June 27, 2016
Nippon Export & Investment Insurance

Results of Environmental Review

(1) Reference Number
14-081

(2) Project Name
Construction of power transmission lines

(3) Project Site
Bhin Thuan & Dong Nai, Vietnam

(4) Project Outline
Construction of power transmission lines

(5) Category
A

(6) Reason of Categorization
The project falls into the large-scale electric power transmission and distribution sector under the Environmental Guidelines.

(7) Environmental Permission / Approval by the Environmental Authority
The EIA (Environmental Impact Assessment) reports for transmission lines were made based on environmental laws & regulations in Vietnam. The EIA was approved by MONRE (Ministry of Natural Resources and Environment) in September 2014.

(8) Pollution Prevention
Appropriate measures are being taken for preventing pollution like soil erosion.

(9) Natural Environmental Considerations
There is no natural protection area or ecologically important habitat or primeval forest where transmission lines pass. Methods of construction are adjusted to geological characteristics and landform damages by construction of electric pylons are planned to be mitigated.
(10) Social Considerations
There is no cultural heritage or historic site where transmission lines pass. Involuntary displacement does not occur. Local governments and People’s Committees are compensating for agricultural losses and rebuilding costs to affected households.

(11) Applied International Standards
World Bank Safeguard Policies

(12) Monitoring
The project proponent will conduct monitoring of water quality and noise. 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: The Project will be developed over 48 communes/townships of 05 districts in Binh Thuan Province (Tuy Phong, Bac Binh, Ham Thuan Bac, Ham Thuan Nam, Ham Tan Districts) and 05 districts in Dong Nai Province (Xuan Loc, Dinh Quan, Thong Nhat, Trang Bom, Vinh Cuu Districts).

Q2. Please provide brief explanation of the project.

The Project is a transmission line with total length of 243km, which starts from 500kV busbar of the 500kV Vinh Tan substation at Vinh Tan Power Complex in Tuy Phong District, Binh Thuan Province, and ends up branch tower of the 500kV Song May-Tan Uyen transmission line at Bac Son Commune, Trang Bom District, Dong Nai Province.

The Project is built with an aim to releasing of generation capacity at the Vinh Tan Power Complex into the national power grid system so as to meet the growing electricity load demand in the Southern Vietnam region and to improve the stability and reliability of the power supply system. The Project is also expected to contribute to creating connection with other major power generation system in the future in the South-Central region, such as nuclear power plants, pumped storage hydropower plant and Van Phong power plants, etc.

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.

- [ ] New Project
- [ ] Executing Project (with Claim etc.)
- [ ] Executing Project (without Claim etc.)
- [ ] 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.

- [ ] Required (Completed)
- [ ] Not Required
- [ ] Required (Under execution or under planning)
- [ ] 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.

- [ ] Approved (without condition)
- [ ] Approved (conditional)
- [ ] Under approval process
- [ ] Others (Please specify)

   Date of Approval: 16 September 2014
   Name of Authorities: Ministry of Natural Resources and Environment (MONRE)

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

- [ ] Obtained
- [ ] Not required
- [ ] Required, but not obtained yet
- [ ] 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 resettlers: 310 households to be relocated )
- (2) Pumping of groundwater (Scale: m³/year )
- (3) Land reclamation, development and/or clearing (Scale: 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-expansionary renovation project, 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.

The Project includes the construction of a new 500kV double-circuit transmission line starting from the 500kV busbar of the 500kV Vinh Tan substation in Tuy Phong district, Binh Thuan Province and ending up at branch tower (G1-03) of the planned 500kV Song May – Tan Uyen transmission line, with a total length of 243km; together with the extension works for two 500kV bays at the 500kV Vinh Tan substation. In Vietnam, any power transmission line with voltage level from 110kV or above is required to have an EIA approved before construction work.