

Ha Noi Metro Rail System Project

Due Diligence Report and Supplementary Assistance Plan for Nhon Depot and Access Line (27 September 2010)

I. INTRODUCTION

A. Background

1. The Nhon Depot is a component of the Hanoi Pilot Metro Line, section Nhon – Hanoi Station (MRT3), which is part of the planned Urban Mass Rapid Transit 3 (Nhon-Hanoi Railway Station-Hoang Mai). During the due diligence activities, it was found that 15 hectares of land for the depot were already acquired by the Government in 2007. However, in 2008, the Government decided to acquire more land for the depot and the access line component. It is for this reason that due diligence has been carried out and the depot is divided into two phases for the purpose of (i) determining what additional compensation and support should be given to those already dispossessed, if gaps exist between what had been provided to the AHs per compensation decision of the HPC and what the Project resettlement policy to be agreed by the Government and ADB requires; and (ii) spelling out in detail the entitlements due to those who have not yet been dispossessed by the Project, including livelihood stabilization support as needed, and the procedures for carrying out resettlement.

Table 1: Purpose of Due Diligence

Depot and Access Line	Status of Land Acquisition and Resettlement Activities	Purpose of Due Diligence
Phase 1: Land for the depot that was already acquired	Completed	(i) Determine what additional compensation and support should be given to those already dispossessed, if gaps exist between what had been provided to the AHs per compensation decision of the HPC and what the Project resettlement policy to be agreed by the Government and ADB requires
Phase 2: Land for the (i) additional depot and (ii) access line that have yet to be acquired	No compensation yet. Detailed Measurement Survey ongoing	(ii) Spell out in detail the entitlements due to those who have not yet been dispossessed by the Project, including livelihood stabilization support as needed, and the procedures for carrying out resettlement

B. The Project

2. Line No. 3 has a total length of 12.5 km and will include 12 stations. 8.5 km of Line No. 3 in addition to 8 stations will be constructed on elevated bridge, while the remaining 4 km section and 4 stations will be constructed underground. The maintenance depot will be constructed on a 15 ha land that straddles the communes of Tay Tuu and Minh Khai at the western end of the Metro line at Nhon (Tu Liem District). The depot will have a total of 14

buildings that include offices and workshops. Moreover, a 450 m access line will connect the depot to Line No. 3. The draft layout of the depot is in Figure 1, and the current land use at the depot and access line is presented in Figure 2.

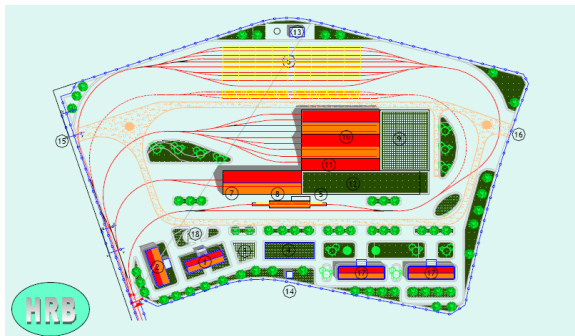


Figure 1: Draft Layout of the Depot



Figure 2: Current Land Use

3. The feasibility study for the Project (under the name Hanoi Light Rapid Transit Pilot Line) with French government financing was completed in October 2005. In 2006, the Vietnamese Government requested the Asian Development Bank (ADB) for a project preparatory technical assistance (PPTA) specifically for the purpose of (i) advising the Government on how it could raise its \$250 million share of the cost of the Project, and (ii) conducting technical, financial, institutional, and safeguard compliance (environment and social) studies as per ADB policies and procedures. A memorandum of understanding, covering the objectives, impact, outcome, output, scope, cost, implementation arrangements, and terms of reference for the PPTA was signed on 21 September 2006 by the Hanoi Authority for Tram and Public Transport Development Management (HATD) of the Hanoi's Peoples Committee and the ADB. The original PPTA in the amount of \$400 thousand was approved by ADB in December 2006. A supplementary amount of \$500 thousand for the PPTA was also provided by ADB in May 2009.

C. Due Diligence Activities

4. Information were gathered from different sources: (i) the compensation schedule/matrix prepared for Phase 1 (depot) of the relocation plan, (ii) surveys conducted in 2008 under Phase 1 of the due diligence assessment as part of ADB-TA 4900 (VIE), and (iii) census of affected households at the depot/access line conducted in January-February 2010. The 2010 census was able to cover 230 households affected by the depot site Phase 1, and 54 (out of 57) households affected by the Depot Phase 2 and access line.

II. DUE DILIGENCE FINDINGS

A. Status of Land Recovery Activities for the Nhon Depot and Access Line

5. **Depot Phase 1.** On 21 September 2006, the Hanoi Peoples' Committee (HPC) issued Decision 4168/QD-UB for the recovery of about 15 ha for the depot (referred hereinafter as Phase 1 of land acquisition for the depot). District and commune authorities carried out the detailed measurement survey (DMS) of land and fixed assets under Phase 1 in September to November 2006 for the Tay Tuu section of the depot, and in March to June 2007 for the Minh Khai section. The HPC approved the compensation plan for the Tay Tuu section in December 2006 and payment of compensation to the affected households (AHs) was subsequently given in February 2007. For Minh Khai section, the HPC approved the compensation plan in July 2007 and payment of compensation to the AHs was subsequently

given in October 2007. Site clearing in Tay Tuu commenced in March 2007, while site clearing in Minh Khai commenced in January 2008. HPC approved the allocation of over VND 42 million for the compensation of 232 affected households under Phase 1. There are no main structures affected in Depot Phase 1.

6. There are also three households who already received compensation payment who are still living at the depot site as they are waiting for the allocation of their plot of land at the resettlement site.

7. **Depot Phase 2 and Access Line.** During the period 2007-2009, the HPC decided to acquire an additional 1.07 ha of land for the depot (referred hereinafter as Phase 2 of land acquisition for the depot). The DMS of affected assets and the survey of AHs is ongoing and almost completed.

8. With regard to the 450 m long access line that has a 20 m wide right-of-way (ROW), the HPC issued on 26 March 2009 Land Recovery Decision No. 1397/QD-UBND for the acquisition of 8,278.2 m² of private landholdings. The DMS for the access line is ongoing.

9. The HPC wants the payment of compensation of AHs for Phase 2 depot and the access line to be done simultaneously, following completion of the DMS in the access line and the preparation of the relocation site for AHs to be displaced mostly from the access line. Table 1 gives a summary of the status of land acquisition.

Table 2: Status of Land Acquisition

Location/Phase	Area (in m ²)	Status
Depot (Phase 1)	149,255.85	Land was acquired in February – October 2007. 230 households and 2 service cooperatives in this section have been compensated and have turned over their plots/structures to the Government
	1,889.00	Land is not yet acquired. 2 AHs refuse to hand over land due to disagreement with the CLFD on land price. Case being heard by HPC.
Depot (Phase 2)	10,747.15	Land is not yet acquired. DMS was completed. 36 households also own plots/houses along the access line. Decision was made to combine the schedule of the compensation/relocation plan for the depot (Phase 2) and the access line.
Subtotal	161,892.00	
Access Line	8,278.2	DMS is partially completed. 54 plot owners, 42 houses, 10 independent shops, 2 cooperatives, and 16 structure renters will be affected. Resettlement site not yet developed. Collection of legal/land registration documents of displaced households is ongoing.
Total	170,170.20	

B. General Socioeconomic Profile in the Project Area

10. . The Kinh majority population inhabits the project area. Their sustenance depends mainly on agriculture: flower production (roses) in Tay Tuu commune, and flower production and fruit tree production in Minh Khai commune. In March 2008, Tay Tuu commune accounted for 330 hectares or 66% of the total area cultivated to commercial flowers in the entire district. In Tay Tuu, flower gardens represent 84.6% of the commune's total cultivated area. Tay Tuu is still a rural commune with 87% of persons involved in agricultural activities. On the other hand, Minh Khai, which is located along Road 32, has a much more diversified economy. Other than Road 32, the presence of industrial areas and a large college (Nhon Industrial College with 15,000 students in 2008) have contributed to the commune's diverse economic activities.

11. Before land recovery commenced in the depot area in February 2007, farmers in the project area owned an average of 1,430 m², sometimes divided into several plots per

household. It was learned from local authorities and the AHs during the 2007 survey that for a rose farm to be economically viable, the area of the garden should at least be 288 m² per family member, or an average of 1,150 m² to 1,440 m² for a family of 4 to 5 persons. This corresponds to the average land size in the project area prior to 2007.

Table 3: Area of Agriculture Land Owned by AHs (in m²)

Specifics	Land Area					
	0-500	500-1000	1000-1500	1500-2000	2000-2500	> 2,500
% of HH	4.2	26.6	34.3	14.7	11.2	9.1

Source DMS 2007

12. Following discussions dwell mainly on the economic situation of the AHs, based on two surveys conducted on separate occasions. The first time was in September – November 2007 during the conduct of due diligence review of resettlement activities that transpired in 2006 - 2007 for Nhon Depot Phase 1. The second time was in 2009 – 2010 as a continuation of the preparation of this due diligence report.

C. Situation of the Affected Households in 2007

13. Source of Income. There were no AH illegally or informally occupying any affected land in Nhon Depot Phase 1. Farming was the primary source of income of the AHs in Tay Tuu commune (87.80% of those interviewed in the commune) and Minh Khai (76.00%).

Table 4: Main Source of Income of Affected Persons

Commune	Surveyed HH	Farming		Trading		Wages / salary		Government/ Social assistance/ Pension		Lease/ Property rental	
		HH	%	HH	%	HH	%	HH	%	HH	%
Tay Tuu	41	36	87.80	1	2.44	1	2.44	1	2.44	2	4.88
Minh Khai	25	19	76.00	2	8.00	0	0.0	3	12.00	1	4.00
Total	66	55	83.33	3	4.55	1	1.52	4	6.06	3	4.55

Source: Socioeconomic Survey (2007)

14. On secondary sources of income, 42.86% of the 14 AHs in Tay Tuu that responded to the query claimed to be engaged in trading, while 28.57% were engaged in farming. On the other hand, 50.0% of the 18 AHs in Minh Khai reported that property leasing was their secondary source of income.

Table 5: Secondary Sources of Income of Affected Persons

Commune	Surveyed HH	Farming		Trading		Wages / salary		Hired labor		Property Lease		Other	
		HH	%	HH	%	HH	%	HH	%	HH	%	HH	%
Tay Tuu	14	4	28.57	6	42.86	1	7.14	2	14.29	0	0.0	1	7.14
Minh Khai	18	2	11.11	3	16.67	2	11.11	0	0.0	9	50.00	2	11.11
Total	32	6	18.8	9	28.1	3	9.4	2	6.3	9	28.1	3	9.4

Source: Socioeconomic Survey (2007)

15. Average Monthly Income. The average monthly income per person for both men and women in Nhon Depot in 2008 was VND 870 000, much higher than in Hanoi (VND 630,000 VND) and the national average of VND 484 380. This could be attributed to the big-earning livelihood of flower production. Gross income for a hectare of land planted to flowers was VND 160 million (\$10,000) in 2008.

Table 6: Average Monthly per Capita Income by Production Sector (in VND)

Location	Agriculture	Industry	Trading	Other	Average income (VND)
Depot area					870,000
Tu Liem District	300,000	1,200,000	1,500,000	1,000,000	1,150,000
Hanoi					630,000

Vietnam					484,380
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Source: Socioeconomic Survey (2007), DOLISA Tu Liem (2007),

16. Due to the presence of numerous industries and to the prevalence of profitable peri-urban agricultural activities, the incidence of poverty in 2008 in the two affected communes was relatively low at 5.0% and 5.2% for Tay Tuu and Minh Khai, respectively. This is much lower than the national poverty incidence of 21.3%.

Table 7: Incidence of Poverty in Tu Liem District by Commune

Commune/town	HH	Persons	Poverty Incidence
Tay Tuu	149	386	5.0
Minh Khai	110	389	5.2
Tu Liem District	1,953	6,718	4.1
Hanoi City			3.1
Vietnam			21.3

Source: Tu Liem DOLISA (2007) and MOLISA (2007)

17. Among the AHs covered in the survey in 2007, only one considers itself as poor. However, this AH doesn't have a certificate from the commune. This merely confirms the low poverty incidence in the project area.

Table 8: Poor HH among APs

Commune	Total AHs	Not poor		Poor	
		AH	%	AH	%
Tay Tuu	41	40	97.6	1	2.4
Minh Khai	25	25	100.0	0	0.0
Total	66	65	98.5	1	1.5

Source: Socioeconomic Survey (2007)

D. Project Situation of the AHs in 2009-2010

18. Source of Income. The leading primary source of livelihood of the AHs in Tay Tuu and Minh Khai communes is still farming (devoted mostly to commercial flower production), while the leading secondary sources of livelihood of the AHs are small businesses for Tay Tuu, and property leasing (leasing of land or houses for workers and students) in Minh Khai. Moreover, while 34.3% of the AHs covered in the DMS in 2007 reported to own 1,000 to 1,500 m² of farmland (mainly planted to flowers), the findings of the survey of 230 AHs in Nhon Depot in January-February 2010 reveal that half of what the AHs used to own was lost to the Project during the land recovery.

Table 9: Size of Cultivated Land (Jan-Feb 2010)

Size of Cultivated Agricultural Land (in m ²)	Before Land Recovery		Presently	
	Number	Percent	Number	Percent
None	5	2.2	49	21.3
500 and below	37	16.1	73	31.7
501 – 1,000	82	35.7	51	22.2
1,001 – 1,500	56	24.3	31	13.5
1,501 – 2,000	23	10.0	14	6.1
2,001 – 2,500	18	7.8	3	1.3
2,501 – 3,000	3	1.3	1	0.4
More than 3,000 m ²	6	2.6	8	3.5
Total	230	100	230	100
Total area	264,154		167,215	
Mean	1,174		815.7	
SD	933.8		977.2	

19. Average Monthly Income. The average monthly income of the AHs apparently did not change following land recovery as could be seen in the response of 58.70% (135 AHs) of those surveyed that their average monthly household income in January 2010 was between VND 2.1 million and VND 6 million. It will be recalled that the survey conducted in 2007-2008 revealed that the average monthly per capita income of AHs was VND 870,000.

Table 10: Average Monthly Household Income (in VND)

Income Bracket	Number of Households	
	Before Land Recovery	Presently
2 million and below	40	28
2.1 – 4.0 million	50	59
4.1 – 6.0 million	56	76
6.1 – 8.0 million	25	21
8.1 – 10.0 million	29	21
10.1 – 12.0 million	5	3
12.1 million and above	24	20
No answer	1	2
Total	230	230
Mean	6,311,086.96	6,334,891.30
SD	4,891,329	7,287,038

20. This should not be construed to mean that land recovery did not have any adverse impact on the productive and earning capacity of the AHs. Of the 88 AHs who responded to the query in the 2010 survey on changes in their main sources of livelihood, 28.41% claimed to have rented new land in the district for flower cultivation, while 22.73% managed to increase productivity by improving the technique used for growing flowers. 20.45% AH heads reported to have changed their jobs (from farming to hired labor), while 13.64% constructed houses to rent out.

Table 11: Changes in Sources of Income of the AHs in Nhon Depot (2010)

Other Changes in the Household	Number (N=88)	Percent
Shifted work as hired labor	18	20.45
Rented new land to cultivate	25	28.41
Established a new business	13	14.77
Enhanced cultivation technique to increase productivity	20	22.73
Built a house for rent	12	13.64
Total	88	100.00
No information	142	

E. Health, Education and Gender Concerns

21. Health, Education and Gender Concerns. There is a health center in Tay Tuu and Minh Khai and a hospital in the district center Cau Dien. Each affected commune has its own primary school. Secondary schools can be found in Cau Dien. Also located in Minh Khai commune is the Nhon Industrial College. In 2007, this school had 15,000 students. The survey in 2007 revealed that no AH heads in Tay Tuu, but 3 AH in Minh Khai, did not attend school at all. Most of the AH heads had completed lower secondary grade. In Minh Khai, 32% of the AH heads completed upper secondary grade.

Table 12: Academic Level of HH heads

Commune	Surveyed HH	No Education		Primary		Lower Secondary		Upper Secondary		Other	
		HH	%	HH	%	HH	%	HH	%	HH	%
Tay Tuu	41	0	0.0	9	22.0	26	63.4	5	12.2	1	2.4
Minh Khai	25	3	12.0	1	4.0	12	48.0	8	32.0	1	4.0
Total	66	3	4.5	10	15.2	34	51.5	6	9.1	1	1.5

22. Women are involved in field work along with the men. They share the same tasks with the men, although women are primarily responsible for housekeeping work.

Table 13: Allocation of family work between members

Activities	Husband	Wife	Both	Others
Household activities				
Managing the money	3	2	19	0
Doing housework	1	18	4	2
Making major financial decisions (buying major items: house, land, etc.)	3	3	18	1
Making decisions on your children's education & occupations	5	1	18	0
Making decisions on your children's marriages	4	1	18	0
Agricultural activities				
Planting flowers	2	4	18	
Harvesting	2	2	19	
Selling of flowers	2	3	9	
Kitchen gardening	1	3	7	

III. CONCLUSION

A. Depot Phase 1

23. **Conclusion.** The HPC approved the compensation plan for the Tay Tuu section in December 2006, while that of Minh Khai section in July 2007. VND 42,399,601,642 (approximately \$ 2,649,975 at \$ 1=VND 16,000) had been set aside as compensation for the 151,144.85 m² of agricultural land, including standing crops, secondary structures, and allowances, to the 230 AHs and 2 service cooperatives in Nhon Depot Phase 1. A replacement cost study (RCS) carried out retroactively in 2008 confirmed that the compensation rates used by HPC were within the market range. As of April 2010, a total of 149,255.85 m² have already been acquired.

24. As discussed in the preceding section, the findings of the survey conducted on the 230 AHs in Nhon Depot in January-February 2010 reveal that half of the productive land that the AHs used to own was lost to the Project. However, the primary livelihood of AHs displaced by the land acquisition in Depot Phase 1 remains to be farming, main devoted still to commercial flower production. Running small shops and property leasing (renting out of land or houses to workers and students) are the leading secondary sources of livelihood for AHs in Tay Tuu and Minh Khai, respectively. Moreover, the average monthly income of the AHs apparently did not change even after land recovery.

25. It was also learned during the survey that a number of the AHs managed to adapt to their new situation even without additional assistance from the Project. Of the 88 AHs who responded to the query on the household's present sources of livelihood, 28.41% said that they were renting additional land elsewhere in the district so they could continue producing commercial flowers, while 22.73% claimed to have increased production by improving their technique for growing flowers. The head of another 20.45% of these AHs changed jobs (from farming to hired labor), while 13.64% constructed houses to rent out.

26. Nonetheless, the January-February 2010 survey revealed that 28 of the 230 AHs displaced in Depot Phase 1 were earning VND 2 million or less a month. Additional support from the Project by way of an income restoration program should be provided to help them, and other AHs in similar situation, re-establish or improve their earning capacity.

27. **Actions Taken by HRB.** During loan preparation, a draft Supplementary Assistance Plan (SAP) has been prepared covering households for the entire depot and access line. The SAP is geared towards helping not only the severely affected and vulnerable affected

households but also households in the two communes who belong to the poor and vulnerable groups to improve, their socio-economic conditions. The SAP also includes provision for community upgrading. The final SAP will be finalized and implemented during loan implementation. An indicative budget amounting to **4,350,000,000 VND (\$235,000)** will be allocated by HRB. See Attachment 1 for the full report.

28. The planning of the SAP will entail a series of needs and opportunities assessment that require the active involvement of the AHs, commune and local officials, and HRB. Moreover, in order not to overburden the government and to avoid duplication of tasks, the SAP will be linked with existing government and private development programs, such as credit facilities, skills training, etc.

29. On the three households who already received payment in full are still at the depot site. They will not be relocated until the relocation site is ready. HRB will include these 3 households when consulting with other relocating households affected by the access line and Depot Phase 2 who will also move to the relocation site.

B. Depot Phase 2 and Access Line

30. Since DMS is ongoing, the affected households in the Depot Phase 2 and Access Line will be included in the Resettlement Plan that is currently being prepared for the Main Line. The RP that is being prepared ought to be in compliance with ADB Safeguard Policy Statement (2009).

31. **Next Steps.** In as much as HRB Government plans to start land acquisition for the Depot Phase 2 and Access Line in late 2010, the RP is subject to ADB review and concurrence. Compensation and relocation of households should not commence until the RP has been agreed between ADB and Hanoi People's Committee. Before the conclusion of the DMS in the Main Line, the CLDF, the Hanoi People's Committee, and HRB should be briefed adequately on the Project resettlement policy and principles in order for them to be able to come up with a compensation plan that is acceptable to ADB.

32. The RP for Depot Phase 2 and access will be updated following completion of DMS. The Updated RP will be submitted to ADB for review and concurrence before implementation. Land acquisition and relocation of households will not commence until the Updated RP has been agreed between ADB and Hanoi People's Committee and the provisions set in the agreed Final RP have been satisfactorily implemented.

33. ADB to provide assistance to HRB and CLDF during updating to ensure compliance with the agreed RP prepared during loan preparation.

IV. DISCLOSURE

34. The key information in the due diligence report and the attached draft supplementary action plan will be disclosed to the affected people prior to ADB Follow-Up Mission. Disclosure will be done in Vietnamese language and various forms: information leaflets to be given to the affected households, copies of the report and draft SAP to be placed in the commune offices, and meetings with the affected households.

V. ACTION PLAN

35. The Hanoi People's Committee and Hanoi Regulatory Board are responsible for resettlement activities. To help ensure concurrence by ADB, the following summary action plan relative to addressing resettlement is outlined below.

Table 1415: Corrective Action Plan

Project Component	Action Plan	Date	Responsible Agency
Depot Phase 1	<p>A Draft Supplementary Assistance Plan draft has been prepared (Attachment1) to cover various programs for households affected by the project and also households in the commune who belong to poor and vulnerable groups. The program will also include households affected by Depot Phase 2 and Access Line.</p> <p>Budget is estimated at 4,350,000,000 VND (\$235,000)</p> <p>See Attachment1.</p> <p>Disclosure of the Supplementary Action Plan will be carried out prior to ADB Follow-Up Mission.</p>	During Loan Implementation.	HPC and HRB
	<p>Three households who already received payment in full are still at the depot site. They will not be relocated until the relocation site is ready.</p> <p>HRB will include these 3 households when consulting with other relocating households affected by the access line and Depot Phase 2 who will also move to the relocation site.</p>	During loan implementation.	
Depot Phase 2 and Access Line	<p>To include Depot Phase 2 and Access Line in the Resettlement Plan that is currently being prepared for the main line. The RP will comply with ADB Safeguard policy and requirements, and Government laws and regulations.</p> <p>The RP for Depot Phase 2 and access will be updated following completion of DMS. The Updated RP will be submitted to ADB for review and concurrence before implementation.</p>	<p>During Loan Preparation.</p> <p>Prior to ADB Management Review Meeting</p> <p>HRB will inform ADB when they plan to update the RP.</p>	HPC and HRB

Project Component	Action Plan	Date	Responsible Agency
	<p>Land acquisition and relocation of households will not commence until the Updated RP has been agreed between ADB and Hanoi People's Committee and the provisions set in the agreed Final RP have been satisfactorily implemented.</p> <p>ADB to provide assistance to HRB and CLDF during updating to ensure compliance with the agreed RP prepared during loan preparation.</p>		

SUPPLEMENTARY ASSISTANCE PLAN (DRAFT)
27 September 2010

HANOI METRO LINE 3 PROJECT

I. INTRODUCTION

1. The Nhon Depot is a component of the Hanoi Pilot Light Metro Line (or Line No. 3), which is part of the planned Urban Mass Rapid Transit 3 (Nhon-Hanoi Railway Station-Hoang Mai). During the due diligence activities, it was found that 15 hectares of land for the depot were already acquired by the Government in 2007. However, in 2008, the Government decided to acquire more land for the depot and the access line component. It is for this reason that due diligence has been carried out and the depot is divided into two phases for the purpose of (i) determining what additional compensation and support should be given to those already dispossessed, if gaps exist between what had been provided to the AHs per compensation decision of the HPC and what the Project resettlement policy to be agreed by the Government and ADB requires; and (ii) spelling out in detail the entitlements due to those who have not yet been dispossessed by the Project, including livelihood stabilization support as needed, and the procedures for carrying out resettlement.

Table 1: Purpose of Due Diligence

Depot and Access Line	Status of Land Acquisition and Resettlement Activities	Purpose of Due Diligence
Phase 1: Land for the depot that was already acquired	Completed	(i) Determine what additional compensation and support should be given to those already dispossessed, if gaps exist between what had been provided to the AHs per compensation decision of the HPC and what the Project resettlement policy to be agreed by the Government and ADB requires
Phase 2: Land for the (i) additional depot and (ii) access line that have yet to be acquired	No compensation yet. Detailed Measurement Survey ongoing	(ii) Spell out in detail the entitlements due to those who have not yet been dispossessed by the Project, including livelihood stabilization support as needed, and the procedures for carrying out resettlement

2. This **Supplementary Assistance Plan** is a result of the due diligence activities carried out for the depot and access line. This Plan has been prepared to cover various programs for households affected by the project in the depot Phase 1 and also households in the commune who belong to poor and vulnerable groups. The program will also include households affected by Depot Phase 2 and Access Line.

II. APPROACH IMPLEMENTATION

3. The livelihood improvement plan is developed based on the survey results and consultation with local people and concerned departments and organizations.

- In-depth interview and group discussion are carried out for the people affected by depot and access line to identify the impact level and needs for assistance to restore their livelihoods.
- Analysis of socio-economic survey data in depot and access line area -2010;
- Group consultation classified by types of affected people and gender;
- Consultation with local authorities and departments (Commune People's Committee, District People's Committee, social organizations such as Farmers' Association, Women's Association, Veterans' Organization, etc.)
- Consultation with firms, factories and other social organizations in the area to identify the potential livelihoods activities for the affected people.
- Refer to the project documents including the socio-economic analysis report in 2008 and the report on project's impact assessment in 2008.
- Refer to the current policies of Viet Nam who are being applied to the compensation and resettlement activities (Decree No. 197/ND-CP dated December 3, 2004; Decree No. 84/ND-CP dated May 25, 2007, project's policy framework by Asian Development Bank).

III. PROJECT AREA

4. The depot and access line in the area of two communes, Minh Khai and Tay Tuu, in Tu Liem District, Ha Noi. These are two suburban communes of Ha Noi City, which are undergoing rapid growth and urbanization due to the industrial zones and city expansion process. The urban traffic system is being planned and expanded, the small and medium industrial zones, universities and colleges are being built to meet the industrialization and education demands of the capital and neighboring provinces.

5. Minh Khai Commune has total natural land area of 483,230.6 ha; of which, the area for growing annual crops accounts for 211.1918 ha and the area for growing perennial crops occupies 86.0091 ha. The agricultural land area (annual crop area) per head is 211m².

6. The total population of the commune is 25,812 people. Among them, 18,200 people are in labor age of which 13,978 people are male and 11,825 people are female. The population is increasing at an annual rate of 1‰. Out of the total of 3,975 households in the commune, 910 households are engaged in agriculture (accounting for 24.1%) and 1,300 households work in services, occupying 34.4%.

7. The number of poor households is 87 with 310 persons, accounting for 2.3% of the total population in the commune.

8. Tay Tuu Commune has total natural land area of 530 ha. Productive land accounts for 68.5% of the total area of which 43.31 ha for growing annual crops including vegetables and spice plants. The area for growing flower is 320 ha and 10 ha are for perennial crops. The agricultural land area per head is 222m².

9. The total population of the commune is 17,852 people (or 3,017 households). Among them, the number of households working in agriculture is 1,810, accounting for 60%. The number of households in industry and handicraft is 150, or 5%. 60 households and 754 households are engaged in construction and services, occupying 2% and 25%, respectively.

10. The commune has 35% of the households who are rich households, 20% of the households are above-average households, 40% are average households and 5% are poor households (160 households- 497 people);

11. There are differences in livelihood activities between people in Minh Khai and Tay Tuu communes due to changes in crops and other production activities. In Minh Khai Commune, before 1999, the commune was purely agricultural area: people mainly grew rice and vegetables. The area was the vegetable supplier for the city, Ha Noi. In 1999, when Hanoi College of Industry moved to the area, the students' demands for renting houses fostered occupational changes in Minh Khai Commune. The households changed from working in agriculture to renting out house. In line with the development of Hanoi, the area is undergoing a rapid urbanization. In Minh Khai, there are still households who are working in agriculture but the proportion is insignificant. They mainly grow spice plants, replacing Lang Village which is well-known for growing spice plants of Ha Noi but losing vegetable land area due to the urbanization speed of the area.

12. On the contrary, in Tay Tuu Commune, people still mainly depend on land. Their changes are not to stop farming but focus on the products with higher value, which is growing flower. In 1992, a group of youths through selling vegetables in Quang Ba Market¹ bought flower seeds to plant in their area. However, because they did not have techniques and the security was not good, their planting flowers did not bring about much income. Still they realized that it was more economically valuable than growing vegetables and pear-shaped melons.

13. After considerable change of Vietnam socio-economic situation after Policy 10 (the policy on allocating land to people), people in Tay Tuu Commune have changed to grow flowers. One of the first people who changed to specialize in growing flowers in the area is the man who was looking after the Revolutionary Martyr's Cemetery of Tu Liem District (Khuc Thanh Van – Occupational Change in Tay Tuu Village, 2002) and some other people who returned from military service. Planting flower has brought about better income than vegetables before. So far, most of the households in Tay Tuu grow flowers and intercrop vegetables and spice plants to supply the inner city. The area which was well-known for tomato and pear-shaped melon (officials' group discussion) now becomes a flower-growing area replacing Ngoc Ha and Quang Ba flower-growing villages. These villages are affected by wave of urbanization, so they do not have land to grow flower. Tay Tuu, together with Me Linh, becomes two main flower suppliers for Ha Noi. In Minh Khai and Tay Tuu Communes, the number of social policy households is:

Table 2: **Number of poor households and social policy households in the communes**

Commune	Poor households	Social Policy households	Martyr's family	Wounded soldier's family	Family dedicated to national revolution`	Heroic Vietnamese Mother
Minh Khai	87	64	164	69	0	11
Tay Tuu	160	0	30	56	0	0

Source: provided by Tay Tuu and Minh Khai CPCs – 2010

II. LIVELIHOOD ACTIVITIES OF PEOPLE IN THE PROJECT AREA

14. According to the survey on the livelihoods of people in the project area, because these communes are at the edge of the city and undergoing urbanization process, the livelihood activities in the area are quite various. The statistical data provided by the CPCs on the number of households and livelihood activities corresponding to different occupations in the affected communes are shown in Table 2.

Table 3: **Main livelihood activities of people in the project area**

¹ Well know flower-growing area in Ha Noi

Affected area	Main livelihood activities	Number of HHs	Percent %
Minh Khai Commune			
Agriculture	Growing rice, specialty pomelo and intercropping vegetables; growing flower, pot plants and animal husbandry	910	24.1%
Industry and Handicraft	Workers of the industrial zones and enterprises in the area	0	
Public servant	Working in government offices	125	33.1%
Construction	Working in building houses	25	0.66%
Business and Services	Open shops, seasonal business and other services	1590	42.1%
Tay Tuu Commune			
Agriculture	Growing rice, flower and pot plants and animal husbandry	1810	60%
Industry and Handicraft	Workers of the industrial zones and enterprises in the area	150	5%
Construction	Working in building houses	60	2%
Business and Services	Open shops, seasonal business and other services	754	25%

Source: statistical data provided by Tay Tuu and Minh Khai CPCs

15. The data shows that the proportion of households depending on agriculture is at 24.1% in Minh Khai Commune and up to 60% in Tay Tuu Commune. The business and services activities account for quite significant percent compared to other occupations: the numbers of business households in Minh Khai is 1,590, occupying 42.1% and in Tay Tuu is 754, making up 25% of the total. Besides, the non-agricultural livelihood activities such as building or working in the industrial zones in the city's area tend to increase in the recent years.

16. The differences in the livelihood activities between 2 communes, in fact, are influenced by land acquisition for Metro Project and other projects implemented in the area since 1999. The location near Nhon crossroads intersected by the National Road 32 and Provincial Road Tay Tuu in Minh Khai Commune was affected by land acquisition in 1999 for the building of the College of Industry (currently Hanoi University of Industry). The number of households working in services is increasing considerably. The services mainly involve renting out house for students and workers and opening small shops to serve the needs of these people. According to the opinions of people in Minh Khai and Tay Tuu communes, people in Minh Khai commune have been focusing much on increasing educational level and conversing occupations towards non-agricultural activities.

17. On the contrary, Tay Tuu commune is land-based community. They only change from growing vegetables and pear-shaped melon to different kinds of plants which have higher values and meet the market's demands. People and commune authorities emphasized that they would follow flower-growing to the last unless "the entire agricultural land within a radius of 30km is acquired". Other occupations in Tay Tuu commune mostly serve flower-growing. Most of the households which are engaged in services mainly sell plant protection chemicals, plant growth chemicals or they sell flowers in the markets in Ha Noi. *"Ha Noi has 37 markets in which flowers are sold, most of the flower-sellers are from Tay Tuu Commune"*.

a. Agriculture

18. Agriculture in Minh Khai Commune only contributes to a small part of the economic structure of the commune, accounting for 18.87%. The main crops are orange, pomelo

(which are the specialties), flower and vegetable. There is also animal husbandry in the area – the people mainly keep pigs. However, they are facing the following challenges:

- Land area is decreasing because of the urbanization rate. Quite a few projects will be implemented in the area, causing land acquisition, particularly Phu Dien urban area Project to be implemented.
- Animal husbandry does not have favorable condition to develop because of environmental impacts; moreover, the policy does not encourage animal husbandry in the urban area;
- The rest of the land is not enough to maintain an area of specialty trees as before due to unexpected impacts; for example, depot filling has caused waterlogged for 10ha of crops of Nguyen Xa Hamlet;
- Unfavorable weather causes loss of the pomelo.

19. Agriculture in Tay Tuu Commune accounts for 60% of the commune’s income. People mainly grow the kinds of flowers which meet the demands of Ha Noi’s markets such as rose, lily, gerbera and vegetable (spinach, colza and spice plants).

20. For vegetable, the main market is Ha Noi. As regards flowers, apart from the markers in the inner city, flowers are also sold to Da Nang and Ho Chi Minh City markets and Chinese market. The kinds of flowers sold to these markets are different. In Hanoi market, they mainly provide rose, lily and gerbera. However, in Da Nang and Ho Chi Minh markets, only gerbera and lily are supplied because these are flowers which Da Lat cannot provide due to worse quality than flowers of Tay Tuu. The kinds of flowers to Chinese market are various but only when the flowers of Chinese suppliers are not enough because of bad weather, so this market is not regular.

21. Flower-growing requires many techniques. Besides planting techniques for each kind of flower, the use of plant protection chemicals against different kinds of insects, in each period and for different kinds of flowers with certain dose are also factors affecting the quality of the products. Seed, a very important factor for growing flowers with high value such as lily and gerbera, is the most concern of many flower-growers. The households planting such kinds of flowers have to have capital and a little “risk”. These flowers require big investment and bring about great income but high risk.

22. For lily, the flower seeds are imported every year. But for gerbera, the seeds can be preserved to reuse but it requires preservation means and techniques. Up to 80% of success in keeping seeds of the flowers depends on the preservation techniques in cold storage.

Table 4: Some technical elements relevant to flower growing

Flower kinds	Harvest period	Seeds’ requirements	Investment/pole (average) (VND)	Interest/year (net profit)	Risk level
Lily (liz)	3 months	Imported each crop- lily bulbs have to be processed overseas.	100 – 120 million/ pole	30 – 50 million/ pole	High
Lily (another kind)	2 crops per year	Seeds are imported, bulbs can be kept to use for the next crop and after 1-2 year the bulbs will be replaced.	30 million/ pole	10 – 12 million/ pole	High, bulbs have to be kept in cold storage
Gerbera	All year round	Sprout is imported and will be replaced after 3 years.	17 million/ pole	10 – 15 million/ year	Average
Rose	After 6 months	Domestic, multiplication	14 million/ pole	10 million/ year	Low
Daisy	2 crops/	Domestic	9-10 million/ pole	10 million/ year	Low

	year				
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Source: Group discussion in Tay Tuu Commune

23. The table shows that among the main kinds of flowers grown by Tay Tuu people, the investment in lily (liz) brings about greatest profit. After 3-month growing, people can plant onion, garlic and other kinds of vegetables to supply the city. When lily bulbs are imported, if the flower-growers cannot plant immediately, the bulbs have to be kept in the cold storage in minus 10 to 8 degrees. Another kind of lily ("loa ken" in Vietnamese) is also popular. The seeds have to be imported. After the first harvest, people can keep the bulbs to use but it requires cold storage to process the bulbs. Therefore, the main reason for many Tay Tuu people afraid of investing in these two kinds of flowers is that they do not have cold storages to keep the seeds. In Tay Tuu Commune, there is one household having 2 cold storages but the degree in the storages is not enough to keep the flower seeds but to process seeds. Other households have to leave the seeds in Me Linh or Quang Ba. The cold-storage rental is more than 10 million VND for 25 days with 40,000 bulbs.

24. Apart from growing flower, Tay Tuu people also plant vegetables such as mustard greens and spice plants (particularly onion and garlic) to increase income and land-use effects. These kinds of plants are useful in improving soil of lily gardens.

25. The challenges for floriculture in Tay Tuu Commune:

- The land fund is reducing due to the implementation of the transport and industrial zone projects;
- High risk in renting land to grow flowers in the areas around the commune;
- Do not have techniques in using plant protection chemicals and flower growth chemicals;
- Difficulties in importing seeds;
- No investment in seed preservation means and techniques for different kinds of flowers;
- Competition with other flower-growing areas such as Sa Pa, Me Linh, Hai Phong and Hai Duong.

b. Non-agricultural activities

26. Services account for 74.86% of the economic structure of the commune, mainly involving in renting out houses and opening small shops. These services are now attracting more and more people. Due to the university, college and vocational school in the area and the development of Phu Dien industrial cluster, the physical population growth rate is quite high. In Nguyen Xa Hamlet (the most affected area by depot and access line), there are up to 8,000 students and 2,000 workers renting houses in the area. However, the challenges to such service in the long term are as follows:

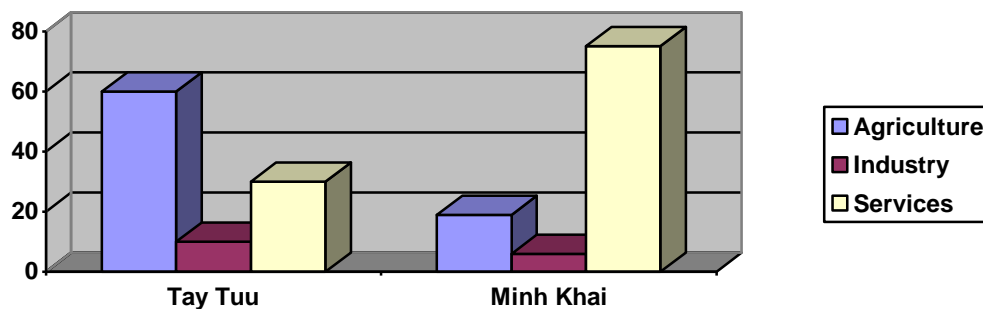
- The development of urban areas will acquire land used to build houses/rooms for rent (house grade IV- cheap to students and workers)
- The growing demands of the renters: they tend to rent the houses/rooms with better facilities such as self-contained flats with kitchen and toilet for 2 renters. This tendency is increasing, which requires the people to invest more in building houses/rooms for rent;
- The dormitory plan of Hanoi University of Industry will cause a decrease in the students' demands to rent houses/rooms outside the university;
- Rapid urbanization speed and strong development of services will cause difficulties for small shops to maintain and develop.

27. Minh Khai people tend to be engaged in non-agricultural activities. More than 33% of the households are public servants, which brings them a stable income source although it is not high. More children can access to better education; however:

- The competition with the labor forces in the city and from other provinces is more intensive;
- The negative impact of the stable income source from rental is that many youths are passive and do not want to manage to find other jobs.

28. Non-agricultural activities of the households in Tay Tuu Commune mainly involve in the occupations to serve flower-growing such as carpentry and welding to build greenhouse and net-house to plant flowers, transport services to retail flowers in the markets, selling plant protection chemicals to the flower-growing households. Particularly, there is a household building cold storages to preserve flowers and keep seeds. Four households grow and sell flowers and provide seeds for the whole commune at the same time. Non-agricultural activities in Tay Tuu Commune only account for 40% of the budget revenue.

Budger revenue proportions of Tay Tuu and Minh Khai communes



c. Accessibility to financial service

29. Although they are agricultural communes, their access to credit is quite favorable. Minh Khai Commune has credit balance from Vietnam Bank for Social Policies up to 4.5 billion VND/ year. The loans are mainly for children's education and building houses for rent. The annual credit balance of Tay Tuu Commune is more than 10 billion VND and the loans are mainly for investment in floriculture. Besides Vietnam Bank for Social Policies, other banks are open for different forms of loans but mortgage is required.

30. Unofficial credits exist in both communes. In Minh Khai, people can gather in groups and take part in a tontine, particularly women's groups. People pay money everyday (5,000 VND), every week or every month, depending on each tontine. If anyone needs money, he/she will have to pay to take the tontine. This is one of the long-lasting community support ways in the Vietnamese villages.

31. Unofficial credit in Tay Tuu is to lend money with interest. There are some people lending money with high interest rate for the people who need money to buy seeds or plant protection chemicals.

32. According to the commune officials, in fact, people's demand for borrowing money is quite high. However, the allowed amount of loan from Vietnam Bank for Social Policies is not considerable (about 10 million VND per household), which cannot meet the households' demands for investment.

33. In the recent years, stock exchange is quite attractive to some people. There are some households, after receiving compensation money, have invested in stock exchange and most of them have lost their money (male group discussion). This is the fact in Tay Tuu Commune where the "role of the women is lower than the men and many women never know how their families' money is spent" (Head of Women's Union of Tay Tuu Commune).

d. Accessibility to financial service

34. Based on various sources of livelihood indicated above, analysis with regard to opportunities, difficulties and threats on these livelihood activities are presented in the table below.

Table 5: **Opportunities, difficulties and threats in the livelihood activities of local people – analysis by occupations**

Occupations	Strengths	Weaknesses	Opportunities	Threats
Build house for rent	Having land to develop this kind of service; Construction cost is not high; Stable income;	House is built on agricultural land; This can create jobs for a small number of population; Abundant labour; Social issues; Public infrastructures cannot meet the requirements of natural population increase;	High demand of renting houses of students from universities, colleges and workers in the locality;	Demand of rent rooms/houses is getting higher; there should be higher investment; Many people participate in the services so this service is more competitive; therefore, the service's quality needs to be improved; There is no contract with the tenants;
Small business	Meet daily needs of some workers and students;	Only serve the daily essential goods; Small capital; Many people do the same business so it is very competitive;	This activity can serve students and workers (including workers who will work in the depot area); This does not need high capital; It is not necessary to open an individual shops; local people can open shops at their house; Sale skills are not required; the elderly can carry out or help their family;	The urban area planning and supermarkets will attract the customers; People tend to go to supermarkets to buy goods as their demand is getting higher in consumption; This activity can provide some retail goods to students and workers; Low interest rate;
Agricultural production				
Special pomelo	Special pomelo is only in Minh Khai; High value; Suitable growing land;	It lasts a long time from growing to harvest; Climate changes affect strongly the pomelo productivity;	There is nearly no or few opportunity for local people to maintain this special plant area;	The land is reducing due to the fast urbanization speed and high demand of buying land to build house; Planning of urban area has been approved;
Rice and some other crops	The land is suitable to agricultural cultivation; There is irrigation system;	Good value is low; It needs many laborers; The youth does not want to continue growing rice and crops;	There is no opportunity to develop or maintain rice and crops growing;	The land is reducing due to land acquisition for build industrial zone and other services; High competition from the area specializing in rice and vegetables

				cultivation in Ha Tay, Hai Duong and Hung Yen;
Flower growing in Tay Tuu	Flower growing brings high income; High value; There are flower growing and cultivation skills; There are traders and consumption dealers; It is near the consumption market; Local people have strong attachment to flower growing and do not want to change their occupation	The flower has just met the demand in Ha Noi; Some kinds of flower have low value; The high value flowers have not been developed;	Higher demand of people about high-grade goods; It is near the consumption market so it helps to reduce preservation and transport cost; It is near the center of science and technology so it is possible to get access to new technique; It is possible to develop flowers as an export good if there is great investment; There is investment of the State in an area specializing in flower growing with high technology;	Small capital; The land is getting smaller; There has not been stable supplier of seeds; It depends on the outside suppliers; There has not been standard skills of growing flowers; local people get skills through their own experiences; It is possible to grow some flower types which are suitable to the tropical weather; There is competition from flower growing area in Me Linh, Sa Pa and Da Lat;
Non-agricultural occupations	High education level; There is policy to support people losing land participate in vocational training; There is commitment of the investors that they will employ local people to work in industrial zone or factories on the condition that the workers can meet their requirement;	Being workers do not bring income as high as growing flowers; It requires high discipline; Education level requirement is at least finishing secondary school for unskilled labour; It requires that people need skills and experiences to work in the industrial zones;	They can work in the depot area or industrial zones in the locality and Ha Noi;	It is hard to compete with the labour in inner Ha Noi and immigrant labour; It is difficult to find a job as expected; There are few vocational training centers which have good quality and good outputs; Abundant labour; the enterprises do not have high demand of employing; Lack of skilled and qualified labour;

III. PROJECT IMPACTS ON LIVELIHOODS

35. Agricultural land affected in the 2 communes is quite different. In Tay Tuu commune, the agricultural land affected is mainly land for growing flowers (64,157.5 m²), including rose, daisy and myosotis and growing vegetables with the area of 15,465.3 m². Meanwhile, in Minh Khai commune, the affected land is mainly land for growing fruit trees, especially the pomelo which brings high economic value in the locality.

1. Project impacts on agricultural and non-agricultural production

36. In the 2 communes, there are total 297 affected households, of which, 232 households are affected due to depot (Phase 1) and 71 households are affected by the

access line and depot (Phase 2). Project impact on depot site is agricultural land managed by the households, temporary camps, part of it is under the management of the CPCs and some areas of traffic and irrigation land of the 2 communes. There is no household affected on commercial land used for doing business.

37. Households doing business mainly live in the access line area. The land acquisition for access line will affect 55 households (asset owners) and 16 households renting shops in the locality. 100% of households in the access line area are not engaged in agricultural production. Small shops and services such as electronic shop, food shops and house for rent concentrate in this location with high number due to the advantage of being near the road. According to informed planning, these households will be affected by 2 projects which are the road 32 expansion project² and Hanoi Metro project. They will have to relocate and the resettlement site is planned to build in Mieu Nha hamlet, Tay Mo commune which is more than 7km far from the locality.

3. Income

38. According to the hamlets' and commune's officials as well as local people, many households have been well-off by receiving compensation from depot. This is a wrong idea. The Tay Tuu commune's officials say that there were some poor households in 2006 -2007, however, at the time being, these households are no longer poor (according to poverty line of the MOLISA). In fact, losing productive land and jobs means that income of the affected households reduces. The survey on income of the affected households shows that average income of the households engaged in agriculture is as follows: they can get income of about VND 60 to 80 million/ha from growing rose and vegetables. For some other flowers such as gerbera and lily, the income is higher. For households having rooms for rent, their average income is about VND 6-7 million per month if they have 10 rooms for rent.

Table 6: **Average Per Capita Income**

Per Capita Income Per Month (in VND)	Depot	Access line	Total	
			Number	Percent
329,000 and below	11	4	15	5.0
330,000 – 499,000	6	1	7	2.3%
500,000 – 999,000	48	3	51	17.0%
1,000,000 – 1,999,999	96	13	109	36.3%
2,000,000 – 2,999,999	44	16	60	20.0%
3,000,000 – 3,999,999	12	6	18	6.0%
4,000,000 – 4,999,999	5	5	10	3.3%
5,000,000 and above	8	22	30	10.0%
Total	230	70	300	100.0%

Source: Socio-economic survey in Depot and access line – 2010.

39. For flower-growing households who suffer from land loss: renting land elsewhere to keep growing flower is common for these households. In the past, renting land is not special case. Almost all households in Tay Tuu have ever rent land in surrounding area to grow flower, however, due to many changes, at present, local people have to go far to rent land, even 20 km far from their houses. Renting land in far location has directly made the input

² There is no approved plan yet from the Hanoi People's Committee on the proposed road expansion.

cost increase (cost of renting land, protection cost, transport cost, etc.). These input costs have made income of them reduce; their current income can only account for 70% of the previous income. However, some households think that they have higher income due to change of flower seeds and the fact that some flowers bring higher quality and productivity on new land (such as madona-lily and gerbera).

40. Regarding households in Minh Khai commune, the households are affected on agricultural land, losing income from growing pomelo. Now, they have changed to do small business by opening rooms for rent. Their income has been higher for 2 years from doing business than growing pomelo. However, for these households, their service has been going down as the students now have higher demand of the room quality. But these households do not have enough money to re-invest in improvement of the houses for rent.

4. Threats

41. According to consultation result in the field, it is shown that the affected people expect to keep their jobs; there are few people who want to change their jobs. They think that for people over the age of 20, it is difficult to change their jobs. Occupational change should be focus on the age-group of 18-30 if at present, they are still jobless.

42. Trend of occupational change of the affected households is not clear at the time being. Result of the survey carried out in depot area with 230 households shows that 61.7 % of the households affected in depot area has not changed their jobs; 10.9 % of the households have rent land in other location for production; 5.7 % of the households have changed to do business; 5.2 % of households have built house for rent and 7.8 % of the households are employed to do seasonal work.

Table 7: **Impact of land acquisition and trend of occupational change of the affected people**

Occupational changes of the households	Number	%
Hired labor	18	7.8
Rent land in other location for cultivation	25	10.9
Change to do business	13	5.7
Improve skills and increase productivity	20	8.7
Build house for rent	12	5.2
No information (no change)	142	61.7
Total	230	100.0

Source: Socio-economic survey in Depot and access line – 2010

43. Survey result on the demand of affected people shows that in agriculture, almost all affected households still want to keep agricultural production with traditional job of growing flowers and breeding development which provides fertilizer serving flower and fruit trees growing and provides food for the city. Besides, land and irrigation system improvement is also a priority in agriculture.

Table 8: **Demand of livelihood restoration of the affected people in project area**

No.	Type of support	Number	Percent of interviewees
I	Agriculture		

	Maintain agricultural production	63	27.9
	Supply of service land	2	0.9
	Policies assistance	2	0.9
	No response	77	35.5
II	Productivity enhancement support		
	Land improvement support	25	10,9
	Irrigation system improvement support	1	0.4
	No response	118	51.3
III	Training and job support		
	Vocational training and job support	35	15.2
	Investment in education for the children	9	3.9
	No response	100	43.5
IV	Micro-credit support		
	Borrow money for doing business and production	29	12.6
	Assistance of borrowing procedures	1	0.4
	Interest rate support	1	0.4
	No response	113	49.1
V	Other supports		
	Requirement of support and compensation	18	7.8
	Resettlement land	4	1.7
	Supply of service land	16	7.0
	Subsidy on agricultural product	1	0.4
	Assistance of land procedures	2	0.9
	Ensure social security	3	1.3
	No response	98	42.6

Source: Socio-economic survey in Depot and access line – 2010

44. The affected people care about vocational training and occupational change for their children due to the fact that fast urbanization process occurs and there is risk of losing agricultural land of the communes as there are many projects in planning process.

45. Requirements of the micro-credit activities include capital assistance for doing business; borrowing procedures and interest rate are presented by the affected people. According to them, this is one of solutions to carry out livelihood development activities;

46. Besides, many other assistances such as compensation, supply of resettlement land, subsidy on agricultural products and ensuring social security, especially for people in family under preferential treatment policy, the single elderly, women who head the households, are also mentioned in the support for livelihood development in the locality.

Table 9: **SWOT analysis on opportunities and threats to livelihood restoration for affected people in Tay Tuu and Minh Khai**

Strengths of the locality (S)	Weaknesses of the locality (W)
<p>Geographical location and infrastructure:</p> <ul style="list-style-type: none"> - The suburban area close to Ha Noi city has fast urbanization speed which creates advantages for the socio-economic development. - Having many medium and small industrial zones, universities and colleges; - Having consumption markets for the products <p>Support policies</p> <ul style="list-style-type: none"> - People can get access to the science and technology 	<ul style="list-style-type: none"> - The land fund is limited; land price is high so it is difficult to expand production - The area of agricultural land is small; affected people find it difficult to be compensated according to the method "land for land". - Other projects will be carried out in the locality and there is still risk of land loss - Agricultural expansion and transfer of science and

<p>and apply directly in agricultural production and breeding activities.</p> <ul style="list-style-type: none"> - Easy access to the loans <p>Human resource</p> <ul style="list-style-type: none"> - Many people are at working age; it is possible to change and diversify occupations; - Possible to quickly approach to new aspects 	<p>technology to people are not carried out regularly</p> <ul style="list-style-type: none"> - There is requirement of mortgage; high interest rate and borrowing duration is short <p>Human resource</p> <p>Education level is low; there is no auxiliary jobs;</p>
Opportunities for livelihood restoration (O)	Threats to livelihood restoration (T)
<ul style="list-style-type: none"> - Having traditional job of growing flowers and the traditional fruit areas can be developed in future. - It is near Ha Noi so there are more opportunities to find jobs and change jobs than other rural areas; - Affected people can find jobs from the project when the project is put into operation. <p>Opportunities of stabilizing incomes</p> <ul style="list-style-type: none"> - Producing flowers which have high value and suitable to export market - Breeding is carried out according to industrial trend and environment protection - Doing business - Job changes are based on human resource 	<ul style="list-style-type: none"> - There is no additional land fund for the people losing land - In many other projects, there are plans of land acquisition. - It is hard to protect the land when local people have to rent land in other communes which are far from their houses; this is not stable; - Flower quality has not met the requirement for export market - Jobless and poor situation can occur for the affected people who lose land and shops. - Local people do not want to change job as income from growing flower is higher than income of a worker in industrial zones. - Low educational level make people find it difficult to access to high technical occupation; - Breeding is not possible to develop as it seems not to be encouraged.

IV. POTENTIAL LIVELIHOOD ACTIVITIES IN THE PROJECT AREA

47. As the project area is located in suburb of Ha Noi city and in urbanized area with many state-owned or private industrial zones, universities, colleges and priority projects of the city, potential livelihood activities are quite various. It seems easier for local people in general and affected people in particular to get access to jobs than people in other rural areas since they have more opportunities. However, access capability to jobs still depends on age-group, gender and education level. Survey result on potential occupations in the locality shows that opportunities for affected people to access and change their jobs are as follows:

Table 10: **Potential livelihood activities for affected people**

No.	Occupation	Subject	Requirement
1	Workers (mechanics, garment, construction, etc.)	All people (male and female) under the age of 30	Trained in vocational training school
2	Officials, high skilled labour	All people in working age (male and female)	Trained in university or college
3	Doing business and service	All people	No
4	Driver (Taxi, transport service, tourism, etc)	Male in working age with demands	Having driver license and mortgage
5	Labour export to Middle Eastern and Asean countries	People in working age	At least, finishing secondary school
6	Unskilled labour (staffs in the restaurant, hotels, etc)	All people with demands.	No

7	Agricultural production (flower, vegetable, fruit serving Ha Noi's demand, etc...)	All people	No
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48. Besides, there should be long-term plan for people at school age with vocational orientation for their future by taking examination to college or university. This does not only needs family's support but also awareness of the youth and future vocational orientation in order to quit agricultural work under the situation of urbanization. This can be considered as one of the sustainable occupational changes for the next generation of project affected people.

49. This report aims to present various options on livelihood restoration or improvement of socio-economic conditions of the severely affected and vulnerable households and households in the communes who belong to poor and vulnerable groups. It should be noted however, that the planning livelihood activities will entail a series of needs and opportunities assessment that require the active involvement of the households, commune and local officials, and HRB. Moreover, in order not to overburden the government and to avoid duplicating of tasks, the livelihood program will be linked with existing government and private development programs. Nonetheless, an initial amount of USD 1,000,000 is being allocated for the Supplementary Assistance Plan.

50. The preparation of livelihood restoration and development should ensure sustainability, mitigation of risks and in harmony with the culture and traditional customs of the community. As mentioned above, beneficiaries of this program will include:

- Severely affected households who lost more than 10% agricultural land of the total cultivation land and who permanently lost business places because those have much difficulties in restoring production and economic after land acquisition.
- Households who belong to poor and vulnerable groups in the communes.

Component 1: Agricultural production. The objective is to restore agricultural production including growing traditional flowers and high valuable flowers.

Activity 1.1. Maintain flower production and expand high valuable flowers

- People will be assisted to approach new land source through renting land with contract in surrounding areas with irrigation service in the new production area and other services. There will be change to produce flower seed or flower with high economic value for households losing less than 50 % of land in order to increase incomes.

Activity 1.2 Skills training for farmer households

- Science and technical service will be provided through agricultural extension channel and experts in each aspect of flower and decorative plants will assist local people with technique through training program and pilot model. The activity will focus on providing technique of identifying pest of each flower and effect of each relevant pesticide. It is ensured that thorough grasp of skills related to using plant protection chemicals.

Activity 1.3 Market promotion

- This activity will supply inputs of seeds, pesticide with good quality for people as well as clear instruction for use and find markets for flower through flower export companies.

Participants in this component are affected households who still have land to continue their production, lease land to produce elsewhere and wish to maintain agricultural production (flower, pot plant, vegetable, etc). People over 30 years old who can hardly change occupation after land acquisition or have no wish (do not want) to change occupation are mainly focused. In this component, it is estimated that there are 541 people, of which 263 people are female, 378 people are male. Women are preferred to participate in activities such as: Technical assistance training, assistance for flower trading, because they directly work in flower production and agricultural product consumption. For households who are not affected but they belong to poor and vulnerable households, the number of people will be determined during implementation.

Component 2. Tools and technical assistance. The objective is to ensure that flower growing people can receive the best assistance of inputs and outputs for their products.

Activity 2.1. Assistance of a trader for flower import

- A service center should be established to ensure that high valuable flower seeds like Lily will be supplied directly from the supplier to flower growing people. The Fruit and Vegetables Institute will be the trader for this activity.

Activity 2.2. Assistance of seed and flower preservation

- Cold storage will be supplied to each household group in order to ensure requirement of seed and flower preservation. Technical assistance of using cold storage will be given to representatives of the households in order to avoid any conflicts in using cold storage with different purposes. Priority will be given to those who lose more than 30% of their land; households who lose less than 30%, households are found to be dependent on flower production; and households involved in flower production who belong to poor and vulnerable groups.

Component 3: Assistance of occupational change for affected people. The objective is to diversify non-agriculture driven occupations and to minimize jobless situation of people in working age.

- The project will assist qualified people to change jobs towards non-agriculture through vocational training: mechanic, driver, construction worker, etc. in order to meet society's demand of skilled workers for labour market at present. After vocational training, the project will also assist people to find jobs to have stable income and quit agricultural production under situation that there are many difficulties in land. Vocational training activities should be oriented at the early time and combined in policies (VND 6 million per trainee and vocational training for female labour losing land). The project will co-operate with the local departments and labour companies to build specific program for these households.

Participants of this component are mainly male and female youth in working age (above 18 years old) who wish to change occupation. However, participants of this

component have to satisfy all conditions of training providers. Survey results show that there are 167 people (90 people are male, 77 people are female) from the affected households that have ability to change occupation as they have finished secondary and high schools. Households who belong to poor and vulnerable groups will also be considered. This will be further assessed.

Component 5: Access to Credit fund. The objective is to ensure that all have opportunity to access the preferential credit with low interest rate and in long-term, meeting need of capital for agricultural production, doing business and other occupations.

- The project will assess availability of ongoing credit programs in the area and establish a mechanism on how these programs can be made accessible to the communities.

Table 11: Summary of the activities in specific plans for each commune

Minh Khai	Livelihood activities preferential to affected people in Minh Khai commune
	<p>Agricultural production</p> <ul style="list-style-type: none"> - Enhance effectiveness in agricultural production with special fruit such as pomelo or high valuable flowers on the remaining land through technical training. <p>Doing business</p> <ul style="list-style-type: none"> - Assist the households doing business and assist loan if they need. <p>Business service and occupational change</p> <ul style="list-style-type: none"> - Establish co-operative of business service (car repair, parking, etc. and the temporary market) for the affected households. <p>Training and Link to Job Opportunities</p> <ul style="list-style-type: none"> - Select people who meet requirements for labour based on their demand. Will provide training.
Tay Tuu	Livelihood activities preferential to affected people in Tay Tuu commune
	<p>Agricultural production</p> <ul style="list-style-type: none"> - Keep growing flowers and decorative plants and vegetables; enhance the production value on the remaining land of the households. - Legal assistance for the people renting land and technical, irrigation services; <p>Capacity enhancement</p> <ul style="list-style-type: none"> - Technical training to enhance knowledge for people growing flower, especially for high-value flowers. <p>Tools and technical assistance</p> <ul style="list-style-type: none"> - Build service center of supplying technical service, seeds, flower preservation and consumption; of which, there are 03 cold storages to preserve lily and other flowers which will be built and fitted up in the commune. <p>Market promotion</p> <ul style="list-style-type: none"> - Build linkage between the flower seed suppliers and farmers and find export market for the products. <p>Occupational change and Training and Link to Job Opportunities - Assist training for occupational change. Select people who meet requirements for labour based on their demand.</p> <p>Capital assistance for female labor</p> <ul style="list-style-type: none"> - Assist the people doing business by re-arranging the enterprises and supplying capital through access to credit.

51. In addition to the programs mentioned above, HRB will also provide funds for small community infrastructure programs that will help in the upgrading of commune social services. For example, irrigation system and water supply.

V. IMPLEMENTATION ARRANGEMENTS

52. Ha Noi People's Committee is responsible to support the project implementation; Ha Noi Center for Land Fund Development is in charge of direction and co-operation with the local authority (Tu Liem DPC and relevant communes) to carry out land fund adjustment for the affected people, prepare resettlement plan and assistance for livelihood restoration after land acquisition.

53. The Ha Noi Metropolitan Rail Transport Project Board (HRB) is the main organ to directly manage the project implementation, under the direction of Ha Noi People's Committee; departments of the HRB will co-operate with the local authority to carry out activities related to resettlement and livelihood restoration for the affected people;

54. Tu Liem District People's Committee will co-operate with the Ha Noi Center for Land fund development and the PMU to make plan and conduct implementation arrangement.

55. A specialized technical assistance team will be engaged under the direction of Tu Liem DPC to carry out assistance activities for livelihood restoration and to ensure that the activities are associated with the resettlement activities and other projects carried out in the locality. The technical assistance team will prepare specific plan for each activity, conduct implementation and monitoring on the implementation process at the locality. During the implementation process, the team can co-operate with the specialized organs within and outside the district, consultancy agency and other social organizations to comprehensively implement all components of the livelihood development plan.

56. The Commune People's Committee and the mass organizations of Minh Khai and Tay Tuu communes are responsible to co-operate with the PMU, specialized organs of Ha Noi city, Tu Liem district and the technical assistance agencies to promote local people in the hamets, communes, affected people to carry out livelihood restoration activities as well as participate in monitoring process of the livelihood development activities.

57. Implementation arrangement chart of supplementary assistance plan is shown in Figure 1 below.

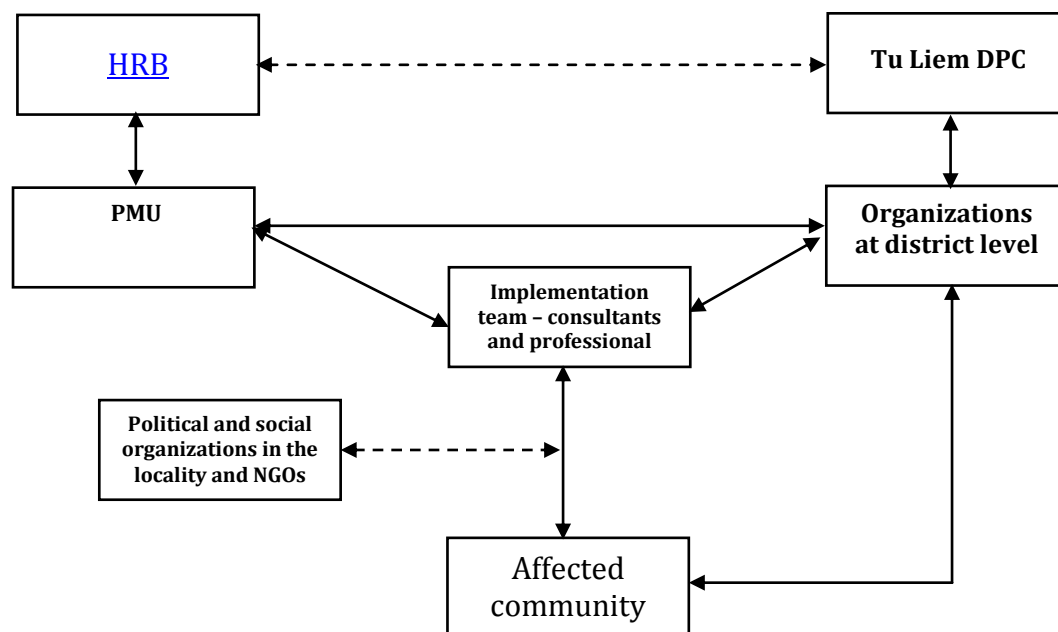


Figure 1: Implementation Chart

VI. COST ESTIMATES

58. The costs amounting to 4.1 billion VND (USD221,000) as presented indicated in the table below are estimates only. Assumptions were made based on ongoing programs and studies on Hanoi flower production.

No.	Content	Estimated cost	
		VND	USD
A Minh Khai			
1	- Technical training to assist agricultural production	200,000,000.00	10,810.81
2	Occupational change	300,000,000.00	16,216.22
	Sub-Total	500,000,000.00	27,027.03
B Tay Tuu Commune			
1	- Build cold storage for seed preservation	1,000,000,000.00	54,054.05
2	- Technical training and assistance for flower growing and using plant protection chemicals	300,000,000.00	16,216.22
3	Occupational change	700,000,000.00	37,837.84
	Sub-Total	2,000,000,000.00	108,108.11
	Total (A+B)	2,500,000,000.00	135,135.14
C	Implementation Costs*	1,000,000,000.00	54,054.05
D	Contingencies	250,000,000.00	13,513.51
E	Community Upgrading	600,000,000.00	32,432.43
F	GRAND TOTAL	4,350,000,000.00	235,135.14

* Organization to be engaged to design and implement the program. Includes costs for local organizations, officials involved in the program.

VII. IMPLEMENTATION SCHEDULE

59. The program duration is expected to be on a two-year period. Evaluation of the pilot activities will be carried out on the 12 month and will again carry out another cycle of planning for the 2nd year depending on the success and limitation of the program. The consultants engaged by HRB will assist in the continuous implementation of the IRP and will provide back-stop support as and when necessary.

VIII. MONITORING

60. **Internal Monitoring.** The HRB and its consultants will hold a series of meetings with the participants and develop a set of monitoring indicators at the beginning of the program implementation. Issues identified for immediate action will immediately be referred to the concerned office. Modifications in the program based on the progress and lessons learned in the course of program and additional funds to cover additional activities and support to vulnerable households will be provided as and when necessary. Progress reports will be submitted to ADB.

61. **External Monitoring.** An External Monitoring Agency (EMA) to be hired by HRB to carry out its own assessment of resettlement implementation will also cover this program. This agency will develop a set of evaluation indicators for this purpose. EMA's monitoring reports will provide HRB time-bound action plan which will cover identification of problems, issues and recommended solutions, so that HRB and its consultants are informed about the ongoing situation, and can improve or resolve problems in timely manner.

Appendix 1 – LIST OF INTERVIEWEES

Name	Position	Area/Unit
Nguyen Thanh Phong	Natural Resources and Environment Department	Tu Liem DPC
Ho Thi Viet Hoa	Vice-President of the Women's Union	Tu Liem District
Nguyen Thi Cat	Member of the Compensation Committee	Tu Liem DPC
Nguyen Van Quang	Head of Labor, War Invalids and Social Affair Department	Tu Liem DPC
Dang Tran Thuy	Official of Labor, War Invalids and Social Affair Office	Tay Tuu Commune
Le Thi Yen	President of the Commune Women's Union	Tay Tuu Commune
Nguyen Khac Nhuong	Official of the Co-operative No. 3	Tay Tuu Commune
Chu Huu Vien	Hamlet leader	Tay Tuu Commune
Ha Cong Loan	Cell secretary	Tay Tuu Commune
Vu Dinh Loan	Cell secretary 3	Tay Tuu Commune
Vu Dinh Phuong	President of Commune Fatherland Front	Tay Tuu Commune
Le Van Viet	Vice-President of the CPC	Tay Tuu Commune
Nguyen Khac Bieu	Vice-President of the People's Council	Tay Tuu Commune
Nguyen Viet Trung	Land administration official	Tay Tuu Commune
Nguyen Thi Quyen	Affected person	Tay Tuu Commune
Nguyen Thi Yen	Affected person	Tay Tuu Commune
Nguyen Thi Sinh	Affected person	Tay Tuu Commune
Nguyen Thi Bich	Affected person	Tay Tuu Commune
Nguyen Thi Thuan	Affected person	Tay Tuu Commune
Nguyen Thi Thanh	Affected person	Tay Tuu Commune
Khuc Thi Hong	Affected person	Tay Tuu Commune
Nguyen Thi Hanh	Affected person	Tay Tuu Commune
Nguyen Thi Bien	Affected person	Tay Tuu Commune
Nguyen Thi Chut	Affected person	Tay Tuu Commune
Le Thi Thanh Ha	Affected person	Tay Tuu Commune
Nguyen Thi Hong	Affected person	Tay Tuu Commune
Dinh Thi Hoa	Affected person	Tay Tuu Commune
Khac Thi Hao	Affected person	Tay Tuu Commune
Hoang Thi Thanh	Affected person	Tay Tuu Commune
Dang Thi Lan	Affected person	Tay Tuu Commune
Nguyen Thi Ty	Affected person	Tay Tuu Commune
Dang Thi Thuc	Affected person	Tay Tuu Commune
Nguyen Khac Xuan	Affected person	Tay Tuu Commune
Nguyen Thi Dinh	Affected person	Minh Khai Commune
Vu Dinh Loan	Affected person	Minh Khai Commune
Nguyen Huu Chien	Affected person	Minh Khai Commune
Chu Thien Suu	Affected person	Minh Khai Commune
Hoang Nghia Thang	Affected person	Minh Khai Commune
Le Quang Hieu	Affected person	Minh Khai Commune
Nguyen Thien Khoa	Affected person	Minh Khai Commune
Nguyen Khac Tang	Affected person	Minh Khai Commune
Nguyen Tuong Hoa	Affected person	Minh Khai Commune
Nguyen Thi Bao	Affected person	Minh Khai Commune
Nguyen Thi Huong	Affected person	Minh Khai Commune

Vuong Thi Hai	Affected person	Minh Khai Commune
Nguyen Thi Tang	Affected person	Minh Khai Commune
Nguyen Thi Nga	Affected person	Minh Khai Commune
Dang Xuan Mai	Vice-President of the Veteran's Union	Minh Khai Commune
Nguyen Minh Vinh	Vice-President of the People's Council	Minh Khai Commune
Nguyen Trong Binh	Land administration official	Minh Khai Commune
Nguyen Dinh Tuan	Tax-Industry and Trade official	Minh Khai Commune
Vuong Dinh Dung	Official of Labor, War Invalids and Social Affair Office	Minh Khai Commune
Nguyen Van Tha	President of Commune Fatherland Front	Minh Khai Commune
Nguyen Thanh Hong	President of Commune Women's Union	Minh Khai Commune
Nguyen Trong Hai	Leader of Nguyen Xa Hamlet	Minh Khai Commune
Nguyen Ngoc Toan	Land administration official	Minh Khai Commune
Vu Dinh Than	Vice-President of the CPC	Minh Khai Commune
Nguyen Khac Phu	Flower-seed supplier	Tay Tuu Commune
Chu Tran Sam	Flower-seed supplier	Tay Tuu Commune
Chu Huu Hieu	Flower-seed supplier	Tay Tuu Commune
Nguyen Van Xuan	Flower-seed supplier	Tay Tuu Commune
Mr. Dong	Flower-seed supplier	Vegetable and Fruit Research Institute