

Results of Environmental Review

- (1) Reference Number  
10-085
- (2) Project Name  
Alumina smelting
- (3) Project Site  
Dak Nong Province, Vietnam
- (4) Project Outline  
Smelting of alumina
- (5) Category  
A
- (6) Reason of Categorization  
The project falls into the large-scale non-ferrous metals smelting and refining sector, and is located in a sensitive area, and has sensitive characteristics under the Environmental Guidelines.
- (7) Environmental Permission / Approval by the Environmental Authority  
The EIA (Environmental Impact Assessment) report was made based on Vietnamese environmental laws & regulations, and was approved by MONRE (Ministry of Natural Resources and Environment) in December 2009.
- (8) Pollution Prevention  
Appropriate measures are being taken regarding air quality, water quality and soil to meet domestic and international standards. Other pollution prevention measures are being taken in an appropriate manner.
- (9) Natural Environmental Considerations  
The project area had been cultivated for agricultural farms and does not include a broad-leaved evergreen forest, a virgin forest or a habitat for rare species.

(10) Social Considerations

This project requires involuntary resettlement of 52 households. Local governments and People's Committees are explaining the relocation plan and compensating for agricultural losses and rebuilding costs. Appropriate social considerations have been undertaken. There is no cultural heritage near the project area.

(11) Applied International Standards

World Bank Safeguard Policies

(12) Monitoring

The project proponent will conduct monitoring of air quality, water quality, noise, soil and ecological system in accordance with the local regulations. The monitoring results will be reported to the environmental authorities.

(end)

## Questions

**Q1.** Please provide the address of the project site.

Address of the project site: Nhan Co Commune, Dak R'lap District, Dak Nong Province, Vietnam

**Q2.** Please provide brief explanation of the project.

Purpose: To produce international standard alumina (for aluminum production) for export and domestic use.

Capacity: Designed capacity: 650,000 tons p.a;

Operation capacity: 630,000 tons p.a

Technology Solution: Bayer technology will be used to produce alumina.

Project management method: Directly managed and implemented by Project Management Unit

Project implementation period: 2007-2012

**Q3.** Will NEXI insurance be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> New Project                 | <input type="checkbox"/> Executing Project (with Claim etc.) |
| <input type="checkbox"/> Executing Project (without Claim etc.) | <input type="checkbox"/> Others (Please specify )            |

**Q4.** In case of this project, is it necessary to execute Environmental Impact Assessment (EIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of EIA.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Required (Completed) | <input type="checkbox"/> Required (Under execution or under planning) |
| <input type="checkbox"/> Not Required                    | <input type="checkbox"/> Others (Please specify )                     |

**Q5.** In case that EIA is already completed, please inform whether EIA report is already approved based on the environmental assessment system of the country where the project is to be implemented or not. If EIA report is already approved, please provide the date and name of authorities of the approval.

- |   |  |
|---|--|
| <input type="checkbox"/> Approved (without condition) | <input checked="" type="checkbox"/> Approved (conditional) |
| <input type="checkbox"/> Under approval process       | <input type="checkbox"/> Others (Please specify )          |

Date of Approval: 31 Dec. 2009

Name of Authorities: Ministry of Natural Resources and Environment

**Q6.** If environmental permit(s) other than EIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

- |  |   |
|--|---|
| <input type="checkbox"/> Obtained                | <input type="checkbox"/> Required, but not obtained yet |
| <input checked="" type="checkbox"/> Not required | <input type="checkbox"/> Others (Please specify )       |

Name(s) of required permit(s): \_\_\_\_\_

**Q7.** Will the insurance be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

(No)

If you answered "Yes", it is not necessary to reply to the following questions.  
If you answered "No", please reply to the following questions.

**Q8.** Are there any environmentally sensitive area(s) shown below in and around project site(s)?



(No)

If you answered "Yes", please select applicable items by marking, and reply to following questions.  
If you answered "No", please reply to questions 9 and after.

- (1) National parks, protected areas designated by government (coastal areas, wetlands, habitats of minorities or indigenous populations, heritage sites, etc.)
- (2) Primeval forests, tropical natural forests
- (3) Ecologically important habitats (coral reefs, mangrove, tidal flats, etc.)
- (4) Habitats of endangered species of which protection is required under local laws and international agreements.
- (5) Areas that have risks of large scale increase in soil salinity or soil erosion
- (6) Desertification areas
- (7) Areas with special values from archaeological, historical and/or cultural viewpoints
- (8) Habitats of minorities, indigenous populations, nomadic people with traditional life style, or areas with special social value

Q9. Does the project involve following characteristics?

(Yes)

If you answered "Yes", please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered "No", please reply to questions 11 and after.

- (1) Involuntary resettlement (Number of resettles: 20 families )
- (2) Pumping of groundwater (Scale: m<sup>3</sup>/year )
- (3) Land reclamation, development and/or clearing (Scale: 2.000 ha)
- (4) Deforestation (Scale: ha)

Q10. Under the environmental impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) – (4) above and their scale serve as basis for executing an EIA for the project?

- They do  They do not
- Others (Please specify )

Q11. Will the value insured by NEXI in the export, loan or investment project be equal or less than 5% of the total project cost, or equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

(No)

If you answered "Yes", it is not necessary to reply to the following questions.  
If you answered "No", please reply to questions 12 and after.

Q12. Does the project belong to either of the sectors that impact on the environment is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansory renovation project, and acquisition of rights or interests without additional capital investment)?

(No)

If you answered "Yes", it is not necessary to reply to following questions.  
If you answered "No", please reply to the questions 13 and after.

Q13. Does the project belong to the following sectors?

(Yes)

If you answered "Yes", please specify the sector by marking, and reply to questions 14 and after.  
If you answered "No", it is not necessary to reply to the following questions.

- (1) Mining
- (2) Oil and natural gas development
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Manufacturing and transport of toxic or poisonous substances regulated by international treaties, etc.
- (11) Thermal power
- (12) Nuclear power
- (13) Hydro power, dams and reservoirs
- (14) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- (15) Roads, railways and bridges
- (16) Airports
- (17) Ports and harbors
- (18) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- (19) Waste management and disposal
- (20) Agriculture involving large-scale land clearing or irrigation
- (21) Forestry
- (22) Tourism (Construction of hotel, etc.)

**Q14.** Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, please explain whether an execution of EIA is required on account of the large scale of the project in the country where the project is implemented.

+ Address: Nhan Co Commune, Dak R'lap District, Dak Nong Province

+ Designed: Capacity: 650,000 tons p.a (can be upgraded to 1,200,000 tons p.a)

Other Information is mentioned in the Q2