

Environmental and social due diligence summary

Issuer	Hong Phong 1 Energy Joint Stock Company
Use of CGIF guarantee	Costs associated with the design, engineering, financing, construction, testing, commissioning, ownership, operation and maintenance of a 195MWp solar photovoltaic power plant located in Binh Thuan Province, the Socialist Republic of Vietnam, and the required transmission facilities for interconnection to the grid.
Countries of operations	Vietnam
Categorisation	Project Bond - B

Summary of environmental and social aspects	
Environment	<p>The potential impacts of the Project were assessed in the EIA and subsequent management plans. Impacts associated with the development and operation of solar power projects are site-specific, and largely associated with the construction phase. Key considerations in the determination of the categorization for the Project are related to water supply during construction and operation, and impacts on physical assets and receptors. An operational environmental and social management plan (OESMP) has been developed and the implementation of the Plan remains the responsibility of the Issuer, although it is noted that the operations and maintenance (O&M) contractor has a significant scope of work relevant to the environmental documentation. The OESMP is deemed sufficient to mitigate environmental risks, and will be updated by the Issuer to ensure it remains relevant to the nature and scale of ongoing operational impacts.</p>
Involuntary resettlement	<p>The Project's Land Use Right Certificate (LURC) covers an area of 210.07ha of which 210.4ha was privately owned agricultural land with the remainder utilized and owned by a government facility. The process of land acquisition has been ongoing for several years through a combination of government-led acquisition and negotiation, either with land aggregators or with titled land owners. Some of the land was utilized for early development works, including the site for the workers' accommodation. It is understood that all land has now been acquired, and meetings with the local authorities</p>

	<p>have confirmed the approvals process is being undertaken in compliance with national regulations. No physical displacement has occurred as a result of the Project's development. Economic displacement has impacted a total of 149 individuals. Despite this, a Resettlement Plan has been developed and includes livelihood restoration measures.</p>
<p>Indigenous Peoples</p>	<p>The social baseline developed as part of the Resettlement Plan addressed the ethnic composition of the local community within Hong Phong commune; it was confirmed that no ethnic minorities were identified in the 39 Project-affected households. Subsequent consultation efforts confirmed the Project would not negatively impact Indigenous Peoples.</p>
<p>Stakeholder communication, participation and consultation</p>	<p>The Project has developed a stakeholder engagement plan (SEP). The SEP provides an appropriate framework through which to engage with affected people and facilitate their informed participation; appointment of a community liaison officer to effectively implement the SEP has been confirmed. Evidence of ongoing implementation, including of measures to engage with vulnerable groups, particularly those affected by land acquisition, will be monitored for the tenor of the bond.</p>

	Corrective action/deliverable	Responsibility	Timeframe	Indicative budget/resources
1.	Livelihood Restoration Audit	Vietracimex	Within 3 years of issuance of CGIF's guarantee	Outsourced, estimate USD 20,000
2.	Completed Environmental and Social Safeguards Monitoring Report (ESSMR)	Vietracimex	Annually for the tenor of CGIF's guarantee	Internal resources
3.	Updated Permit Register	Vietracimex	Annually for the tenor of CGIF's guarantee, with the ESSMR	Internal resources