

IPP510

LAO CAI PROVINCIAL PEOPLE'S COMMITTEE
LAO CAI CITY SUSTAINABLE DEVELOPMENT INFRASTRUCTURE
INVESTMENT PMU

MEDIUM CITIES DEVELOPMENT PROJECT -
LAO CAI CITY SUB-PROJECT, LAO CAI PROVINCE

ETHNIC MINORITIES DEVELOPMENT PLAN



HA NOI - 2011

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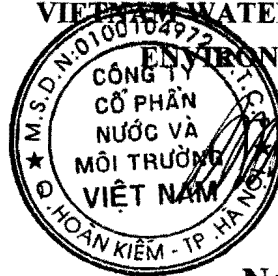
**ETHNIC MINORITIES DEVELOPMENT
PLAN**

INVESTOR

**LAO CAI CITY SUSTAINABLE
DEVELOPMENT INFRASTRUCTURE
INVESTMENT PMU**

ON BEHALF OF THE ASSOCIATION

**VIETNAM WATER, SANITATION &
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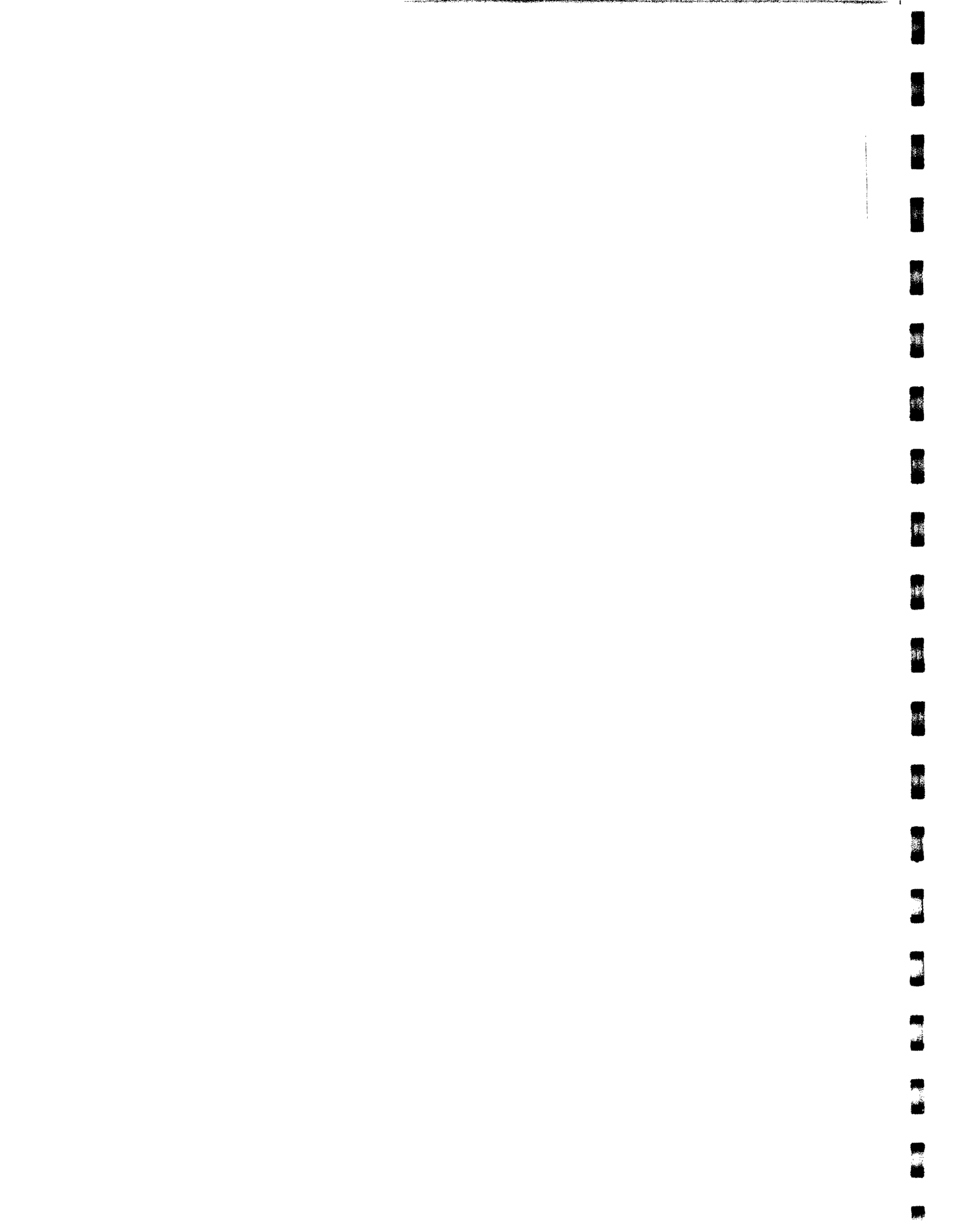
HA NOI - 2011

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ABBREVIATIONS

APs	Affected Persons
DOC	Department of Construction
DOF	Department of Finance
DONRE	Department of Natural Resources and Environment
DOT	Department of Transportation
DPI	Department of Planning and Investment
DPs	Displaced Persons
EM	Ethnic Minority
EMDP	Ethnic Minority Development Plan
FS	Feasibility Study
HHs	Households
IDA	International Development Association
ODA	Official Development Assistance
PAHs	Project-affected Households
PC	People Committee
PMU	Project Management Unit
RP	Resettlement Plan
RPF	Resettlement Policy framework
WB	World Bank



I. Introduction

1.1. Project general information

Lao Cai is a border mountainous province in the North with a lot of ethnic minorities. Lao Cai city was established in 2004, 350km far from Ha Noi, with the area of 229,67 km², accounting for 3,6% area of whole province.

In 2008, The population of city is 95,956 people, accounting for 16,7% population of whole province, included 74,500 people living in urban area and 21,456 people living in rural area. The population density is about 418 people/km², 4,5 times higher than provincial population density and 1.6 times higher than population density of country. The rate of poor households and the nearly poor households is 12%.

In development strategy of Lao Cai city, the infrastructure construction investment is prior to be an important assignment as soon as the city is established. The province has great efforts in investment in building infrastructures such as the construction of the urban, renewal of roads and other technical systems, but because of limited funds, the urban improvement construction is very difficult, the investments in construction are insufficient and are not synchronized so the results are limited. The urban roads and bridges system, collecting rainwater and wastewater drainage are only deployed in some areas in city. Industrial wastewater, hospital wastewater and running waster are not treated appropriately, they are charged directly into the city sewerage then discharged into the receiving sources which are stream, the Red River and Nam Thi river, causing serious pollution to the environment and affect downstream areas. In rainy season, local flooding situation still happens in some areas, some residential areas are flooded, causing environmental pollution and affecting quality of construction works. Currently, Lao Cai's Provincial People's Committee is funded by the World Bank fin the project called Medium Cities Development Project, Lao Cai City subproject. The total budget for the project's investment is about 75.8 million dollars, of which 57.5 million funding from World Bank and 18.3 million from counterpart fund of the province.

Based on the current situation and demands on development of Laos Cai city, there are four (04) components which have urgency and in accordance with

policies in support from the World Bank in Laos Cai City subproject have been proposed, including:

Component 1. Basic infrastructure upgrading and service improvement.

Component 2: Water supply and environmental sanitation improvement.

Component 3: Urban Roads and bridges

Component 4: Capacity Building and Technical support.

1.1.1. Project objectives

General objectives

Investment in construction of the technical infrastructure systems to support the sustainable development of Lao Cai city: Striving till the year 2020, Lao Cai city will be a major economic center, a modern city, an important area of international cooperation, economic exchanges internationally with China of the region and also of the country. Urban poverty reduction through infrastructure upgrades, environmental quality and improvement of living conditions of urban residents creating favourable situation to reach a percentage of poor households under 5% by the year 2015, and clean up poverty by the year 2020. Promoting economic development through infrastructure and environment condition upgrading.

Specific objectives

Construction of technical infrastructure system for resettlement areas using for site clearance of the project.

- Improvement and strengthening of living condition of both new and old urban areas contributing to formation of border economic area.
- Strengthening rain-water drainage capacity to reduce flood and stagnancy; collection and treatment of waste water; improvement of environmental sanitation condition; supplying clean water to ensure people health; contribution to competing and developing infrastructure systems meeting general development demands of the city.

- Improvement of environmental sanitation condition for several schools in the city to ensure sanitary and health's safety situation for teachers and pupils.
- Overcoming degraded condition of current roads and improving drainage situation along the roads to ensure traffic system and the increase in drainage capacity reducing flooding and stagnancy.
- Upgrading urban roads to stimulate city socio-economic development, suitable for planning orientation to 2020 as well as objectives and tasks of economic development to 2010. Investment in road system will contribute to strengthening life quality, step by step to build completely a traffic network in the city which shall promote socio-economic development and attract investment sources.
- Institutional supports and urban management capacity reinforcement for administrative agencies at city and provincial levels. Supports for PMU's capacity to ensure effective project preparation, implementation and operation, gaining the project's objectives, meeting requirements of VN Government and of WB.
- Step by step completing and implementing the urban development plan.

1.1.2. Project Scale

1.1.2.1. Basic infrastructure upgrading and service improvement

Construction of Two Resettlement Sites

In this project, the investment's top priority will be on two resettlement sites, namely Dong Ha and Soi Lan in Binh Minh ward. These two proposed resettlement sites are both located along the D1 road, and in the urban sub-areas No. 7 and 8 belonging to the Lao Cai – Cam Duong New Urban Zone.

Two resettlement areas Soi Lan and Dong Ha are designed for 800 affected households, who will be moved and resettled by project. The resettlement areas locate in sub urban area No.7 and sub urban area No.8 in Binh Minh ward in Lao Cai- Cam Duong new urban area. Dong Ha resettlement area has planned area of 13.15ha for 378 households. Soi Lan resettlement area has planned area of 14.13ha for 422 households. The project will complete technical infrastructure for resettlement areas, including: internal transportation road

construction, water supply and drainage system, public and household electrical system, green space on two sides of road, social infrastructure works such as kindergarten, primary school, secondary school in order to meet the most basic demands and facilitates stable living conditions for affected households moving into newly resettled areas. School and Public Sanitary Investment

The project proposes upgrading sanitary facilities for 8 schools, including: Cam Duong high school, Pom Han high school, Lao Cai secondary and high schools, Bac Lenh secondary school, Cam Duong secondary school, Nam Cuong secondary school, Thong Nhat secondary school, and Duyen Hai base school.

The project also invests in construction of new sanitary facilities for other 10 schools, include: Dong Tuyen high school, Ta Phoi high school, Duyen Hai high school, Le Ngoc Han high school, Kim Tan secondary school, Hop Thanh secondary school, Van Hoa secondary school, Ngo Van So secondary school, Bac Cuong base school, and Hoa Sen base school.

Investment in upgrading and new construction of 4 public toilets, include:

In Lao Cai ward: new construction of a public toilet at Kim Tan bridge.

In Pho Moi ward: new construction of a public toilet in Hong Ha street

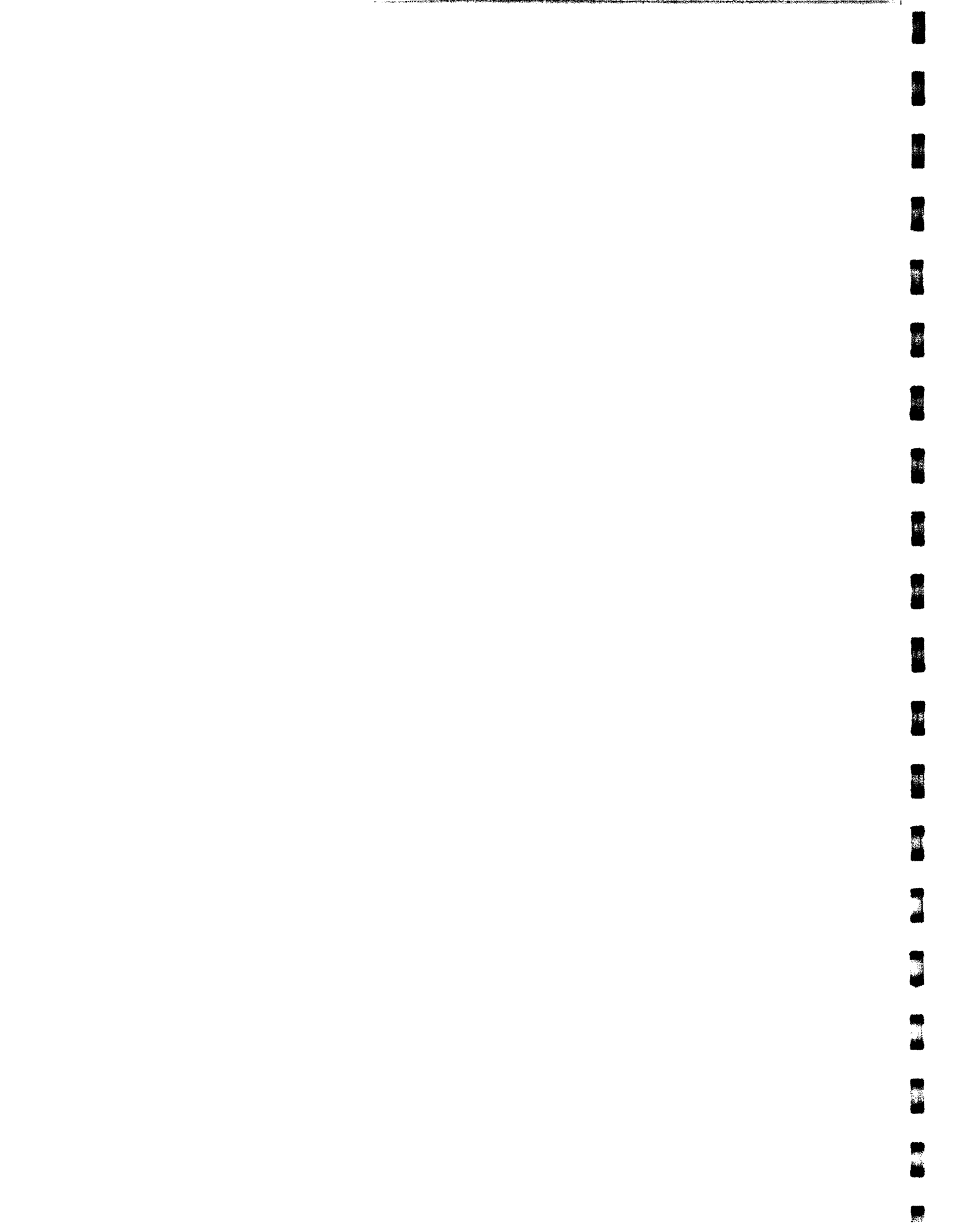
In Coc Leu ward: new construction of a public toilet at the Red river bank, near Coc Leu bridge

In Kim Tan ward: new construction of a public toilet in Nhac Son park.

1.1.2.2. Component 2: Water Supply & Environmental Sanitation Improvement

Water supply

Based on the existing situation of the city's water supply system, the project proposes to construct a raw water pipeline D500 from upstream of Ngoi Dum stream, at the location of 700 m far from the dam of Ha Coc San hydroelectric plant leading to Coc San water plant for treatment to meet the raw water demand of Coc San water plant in the coming extension phase (proposed to be 12,000 m³/day). The length of pipelines is 6.871 km. In addition, the project



invests to extend clean water distribution networks and extends water supply scale for Lao Cai- Cam Duong new urban area.

The raw water-collection work includes a water-collection hole and a retaining weir. The water-collection hole is built by reinforced concrete with valve chambers for management and operation. The retaining weir is also proposed to raise water level to enough elevation for leading water to collection hole in the dry season. In the rainy season, water will overflow, releasing the retaining weir to run directly to downstream

The raw water-collection work is then connected to steel pipelines with diameter of D500; the latter sections will be located along natural terrain, along national road 4D to Coc San water plant.

In this project, clean water distribution pipelines will be constructed. The pipes D300, uPVC D200 and D160, uPVC D110 are installed to transfer clean water along pavements of road D1 and the final section (near to Binh Minh roundabout) of Tran Hung Dao road.

Environmental sanitation improvement

Purposing to minimize flooding; rehabilitation and upgrading the drainage system in Lao Cai old urban area

Complementary construction of box sewers $B \times H = 2000 \times 2000$ with length $L = 923\text{m}$ in Kim Tan ward, $L = 442\text{m}$ in Coc Leu ward, and $L = 527\text{m}$ in Duyen Hai ward. These sewers with reasonable discharge gates will minimize flooding situation during heavy rain.

Reparation and rehabilitation of some drainage channels/box sewers along streets with a length of about 8.0 km, and also upgrading inner urban street/road surface with total length about 22.65 km and a total road surface area of about $152,058 \text{ m}^2$ for 88 road sections in wards, namely Lao Cai, Pho Moi, Coc Leu, Kim Tan and Duyen Hai.

Wastewater collection and treatment system

A wastewater treatment plant (WWTP) is proposed to construct near Bac Cuong bridge to collect and treat wastewater in the basin part of Ngoi Dum stream belonging to Kim Tan ward (this is the area of high population density) and Bac Cuong ward. Treatment capacity of the WWTP is $4,300 \text{ m}^3/\text{day}$. Constructed area of the WWTP is 2.1 ha. Location of the WWTP is narrow (about 60 m wide) and has no safety buffering zone to the surrounding residential areas. Therefore, the WWTP is designed and equipped with odor treatment system. Treated wastewater, meeting the environmental standard

QCVN 24:2009/BTNMT, column B, will be discharged into Ngoi Dum stream, at downstream of Kim Tan bridge.

Improvement of the road system in the Old Urban Town Area

Improvement of the road system in Lao Cai Old Urban Town Area is proposed to invest on upgrading and improvement of road surface, pavement and rainwater drainage systems.

The roads proposed for upgrading: Road surface upgrading of roads in Lao Cai ward (3200m include asphalt and concrete-cement road surface), Road surface upgrading of roads in Pho Moi ward (3047 m include asphalt and concrete-cement road surface), Road surface upgrading of roads in Duyen Hai ward (1755 m include asphalt and concrete-cement road surface), Road surface upgrading of roads in Coc Leu ward (5145 m include asphalt and concrete-cement road surface), Road surface upgrading of roads in Kim Tan ward (8340m include asphalt and concrete-cement road surface).

Proposal for addition and improvement of the road system in the Lao Cai Old Urban Town Area :

No.	Category	Unit	Quantity					
			Ham Nghi	Minh Khai	Ngo Van So	Phan Dinh Phung	Ly Dao Thanh	Xuan Dieu
1	Total road length	m	678	1,650	702	270	798	350
2	Road surface width	m	9	9	6	16	9	6
3	Road base width	m	18	19	13	35	19	14

Source: FS report of the project.

1.1.2.3. Component 3: Urban Roads and Bridges

Road D1

Road D1 has the beginning point at the intersection with Tran Hung Dao road (at km zero); and the ending point at Binh Minh intersection with Tran Hung Dao road at km8+400. Designed length is 7.533km; (after subtraction of the road section already invested with the provincial budget).

Cross section of the road D1 according to the approved plan is $B_n = 29\text{m}$ (7m+15m+7m).

Cross section leveled II: $B_n = 3+15+3=21\text{m}$

In this project, land marks will be set up for site clearance according to the approved planning boundary $B=29\text{m}$. Road surface to be asphalted, fenced and

placed with safety boards. Drainage system along the road will also be invested.

Lang Chieng Bridge

Lang Chieng Bridge locates in the D1 road. The bridge will be constructed of steel prestressed reinforced concrete, length $L = 3 \times 33\text{m}$, width $B_c = 2.5\text{m} + 15\text{m} + 2.5\text{m} = 20\text{m}$, designing load HL93.

1.1.2.4. Component 4: Technical Assistance and Capacity Building.

Technical assistance for project implementation to ensure the project is efficiently prepared and implemented and meets the targets of the project, in accordance with the requirements of the Government of Vietnam also as well as the World Bank. In addition, PMU should be trained in project management and contract management to be efficiently manage the procurement and bidding packages of many different fields during the project implementation.

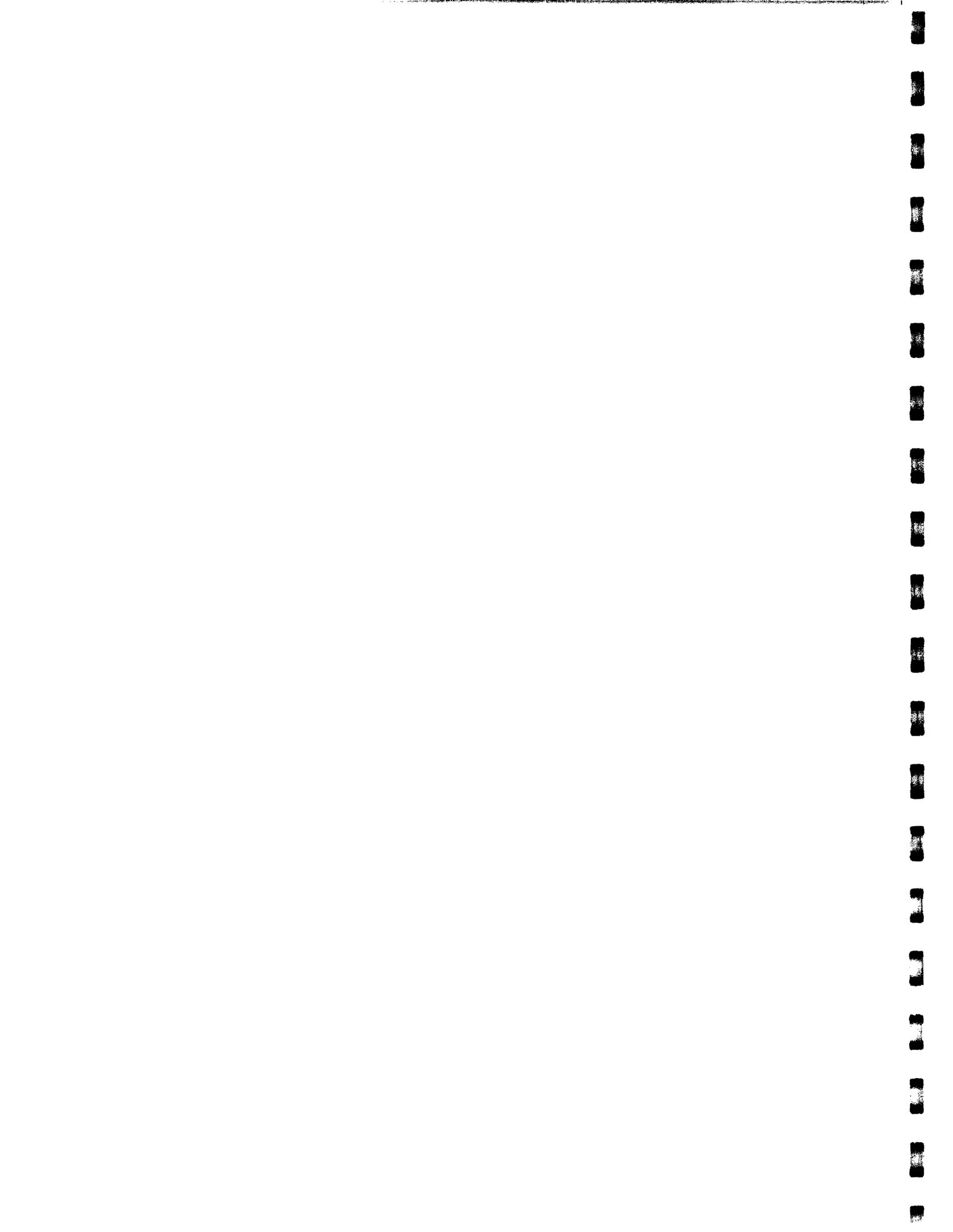
Effective Technical Assistance and Capacity Building for relevant agencies will promote the progress and effectiveness of project implementation.

1.2. Ethnic minority plan

Project "Medium cities development project- Lao Cai city subproject" plans to improve and construct new infrastructure, water supply and drainage system, urban roads and bridges... The project will focus on 8 wards within city including: Kim Tan, Coc Leu, Pho Moi, Duyen Hai, Lao Cai, Bac Cuong, Nam Cuong and Binh Minh.

The objective of the EMDP is to ensure that the development process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples, through which contribute to the Bank's mission of poverty reduction and sustainable development, and thus ensure that the ethnic minorities enjoy the benefits brought about by the development projects and the potential impacts are avoided or mitigated.

The plan primarily aims to provide information for EMs in the project area and thus prepare development plan in line with the World Bank Policy OP 4.10, which ensures (a) Respect for the characteristics of their customs and traditional culture, (b) avoid any adverse impact on them during the



development process; and (c) the ethnic minority groups have the right to receive appropriate attention to their cultural traditions

1.2.1. Ethnic Minority Development Plan

The plan is developed based on the World Bank policy OP 4.10 on Indigenous People and the policies on the ethnic minorities of the Government of Vietnam. The principles ensure that all of the ethnic minority people are fully informed and have opportunities to participate in the Project to get their broad support to the project as well as to bring culturally appropriated more benefits to them or protect them from any potential adverse impact caused by the Project. Such EMDP is formulated based on these guidelines.

Report on ethnic minority plan is established based on the results of surveying, deep interviewing and group discussion between relevant parties and affected ethnic minority people from project at Kim Tan, Nam Cuong, Bac Cuong and Binh Minh ward in Lao Cai city. Collected information and feedback, potential impacts, especially adverse impacts on the ethnic minority people and measures for mitigating adverse impacts and enhancing socio-economic benefits to the affected ethnic minorities in the area.

1.2.2. Ethnic minorities in Vietnam

The ethnic minority people are commonly among the poor and have not fully benefited from the development process. They can be vulnerable to the impacts caused by land acquisition for the project or to the social impacts due to infrastructure development which might change their present life.

The World Bank policies therefore will indentify the possible impacts and analyze the customs, cultures and relations in order to find out the most suitable plan to help the affected people.

II. Socio-Economic characteristics of ethnic minority people in project area.

2.1. The general of ethnic minority in project area

Lao Cai is a border, mountainous province bordering on China.. In Lao Cai city, there are 28 ethnic groups. The percentage of ethnic minority people in Lao Cai City accounts for 22.9%. The details are as follows:

Table 1: Quantity and population of ethnic groups in Lao Cai city

No	Ethnic groups	Population	Rate
1.	Kinh	78262	77.1
2.	Tay	9391	9.3
3.	Thai	220	0.22
4.	Muong	232	0.23
5.	Kho Me	8	0.01
6.	Hoa	469	0.5
7.	Nung	649	0.6
8.	Hmong	878	0.8
9.	Dao	2870	2.8
10.	San Chay	105	0.1
11.	Xo Dang	2	0.002
12.	San Diu	13	0.01
13.	Hre	3	0.003
14.	Mnong	7	0.007
15.	Tho	3	0.003
16.	Kho Mu	12	0.01
17.	Co Tu	3	0.003
18.	Giay	6276	6.2
19.	Phu La	2009	1.98
20.	Ca Dong	2	0.002
21.	Gie Trieng	5	0.005
22.	Cho Ro	1	0.001
23.	Ha Nhi	13	0.01
24.	Lao	7	0.001
25.	La Chi	29	0.03
26.	Khang	3	0.003
27.	Lu	1	0.001
28.	Bo Y	27	0.03
Total		101560	100

(*) Source: Report on statistics of population by ethnic groups in Lao Cai City dated January 19th 2011

The Medium Cities Development Project- Lao Cai City Subproject causes direct impacts on 8 wards, namely Duyen Hai, Lao Cai, Pho Moi, Coc Leu, Kim Tan, Nam Cuong, Bac Cuong and Binh Minh, where the ethnic minority people are living. The distribution of ethnic minority population in these 8 wards is as follows:

Table 2: Population by ethnic groups of the wards in the Project area

EM	Duyen Hai		Lao Cai		Pho Moi		Coc Leu		Kim Tan		Binh Minh		Bac Cuong		Nam Cuong	
	Popul ation	Rate	Popul ation	Rate	Popul ation	Rate	Popul ation	Rate	Popul ation	Rate	Popul ation	Rate	Popul ation	Rate	Popul ation	Rate
Kinh	9416	92.34	1949	93.70	9614	93.80	9327	92.97	14455	90.21	4581	74.72	5639	80.43	2175	63.90
Tay	259	2.54	23	1.11	170	1.66	275	2.74	492	3.07	1442	23.52	230	3.28	137	4.02
Thai	35	0.34	5	0.24	11	0.11	39	0.39	56	0.35		0.00	22	0.31	10	0.29
Muong	28	0.27	5	0.24	20	0.20	20	0.20	72	0.45	12	0.20	16	0.23	5	0.15
Hoa	127	1.25	33	1.58	86	0.83	51	0.51	37	0.23		0.00	1	0.01	3	0.09
Nung	50	0.49	27	1.30	77	0.74	65	0.65	147	0.92	40	0.64	43	0.61	26	0.76
Hmong	41	0.40	16	0.77	20	0.20	66	0.66	256	1.60	8	0.13	108	1.54	42	1.24
Dao	64	0.63	2	0.10	9	0.09	43	0.43	235	1.47	16	0.26	172	2.45	25	0.73
San Chay	18	0.18	2	0.10	16	0.15	31	0.31	16	0.10	6	0.10	4	0.06	0	0.00
Giay	84	0.82	15	0.72	225	2.20	76	0.75	193	1.20	11	0.18	745	10.64	975	28.64
Phu La	40	0.39		0.00			22	0.22	33	0.22	6	0.10	26	0.37	0	0.00
La Chi	20	0.20	3	0.14	1	0.01		0.00	4	0.02		0.00		0.00		0.00
Bo Y		0.00					9	0.09	12	0.07		0.00	4	0.06	2	0.06
Another	15	0.15	0		1	0.01	8	0.08	15	0.09	9	0.15	1	0.01	4	0.12
Total	10197	100	2080	100.0	10250	100.0	10032	100.0	16023	100.0	6131	100.0	7011	100.0	3404	100.0

(*) Source: Report on statistics of population by ethnic groups in Lao Cai City dated January 19th 2011

The figures in the Table 2 show that the proportion of ethnic minorities in Duyen Hai, Lao Cai, Pho Moi, Coc Leu and Kim Tan wards is below 10% of the total population of these wards. In Binh Minh, Nam Cuong and Bac Cuong wards, such percentage is more than 25%. During the development history of Lao Cai City, the 3 wards Binh Minh, Nam Cuong and Bac Cuong were merged into the city in 2002. The other wards are the old ones of the city. Therefore, most of the EMs living in these wards are mainly state cadres who are working or retired, and business men.

In Binh Minh, Nam Cuong and Bac Cuong wards, some parts of the EMs here are considered as migrants who came to settle in the area. However, mix residence between EMs and Kinh people is quite common in the area.

Table 3: The distribution of ethnic minority population in the Project area

No.	Ward	Number of households	Proportion of EM households in the wards (%)
1	Nam Cuong	722	22
2	Bac Cuong	1,036	28
3	Binh Minh	1,859	26

According to the figures in the table 3, the ethnic minority households account for 22% to 28% of the households in the entire wards. However, the concentration of ethnic minority groups in the area is not high.

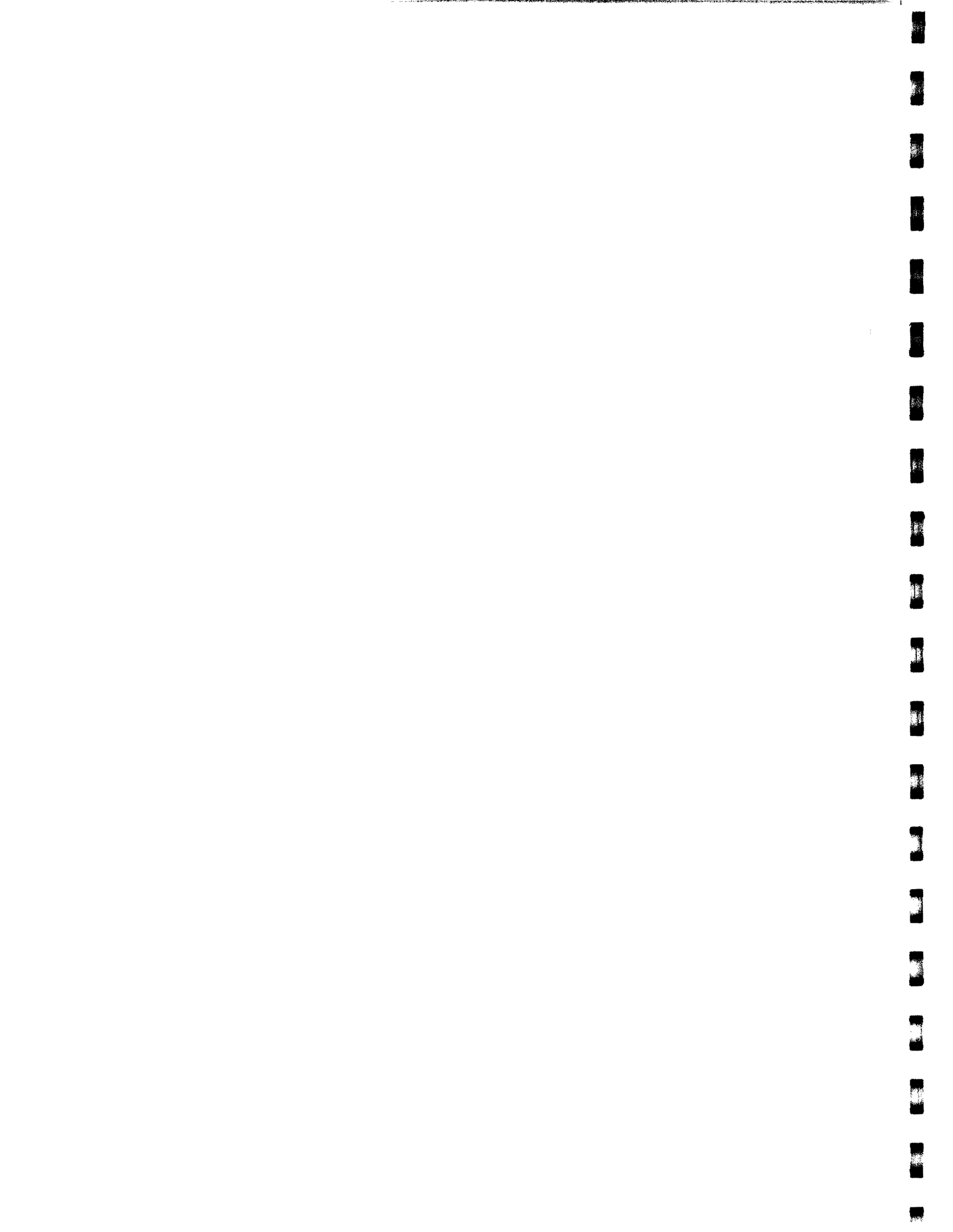


Table 4: Distribution of residence area of the ethnic minority people

Residential group	Total number of households	EM							Total number of EM households	Percent (%)
		Dao	Tay	Giay	Hmong	Muong	Nung	Others		
I. Nam Cuong										
1	48		2	6			1		9	19
2	52			2					2	4
3	78		1	1					2	3
6	48		1	2		1			4	8
7	49		1						1	2
8	60		1	29					30	50
9	52		1	3			1		5	10
11	43			43					43	100
12	91		3	38					41	45
14	95			4					4	4
15	61		3						3	5
16	57	2		14					16	28
Sub-total	734	2	13	142		1	2		160	22
II. Bac Cuong										
1	69		1	1					2	3

Ethnic Minorities Development Plan
Medium - sized cities development project – Lao Cai city Sub-project

2	72		1	4				5	7
4	42			1				1	2
6	51			1				1	2
7	81			3	1			4	5
8	87		2	1				3	3
10	68			7				7	10
11	39	1	2	20	1		1	25	64
13	51	1	1	18				20	39
14	62		1	26		1		28	45
15	47			38				38	81
17	46			3				3	7
18	27			3				3	11
19	38		1	24				25	66
20	30		2					2	7
21	52		1	24				25	48
22	32	1		5				6	19
23	65			1				1	2
24	65		1					1	2
25	32		1	2				3	9
26	26		1	2				3	12

Ethnic Minorities Development Plan
Medium - sized cities development project – Lao Cai city Sub-project

27	45		2	5					7	16
28	40			2					2	5
29	60	13		15					28	47
30	31	11		9					20	65
31	44			16	1		1		18	41
Sub-total	1302	27	17	231	3	1	2		281	28
III. Binh Minh										
1	36		3					1	4	11
2	82	1	2		1				4	5
3	37		2						2	5
4	43			2					2	5
5	85		5	5			1		11	13
6	65		2	3					5	8
7	54		1	1					2	4
8	55		3				1		4	7
9	92		4				1		5	5
10	55	1	5	1			1		8	15
11	54	1	25	2			1		29	54
12	71		57						57	80
13	92		29	1	1				31	34

Ethnic Minorities Development Plan
Medium - sized cities development project – Lao Cai city Sub-project

14	70		36	1	1				38	54
15	64		31	3					34	53
16	53		24	3			1		28	53
17	65		55	1			1		57	88
18A	26		20						20	77
18	65		5				2	1	8	12
19	70	1	17	1					19	27
20	60		14				1		15	25
21	51		3						3	6
22	56		3			2			5	9
23	80	1	4	1					6	8
24	58	1	6				2		9	16
25	55		20						20	36
26	63		29			1			30	48
27	50		6				1		7	14
28	58		6				1		7	12
29	52	1	5						6	12
30	52			1			1		2	4
Sub-total	1859	7	434	26	2	3	13	2	487	26
Total (I+II+II)		36	464	399	5	5	17	2	982	

The table 4 shows that the degree of mix residence among ethnic groups in the 3 wards above is high. Out of the total of 69 residential groups of 3 wards, only the Group No. 11 of Nam Cuong Ward has 100% of Giay households. The number of residential groups have 50% to 88% of ethnic minorities is 12 groups; and the number of groups have ethnic minorities below 20% is 44 groups. Mix residence existed in the area since the 60s of the 20th Century. The characteristics of mix residence bring about changes of the economic, cultural and social features of the ethnic minorities living in the area. And thus it is one of the reasons for the breakdown of the traditional social structure of the affected ethnic minority groups in the area.

2.2. Characteristics of the affected ethnic minority people

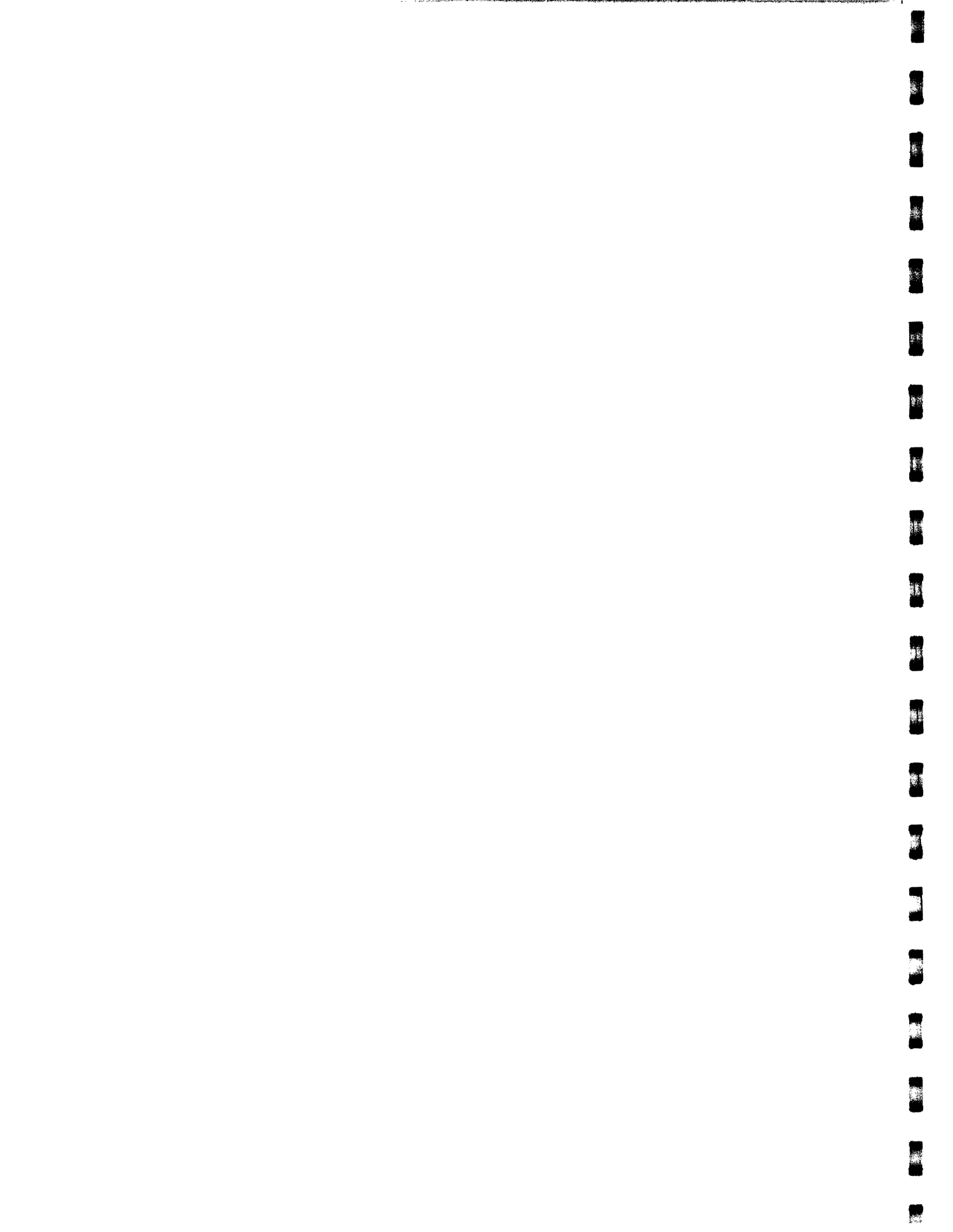
As shown in the table, the ethnic minority households in the project area belonging to Tay group account for the highest proportion (464 households) followed by Giay group (399 households), Dao (36 households) and Nung (17 households). As mentioned above, so far, the characteristics of traditional culture of the ethnic groups such as Tay, Giay, Dao and Nung have significantly changed.

In the project area, the aforementioned ethnic minority groups are the migrants from other areas. When the China-Vietnam Border War began on February 17th 1979, these ethnic groups had evacuated to Yen Bai till the end of the war. Then they came back Lao Cai and settled since then. It can be said that the changes in the residence features of the ethnic minority groups above in the project area are brought about by the migration wave and war.

Among these 4 ethnic groups above, the traditional culture of Nung group has been most broken down. The Nung living together and integrated with other groups is considered as the reason for their cultural breaking down in the city area. The remaining three groups, besides their gradual cultural breaking down, some cultural features are still maintained in the community and HH's life.

(a) Community cohesion:

Before, the community cohesion of Tay, Giay and Dao groups was close due to their community regulations (customary law). At present, such cohesion is gradually breaking down due to various reasons. Their traditionally cultural, economic, social and political institutions do not exist anymore.



In economic relations, mutual help is still maintained but only in the scope of relatives and close friends. The custom of mutual help in the community is gradually faded and nearly erased. The traditional forms of mutual help such as in kinds or work have been replaced with cash like Kinh people.

Regarding marriage, mix marriages between different ethnic groups are becoming common in the area. Although mix marriages create cultural diversity, they also gradually break down the unique traditions and cultural values of each ethnic group.

At present, the traditional customs of the above ethnic groups have not been maintained. Living near Kinh people, their customs have been changed. For example, the forest worship does not exist or Long Tong Festival (Going to the Fields) is not organized. The community relations are gradually fading.

(b) Traditional Culture:

The culture of Tay, Giay and Dao ethnic groups has undergone changes. Several cultural values have lost, specifically:

Regarding houses: the traditional house architectures of Tay, Giay and Dao have lost considerably. At present, in the Group No. 14 of Binh Minh Ward and Group No. 11 of Nam Cuong Ward, only some houses still keep the traditional architectures of their ethnic groups. The common houses of the ethnic groups here are wooden houses and fourth-grade-houses like houses of Kinh people.

Regarding costumes: at present, only a small number of ethnic minority women wear the traditional costumes. It is seen that some Giay women in Nam Cuong Commune still wear their traditional costumes in their villages or at the markets. Meanwhile, Tay and Dao people rarely wear their traditional clothes. Only in the special occasions such as wedding and funeral do they wear such clothes. Particularly, ethnic minority men, from children to the elderly, do not wear their traditional costumes anymore. At present, they wear clothes like Kinh people. Clothes are mainly tailor-made or bought at the markets. The youth likes wearing jeans while middle-aged and older people like wearing suits. Groom wears suit and bride wears wedding dress like Kinh people.

Regarding eating, there are significant changes, especially in wedding. In the wedding before, the family members would cook by themselves. At present,

they mainly hire Kinh cook. Except for Giay people, where the family cook the feast by themselves and invites guests. Drinking and smoke of these ethnic people are like those of Kinh people.

Traditional festivals: At present, there is no community festival of these ethnic groups organized in the area. Every year, people participate in the performances to celebrate the festival “Party and the Spring (New Year)” or sports which are held by the City. In Binh Minh Ward, on the September 13th Lunar Year, the temple festival “Co Doi Cam Duong” is held every year. The person looking after the worshipping belongs to Tay ethnic group in Binh Minh Ward. On the festival day, several people in the villages as well as in the wards, city and tourists come to attend the temple festival, creating an annual spirit festival.

Traditional song and dance: Before, these ethnic minority groups have unique and special traditional songs and dance. Today these songs and dances have been faded and erased. Among Tay people, only some men and women above 50 are able to sing and perform Then Quat on festival occasions and Doi Co temple festival. Giay people have Then Giay, Then Quat but only the elderly keeps it. The younger people of the 3 ethnic groups do not know because they are not interested in learning.

(c) Language:

Due to their living near Kinh community, the present languages of Tay, Giay and Dao have been gradually lost; the ethnic minority families in this area use Vietnamese in their daily life.

In Binh Minh Ward, Tay people nearly do not use their native language to communicate. The commonly used language is the official language, Vietnamese. According to the survey, at present, only the elderly (from 65 years old and above) use their native language to communicate and discuss important issues with each other. However, when their children attend, the language used is Vietnamese. In the 36 to 60 age group, some people still use their native language but the number is small. The younger, under 35 years old, mostly use Vietnamese. Particularly, the children in the school-age use Vietnamese to communicate both at school and at home.

In Nam Cuong Ward, the concentration of Giay people is higher. Compared to Tay people, Giay people still use their native language in their daily life. However, on many important occasions of a human life, for example wedding, the main language used is Vietnamese. Before, Giay match-makers had to be good at customs, were able to sing Giay traditional songs and use their native language to communicate with the bride's family. Today, they all use Vietnamese to talk and discuss to be more convenient because most of the people are able to understand Vietnamese.

In Bac Cuong Ward, Dao people have their own language script (Nom Dao handwriting). However, the maintenance and preservation of their language and script in the area are no longer carried out. The young Dao today are not interested in learning Nom Dao. The Vietnamese is used to communicate in their community and in other areas.

It can be said that the reasons for language attrition are (a) their living environment and residence features that are very close and thus affected by Kinh people, especially due to communication needs, they adjust and use Vietnamese instead, (b) impacts caused by urbanization on the ethnic minority communities; and (c) impacts of the market economy; many ethnic minority people do business with Tay and Kinh people, so they have to use Vietnamese to communicate with the trading partners.

The use of Vietnamese among the ethnic minority groups in the project area is very common. The native languages of these groups in the area are gradually replaced and attrited.

2.3. Land use rights

According to the Land Law issued in 2003 by the Government of Vietnam, the ethnic minority people have rights to land use equal to Kinh people. They are granted with Land use right certificates for their land like Kinh people.

2.4. Production

Like Kinh people, the agricultural production of the affected EM households is mainly cultivation and livestock husbandry. Their main agricultural products are as follows:

- Crops: the main crop of the households is wet rice. Besides, other crops are also cultivated such as maize and potato. People also grow vegetables together with these crops on their fields. In some zones of Binh Minh Ward, vegetables are their main crops and being invested to develop. Others such as flower, spice vegetables and medicinal plants are grown.
- Fruit-tree: various kinds of fruit bearing trees are grown by the people in their gardens, primarily litchi, longan, grapefruit, kumquat, orange and jackfruit.
- Timber tree: vernicia montana (trau), cinnamon tree, acacia, and bamboo, etc.
- Livestock husbandry: husbandry has not yet become strength in production and goods exchange of the EM households. Livestock in these families is mainly kept to serve the families' needs. Some households have changed the purpose of land use into ponds for aquaculture due to productive land unfavorable to crop farming.

III. Policy Framework

3.1. World Bank OP 4.10 on Indigenous Peoples

Ethnic Minority Development Plans (EMDPs) are developed in line with the World Bank's policy on Indigenous Peoples/Ethnic Minorities, which is Operational Policy OP 4.10 (July 2005). It is required to avoid potentially adverse effects on indigenous people and increase activities to bring about benefits and preserve their traditional cultural values. The Bank requires that people are fully informed and able to freely participate in the projects. The projects have to be supported by the majority of the affected ethnic minority people. Besides, the project design has to ensure that the ethnic minorities are not affected by adverse impacts of the development process, and that the ethnic minorities will enjoy socio-economic benefits as equal as do Kinh people and that the benefits should be culturally appropriate to them.

3.2. Vietnam Law

Article 5 in the Vietnam Constitution 1992 stipulates as follows: "The Socialist Republic of Vietnam is a united nation having many nationalities. The State implements a policy of equality and unity and supports the cultures of all nationalities and prohibits discrimination and separation. Each nationality has the right to use its own language and characters to preserve their culture and to

improve its own traditions and customs. The State carries out a policy to develop thoroughly and gradually improve the quality of life of ethnic minorities in Vietnam physically and culturally”.

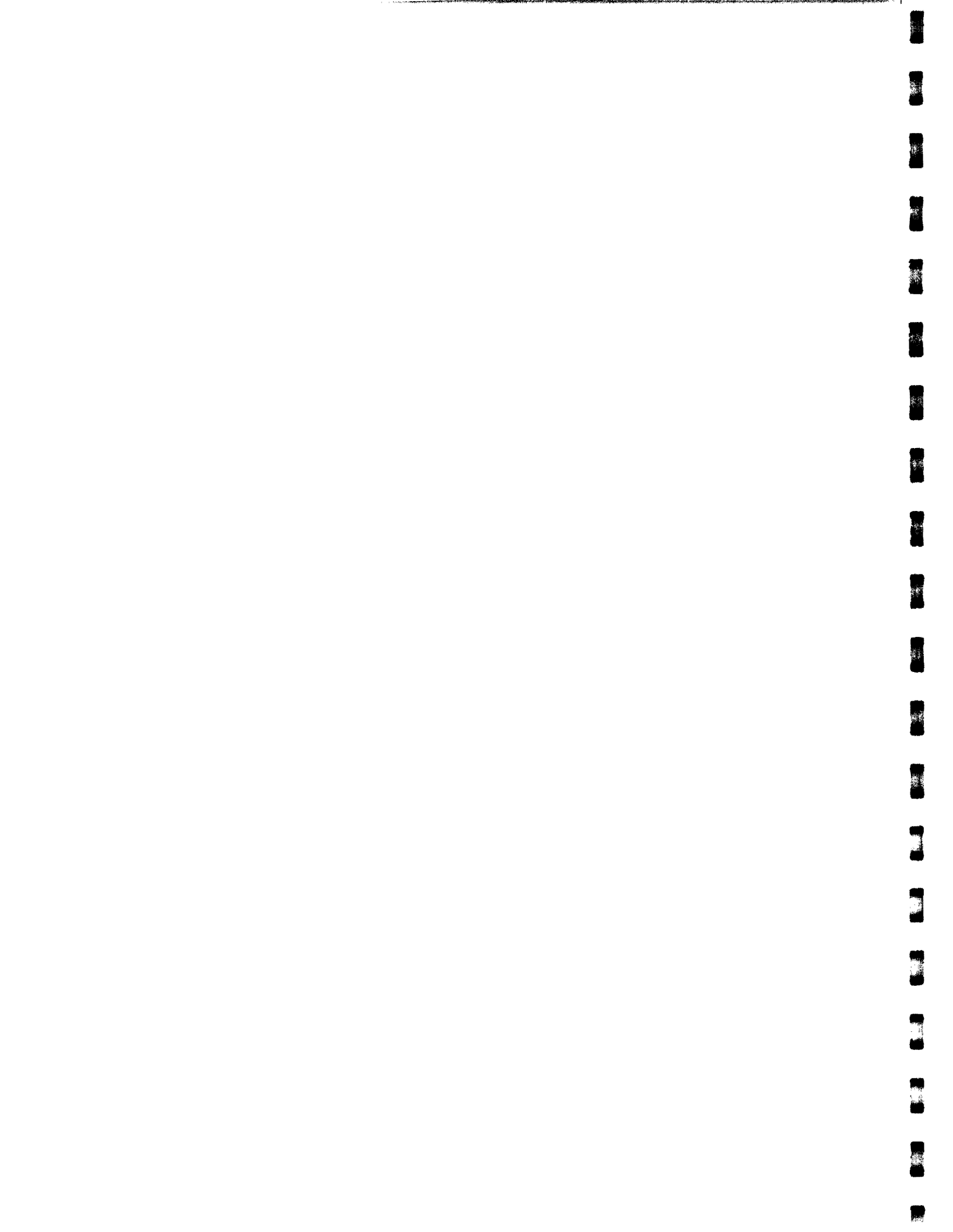
Several important policies issued by the State aim to enhance socio-economic and cultural life of the ethnic minority communities, particularly in the difficult areas. Since 1968, the Government has promulgated sedenterization policy for ethnic groups, reducing migration trends of the ethnic people. Another policy is the Government Guidance No. 525/TTg dated November 2nd 1993 regarding in detail on implementation guiding of development in high land areas and ethnic areas with the main following points:

- Develop infrastructure especially transportation road system and fresh water supplying;
- Gradual increase food security;
- Consolidate of education system; adjust education program based on the characteristics of provinces; facilitate and support the non-formal education programs and develop the internal economy.

The Decision No. 135/1998/QĐ-TTg dated June 31 1998 by the Prime Minister approving the socio-economic development programs in areas with extremely difficult circumstances and mountainous areas. The programs aim to improve the material and spiritual life of the ethnic minority people in mountainous, deep-lying and remote communes with special difficulties: create conditions for these areas to overcome poverty, backwardness and under-development and integrate themselves into the overall national development, thus contributing to the maintenance of social order and safety, national security and defense. The program objectives are to build infrastructure and houses, to boost agricultural production and forestry and livestock husbandry in the areas within the scope of the program.

3.3. Organizations and agencies in charge of ethnic minorities:

These organizations and agencies have critical voice in making decision for all projects/programs or other issues related to the ethnic minorities and mountainous area. In the National Assembly, there is Ethnic Council. Ministerial-level agency which is responsible for the ethnic minorities and mountainous area is Committee for Ethnic Minorities Affairs (CEMA). In the



provinces where the ethnic minorities are living, there are agencies in charge of ethnic minorities issues. The Decree No. 53/2004/ND-CP by the Government dated February 18th 2004 on organizational consolidation of the ethnic affairs apparatuses under the People's Committees of all levels aims to successfully implement the ethnic minorities affairs. The PMU and local authorities are responsible for implementing the Ethnic Minority Development Plan (EMDP).

IV. Impacts caused by the Project on ethnic minority people

4.1. Land acquisition from ethnic minority people

In the project area, it is estimated of nearly 859,038 m² of land will be permanently acquired for the project. Of which, 630,387 m² of agricultural land, 61,533 m² of residential land and 128,499 m² of other lands will be acquired. The levels of impacts on land belonging to the ethnic minorities are as follows:

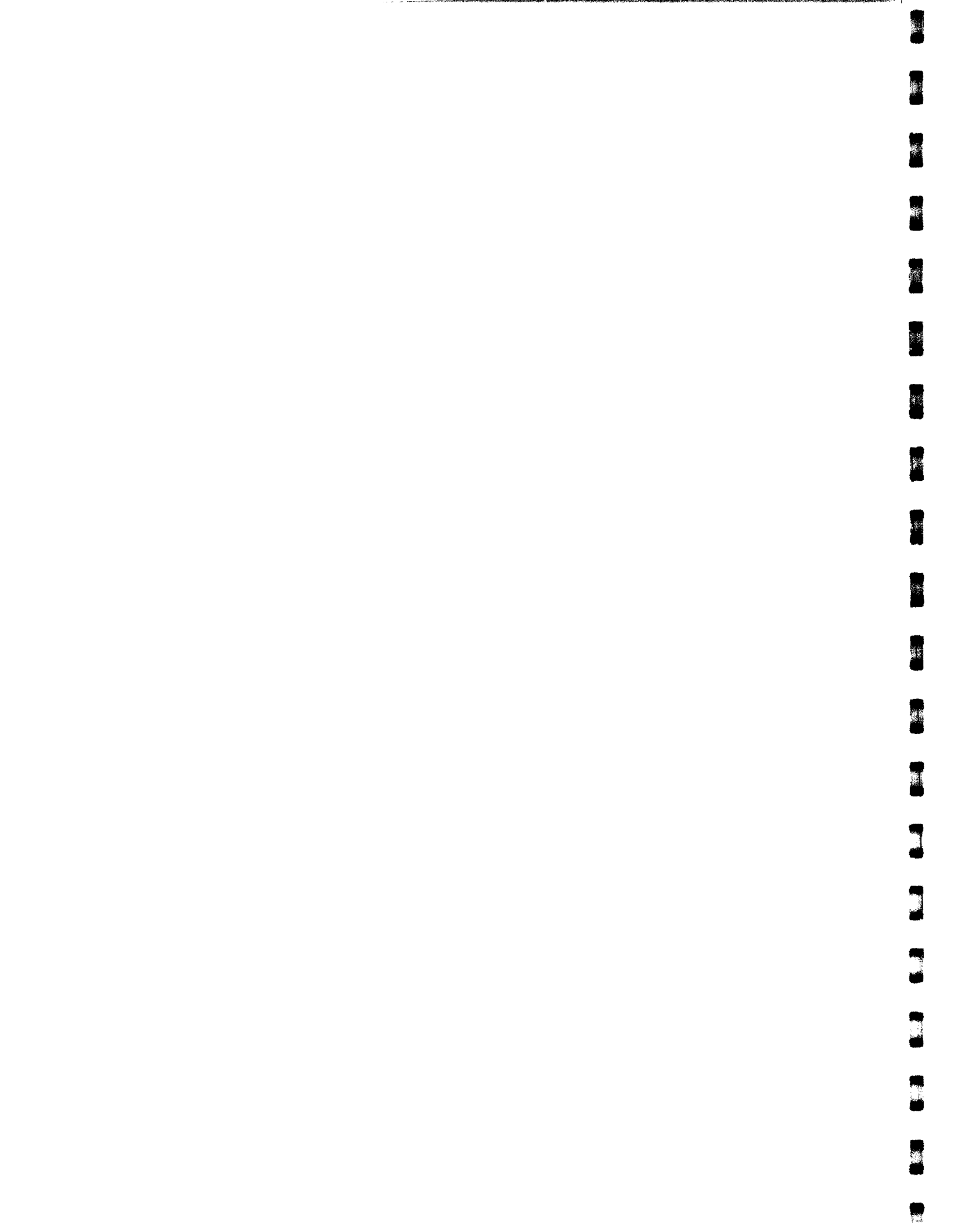
- Impacts on productive land

The main income source of the affected ethnic minority households is from agriculture. Land acquisition for project implementation therefore directly affects household income. However, the adverse impacts of such activity on each household are different. Among the affected households, the largest acquired productive land area is 1.121m² while the smallest is only 119m². Out of the total of 21 EM affected households, 19 households lose more than 10% of their existing productive land area. Land acquisition data of ethnic minority households in 3 wards are shown in the Table 5.

Table 5: Level of impacts on productive land of the ethnic minority households

Ward	Total no. of EM households	No. of HHs losing more than 10% of productive land	Affected area
Bac Cuong	12	10	40,286
Nam Cuong	1	1	600
Binh Minh	8	8	10,375
Total	21	12	51,261

- Impacts on trees and crops



On acquired productive land area, the quantity of affected trees and crops of the households is as follows:

Table 6: Amount of affected trees and crops

Types	Unit	Amount
Crops	M2	8,641
Fruit bearing trees	Tree	3,812
Timber trees	Tree	13,215

- Impacts on residential land and resettlement

Out of the total of 21 affected EM households, 12 households whose residential land is acquired and thus have to resettle. The largest affected residential land area is 350m² while the smallest is 93m². Residential land area and the number of relocating ethnic minority households are presented in the Table 7.

Table 7: Level of impacts on residential land and resettlement

Ward	No. of PAHs	Affected Area	No. of relocating HHs
Bac Cuong	8	17,792	12 (*)
Nam Cuong	0	0	0
Binh Minh	4	1,110	4
Total	12	2,802	16

Except for 12 relocating households due to impacts on houses and residential land in Bac Cuong Ward, it is possible that 4 ethnic minority households have to relocate because of the risk of landslide when D1 road is constructed.

4.2. Other potential impacts during the project implementation process

4.2.1. Benefits of the project

According to the community and ward authorities, the project will contribute to promoting the socio-economic development in the project area. Several public works built and upgraded will improve and enhance the living standards of people in the area. The possible benefits are as follows:

- Cleaner living environment:

* There are some HHs currently living together, who will need separate land plots to build their own house.

At present, the drainage sewer system of Lao Cai City is in poor conditions. The degradation has caused inundation in the rainy season. Meanwhile, domestic wastewater is not treated as required; fermentation and treatment of residue excreta are not carried out, so the dirty level is very high, causing pollution to the living environment of people. The rearrangement of the drainage system, and collection and treatment of wastewater to meet the environmental standards will create clean living environment for people and mitigate the risks of transmittable diseases, especially in the downstream area.

- The upgraded water supply system will contribute to enhance the living conditions of people. At present, the water supply piping system of Lao Cai covers about 90% of the area of the previous Lao Cai City and is expanding to the new area. The water supplied from the water plants in Lao Cai does not meet the demands of clean water in the new urban areas. According to the IOL results in Bac Cuong, Nam Cuong and Binh Minh wards where many ethnic minority communities are living, the proportion of households using water from dug wells and drilled wells is 95.6%. The upgraded and expanded water plant will create favorable conditions for the people in these areas to use clean water for their domestic use.

- People are able to access and enjoys the benefits brought about by the public services built in the project area such as schools and parks, etc. According to the in-depth interviews with the EMs, the building of the kindergartens as well as primary schools in the project's resettlement sites will facilitate their children's study, that is, their children can go to nearer schools, especially kindergarten children. The parks to be built will be leisure and entertainment places for their children. These are good living conditions of the urban life that they have not accessed before.

- Some roads in the area of the ethnic minority communities have been degraded and seriously damaged such as WB4 road. In some areas, the traffic is difficult and inconvenient. The upgrading and expansion of urban road and bridge system will help the traffic more convenient, promoting the transportation of the goods and expansion of their agricultural product consumption and exchange network.

4.2.2. Other project's adverse impacts

Besides unexpected impacts caused by land acquisition and resettlement, the potentially adverse impacts include:

- The influx of the outside workers to the area during the construction period possibly causes adverse impacts on the community such as causing public disorder and insecurity in the area.
- Traffic safety: When bridge and urban road categories are completed, the risks of traffic accidents will increase (motor accidents, children often playing on the road, etc.)
- The influx of migrations to the project area will cause pressure on the use and share of resources and social management, etc.
- The risks of spreading infectious diseases, HIV/AIDS will increase.
- Social evils will increase.

V. Community consultation

“Free, prior, and informed consultation with the affected Indigenous Peoples’ communities” refers to a culturally appropriate and collective decision-making process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of the project.

5.1. The objectives of community consultation

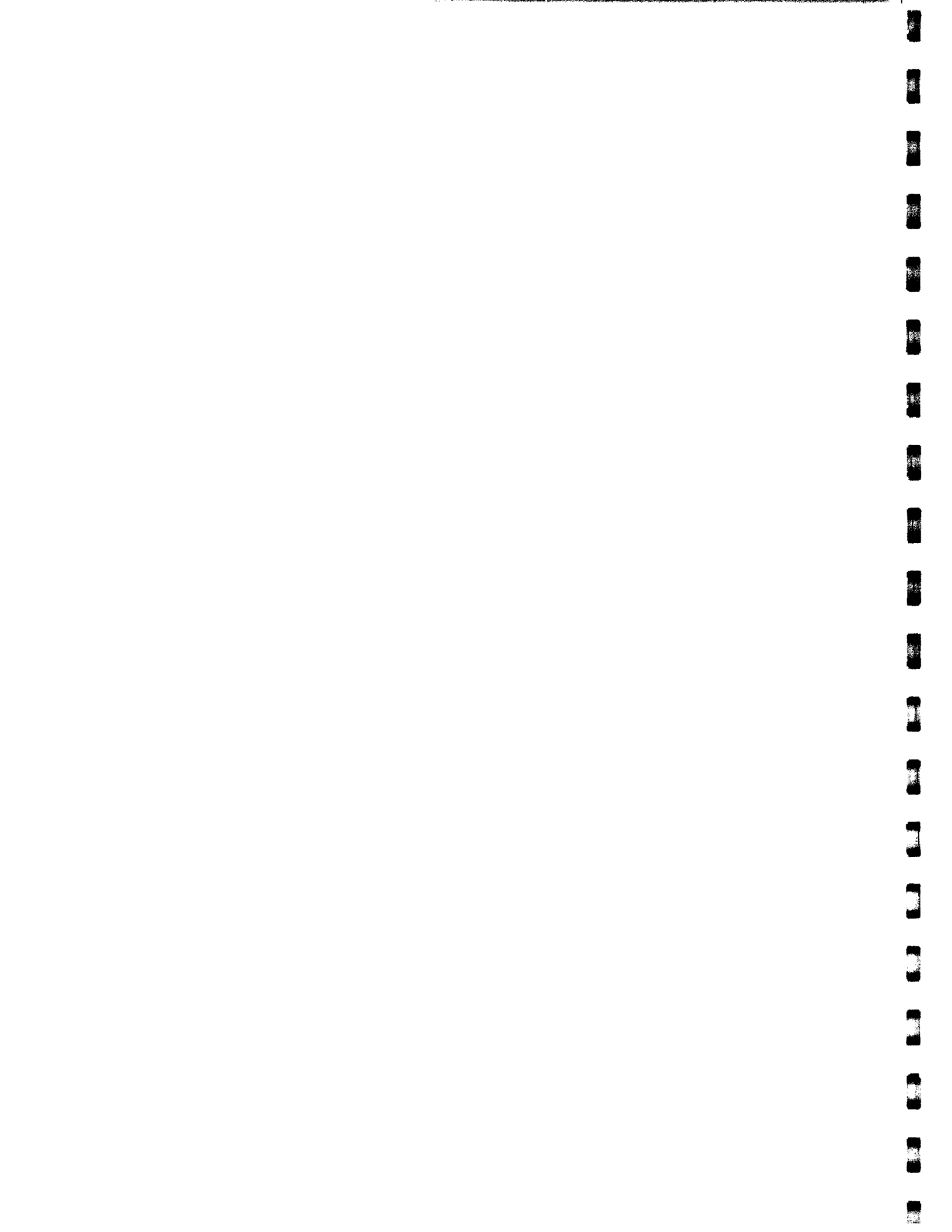
Consultation with affected ethnic minority people, ethnic minorities in the project area, and other stakeholders is carried out to avoid possible conflicts and minimize adverse impacts caused by the project. It also aims to find out about the needs and necessity to bring about socio-economic benefits most appropriate to ethnic minority people.

5.2. Community consultation in the EMDP preparation process

During the EMDP preparation, the Consultant has conducted the community consultation with the EMs as follows:

- Disclose and discuss with local authorities about the project components and mitigation plan towards EM affected people.
- Conduct survey on the impacts on the EM households.
- Organize meetings with the local authorities, affected EM households and EM community in the area.

During the consultation, the Consultant has conducted six interviews with local authorities, two consultations with affected ethnic minority households, four

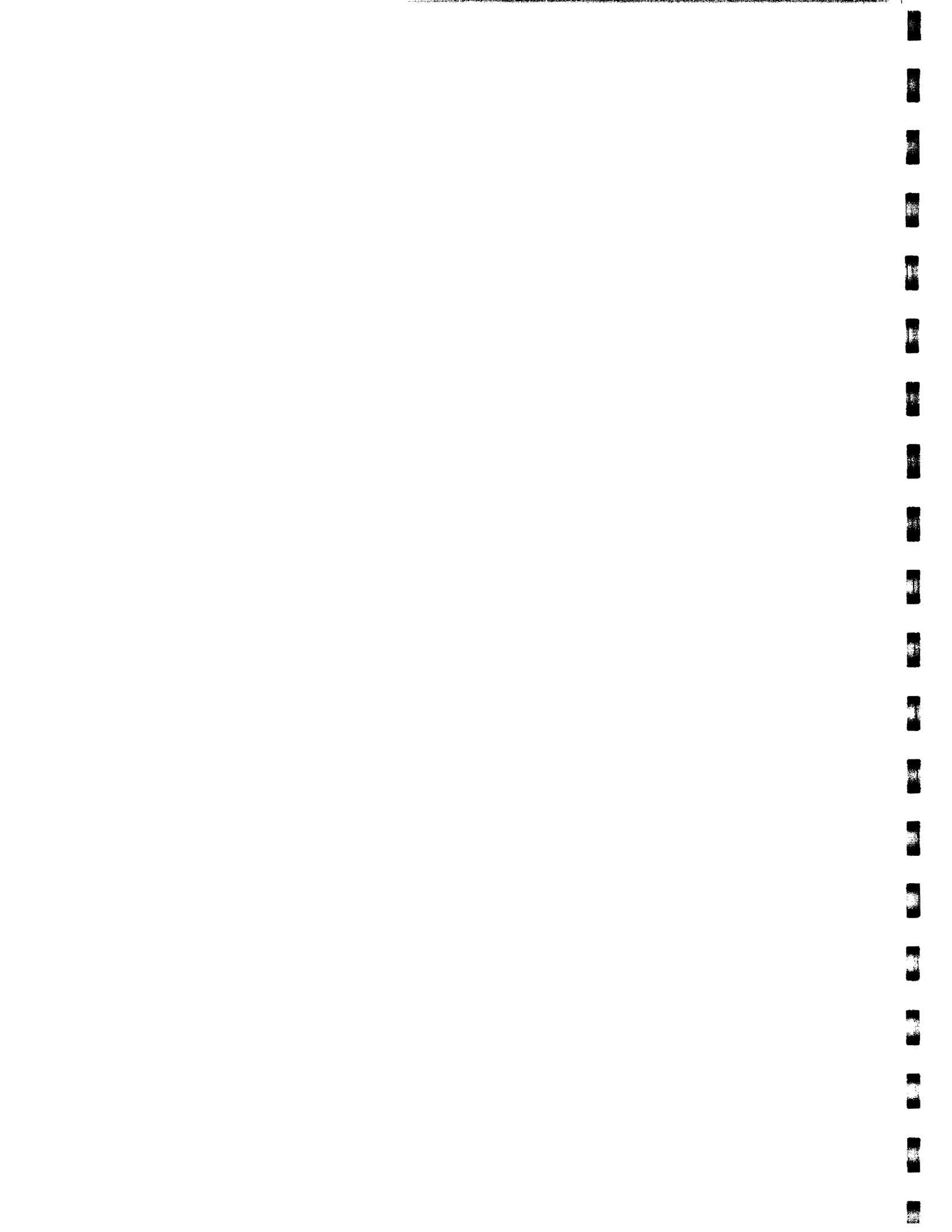


consultations with ethnic minority communities in the project area and some in-depth interviews.

The meetings with the affected EM households and EM communities in the area are often held in the area of the EMs. The affected EM groups are able to communicate fluently in Vietnamese; therefore, the language used in the meetings is Vietnamese.

The consultation results show that:

- The ethnic minority households all support the project implementation and the affected households are willing to hand over land to ensure land acquisition progress of the project.
- Some concerns of the affected EM households are described and addressed clearly in RP.
- To ensure that the project implementation does not leave out the ethnic minority households from the urban area, these households should be given top priorities in all areas such as education, vocational training and jobs appropriate to the capacity of each household.
- Regarding ethnic cultural preservation and development, the harmony and exchange between Kinh community and ethnic minorities in the project area have happened intensively during the development process of the area. The affected households do not feel the significant differences in their daily life with other households. Their rites and religion are still maintained and not affected or changed if they move to a new place. This is therefore not the concern of the project affected ethnic minority households.
- Regarding project information disclosure, they desire to know and be informed during the project implementation. During the project information disclosure process, Vietnamese can be used because the ethnic minority people in the area do not find any difficulty in using Vietnamese.
- During the project implementation, basic knowledge of law and regulations in some fields such as traffic safety and environment should be provided for the ethnic minority communities in the project area.



- As for the local authorities, the proximity between the ethnic minorities and Kinh people is an advantage for social management and cultural development in the area. The affected ethnic minority households are purely engaged in agriculture, therefore, re-allocating productive land to them is of great importance. However, in case it is impossible, these households should be given priorities in vocational training and employment arrangement. In Lao Cai City, the areas where productive land can be allocated are not selected by the APs because such areas are far from the places they are living, not to mention the land quality is not as good as their land.
- Regarding resettlement, concentrated resettlement is given priority to ensure that these affected households are able to maintain their customs and lifestyle. As for the ethnic minority households in the area, they should be exempted from tuition fees and provided with good healthcare. Besides, these ethnic minority households should be guided to manage and use compensation money properly and effectively, avoiding losses and unexpected risks.

5.3. Community consultation during the EMP implementation

- Disseminate project information to the EMs
- Conduct community consultation about EMP activities, training and training programs: In the consultations, the affected EM households can contribute their opinions about the activities. The activities proposed appropriate to the EMs' benefits will be recorded. Besides, the affected people will be informed about time, place and process of the activities of EMP. The EMs will be consulted about the training programs and other programs: training plans, schedule and training methods necessary to them. Vietnamese will be used in the consultations.

The PMU will inform ward authorities and affected EMs about the EMP formulation procedures. Ward PCs and Lao Cai City PC have to ensure that all of the affected EM households in the project area are fully informed about the EMP as well as the project.

VI. Action Plan

The Ethnic Minority Development Plan is not only intended for affected ethnic minority households due to land acquisition but also for all of the ethnic minority people living in the project area.

The action plan will consist of activities, mitigation measures and assistances to bring about project's benefits to the ethnic minority community and support them to overcome obstacles and difficulties to meaningfully enjoy the project's benefits and values. Based on the characteristics of the ethnic minority households and communities in the project area and the identified possible risks and difficulties they might encounter when the project is implemented, the project's EMDP will include:

6.1. Information disclosure

The disclosure of project's objectives, unexpected impacts, affected households, resettlement and land compensation will be carried out as presented in the Resettlement Plan ⁽¹⁾ and Ethnic Minority Development Plan.

The information disclosure process will be carried out by the Project Management Unit. The draft and final EMDP/RP are disclosed among the communities at the public places, including Ward/City People's Committees offices, village meeting houses and presented in a way that language and layout are understandable to the ethnic minority people as well as other stakeholders. They are also disclosed in Vietnam Development Information Center in Ha Noi (VDIC) an InfoShop in Washington D.C.

City and ward authorities have to ensure that all ethnic minority households in the project area are informed about EMDP and project implementation process.

During information dissemination, the methods used are as follows:

- Distribute project materials in written and picture forms
- Organize public meetings
- Use questionnaires to gather opinions of the EMs.

¹ Chapter 8, Heading 8.1 in Resettlement Plan,

6.2. Training activity

Based on the community consultation results, the following training activities have been agreed:

- Agricultural extension activity: is one of the activities of the Resettlement Plan. However, as for the EM groups, it is necessary to select and disseminate agricultural extension activities appropriate to the community.
- Vocational training activity: such activities as vocational training and labor skill development are incorporated into the activities of the resettlement program for the households whose income is affected. However, for these activities, the PMU as well as the stakeholders should pay attention to the production abilities and practices of the EMs to design the training programs appropriate to their conditions.
- Management plan and use of capital sources: such training activity is designated specifically for the affected ethnic minority communities. Based on the consultation results with the authorities and EM communities, some EM households find it difficult in financial management, especially after receiving the compensation; for example, formulating expense plan, investment and production plan, etc. In fact, the local experiences show that some affected EM households of some projects in the province did not use the compensation effectively as thus became the poor households. Therefore, EMDP should equip the EMs with the basic knowledge of financial use and management to prevent financial risks.
- Training activity in community health and living environment: changes in living environment from rural to urban area will significantly affect the daily life of the EMs in the area. Clean water fee and wastewater and domestic waste treatment in the urban areas might cause difficulties for the habits of the EMs. Therefore, it is necessary to provide the EMs with basic knowledge of environmental sanitation in the new urban zones; provide understanding acceptable to the people about payment of clean water fee as well as saving water.
- Training activity in social evil prevention and traffic safety: such training activities should provide the APs with knowledge of risks and adverse impacts on the community such as prostitution, drugs and gambling. The information provided relates to the way the social evils are penetrated into the community. The training programs will help the people have prevention measures.

When road and bridge component of the Project is completed and in operation, the risk of accidents such as motorbike accidents, children often playing on the roads, etc. will increase. Therefore, traffic safety knowledge is really necessary to all people living in the area. The project should have the training activities to raise people's awareness to comply with the traffic regulations as to avoid unexpected risks.

6.3. Compensation, Resettlement and Income restoration.

Based on material losses due to land acquisition and resettlement of the affected ethnic minority groups, the compensation will be in compliance with the specific regulations in the Resettlement Plan ⁽²⁾.

The resettlement of the affected ethnic minority people and main legal basis for this activity are also presented in the RP ⁽³⁾. However, to ensure that the resettlement does not disorder the family relations of the affected ethnic minority people, The resettlement arrangement of the ethnic minority households in the resettlement area of the project should take into account the requirements of the EMs such as resettlement arrangement as the previous community in the affected area and arrangement of the households with relatives to live closely to each other. As for EM households who expect to resettle near the agricultural land, the PMU will create favorable conditions for them to build houses on the area of their land use rights but not in conflict with the city planning.

The livelihood restoration programs intended for this group will be given more special priorities than for other affected households of the project. The vulnerability due to land acquisition of these households is the basis for them to be given top priorities the income restoration measures for the EMs are represented in the RP. However, due to the particular characteristics, the EMs losing more than 10% of the agricultural land area are provided with the same supports as those of the affected households losing more than 20% of the agricultural land. Besides, the EMs are given priority in the income restoration activities as stipulated in RP such as: policy support an information for agricultural production activities; location, market an finance support for business an services activities in the resettlement site; increasing training

² Chapter 5, Heading 5.3 in Resettlement Plan.

³ Chapte 6, Heading 6.2 in Resettlement Plan.

opportunities, skill development; occupational support and support to vulnerable groups ⁽⁴⁾

6.4. Compensation for affected public properties

In case the project's components causing temporary or permanent impacts on the assets of the ethnic minorities, the compensation measures should be applied in accordance with the following principles:

- (i) Restore the affected public structures at least to the pre-project level or;
- (ii) Replace at another position with the consultation with the community and stakeholders; or
- (iii) Compensate at the replacement cost for the affected public land and assets.

If there is loss of income sources (such as irrigation system, forest, and land for livestock husbandry of the community, etc.), the community will be compensated for all of their losses of production. Such amount of compensation will be used for income restoration or establishment of new infrastructure. The compensation options should be applied after the consultation with the affected ethnic minority community has been conducted.

VII. Institutional arrangements

7.1. Provincial Project Management Unit (PPMU)

PPMU is responsible for coordinating cooperation among departments in implementing the Ethnic Minority Development Plan.

PPMU will assign a staff to be responsible for the EMDP implementation supervision

PPMU also has responsibility in preparing each Annual Work Plan, implementing and monitoring the activities of the Ethnic Minority Development Plan.

7.2. City/Ward People's Committee

The CPC/WPC will cooperate with the PPMU to implement the EMDP.

The CPC/WPC is responsible for helping the local people to overcome difficulties during the project implementation process, organizing public

⁴ Chapter 7, Heading 7.2 in Resettlement Plan.

meetings to disseminate project information so that the EMDP can be well implemented.

7.3. Other organizations/agencies

The Women's Union, Farmers' Union, Vietnamese Fatherland Front and other concerned agencies will work closely with the PPMU for EMDP implementation in the subproject area.

VIII. Monitoring and Evaluation

The objectives of monitoring are (i) to ensure that identified impacts are addressed by measures as in the EMDP; (ii) to supervise if the schedule is met; (iii) to assess whether the mitigation measures are effective; (iv) to identify issues happened or to be happened; and (v) to identify mitigation measures. The EMDP implementation processes will be monitored and guided regularly by the PPMU. The results will be submitted to WB every 6months.

The external monitoring agency which will be used to undertake external monitoring and evaluation of the implementation of the resettlement plan for the Project will also be tasked with monitoring the activities for EMDP. This external agency can be a research institute or academy, non-governmental organization or consultancy firm with qualified and experienced staffs, which is acceptable to the World Bank.

The evaluation indicators include:

- People's satisfaction after resettlement
- Stable income level, at least equal to pre-project level
- Project information is fully disseminated to the ethnic minorities in the language understandable to them.
- The construction and operation processes do not affect the life of ethnic minority people in the neighboring area.
- EM receive culturally appropriate benefits from the project as like Kinh people

The independent monitoring reports will be submitted to World Bank and PPMU every 6 months.

IX Grievance Redress Mechanism:

Currently, ethnic minority communities in the project affected areas have no longer maintained a traditional social regime. Conflicts arose in the communities have been solved based on regulations of current laws. Therefore, resolution for grievance arose from ethnic minority persons affected by the project will comply with the common grievance redress mechanism applied for the whole project.

DPs are entitled to the complaints relating to their interests and responsibilities in the project implementation: Entitlement to compensation, compensation policy and unit price, land acquisition, resettlement and other interests relating to the support program of rebuilding. The DP's complaints should be presented in written documents. DPs can report their complaints in the PMU and PCs of commune/ward, urban district free of charges.

The project will also establish a grievance panel that independent from the City compensation board, consist of the city leader (s), the social safeguards of PMU (1-2 persons), mass organization/civil society/CBOs/NGOs (1-2 persons), Lawyer Union/associations ... and DP representatives in order to ensure the equity for DPs in grievances Redress Procedure. The Grievance Panel's function cost will be covered from project compensation's administration cost. The PMU's monthly monitoring report of compensation and clearance tasks and/or written complaint(s) (if any) will be provided to the panel timely for mediation and resolving timely as well as to allow the panel to monitor all complaints their resolving process.

Following the aforementioned arrangement, the grievance procedure will be:

Stage 1. Any persons who are unsatisfied with any aspect of land acquisition, compensation and resettlement, can report verbally⁵ or in written papers to Grievance Panel. They will be responsible for resolving the issue.

The independent grievance panel will, at step 1 conduct community consultation meeting and/or face to face discussion, for mediation. If it is impossible to solve these complaints at the aforementioned step 1, the Grievance Panel will, at step 2, propose the solutions to the complaints/grievances to the City authorities to issue complaint resolutions to the DPs within 15 days from the day it is lodged;

Stage 2. If the DPs do not satisfy with the decisions of the city level, they can appeal to the Provincial People's Committee within 15 days since they received decision from the city level. The PPC will provide a decision on the appeal within 15 days from the day it is lodged with the PPC.

⁵ The verbally complain might be acceptable at the communal level, but complaint in written paper is obligatory at higher level.

Stage 3. If the DPs still do not satisfy with the decisions of the PPC on their appeals they can submit their cases to the district courts for review within 15 days since they received decisions from the province.

Complainants will be free from administration charges and complaint charges.

Besides that, an escrow accounts for resettlement payments should be used when grievance is resolving to avoid excessive delay of the project while ensuring compensation payment after the grievance has been resolved.

All GRC should maintain a system to register queries, suggestions and grievances of the DPs. All queries, suggestions and grievances and their resolution should be recorded and forwarded to the PMU and its functioning monitored monthly. All the cost of GRM establishing and functioning should be included in the project cost.

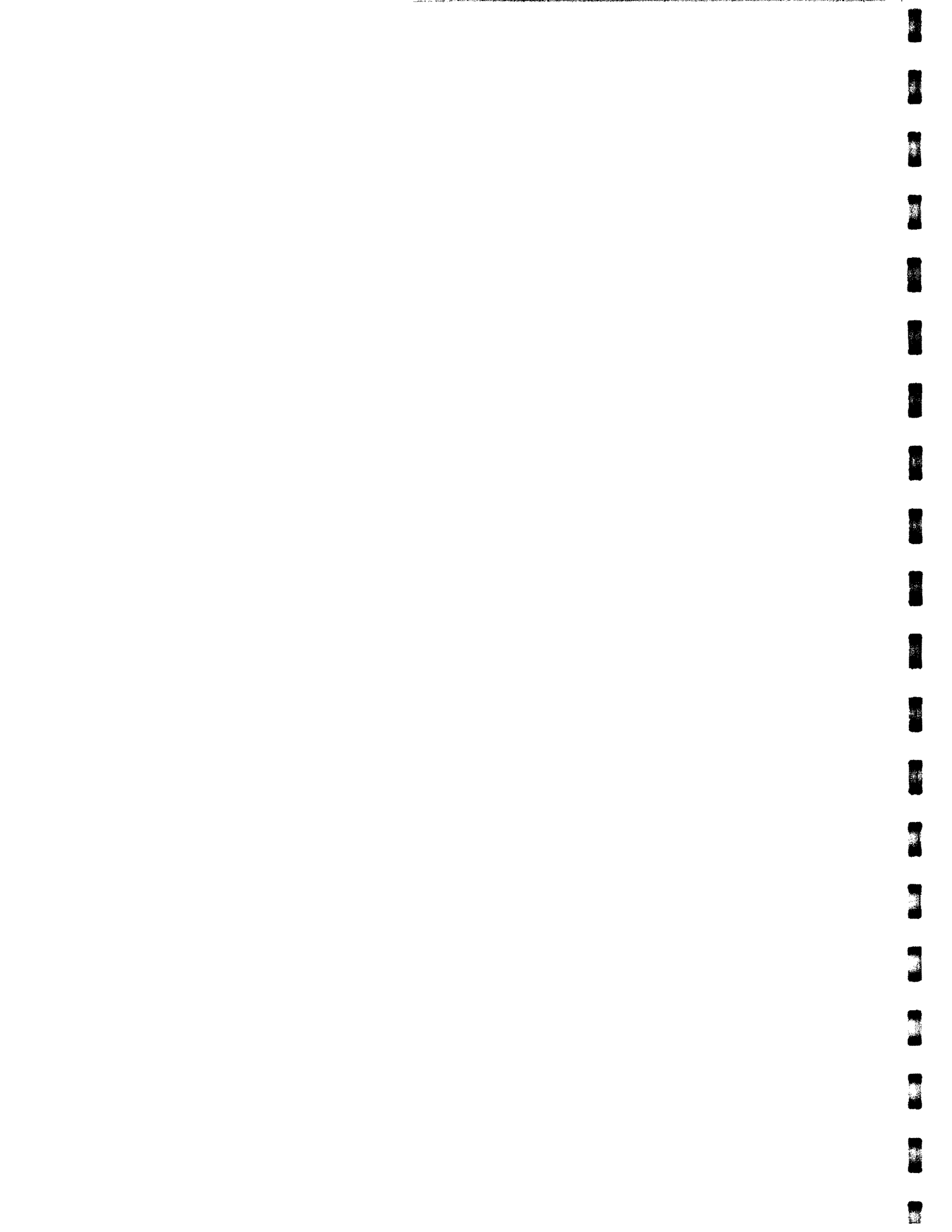
X. Budget

The EMDP activities will have positive effects on all of the ethnic minority people in the project area. The budget will be taken from the counterpart fund of the province. The cost for activities to support the ethnic minorities in financial management, agricultural technical assistance and EMDP cadre training are estimated as follows:

- Expenditure on participation activities for EMDP includes picture and written materials. The expenditure for resources implementing such activities is from the management cost of the Project.
- Compensation, support and resettlement activities, income restoration activities will be included in the budget of RP.

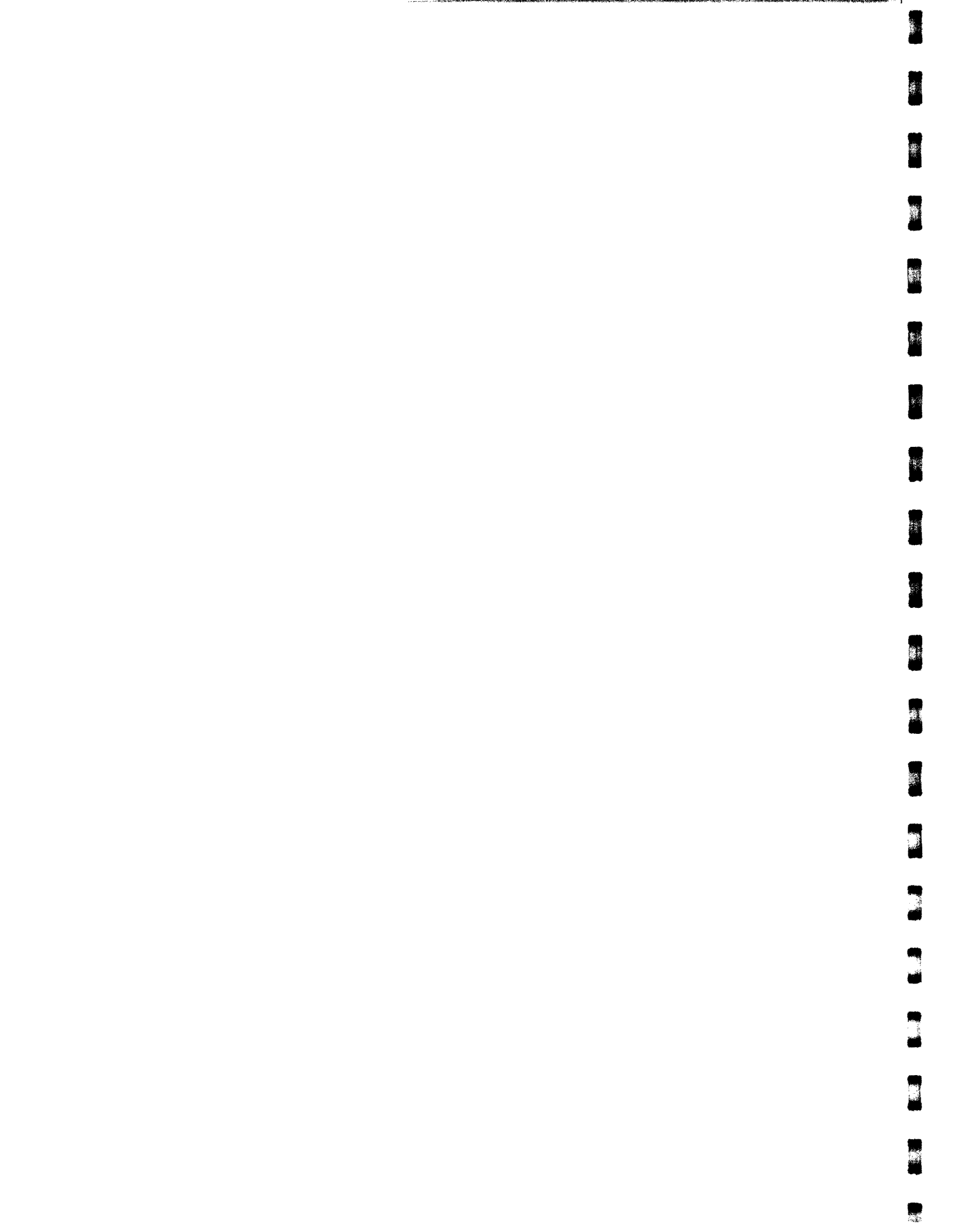
Table 8: Estimates of special charges of EMDP programs

No.	Program	Unit	Quantity	Unit price (VND)	Total (VND)
1	Preparation cost for EMDP activities	Class	4	2,500,000	10,000,000
2	Agricultural development training	Class	4	5,000,000	20,000,000
3	Guiding the methods and plan on financial management and use	Class	4	5,000,000	20,000,000
4	Guidance on health and family healthcare, protection of living environment	Class	4	5,000,000	20,000,000
5	Training in social evil prevention and traffic safety	Class	4	5,000,000	20,000,000



Ethnic Minorities Development Plan
Medium - sized cities development project – Lao Cai city Sub-project

4	Documents, stationery			20,000,000	20,000,000
	Subtotal				110,000,000
	Contingency 10%				11,000,000
	Total				121,000,000



ANNEX

PHOTOS OF ETHNIC MINORITY CONSULTATION

