resettlement site to the Project for its resettlement needs. Project Component 3 provides support for compensation for:</p> <ul style="list-style-type: none"> <li>• Land permanently or temporarily acquired for construction under Components 1 and 2; and</li> <li>• Property permanently or temporarily affected during construction activities under Components 1 and 2.</li> </ul> <p>The Ngoc Hiep resettlement site has a total area of 13.5 ha with 648 plots to absorb displaced households from various development projects, of which the Project is only one. Of the 13.5 ha, a 6 ha portion and a 2.5 ha portion were acquired for use by the Project, but following the restructuring, only the 6 ha portion is needed. The Project’s Resettlement Policy Framework (RPF) and RAP apply to the households in the 6 ha and 2.5 ha portions.</p> <p>The remaining 5 ha was not and will not be acquired or used for the Project. The Requesters live or have land in this 5 ha portion.</p>
2.	<p>The policy of the project is for social security purposes, creating favorable conditions for households affected by the project to stabilize their lives and have better or at least equal living conditions than before. Affected by the project. We very much agree with the above policy, so we have cooperated in the inventory of assets, supporting</p>	<p><b><i>The Requesters inhabit or have land in the 5 ha portion of the Ngoc Hiep resettlement site, which was earlier considered for purposes of the Project but was not needed after restructuring.</i></b> The acquisition of this 5 ha portion was discontinued by the government, and the in-situ resettlement option became moot.</p>

No.	Claim	Response
	<p>the project to be completed soon. We have a house, land and are living in the place where the land is acquired before the cut-off date is the date of issuance of the notice of land acquisition 1/9/2016. We consider that we are eligible for on-site resettlement according to regulations, but the Project Management Board gave various reasons for us not to be granted resettlement land.</p> <p>There are a number of households that have been eligible for resettlement grant, the list has been publicly posted and the lottery has been held to select the land plot, but now under the new plan, they are not allowed to resettle.</p>	<p>The Request refers to the process of establishing eligibility for in-situ resettlement of households, which was initiated but eventually revoked with the discontinuation of the acquisition.</p> <p>The lottery (plot allocation process) that the Request refers to was conducted by local authorities on January 5, 2018, to allocate in-situ resettlement plots to eligible households in the 5 ha. <b><i>However, since all compensation packages for the 5 ha of Ngoc Hiep resettlement site were revoked, the lottery results are no longer valid or relevant.</i></b></p>
3.	<p>The project had a decision on land acquisition and a decision approving the compensation, support and resettlement plan in 2016 but the project management board based it on Decision No. 10/2021/QD-UBND dated August 26, 2021 of Khanh Hoa Provincial ‘People’s Committee to make compensation, support and resettlement plans is unreasonable. Conditions for land allocation for resettlement comply with Decision No. 10/2021/QD-UBND dated August 26, 2021 of Khanh Hoa Provincial ‘People’s Committee, so what Decision does the price of resettlement land follow?</p> <p>The price of resettlement land for Ineligible cases is calculated by a coefficient of 1.05 or 1.5 compared to the price of eligible resettlement land?</p>	<p><b><i>When the 5 ha were still being considered for use by the Project, the Bank reviewed the draft compensation packages. This review indicated that some packages were using coefficients<sup>1</sup> for land plots in the Ngoc Hiep resettlement site that were not compliant with the RAP and needed correction.</i></b></p> <p><b><i>However, since all compensation packages for the 5 ha were formally revoked in August 2023, this issue is no longer relevant to the Project.</i></b></p> <p>For the portion of the Ngoc Hiep resettlement site required by the Project, land acquisition and compensation are regulated in the RAP and through administrative rules of the province that instrumentalize RAP implementation. Specifically: Decision 132/QD-UBND dated January 13, 2017, amended by Decision 565/QD-UBND dated February 23, 2022 and by Decision 379/QD-UBND dated February 17, 2023. These Decisions provide for the application of the RAP and the local requirements specified in Decision 29/2014/QS-UBND (and later Decision 10/2021/QD-UBND), among others.</p> <p>The Bank’s due diligence review between February and June 2023 determined that the compensation packages were using coefficients for land plots in the Ngoc Hiep resettlement site that were not compliant with the RAP, which requires that the principle of replacement costs be followed instead. A new Decision changing the</p>

<sup>1</sup> The province applies a coefficient for those who are not entitled to land-for-land compensation in order to obtain a land plot in a resettlement site – effectively increasing the purchase price of the land plot. Notwithstanding this local regulation, the RAP requires replacement cost for all acquired land and structures.

No.	Claim	Response
		<p>coefficients in line with the RAP was approved by the government in August 2023.</p> <p><b><i>Since all compensation packages in the 5 ha of Ngoc Hiep resettlement site were revoked, this new decision has no relevance for those households.</i></b></p>
4.	<p>The current status of our land is residential land, land for perennial crops, but the Project Management Board based on the origin of land from before 1994, which is field land and annual crop land, to apply a compensation price of 400,000 VND to 600,000 VND/m<sup>2</sup> is too unreasonable. With this compensation price, the households who lost their land cannot afford to buy land at the current market price.</p>	<p><b><i>Management notes that there seems to be a discrepancy between the officially recorded land use type and the one that residents assumed would be applied.</i></b> Residents appeared to believe that past construction on agricultural land would convert the land status to residential land, which is not the case. Rather the construction activity was possibly illegal, and absent any approved conversion of the land status, the land remains classified as agricultural.</p> <p><b><i>However, since the 5 ha are no longer needed, this issue is no longer relevant for the Project. Rather, this is an issue that the affected households would need to take up with the government.</i></b></p>
5.	<p>Most of the households whose land was acquired did not agree with this compensation price, did not voluntarily allocate land, some households were forced to acquire land. Households eligible for resettlement grant do not have enough money to buy resettlement rates, even less money to build houses to stabilize their lives.</p>	<p><b><i>When acquisition by eminent domain is applied, the households' consent is not required per Bank policy. Management has reviewed the Project compensation packages and confirmed that they now reflect replacement value for the acquired land, plus additional livelihood support for those losing agricultural land which they cultivated, in accordance with the RAP.</i></b></p> <p>No land acquisition has been or will be carried out for the 5 ha portion of the Ngoc Hiep resettlement site for the Project and none of the households there have been subject to evictions.</p> <p>Most households on the 6 ha and 2.5 ha portions (215 out of 222, 96.8 percent) did accept the offered compensation packages. Only the agricultural land of seven households was compulsorily acquired in March 2021, following due process under both national law and the RAP. The Bank confirmed that this was done by providing advance notice, and allowing opportunity to lodge grievances. Since no one lived on the land, no evictions took place. For those seven cases, the compensation amount was deposited in an escrow account, in compliance with Bank policy.</p>
6.	<p>The project has only one, but sometimes the policy of applying the resettlement policy framework of the “sustainable environmental project in coastal</p>	<p><b><i>Land acquisition and resettlement for the Project is governed by Bank policy as enshrined in the RPF and RAP. As per normal practice, however, land acquisition</i></b></p>

No.	Claim	Response
	<p>cities” signed with the World Bank, sometimes according to Decision No. No. 29/2014/QD-UBND dated December 21, 2014, sometimes applying the Decision No. 10/2021/QD-UBND dated August 26, 2021 of the People’s Committee of Khanh Hoa province to make a compensation plan. Does project management still apply Decisions?</p>	<p><b><i>also requires administrative decisions by the competent national agencies. Hence there is no discrepancy between the Project’s RPF/RAP and the related government decisions that create the domestic legal basis for implementation.</i></b></p> <p>The Request is referring to decisions that govern land acquisition in the province: Decision 29/2014/QD-UBND, later replaced by Decision 10/2021/QD-UBND.</p> <p>However, the Project’s RAP and RPF only apply to the two portions (6 ha and 2.5 ha) portions of the Ngoc Hiep resettlement site that were acquired for the Project (although the 2.5 ha was not used).</p> <p>Since the land acquisition for the 5 ha is not required for the Project after the Project restructuring, the RPF/RAP does not apply and the RAP was revised accordingly.</p>
7.	<p>Ngoc Hiep Resettlement Project recovers houses and land that are not part of the resettlement land fund of households who are producing and living stably for decades in the locality, expelling us from the locality to make a land fund. Provision for resettlement for households affected by other projects is extremely unreasonable.</p> <p>However, after reviewing the Compensation, Support and Resettlement Plan of the project publicly listed at the People’s Committee of Ngoc Hiep Ward and the Development Project Management Board of Khanh Hoa Province, we completely disagree with the compensation package and unfair treatment with this method.</p>	<p><b><i>The Project is not involved in any way in creating a “land fund” or anything similar. The Project is using a portion of the Ngoc Hiep resettlement site to accommodate PAHs displaced by the Project works, the number of which has changed over time.</i></b></p> <p><b><i>It is correct that the government’s Master Plan has designated the area to serve as a resettlement site to be used by development projects, as per demand, which may develop over time.</i></b></p>
8.	<p>We complained to the World Bank and the Inspection Panel about the above irregularities in the Project. After our complaint about unfair compensations in the resettlement policies, in February 2023, the World Bank project excluded our houses from resettlement and promised us that we will get a written note that our land and houses will not be used by the Bank or any other project. After engaging since 2016, the Project excluded our land from the project. Until today, now we have not received the assurance that our lands will be safe and not used for the Project.</p>	<p><b><i>The 5 ha was not excluded from land acquisition in response to complaints filed by community members. The decision to restructure was based on the significant delays in implementation. The change in Project scale justified the discontinuation of the acquisition of the 5 ha portion for the Project.</i></b></p> <p><b><i>The draft compensation packages were revoked. The households in the 5 ha portion were informed of this through a number of public disclosures and consultations. Management recognizes that there have been delays by the Borrower in doing so despite the Bank’s repeated efforts to encourage the Borrower to inform the households in a systematic and timely manner. Communications have been as follows:</i></b></p>



No.	Claim	Response
		<ul style="list-style-type: none"> <li>• February 23, 2023: Community meeting chaired by the Nha Trang CPC and the provincial authorities with most of the households in the 5 ha portion of Ngoc Hiep resettlement site. Bank staff joined as observers.</li> <li>• March 23, 2023: Community meeting chaired by the Chairman of Khanh Hoa PPC with most of the households in the 5 ha portion of the Ngoc Hiep resettlement site. Bank staff joined as observers.</li> <li>• August 29, 2023: The provincial authorities sent the notice of the Nha Trang CPC on revoking compensation packages offered to 28 households on the 5 ha portion by post.</li> <li>• August 30, 2023: The provincial authorities disclosed the decisions of Nha Trang CPC on amending the timeline of land acquisition for Ngoc Hiep resettlement site and revoking all draft compensation packages for the 5 ha portion at the PMU’s office and on its website.</li> <li>• September 6, 2023: The provincial authorities organized public disclosure of the decisions at Ngoc Hiep Ward People’s Committee’s office, and at the offices of residential groups No.4, No.5, No.6 in Ngoc Hoi, and residential groups No.7, No.8, No.9 in Lu Cam (the residential areas in Ngoc Hiep).</li> <li>• September 8, 2023: The decisions were announced in Khanh Hoa province’s online newspaper.</li> <li>• September 9, 2023: The central government’s newspaper (Lao Dong newspaper) posted the news.</li> <li>• September 15, 2023: The provincial authorities and the local authority held a consultation meeting chaired by the Nha Trang CPC Chairman with the participation of 102 households of the 5 ha portion of Ngoc Hiep resettlement site.</li> </ul> <p>The Bank did not promise that land and houses would not be used by “any other project.” This is outside of the Bank’s control.</p> <p>The government, as noted above, issued several Decisions and Notices to reflect the reduced need for resettlement due to the restructuring in 2022. The government considers the process to be complete. See also Item 18 for additional information on the government’s procedures and communications.</p>

No.	Claim	Response
9.	<p>In the report of notice of Non-Registration of The inspection panel, it showed that Khanh Hoa provincial will not acquire our land under the World Bank Project, and we will no longer “considered as project affected household”. It means our land will not be acquired for any reasons, for any project in the future. And World Bank also had the confirmed in writing of Khanh Hoa provincial about this matter.</p>	<p><b><i>The households in the 5 ha portion are no longer considered PAHs under the Project. The Bank never communicated to households that their land would not be acquired ‘for any project in the future.’ How the government decides to use this land in the future is completely beyond the Bank’s control.</i></b></p> <p>As per Operational Policy 4.12, paragraph 3, PAHs are households affected by “direct economic and social impacts that both result from a Bank-assisted investment and are caused by the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihoods.” As per this definition, the households in the 5 ha portion of the Ngoc Hiep resettlement site are no longer considered affected by the Project.</p> <p>This change is unrelated to any potential use of the land in the future. The Bank has no authority over government decisions or plans related to future use of the land in question. The Bank never communicated that such land would not be acquired for any project in the future, as this is beyond the Bank’s control.</p>
10.	<p>But actually, at the meeting with Project manager unit, they only mention that “STOP site clearance” our land and cancel the compensated counting sheet that they issued before, not mention about cancel the Decision of land acquisition for Ngoc Hiep project. And at the meeting with Khanh Hoa manager on 24 March, the manager didn’t make sure that our land will not be acquired. We don’t know what will be going on with our land.</p> <p>The Ngoc Hiep project has been started from 2016 and it’s still affected to us up to now.</p>	<p><b><i>The Ngoc Hiep resettlement site is a resettlement site of the government that pre-dates the Bank-funded project and is for broad resettlement needs of the city. Following the restructuring of the Project in December 2022, it no longer needs the 5 ha portion. Accordingly, Nha Trang authorities discontinued the land acquisition process for the 5 ha portion. The Bank has no authority over the government’s decisions on the use of land not required for a Bank-funded project.</i></b></p>
11.	<p>During the time for project, We could not do anything with our land. We could not apply for land certificate, could not repair or build house, could not sell or for rent....</p>	<p><b><i>Vietnamese laws and government decisions related to master plans and land acquisition introduce different restrictions in connection with the use of land. Additional restrictions apply by law for households who do not have LURCs.</i></b></p> <p>With respect to the Ngoc Hiep resettlement site, urban redevelopment of this area was anticipated in the Master Plan. Until land acquisition for such development is completed, all households residing in this area are allowed to continue staying where they are. However, they are: (a) ineligible for a conversion of land use</p>

No.	Claim	Response
		<p>purpose;<sup>2</sup> (b) prohibited from building new construction;<sup>3</sup> (c) prohibited from planting perennial crops; and (d) prohibited from repairing existing structures (unless authorities issue a permit).</p> <p>In addition, following the land acquisition notice for the Ngoc Hiep resettlement site issued by the Nha Trang CPC on September 1, 2016, these households are generally ineligible to obtain LURCs.</p> <p>Vietnamese law allows for the transfer or rental of land only by land users who have a LURC. Management understands that most households residing in the area of the Ngoc Hiep resettlement site do not have a valid LURC, and this can constitute a separate limitation in selling or renting land.</p> <p>Accordingly, while Management acknowledges the existence of certain restrictions (the full extent of which also depends on the type of LURC that each household has), their basis in Vietnamese law is found in the government decisions to adopt a Master Plan for the Ngoc Hiep residential area and then the Ngoc Hiep resettlement site, and to proceed with land acquisition for this purpose.</p>
12.	<p>On 25 of March. We also have included two letters of affected people and consider as part of the group of complainants. Their living conditions are very difficult. They are single mom like me and they have no house, there no stable job. They only have a small land is the biggest of their property. Beside two persons, there are a lot of affected people who have the same situation. We will have no house to live in if our land will be acquired for Ngoc Hiep resettlement because the compensate package did not comply The World Bank's policy framework.</p>	<p>See Items 13 and 14, below.</p>
13.	<p>On September 10, 2014 one community member built a house for her mother and daughter to have a place to live, just built it, on October 3, 2014, the Ward People's Committee decided to dismantle their house and tear it down. The wall fell down, I begged and begged but was still forced, her mother and herself had to stay here and there. Until 2016, the Ward People's Committee and the Project Board announced that this area was planned to be</p>	<p><b><i>The alleged demolition of the house took place in 2014, before the Bank-funded Project footprint was defined and its potential resettlement impacts assessed. The house in question was located in the 5 ha portion, so it is not in a portion of the site used by the Project and in any case the incident pre-dates the Project. The Bank is unable to assist the community member with this request since it falls outside the Bank's authority.</i></b></p>

<sup>2</sup> Lack of a LURC is also a reason that a land user would be ineligible for conversion of land use purpose.

<sup>3</sup> If the LURCs were for agricultural land, construction of houses is prohibited.

No.	Claim	Response
	<p>the Ngoc Hiep resettlement area and offered a compensation price of 54 million. But they didn't accept it because the money was too little for the land when [they] bought it and the house was demolished. They have applied for consideration of the City People's Committee and the Provincial People's Committee according to her wish to grant her 1 resettlement lot, but the departments answered the application that she is not eligible to receive resettlement and until now, she have not received the compensation yet. Now she is asking the World Bank to help, because their land is within 5 hectares and is irrevocable, they hope that their land will be returned to them and allow them to build a house and make a red book on the land. above land for mother and daughter to live stably.</p>	
14.	<p>Another community member is a single mother raising a disabled daughter (who is blind, both hands and feet have no fingers and nerves). She used to own land plot number XX, sheet number XX extracted from cadastral measurements of land area No- XX scale 1/500 of Ngoc Hiep Ward, established on September 27, 2016 by the Technical Center for Natural Resources and Environment. and certified by the Department of Natural Resources and Environment on November 21, 2016, corresponding to a part of land plot number XX, cadastral map sheet number Ngoc Hiep ward, Nha Trang city, Khanh Hoa province. She was forced to recover the above 145m2 land, although she wrote a petition and presented the situation and asked to be considered for support, she was still coerced and compensated for more than 90 million VND. Although they disagree. They still have to receive money to support their children, and borrow money to continue living. She is currently staying with her biological mother's house to live and raise [her] children. Apart from the land property that was coerced, her son and herself have no other assets. She write here with her honest feelings. She still hopes that the Project team will consider and support her so that her mother and she can have a less difficult and miserable life in the future.</p>	<p><b><i>This community member's land is in the 2.5 ha portion that was acquired in 2021. The Bank's due diligence review found that this is a vulnerable household, which is entitled to an additional allowance payment as per the provisions of the RAP. The payment was authorized and the household was invited to collect it. However, the household refused to accept the payment, and demanded a resettlement plot in lieu, to which, however, it is not entitled under the RAP. Since the household did not collect the payment, it will be deposited into an escrow account.</i></b></p> <p>This household's land was acquired as part of the 2.5 ha portion, for which compensation has been paid, but which is no longer needed for the purposes of the Project. In accordance with the RAP, this household was not entitled to receive land-for-land compensation and only cash compensation, because the affected land is agricultural, without a house, and the household has been living in another location.</p>

No.	Claim	Response
15.	There are many other community members who are suffering similar situations.	<p><b><i>No land acquisition or resettlement activities for the Project have taken place on the 5 ha. This land is no longer needed for the purposes of the Project.</i></b></p> <p>Management would be pleased to respond to concerns from affected households or their authorized representatives to provide clarifications. <b><i>The Request for Inspection, however, does not indicate that the Requesters are mandated to represent the households that vacated the 6 ha and 2.5 ha portions of the site in 2018/2021.</i></b></p>
16.	<p>On 11 of May, the World Bank informed us that they are working with the Project Management Unit and Khanh Hoa Provincial People’s Committee to issue a final decision to cancel the acquisition of land in the area of 5 hectares in Ngoc Hiep Resettlement area, This decision will be issued by June 30, 2023. It will remove existing project-related restrictions on our property and we will have the authority to build or repair house according to local regulations. We are very pleased to receive this information, we trust the follow up of the World Bank so we wait patiently until June 30, 2023. On June 30, the World Bank again announced that “The World Bank has followed up with the local authorities to no longer acquire 5 hectares for the purposes of the Project. The deadline has been agreed between the provincial government and the Bank is June 30, 2023...However, there are some delays in administrative procedures..., the Bank will continue to monitor this agreement and its representatives. The bank’s senior staff will come to Nha Trang to meet with the provincial leaders to agree not to delay any further.” But we found on June 27, Khanh Hoa Provincial People’s Committee issued an official document No. 6312/UBND-XDND on adjusting the infrastructure construction project of Ngoc Hiep resettlement area in the direction of diverging the project into 02 phase (phase 1 makes investment on the recovered land, implementation time is 2016 in 2024; phase 2 makes investment on unrecovered land, implementation time is after 2024). There was a conflict between the update by the World Bank on June 30 and the decision No. 6312/UBND-XDND</p>	<p><b><i>The government issued several decisions to discontinue the acquisition of the 5 ha portion, although this was done later than the Bank expected. The Bank has no authority over the future use of the 5 ha.</i></b></p> <p>The Viet Nam Country Director and the Bank’s Sustainable Development Director for East Asia Pacific traveled to Nha Trang on July 12, 2023 to meet the Khanh Hoa PPC Secretary and PPC Chairman regarding the decision about the 5 ha portion.</p> <p>The provincial and city governments issued several formal decisions to discontinue the land acquisition for the 5 ha portion. The first formal decision was issued by the Khanh Hoa PPC on July 18, 2023. This was after the Bank’s communication with the Requester on June 30, 2023 alerting the Requester that the agreed deadline of June 30, 2023 would not be met. This first formal notification of changes to the Ngoc Hiep resettlement site was preceded by a series of internal government procedures to which the Bank is not privy, including the June 27 official document to which the Request refers.</p> <p>The Bank took several steps to urge government authorities to issue the decisions in a timely and transparent manner.</p>

No.	Claim	Response
	dated June 27 of the People’s Committee of Khanh Hoa province.	
17.	We think Khanh Hoa managers will force us to hand over our land to project after CCSEP finish. We would request the inspection panel to investigate our complaint.	<p><b><i>The Bank has no authority over government plans or decisions on potential future use of the land in the 5 ha portion of Ngoc Hiep resettlement site not being used for the Project.</i></b></p> <p><b><i>Management notes, however, that the Requesters remain on land that has been identified by the government’s Master Plan to serve as a resettlement area.</i></b></p>
18.	<p><b><i>Previous Contact.</i></b> We sent complaint to World Bank in December 2022. We wrote to Inspection Panel at the same time. Inspection Panel did not register as Bank did not have opportunity to respond. Bank excluded our land from the project and promised that our land will not be used by the project.</p> <p>On 17 Feb 2023 The PMU informed that the remaining five hectares would not be acquired for the project. Our land will no longer be handed over to the project but we have not received the Decision to cancel land acquisition for 5 hectares.</p> <p>At the meeting with the PMU on 23 Feb 2023, They informed us the same information. We told them our concerns and we need Khanh Hoa people’s provincial committee to confirm and issue the Decision so that We can request for a resident land license then we can repair or build the house on land. We still have not received their reply.</p>	<p><b><i>The government issued several decisions and notices to the households in the 5 ha portion discontinuing the land acquisition process. Management recognizes, however, that these steps took longer than the Bank originally expected, and the relevant consultations organized by the government to inform the households in the 5 ha portion about this development could have provided more accurate and detailed information. The Bank is continuing to follow up with the government on the importance of continuously informing the community in a timely manner.</i></b></p> <p>Certain notices and consultations overlapped with the submission of the Request and hence the Requesters may not have been aware of the formal decision that the 5 ha portion was no longer needed for the Project. The government’s process entailed various administrative procedures at multiple levels (provincial and city).</p> <p>That said, the September 15, 2023 meeting, chaired by the Nha Trang CPC, was organized to directly inform the households in the 5 ha portion of the abovementioned decisions and notifications. More than 100 households attended and the minutes of the meeting, which were shared with the Bank, show that those who participated had the opportunity to raise questions.</p>
19.	<p>On 20 March 2023, We sent the second complaint to the World bank project team, Khanh Hoa people’s province, Nha Trang people’s province and PMU.</p> <p>On 24 March 2023, We had a meeting with them. At the meeting, We asked them if our land was acquired, please issue the Decision and allow us to repair or build a house because our house has been degraded for the last 7 years. But The managers</p>	<p>Management notes that the key issue articulated by the Requesters relates to their inability to: (i) obtain a LURC for residential land; and (ii) construct /repair houses, which they explicitly associate with the development of the Ngoc Hiep resettlement site.</p> <p>As noted in Item 11 above, Management acknowledges the restrictions that are currently applicable to land use in the area of the Ngoc Hiep resettlement site. The assessment of how the Requesters could use the land in</p>

No.	Claim	Response
	<p>said that in a short time our land will not be acquired. PMU has to submit the solution to Khanh Hoa chairman before 30 June 2023 so that he can decide whether or not to acquire our land. And he said that during this time, We are not allowed to repair or build the house because that area is agricultural land.</p> <p>In fact, The land was agricultural land based on the original land before 1994. After 1994, the owner divided many small lots (100-200m2) and sold them to us to build a house. It is not suitable for producing agricultural products. We have houses on it before the cut off date and we need to repair or build a house to live in. If we are not affected by the Ngoc Hiep resettlement project, we can submit for a resident land according to Vietnam land law.</p>	<p>the event that the government decided to cancel the development of the Ngoc Hiep resettlement site is largely hypothetical and would depend on multiple factors, including on how the government may revise the relevant master plans, as well as the LURCs that individual households have. All such parameters remain outside the scope of the Project.</p>
20.	<p>On March 25, 2023, we wrote two additional community member complaint to GRS (Case Number FY23- GRS-1743, Vietnam CCSEP Project (P156143))</p> <p>On July 1, 2023, we wrote a concern to GRS (Case Number FY23-GRS-1743, Vietnam CCSEP Project (P156143)) about the decision No. 6312/UBND-XDND dated June 27 of the People’s Committee of Khanh Hoa province.</p> <p>On August 15, 2023, we sent the third complaint of community to GRS, The World Bank project team, Khanh Hoa Chairman, Nha Trang committee and PMU.</p> <p>We are concerned that our land will be acquired, maybe be forced to hand over to the project in the future. Because in the past, there were some cases of force to hand over their empty land to the project that I mentioned before.</p> <p>We need the Decision of Khanh Hoa people’s provincial committee to cancel the land acquisition according to the issue on 17 Feb 2023 and informed on 24 Feb 2023 by PMU. We need The World Bank has respond if our land will be acquired for any reason before or after CCSEP finish.</p>	<p><b><i>The government issued the decision to discontinue land acquisition of the 5 ha portion of the Ngoc Hiep resettlement site (see Item 18 and Annex 2 for details). In addition, the government informed the households in the 5 ha portion of this change and is continuing to consult with them on it. The Bank has no authority over government plans or decisions on potential future use of the land.</i></b></p> <p>The draft compensation packages (which were never paid out) for the households in the 5 ha portion were formally revoked in Decisions of the Nha Trang CPC issued on August 28 and 30, 2023. The households were informed of this through a number of public disclosure and consultation activities (see Item 8 above and Annex 2).</p>

## ANNEX 2. TIMELINE

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
October 21, 2005	Khanh Hoa PPC approved detailed Master Plan for Ngoc Hiep residential area (35 ha).	
March 13, 2016		Approval of the Project Concept Note
May 5, 2016	Khanh Hoa PPC approved the updated detailed Master Plan of Ngoc Hiep residential area.	
August 5, 2016	Khanh Hoa PPC approved the development of Ngoc Hiep resettlement site on 13.5 ha (revised size of site from 14.4 to 13.5 ha).	
September 1, 2016	Nha Trang CPC issued Notice 756/TB-UBND on land acquisition for the Ngoc Hiep resettlement site with 13.5 ha of land to be acquired during 2016-2018.	
November 15, 2016		Decision meeting authorizing Project appraisal
December 2016		Bank cleared Project ESIA for Project works in Nha Trang City.
December 2016		Bank cleared Project RAP for the works of Components 1 and 2 in Nha Trang City.
January 10, 2017		Khanh Hoa PPC issued Decision 85/QD-UBND approving the Project RAP
January 13, 2017		Khanh Hoa PPC issued Decision 132/QD-UBND approving guidance on processing land acquisition and compensation at Ngoc Hiep resettlement site for implementation of Project.
May 5, 2017		Project Approval
July 6, 2017	Provincial authorities reported that the inventory survey (DMS) at Ngoc Hiep resettlement site was substantially completed, compensation packages for 185 households were approved, and the contractor to build infrastructure at the Ngoc Hiep resettlement site was mobilized to the site.	
January 18, 2018		Project effectiveness
August 30, 2018	Inventory survey of the Ngoc Hiep resettlement site was completed, and 6 ha out of 13.5 ha of the Ngoc Hiep resettlement	



Date	Ngoc Hiep Resettlement Site	CCSEP / Project
	site were acquired and handed over to the contractor.	
August 6, 2020	Nha Trang CPC issued Notice 1132/TB-UB amending Notice 756/TB-UBND, Notice 306/TB-UBND and Notice 100/TB-UBND to extend the duration of land acquisition from 2016-2019 to 2016-2021.	
November 26, 2020	No progress on land acquisition for the Ngoc Hiep resettlement site, due to (i) lack of updated land prices for compensation packages; and (ii) impacts of restrictions imposed by Covid-19 pandemic.	
May 26, 2021	Little progress relating to land acquisition for the Ngoc Hiep resettlement site: 168 out of estimated 424 affected households were not yet compensated. Lingering pandemic restrictions caused processing slowdowns for land acquisition activities.	
January 26, 2022	Nha Trang CPC issued Notice 113/TB-UBND amending previous notices to extend the duration of land acquisition from 2016-2021 to 2016-2022.	
December 30, 2022		Project restructuring (i) canceled some of the investments planned under Component 2 of the Project, (ii) extended the Project closing date; and (iii) amended the financing arrangements. This led to a smaller Project footprint and reduced the need for an additional resettlement plot, beyond the 6 ha portion already allocated.
January 12, 2023	Nha Trang CPC issued Notice 31/TB-UBND amending previous notices to extend the duration of land acquisition from 2016-2022 to 2016-2023.	
February 10, 2023	Chairman of Khanh Hoa PPC confirmed that the 6 ha portion of the Ngoc Hiep resettlement site can accommodate the resettlement needs of the Project after restructuring, and that the province decided to stop land acquisition of the unacquired 5 ha portion and suspend construction activities on the 2.5 ha portion as they were no longer needed for the Project.	
February 17, 2023	Provincial authorities issued a notice to the previously affected households in the 5 ha portion of the Ngoc Hiep resettlement site informing them about the decision to stop land acquisition of the area and that an	

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
	official decision would be issued soon by the Khanh Hoa PPC and Nha Trang CPC.	
February 23, 2023	Nha Trang CPC and provincial authorities met with most of the households in the 5 ha portion of the Ngoc Hiep resettlement site to inform them about the decisions.	
March 23, 2023	Chairman of Khanh Hoa PPC met most of the households in the 5 ha portion of the Ngoc Hiep resettlement site to inform them about the decisions.	
July 12, 2023		Bank Country Director and Sustainable Development Regional Director traveled to Nha Trang and met provincial authorities to seek formalization of the decision that had been agreed with the Bank in February.
July 18, 2023	Khanh Hoa PPC approved the revised activities for Ngoc Hiep resettlement site, which postponed construction activities outside of the 6 ha required for the Project.	
July 28, 2023	Nha Trang CPC issued Notice 1205/TB-UBND amending the previous land acquisition notices to adjust the timeline of land acquisition for the Ngoc Hiep resettlement site, with 6 ha acquired during 2016-2024.	
August 28, 2023	Nha Trang CPC issued decision revoking all land acquisition decisions and decision on compensation packages offered to 28 affected households in the 5 ha portion.	
August 29, 2023	The provincial authorities sent the notice to the 28 households by post.	
August 30, 2023	Nha Trang CPC issued Notice 1333/TB-UBND amending the previous land acquisition notices, with 8.5 ha acquired during 2018-2024 (6 ha used and 2.5 ha already acquired but not used for the Project).	
August 30, 2023	Nha Trang CPC issued Notice 1334/TB-UBND-TNMT to announce its decision revoking all land acquisition and compensation decisions as well as draft compensation packages under consultation that were prepared for the affected households in the 5 ha portion.	
August 30, 2023	The provincial authorities disclosed the decisions of Nha Trang CPC at its office and on its website.	

Date	Ngoc Hiep Resettlement Site	CCSEP / Project
September 1, 2023		The Bank cleared the revised RAP for the CCSEP - Nha Trang City Sub-project.
September 6, 2023	The provincial authorities organized public disclosure of the decisions of Nha Trang CPC at Ngoc Hiep Ward People's Committee's office, and at the offices of residential groups No.4, No.5, No.6 in Ngoc Hoi, and residential groups No.7, No.8, No.9 in Lu Cam (the residential areas in Ngoc Hiep).	
September 8, 2023	The decisions of Nha Trang CPC were announced in Khanh Hoa province's online newspaper.	
September 9, 2023	The central government's newspaper (Lao Dong newspaper) posted the news.	
September 15, 2023	The provincial authorities and the local authority held a consultation meeting chaired by the Nha Trang CPC Chairman with the participation from 102 households of the 5 ha portion of Ngoc Hiep resettlement site.	



**Addendum to the Management Response**



## **ADDENDUM**

### **TO THE MANAGEMENT RESPONSE TO REQUEST FOR INSPECTION PANEL REVIEW OF THE VIET NAM: COASTAL CITIES SUSTAINABLE ENVIRONMENT PROJECT – SECOND REQUEST (P156143)**

This is an Addendum to the Management Response to the Request for Inspection of the Viet Nam: Coastal Cities Sustainable Environment Project – Second Request (P156143), received by the Inspection Panel on August 27, 2023 and registered on September 25, 2023 (RQ23/03). The Management Response was submitted to the Panel on November 8, 2023. This Addendum has been prepared to respond to additional concerns shared with the Panel by community members during the Inspection Panel’s visit to Viet Nam.

December 22, 2023





**CONTENTS**

**Abbreviations and Acronyms ..... iv**  
**Executive Summary ..... v**  
**I. Background ..... 1**  
**II. Land Acquisition Process for the 8.5 Ha ..... 1**  
**III. Valuation Methodology ..... 5**  
**IV. Management’s Response ..... 6**

**Annexes**

Annex 1. Issues Raised to the Inspection Panel  
Annex 2. Affected Households in 8.5 ha with Trees and Crops  
Annex 3. Disclosure and Consultations with Project-affected Households on  
Compensation Packages in Ngoc Hiep Resettlement Site

## **ABBREVIATIONS AND ACRONYMS**

CCSEP	Coastal Cities Sustainable Environment Project
CP	Compensation Package
DMS	Detailed Measurement Survey
ha	Hectare
IMC	Independent Monitoring Consultant
m <sup>2</sup>	Square meter
OP	Operational Policy
PAH	Project-affected Household
PMU	Project Management Unit
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
RS	Resettlement Site
VND	Vietnamese Dong

### **Currency Unit**

(as of December 22, 2023)  
USD 1.00 = VND 24,275.00  
VND 1.00 = USD 0.000041

## EXECUTIVE SUMMARY

- i. ***Management submitted its Response to the Request for Inspection of the Viet Nam – Coastal Cities Sustainable Environment Project (CCSEP) on November 8, 2023.*** The Panel subsequently conducted its field visit to Viet Nam from November 14 to 21, 2023. The Panel advised Management that during its visit to Viet Nam, it met with community members who were not part of the original Request for Inspection and who raised additional concerns, which the Panel intended to include in the Request for Inspection. Specifically, the additional concerns pertain to the 8.5 hectare (ha) portion of the Ngoc Hiep resettlement site to which households displaced by the Project are being moved, while the original Request for Inspection came from households located in the 5 ha portion of the Ngoc Hiep resettlement site, which is not required for the Project. The Panel shared the additional concerns with Management on December 4, 2023, and Management agreed to submit this addendum to its Response in order to address the additional concerns.
- ii. ***Summary of the Additional Concerns.*** According to the Panel, the additional concerns were raised by a group of “approximately fifteen people” specifically regarding the valuation methodology for land compensation; impact of the loss of income from fruit trees and gardens; police presence during compensation payment; and consultation and disclosure of information.
- iii. ***Management took note of all the concerns raised by the individuals who approached the Panel during its field visit.*** Management has reviewed all 222 individual compensation packages of the affected households in the 8.5 ha, the cadastral maps, as well as minutes of the consultations and the payment of compensation. ***Following this review, Management considers the concerns unfounded.***
- iv. ***Based on feedback collected from affected households Management understands that a large part of these concerns about insufficient compensation for land is based on the complainants’ frustration that they were not able to realize anticipated gains from land they had previously purchased, speculating that it would be converted to residential land, which carries a significant higher value.*** Management also notes that the claim that compensation was insufficient to buy replacement land is not correct. It appears that the complainants are seeking residential rather than agricultural land. Given that the land acquired was agricultural, the correct replacement type would also be agricultural. The classification of the land follows national zoning laws and plans and is unrelated to the Project. Management would like to emphasize that the unfulfilled expectations by the complainants do not constitute harm for the purpose of the Board Resolution establishing the Panel.
- v. ***There is also a smaller number of households who initially were offered compensation packages that did not comply with the RAP. Those cases had been identified by the Bank team and the Borrower was advised to correct them in June 2023.*** The compensation packages and related additional payments are currently being processed.
- vi. ***Management has reviewed the allegations related to loss of income from fruit trees and vegetable gardens and has not found evidence to support these allegations.*** The 24 households with trees and small crops in the 8.5 ha were compensated for the losses, along with compensation for the acquisition of their land, in accordance with the RAP.
- vii. ***Management has also reviewed and raised with the Borrower the allegation of inappropriate police presence during the compensation process and the alleged reduction of***

**compensation amounts.** No evidence was found to substantiate either claim. The alleged “deduction” from the compensation amount that some affected households complained about related to the *additional* bonus payment rewarding a swift handover of the acquired land. Some households did forgo this bonus payment because they did not complete this swift handover. However, even in those cases, the households received the full compensation for their land and assets as per the RAP.

viii. ***In conclusion, Management does not believe that the alleged harm cited in the Request stems from non-compliance with Bank policy. Management believes that the Bank has complied with its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters’ rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.***

## I. BACKGROUND

1. Management submitted its Response to the Request for Inspection of the Viet Nam – Coastal Cities Sustainable Environment Project (CCSEP) on November 8, 2023. The Panel subsequently conducted its field visit to Viet Nam from November 14 to 21, 2023. ***The Panel advised Management that during its visit to Viet Nam, it met with community members who were not part of the original Request for Inspection and who raised additional concerns, which the Panel intended to include in the Request for Inspection.*** Specifically, the additional concerns pertain to the 8.5-hectare (ha) portion of the Ngoc Hiep resettlement site to which households displaced by the Project are being moved, while the original Request for Inspection came from households located in the 5-ha portion of the Ngoc Hiep resettlement site, which is not required for the Project. ***The Panel shared the additional concerns with Management on December 4, 2023, and Management agreed to submit this addendum to its Response in order to address the additional concerns.***

2. ***Summary of the Additional Concerns.*** According to the Panel, the additional concerns were raised by a group of “approximately fifteen people” specifically regarding the valuation methodology; impact from the loss of income; police presence during compensation payment; and consultation and disclosure of information.

## II. LAND ACQUISITION PROCESS FOR THE 8.5 HA

3. ***Timeline of the acquisition of the 8.5 ha of Ngoc Hiep resettlement site.*** The government acquired and cleared portions of the Ngoc Hiep resettlement site over time to serve the demands and needs of local development projects. The land acquisition process for the 8.5 ha began in September 2016 and was completed in June 2021. Acquiring this land affected 222 households who owned or used property there but did not live there. Additionally, 1,404 graves on public and private land in the 8.5 ha required relocation.<sup>1</sup>

4. ***Land classification in the 8.5 ha.*** Prior to 1994, the 8.5 ha was part of a 16.9 ha agricultural land area of the *Ngoc Son agricultural cooperative* and was used for agricultural production (see Photo 1 below). In April 1994, following Decree 64/1993/ND-CP on assigning state agricultural land to households for long-term agricultural production, the 16.9 ha of cooperative land were divided into individual plots assigned to 102 households, including 90 former members of Ngoc Son cooperative and 12 other households in Ngoc Hiep ward. Since that time, land plots within what later became the

---

<sup>1</sup> Within the 8.5 ha (actual 8.62 ha or 86,200m<sup>2</sup>), 222 Project-affected households held 65,036m<sup>2</sup> of agricultural land; 13,673m<sup>2</sup> are “other lands” (cemetery, public land, irrigation infrastructure, etc.), and 29.1m<sup>2</sup> is residential land. The residential land, which is occupied by one household, is not actually within the Ngoc Hiep resettlement site but rather lies along the access road to it. A part of the yard up to the fence (but not including the house itself) was acquired to expand the access road. The house was not affected, and the household did not need to move.

8.5 ha portion changed hands through a series of largely informal land transactions that occurred until the start of land acquisition in 2016. In the Detailed Measurement Survey (DMS), it is documented that only 22 of the 222 households who owned land in the 8.5 ha at the time of land acquisition were part of the original 102 households that received land from the cooperative. Throughout this time and up to the land acquisition, the entire area was classified as agricultural, including public roads and a public irrigation channel. This is recorded in the latest land management/cadastral map.



*Photo 1. Aerial view of the later Ngoc Hiep site in 2003 with 8.5 ha having predominantly agricultural use.*

5. ***Land use in the 8.5 at the time of land acquisition.*** At the time of land acquisition, the entire 8.5 ha consisted of agricultural land, a cemetery, and other public land. No one resided in the area, and there were no houses. Being low-lying, this area was prone to frequent flooding (see Photo 2). An upstream irrigation canal that had previously served the area had been decommissioned in 2010. Almost all (85 percent) of the 8.5 ha was bare, with the remaining 15 percent (owned by 24 of the 222 Project-affected households) containing some fruit trees and crops (vegetables) for private use.



Photo 2. Aerial view of the later Ngoc Hiep site in 2014: surface water collecting in ponds on the derelict fields.

6. **Status of compensation payments.** In November 2020, the relocation of the 1,404 graves was completed in a culturally appropriate manner. While most of the 222 affected households accepted the offered compensation packages for their agricultural land, 19 households initially disagreed. Thirteen of the 19 accepted the compensation after further negotiations with the local authorities. The remaining six households rejected the compensation offered and were subject to compulsory land acquisition, carried out in March 2021. The compulsory land acquisition process followed due process under national law, which is consistent with the Resettlement Action Plan (RAP), including the application of adequate advance notice and opportunity to lodge complaints. Since no one lived on the acquired land, no evictions took place. The compensation amounts for these six households were deposited in an escrow account. In November 2023, one of six households requested the funds and was paid out. Hence, there are currently five households from within the 8.5 ha of Ngoc Hiep resettlement site whose compensation payments are still pending collection.

7. **RAP-Compliance Due Diligence Review, June 2023.** Between February and June 2023, the Bank team conducted a RAP-compliance due diligence review of all 222 compensation packages offered to households in the 8.5 ha of Ngoc Hiep resettlement site. The review concluded that most compensation packages in the 8.5 ha complied with Bank policy requirements, with the exception of 19 out of the 222 households.<sup>2</sup> These 19 cases were sent to the Project Management Unit (PMU) to be brought into compliance following the Bank’s review. The current status of these 19 compensation packages is as follows:

<sup>2</sup> These are not the same 19 PAHs mentioned in paragraph 6.

- ***Incorrect compensation rate for 18 affected households.*** The due diligence review found that these 18 households were entitled to additional compensation since a part of their affected agricultural land was compensated using a lower compensation price (following national law) rather than the price set in the RAP (see paragraph 25).
- ***One affected vulnerable household.*** This household is a single mother with a disabled daughter. The household previously received the compensation amount for her acquired piece of agricultural land in March 2021. However, the due diligence review found that the household was also entitled to a special financial allowance as a vulnerable household. The provincial authorities authorized the payment of this additional support in October 2023 and informed the household accordingly, but it refused to accept it.<sup>3</sup> The additional support is currently being processed by the City and, if the household continues to refuse to accept it, then it will be placed in an escrow account in accordance with the RAP.



*Photo 3. Aerial view of the later Ngoc Hiep Site shortly before land acquisition (March 2016)*

8. ***Post-compensation assessment report, November 2023.*** The Borrower engaged an Independent Monitoring Consultant (IMC) to prepare a post-compensation assessment of the land acquisition in the 8.5 ha of the Ngoc Hiep resettlement site. The IMC report involved a desk review and field interviews (carried out from October 30, 2023, to November 3, 2023) with PMU staff, group discussions, and 36 interviews using questionnaires completed by affected households in the 8.5 ha. The IMC report determined that none of the evaluated affected households were worse off because of the land

---

<sup>3</sup> This household insists on receiving an in-situ resettlement plot to which, however, it is not entitled under the RAP. Since the household did not live on site, and since the land is agricultural without a house, the household is only entitled to cash compensation.



acquisition process in the 8.5 ha. It confirmed the compensation packages’ compliance with the RAP, which is consistent with the Bank’s own due diligence report. The post-compensation assessment report also stated that consultations, public disclosure, and grievance management activities complied with the RAP.

### III. VALUATION METHODOLOGY

9. **Valuation methodology.** The calculation of compensation followed the Project’s RAP. The DMS identified eligibility and entitlements of affected households under the RAP. After identifying eligibility and entitlements of each affected household, the City authorities calculated the compensation for each affected item by multiplying its quantity by its replacement cost. If an affected household was entitled to financial allowances/support, the allowances were added to the compensation amount for land and non-land assets to constitute a compensation package, including resettlement (if any). The compensation calculation formula is summarized as follows: *compensation amount = (affected land area) x (replacement cost) + (affected non-land asset) x (replacement cost) + (relevant financial allowances).*

10. To ensure that the compensation and support was calculated following the Bank’s principle of replacement cost, the Project hired an independent land valuation firm<sup>4</sup> in December 2022 to conduct a replacement cost survey for this area. The report’s main conclusion was that the proposed rates in the compensation packages were consistent with “actual” prices in the local land market, calculated using two different methodologies that were cleared by the Bank: (i) the direct comparison method – for those sections where there were at least three recently recorded transactions for a given area and category of land; and (ii) the coefficient-based method – for those sections where there was a limited amount of successful land transactions on the market and no land auctions in the Project area.

---

<sup>4</sup> [\*Oriental Valuation and Inspection Joint Stock Company \(OVI\)\*](#) is an independent firm that was hired to carry out the survey. It is not a government body.

#### IV. MANAGEMENT'S RESPONSE

11. Management has carefully reviewed the allegations and responded to them in detail below. A summary matrix responding to the individual claims shared by the Panel is also attached.

12. *Management took note of all the concerns raised by the individuals who approached the Panel during its field visit. It has reviewed all 222 individual compensation packages of the affected households in the 8.5 ha, the cadastral maps, as well as minutes of the consultations and the payment of compensation. Following this review, Management considers the concerns unfounded.*

13. *Based on feedback collected from affected households, Management understands that a large part of these concerns is based on the complainants' frustration that they were not able to realize anticipated gains from land they had previously purchased, speculating that it would be converted to residential land which carries a significant higher value.* Management also notes that the claim that compensation was insufficient to buy replacement land is not correct, as the land sought is residential rather than agricultural, which is the correct replacement type. The classification of the land follows national zoning laws and plans and is unrelated to the Project. Management would like to emphasize that the unfulfilled expectations by the complainants do not constitute harm for the purpose of the Board Resolution establishing the Panel.<sup>5</sup>

14. *As noted in paragraph 7 above, there are also a number of households whose compensation packages were indeed not compliant with the RAP; those cases had been identified by the Bank team and conveyed to the PMU for correction in June 2023. The compensation packages and related additional payments are currently being processed.*<sup>6</sup>

15. *Management has reviewed the allegations related to loss of income and has not found evidence to support these allegations. The 24 households with trees and crops in the 8.5 ha were compensated for such losses along with compensation for the acquisition of their land, in accordance with the RAP.*

16. *Management has also reviewed and raised with the Borrower the allegation of inappropriate police presence during the compensation process and the alleged reduction of compensation amounts; no evidence was found to substantiate either claim.*

17. *Management responds to the specific allegations in more detail below.*

---

<sup>5</sup> 2020 Inspection Panel Resolution, para 39. “[.] Non-accomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project situation will not be considered as a material adverse effect for this purpose.[.]”

<sup>6</sup> Project-affected households will be formally notified once the revised compensation packages are disclosed. So far, this has been the case for 12 compensation packages. The remaining six are still being processed and the households may not yet be aware of this.

### Land compensation rates

18. *The complainants expressed to the Panel that they believed that the compensation for their land was far too low. Indeed, Management noted (as also reflected in the IMC report) that many households were dissatisfied that their land was compensated according to its official classification, i.e., agricultural land.* Their dissatisfaction stems from the fact that many of them initially bought the agricultural land hoping for the ability to either resell it at a profit or have it converted to urban land and develop it. Hence, the complaint that they were not able to buy replacement land with their compensation reflects their inability to buy *urban land* of the same size/location with the compensation they received for their *agricultural land*. Management wishes to clarify that the classification of the land as agricultural predates the Project and is based on national zoning laws and plans that are unrelated to the Project. According to the IMC, at least one household purchased a piece of agricultural land in the same area using the resettlement compensation amount.

19. *The survey carried out by the IMC notes that 65 percent of the 36 interviewed households in the 8.5 ha declared that they live outside the Ngoc Hiep ward and had purchased the land as an investment, awaiting its potential future conversion from agricultural to residential/urban land.* Most of these purchase contracts are handwritten and not notarized.

20. *The complainants further claim that the compensation amounts are lower than the price they had reportedly paid for their land.* Management notes that the land purchases of the Project-affected households in the 8.5 ha are only partly documented: the vast majority of Project-affected households do not have notarized contracts but rather handwritten agreements that lack basic information, such as land size, price paid and purchase date (the IMC report indicates that some of the purchases may have occurred *after* the Project and the land acquisition was announced). In any case, Bank policy requires the borrower to provide compensation at replacement value *at the time of acquisition*. It does not require the consideration of the land prices previously paid for the land, even when those can be clearly documented. Equally, Bank policy neither requires nor provides for compensation for inflated land rates that households may have paid in the past or for unrealized speculative gains.

### Erroneous comparison with land rates for fully developed urban plots

21. The Panel refers to a government issued document that reportedly shows the price per m<sup>2</sup> of land to be about VND 9 million inside the 8.5 ha. It is important to understand that this price does not apply to the compensation of the *bare agricultural land* that was acquired. *The price referred to in the document of VND 9 million is the price per m<sup>2</sup> for a fully developed plot of residential land equipped with road access, urban infrastructure and service and supply connections.* Hence, the VND 9 million per m<sup>2</sup> *will apply* in future to the land in the 8.5 ha once the Ngoc Hiep site has been fully developed, reflecting the significant investments that the government is undertaking to upgrade the land (storm water drainage, road access, service connections, communal services, etc.). *Again, Bank policy does not provide for or require compensation for possible future changes in land value.*

22. **Community members reportedly told the Panel that some Project-affected households received compensation based on a valuation of VND 1,000,000 per m<sup>2</sup>. This is incorrect.** Agricultural land within the 8.5 ha was compensated at a maximum rate of VND 400,000 per m<sup>2</sup>. **Management has reviewed all compensation packages for the 8.5 ha and confirms that no Project-affected household has received the claimed amount of VND 1,000,000 per m<sup>2</sup>.**



Photos 5 and 6. The Ngoc Hiep site (8.5 ha) before (left) and after (right) infrastructure development.

### **Alleged reduction of the size of land parcels**

23. **Some Project-affected households owned land that included public land of which they were not aware.** Since most real estate transactions in the 8.5 ha were carried out without a surveyor or notary to consult public records and planning maps, some Project-affected households unknowingly purchased land that is partly public land (e.g., public road or road reserve). The Project-affected households may not have been aware of this until the formal compensation process, which included an adjudication process leading to the exclusion of public land from the compensation. Management has reviewed the cases where complainants were allegedly compensated only for a portion of their property. Upon review it became clear that their properties included portions of public land which they did not legally own and hence for which they cannot be compensated. This may have occurred through encroachment on public land by owners expanding their property beyond its borders, or it may have occurred when they purchased the land without involving a surveyor or official records. Either way, Bank policy provides for the compensation of land that individuals own, but not land that they have encroached on – knowingly or unknowingly.<sup>7</sup>

24. **Different compensation rates for plots bigger than 750 m<sup>2</sup>.** This pertains to the initial compensation that owners of plots with more than 750 m<sup>2</sup> received, which – following national law – provides for a lower rate for land above 750m<sup>2</sup>. This, however, is not consistent with the RAP. For this reason, the compensation packages for the 18 affected households where this was the case are being revised following the Bank’s compliance

<sup>7</sup> OP 4.12, para 15–16. “Persons with no legal claim to land are entitled to replacement cost for their non-land assets and resettlement assistance in lieu of land compensation.”

review of the compensation packages and the resulting additional payments are being processed accordingly.

25. **Replacement land not offered.** Several complainants raised the fact that they were not able to receive replacement land in the form of an in-situ plot on the Ngoc Hiep resettlement site. The reason for this is that none of the Project-affected households had lived on site and according to the RAP were not entitled to a replacement land plot. While Bank Policy does not require the provision of replacement land, a “*preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based,*”<sup>8</sup> which is not the case here.

**Alleged impact from loss of income**

26. The Detailed Measurement Survey (DMS) collected types and number of trees and crops existing on the affected land, classified by their condition (e.g., age and productivity). These were valued according to the principle of replacement cost in compliance with the RAP. Trees and crops were compensated at full replacement cost regardless of the legal status of the land use. This compensation payment also considers the tree’s fruit yield and included provisions for loss of harvest.

27. A total of 24 households in the 8.5 ha had at least one fruit tree or crop on their land. The table in Annex 3 lists the 24 households with trees and crops, the compensation amount, and the compensation received. The RAP-Compliance Due Diligence Review of their compensation packages confirmed that they were all compensated in accordance with the RAP. The post-compensation assessment report concluded that none of the evaluated affected households were worse off as a consequence of the land acquisition process in the 8.5 ha.



*Photos 7 and 8. Private trees were compensated.*

---

<sup>8</sup> OP 4.12, para 11.

### **Alleged deductions from compensation payments**

28. *Management has reviewed the actual payment receipts for the compensation of the 19 households subject to compulsory land acquisition and could not find any “deduction” from the compensation entitlements.* The alleged “deduction” from the compensation payment due to “police presence” is either a misunderstanding or misrepresentation of the municipality’s compensation practice, as explained below.

29. *The RAP includes an additional incentive bonus entitlement (10 percent of the compensation value) granted to all affected households who vacate their affected land within 20 days of receiving the compensation amount, and an additional allowance of VND 3 million if the land is handed over immediately (i.e., the same day the compensation payment is received).* These payments are *in addition* to the compensation entitlements included in the RAP and seeking these additional payments is a voluntary choice of the affected household subject to meeting the specified requirements. The bonus payments aim at creating a financial incentive to implement the land acquisition quickly. If a household exceeds the 20-day cut-off period, then it forgoes the incentive bonus, but still receives the full *regular* compensation entitlement per RAP.

### **Alleged police presence in land acquisition process**

30. As per normal practice in Viet Nam, there are two situations in which police are typically present in conjunction with the land acquisition process: (i) in the case of compulsory land acquisition; and (ii) when the compensation payment is made in cash. Both of these are prescribed under the national Land Law 2013, Article 71.

31. It is not uncommon in countries that exercise *eminent domain* for involuntary land acquisition to involve an enforcement authority. In Viet Nam, Decree 43/2014 requires a public security (police) task force to be responsible for ensuring security and safety during the enforcement of compulsory land acquisition. In line with this, for the compulsory land acquisition process in the 8.5 ha, police were present to support public officials and to ensure safety for all involved.

32. Pursuant to the Ordinance on Commune Police (2008), the commune police are broadly responsible for security, safety, and social order in the respective commune and is tasked with advising the People’s Committee of the same level on all issues related to security, safety, and social order in such commune. In practice, therefore, police are normally involved in any issues that are considered as related to the security and safety of the relevant commune area. In the case of the 8.5 ha, police were present when public officials were carrying large sums of cash for payment of compensation (payment in cash is required by the Land Law, Article 74.2).

33. The police are present during the compulsory land acquisition activities to ensure public order and safety, but not during any consultations or negotiations. It is not clear how Project-affected households could have been “pressured to accept the compensation payments” in police presence, when by that point any negotiation about the compensation would have already been concluded and the state would have moved to apply eminent

domain if compensation had been refused. Hence, there were no discussions about accepting compensation payments at the moment of mandatory acquisition. As noted earlier, compensation payments refused by some Project-affected households have been deposited in escrow accounts.

34. ***Alleged “forced acceptance” of the compensation.*** The application of eminent domain by definition includes the principle of the government taking the land for a set price. Hence, this legal practice does not require the affected households to consent to the acquisition or to the price offered by the government. However, the Bank team reviewed all compensation packages in the 8.5 ha to ensure that they complied with Bank policy requirements and the independent expert consultant’s assessment of land values.

**Consultation and disclosure of information**

35. There have been 26 consultations on compensation packages with the affected households in the 8.5 ha, in addition to the formerly affected households in the 5 ha. These consultations are summarized in Annex 3 and were recorded in minutes. To ensure transparency and adequately respond to concerns of affected households, three representative households were elected by the affected households serve on the Resettlement Committee.



*Photos 9 and 10. Consultation meetings with group of Project-affected households from the 8.5 ha*

36. ***In addition to these consultations, draft compensation packages were shared directly with the affected households for verification and comment and were publicly disclosed for at least 20 days in the Ngoc Hiep ward office.*** After the 20-day period, the draft packages were revised, as appropriate, if comments were received; the packages were subsequently submitted to the competent authority for approval. After approval, the Resettlement Committee delivered the approved decision to the affected household. At the time of payment, the household had the opportunity to raise any concerns about the approval decision, and the Resettlement Committee would provide the household the information on the approved compensation package to compare against the compensation payment received, after which point the affected household was required to return the original document to the Resettlement Committee, as is a common practice in Viet Nam.

37. ***In addition to consultations, Project-affected households received written information about their resettlement entitlements at various stages during the process. Only the original copies of the officially signed documents recording the transaction and the payment receipts for the compensation payments at the end of the process were returned to the Resettlement Committee for record-keeping,*** as mentioned above. However, the households could request copies of the documents or make them (e.g., taking a photograph using a cellphone) themselves. Moreover, the RAP is available online and a hard copy can be obtained at the ward.

38. The IMC post-compensation assessment report concluded that consultations, public disclosure, and grievance management activities complied with the RAP. The report noted that the meetings were attended by all affected households. Issues related to compensation, assistance policies, and compliance resolution mechanisms were explained, and affected peoples' questions were addressed.



## Conclusion

39. *Management has carefully reviewed the concerns raised by the individuals who approached the Panel during the field visit. It has reviewed all individual compensation packages of the affected households in the 8.5 ha, the cadastral maps, as well as minutes of the consultations and the payment of the compensation. Management understands that in large part, these concerns are based on the complainants' frustration that they were not able to realize gains from land they had purchased on a speculative basis. Management also notes that the complainants' claim that compensation was insufficient to buy replacement land is not correct and that compensation was sufficient to purchase replacement agricultural land. Management emphasizes that the unfulfilled expectations of the complainants to realize potential future land price increases do not constitute harm for the purpose of the Board Resolution establishing the Panel.*

40. *Management has reviewed the allegations related to loss of income and has not found any evidence of this being the case. The 24 households with trees and crops in the 8.5 ha were compensated for such losses along with compensation for the acquisition of their land in accordance with the RAP. Management agrees that 19 compensation packages were initially not consistent with the RAP and notes that those have been sent back to the PIU for additional payments resulting from the correction.*

41. *Management has also reviewed and raised with the Borrower the allegation of inappropriate police presence during the compensation process and the related alleged reduction of compensation amounts. No evidence was found to substantiate either claim.*

42. *In conclusion, Management does not believe that the alleged harm cited in the Request stems from non-compliance with Bank policy. Management believes that the Bank has complied with its policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.*

## Annex 1. Issues Raised to the Inspection Panel

No.	Additional Concern	Bank Response
1	<p>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 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</p>	<ul style="list-style-type: none"> <li>• Management has reviewed this information against the cadastral records, the RAP baseline and the 222 compensation packages of 8.5 hectares. There is no household matching the information provided by the Panel.</li> <li>• Irrespective of that, Bank Policy <i>requires payment of replacement value</i> and does not require consideration of the prices previously paid.</li> <li>• The stated desire to construct a house reflects a conflict with the necessary conditions for obtaining a construction permit (including land use certificate and compliance with the regional master plan). This is unrelated to the land acquisition.</li> <li>• The incentive bonus (mentioned in the complaint) was provided for in the RAP for households who hand over land in a timely manner.</li> </ul>
2	<p>Another community member told 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 of her land because of a road passing through. It was not clear 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.</p>	<ul style="list-style-type: none"> <li>• Management has reviewed this information against the cadastral records, the RAP baseline and the 222 compensation packages in the 8.5 hectares. There is no household matching the information provided by the Panel.</li> <li>• The described deduction from the land area likely refers to the public land, which appears the household was unaware of until the formal compensation process, especially if the original purchase transaction took place without a surveyor and notary to consult the public records and maps.</li> <li>• In any case, Management has confirmed that deductions for public land were made on the basis of <i>existing</i> roads and public land as per cadastral maps and did not include planned roads.</li> <li>• This is possibly one of the 18 households who were incorrectly compensated at a lower price for land over 750 m<sup>2</sup>, which does not comply with the RAP and for which compensation</li> </ul>

No.	Additional Concern	Bank Response
		<p>packages were revised to bring them in compliance with the RAP.</p>
3	<p>Another community member stated that he purchased 176 square meters of land before 2010, prior to the commencement of the project. He told 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.</p>	<ul style="list-style-type: none"> <li>• The affected Project-affected household purchased the land (174 m<sup>2</sup>) in April 1999. According to the DMS, the acquired area is 176.1 m<sup>2</sup> (Based on a comparison of the measurements with the cadaster information, the property area turned out to be somewhat larger). The compensation packages offered and received was at replacement price of VND 320,000/m<sup>2</sup>) for the affected area of 176.1m<sup>2</sup>.</li> <li>• The detailed compensation packages for this case was reviewed by the Bank team in April 2023 and found to be compliant with Resettlement Policy Framework (RPF)/RAP requirements.</li> <li>• The household did not engage in agricultural production and the status of the land plot at the time of land acquisition was vacant (without houses/structures or trees/crops on the land). The compensation amount for acquired land was fully paid to the Project-affected household. However, due to the late handover of the land, the Project-affected household did forgo the incentive bonus payment. The household received the compensation and handed over the land to the Project.</li> <li>• It is not clear on what basis the Project-affected household believes that the land value should have been much higher. This is most likely due to the general impression of households that their land is “de-facto urban land,” which is not the case.</li> </ul>
4	<p>Another community member informed that the cash compensation offered for his 600 square meter plot was very low. He said 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.</p>	<ul style="list-style-type: none"> <li>• This household purchased the land (600.9 m<sup>2</sup>) in January 2004. According to the compensation packages offered, the land was acquired and compensated for at the replacement cost of VND 320,000/m<sup>2</sup> for 600.9m<sup>2</sup>.</li> <li>• The household did not engage in agricultural production and the status of the plot at the time of land acquisition was vacant (without houses/structures or trees/crops on the land). In addition to the compensation packages, the</li> </ul>

No.	Additional Concern	Bank Response
		<p>household received the incentive bonus payment of VND 203,288,000, for handing over the land to the Project on schedule.</p> <ul style="list-style-type: none"> <li>• The detailed compensation package for this case was reviewed by the Bank team in April 2023 and found to be compliant with RPF/RAP requirements.</li> <li>• As the household did not live on the land, according to the RAP, it was not entitled to receive an in-situ replacement plot.</li> <li>• There are multiple avenues for affected households to communicate with the implementing agency of the Project and other authorities. This includes the Project's Grievance Redressal Mechanism, which is fully operational. In addition, affected households can approach the Ward office or the PMU office directly. However, to strengthen the Project level-GRM, it has been agreed with the PMU to increase staff resources to manage grievances from Project-affected people more rapidly.</li> </ul>
5	<p>Another community member stated that he purchased his land in 1994 or 1995. However, his land has been acquired under the Project. He told that he had refused to accept the compensation package because it was lower than what he expected.</p>	<ul style="list-style-type: none"> <li>• As stated above, the Project-affected households' refusal to accept the compensation reflects the Project-affected households' expectation but is not based on verifiable data comparing the land rates of agricultural land in the area.</li> </ul>
6	<p>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.</p>	<ul style="list-style-type: none"> <li>• The desired compensation price reflects the Project-affected households' expectation but is not based on verifiable data comparing the land rates of agricultural land in the area.</li> </ul>
7	<p>The community members showed 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</p>	<ul style="list-style-type: none"> <li>• <b><i>It is important to understand that this price does not apply to the compensation of the acquired bare agricultural land. The price referred to in the government document of VND 9 million is the price per m<sup>2</sup> for a <u>fully developed plot of residential land equipped</u></i></b></li> </ul>

No.	Additional Concern	Bank Response
	relates to land plots that are allocated in the 6 hectares area.	<p><b><u>with road access, urban infrastructure and service and supply connections.</u></b> Hence, the VND 9 million per m<sup>2</sup> <i>will apply</i> in future to the land of the 8.5 ha once the Ngoc Hiep site has been fully developed reflecting the significant investments that the government has undertaken to upgrade the land (storm water drainage, road access, service connections, communal services, etc.).</p> <ul style="list-style-type: none"> <li>• The status of the land at acquisition was derelict agricultural land and hence the compensation was for that type of land.</li> <li>• Bank policy does not provide for or require compensation for possible future changes in land value, which appears to be what the complainants seek.</li> </ul>
8	<p>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 Project-affected households in a similar situation. She added that they asked for the valuation to be at 1,000,000 VND per square meter.</p>	<ul style="list-style-type: none"> <li>• In January 2004, the affected household purchased a plot of 719.5 m<sup>2</sup> (including an area of 81.8 m<sup>2</sup> of public land). The area, according to the DMS, is 721.9 m<sup>2</sup>. Under the approved compensation package, this household received full compensation for an area of 640.1 m<sup>2</sup> (i.e., not including the 81.8 m<sup>2</sup> of public land) at a compensation unit price of VND 320,000/m<sup>2</sup>.</li> <li>• The household did not engage in agricultural production and the land at the time of land acquisition was vacant, without houses/structures or trees/crops. The compensation amount was fully paid, and the household handed over the land to the Project.</li> <li>• The detailed compensation package for this case was reviewed by the Bank team in April 2023 and found to be compliant with RPF/RAP requirements.</li> <li>• There is no basis to apply the compensation unit price (VND 1,000,000/m<sup>2</sup>) requested by the affected household.</li> </ul>
9	<p>Community members informed 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.</p>	<ul style="list-style-type: none"> <li>• The Bank’s review shows that 24 Project-affected households had trees on their properties. All their trees were recorded, classified, and compensated at market price.</li> <li>• Management has reviewed the receipts of compensation payment for those trees.</li> </ul>

No.	Additional Concern	Bank Response
10	<p>A community member told 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.</p>	<ul style="list-style-type: none"> <li>• Management reviewed the case of this Project-affected household who owned 108.3 m<sup>2</sup> (not 125 m<sup>2</sup>) with a well and some trees. This household agreed to receive compensation that was compliant with the RAP and handed over the land.</li> <li>• Management has reviewed the receipts of compensation payment for the trees.</li> <li>• As per RAP provisions, she was not entitled to receive a replacement plot, as she did not live on the land.</li> </ul>
11	<p>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.</p>	<ul style="list-style-type: none"> <li>• Management has reviewed all the cases that involve properties with fruit trees and confirms that these were appropriately recorded and compensated for to cover loss of income from the crop/tree.</li> </ul>
12	<p>Community members informed the Panel that some Project-affected households 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.</p>	<p><b><i>This is incorrect.</i></b> Agricultural land within the 8.5 ha was compensated at a maximum rate of VND 400,000 per m<sup>2</sup>. Management has reviewed the compensation packages and confirms that no Project-affected household received the claimed amount of VND 1,000,000 per m<sup>2</sup>.</p>

**Annex 2. Affected Households in 8.5 ha with Trees and Crops**

No.	Name of Project-Affected Household <sup>9</sup>	Types of affected Trees/Crops	Compensation Amount (VND)	Payment Received
1	Household # 1	- spinach: 912 m <sup>2</sup>	10,944,000	Full amount has been received, plus incentive bonus
2	Household #2	- spinach: 307,7 m <sup>2</sup>	3,692,400	Full amount has been received, plus incentive bonus
3	Household #3	- papaya: 12 trees - banana: 8 bushes - coconut: 4 trees	2,354,000	Full amount has been received, plus incentive bonus
4	Household #4	- coconut: 4 trees - banana: 6 bushes - mango: 3 trees	2,856,000	Full amount has been received
5	Household #5	- coconut: 12 trees - papaya: 4 trees	3,044,000	Full amount has been received, plus incentive bonus
6	Household #6	- coconut: 3 trees	1,800,000	Full amount has been received
7	Household #7	- coconut: 17 trees	7,600,000	Full amount has been received, plus incentive bonus
8	Household #8	- papaya: 13 trees - mango: 1 tree - custard-apple: 1 tree - coconut: 1 tree - jack fruit: 2 trees	2,790,000	Full amount has been received
9	Household #9	- spinach: 143,7 m <sup>2</sup>	1,724,000	Full amount has been received, plus incentive bonus
10	Household #10	- jack fruit: 1 - coconut: 18 trees	21,170,000	Full amount has been received, plus incentive bonus
11	Household #11	- coconut: 5 trees	4,500,000	Full amount has been received

<sup>9</sup> Names of individuals have been removed from the public version of this report to protect their privacy.

No.	Name of Project-Affected Household <sup>9</sup>	Types of affected Trees/Crops	Compensation Amount (VND)	Payment Received
12	Household #12	- coconut: 2 trees - banana: 5 bushes	2,540,000	Full amount has been received, plus incentive bonus
13	Household #13	- coconut: 10 trees - banana: 4 bushes - mango: 4 trees	15,360,000	Full amount has been received, plus incentive bonus
14	Household #14	- coconut: 10 trees	9,000,000	Full amount has been received, plus incentive bonus
15	Household #15	- banana: 22 bushes - coconut: 9 trees	5,010,000	Full amount has been received, plus incentive bonus
16	Household #16	- banana: 5 trees - coconut: 8 trees	2,120,000	Full amount has been received
17	Household #17	- coconut: 38 trees - bamboo: 96 trees - banana: 1 bush	23,168,000	Full amount has been received, plus incentive bonus
18	Household #18	- coconut: 10 trees	6,090,000	Full amount has been received, plus incentive bonus
19	Household #19	- papaya: 1 tree - guava: 2 trees	2,440,000	Full amount has been received, plus incentive bonus
20	Household #20	- coconut: 7 trees - mango: 1 tree - guava: 3 trees	7,040,000	Full amount has been received, plus incentive bonus
21	Household #21	- coconut: 8 trees - papaya: 2 trees - custard-apple: 3 trees	6,138,000	Full amount has been received, plus incentive bonus
22	Household #22	- coconut: 12 trees	10,640,000	Full amount has been received, plus incentive bonus
23	Household #23	- mango: 4 trees - coconut: 14 trees - banana: 18 bushes - pomelo: 6 trees - jack fruit: 4 trees	46,336,000	Full amount has been received, plus incentive bonus



No.	Name of Project-Affected Household <sup>9</sup>	Types of affected Trees/Crops	Compensation Amount (VND)	Payment Received
24	Household #24	- coconut: 54 trees - banana: 6 bushes	17,580,000	Full amount has been received

### Annex 3. Disclosure and Consultations with Project-affected Households on Compensation Packages in Ngoc Hiep Resettlement Site

(CP = Compensation Package; NHRS = Ngoc Hiep Resettlement Site; PAH = Project-affected Household)

No.	Date	Activities	Contents	Venue
1	Sep 8, 2016	Meeting with representatives of 120 Project-affected Households (PAHs) in Ngoc Hiep resettlement site (NHRS)	<ul style="list-style-type: none"> <li>- Disclose Decision No 756/QD-UBNN dated Sep 1, 2016 on notice of land acquisition for construction of NHRS</li> <li>- Disclose policies of compensation support and resettlement</li> <li>- Inform people about the land acquisition and resettlement (LAR) plan and collect their opinions</li> </ul>	Ngoc Hiep PC's office
2	Mar 21, 2017	Meeting with 20 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose compensation packages (CPs)</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
3	Apr 7, 2017	Meeting with 19 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
4	May 12, 2017	Meeting with 16 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
5	Jun 16, 2017	Meeting with 13 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
6	Jul 26, 2017	Meeting with PAHs in NHRS who may be eligible for resettlement	<ul style="list-style-type: none"> <li>- Disclose option, criteria and principle of resettlement for PAHs who may be eligible for resettlement.</li> <li>- Collect their opinions</li> </ul>	Ngoc Hiep PC's office
7	Aug 8, 2017	Meeting with 31 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
8	Aug 17, 2017	Meeting with 16 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
9	Sep 13, 2017	Meeting with 28 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office

No.	Date	Activities	Contents	Venue
10	Oct 5, 2017	Meeting with 28 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
11	Nov 24, 2017	Meeting with 74 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
12	Mar 22, 2018	Meeting with 5 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
13	May 16, 2019	Meeting with 16 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
14	Jun 27, 2019	Meeting with 7 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
15	Aug 15, 2019	Meeting with 10 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
16	Oct 25, 2019	Meeting with 29 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
17	Nov 14, 2019	Meeting with 8 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
18	Nov 29, 2019	Meeting with 6 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
19	Mar 20, 2020	Meeting with 8 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
20	May 20, 2020	Meeting with 21 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office
21	Nov 6, 2020	Meeting with 21 PAHs in NHRS	- Disclose CPs - Collect households' feedback/comments on CPs and respond to them	Ngoc Hiep PC's office

No.	Date	Activities	Contents	Venue
22	Jan 22, 2021	Meeting with 17 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
23	Jul 16, 2021	Meeting with 3 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
24	Sep 8, 2022	Meeting with 4 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
25	Oct 25, 2022	Meeting with 14 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office
26	Dec 19, 2022	Meeting with 22 PAHs in NHRS	<ul style="list-style-type: none"> <li>- Disclose CPs</li> <li>- Collect households' feedback/comments on CPs and respond to them</li> </ul>	Ngoc Hiep PC's office