

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	Viet Nam: Ho Chi Minh City Water Supply – Energy Efficiency		
Project Number:			
Month/Year	May 2012		
Lending/Financing Modality:	Grant	Department/ Division:	SERD/SEUW

I. POVERTY ISSUES

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

1. Based on the country poverty assessment, the country partnership strategy, and the sector analysis, describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

The Viet Nam country strategy and program 2006–2009 stresses the importance of maintaining sustainable equitable economic growth to achieve further reductions in poverty. Viet Nam's success in reducing the portion of the population living below the poverty line (from 70% in 1990 to 27% in 2005) was based on rapid but equitable economic growth. The Government's strategy for the water sector to develop water and sanitation infrastructure, improve service levels, and expand services to new urban and peri-urban areas. The proposed project is expected to reduce non-revenue water and to strengthen and expand the primary transmission network in order to improve coverage. In addition, the project will include an institutional strengthening program to assist the water companies to improve efficiency and service. These measures will ultimately improve the quality of life, working environment, ability to attract investment into the city and access to services, and will therefore help reduce poverty. The Government's poverty reduction strategy will be reviewed to identify the impact of such large-scale infrastructure projects on poverty reduction in Viet Nam.

B. Targeting Classification

1. Select the targeting classification of the project:

☒ General Intervention

☐ Individual or Household (TI-H) ☐ Geographic (TI-G) ☐ Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification: The project's main focus is to strengthen the water companies to become more performant and efficient in the delivery of basic urban services. Individual and households will indirectly benefit from the project.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

2. What resources are allocated to the project preparatory TA and due diligence? The grant is derived from the PPTA (MFF0054 under PFR1 (Loan 2754). An energy audit and \$1.8 million was allocated for PPTA in HCMC.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? Loan 2754 will provide improved water services to over 480,000 households.

2. What are the potential needs of beneficiaries in relation to the proposed project? Affordable water tariff and pro-poor design of tariff structure with lifeline tariff provided.

What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? The project will enforce the provision in Decree 117/2007 to remove connection fees and to include those charges in the tariff. The citizen report card will be used to measure the service.

B. Consultation and Participation

1. Indicate the potential initial stakeholders: Stakeholders include the water users, the water company and the local

government.

2. What type of consultation and participation (C&P) is required during the project preparatory TA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)? There will be several public consultation meetings over the course of project preparation, including four workshops, a resettlement town hall meeting, willingness to pay and affordability surveys, and a water tariff public consultation. The project would strengthen SAWACO's customer service department, seek to address complaints from users, and develop a plan addressing communication between water companies and users.

3. What level of participation is envisaged for project design?

☒ Information sharing ☒ Consultation ☐ Collaborative decision making ☐ Empowerment

4. Will a C&P plan be prepared? ☐ Yes ☒ No Please explain.

C. Gender and Development

1. What are the key gender issues in the sector and subsector¹ that are likely to be relevant to this project or program?

The social assessment of the Project includes gender analysis to examine water, health and sanitation condition of the households, gender division of labor in water collection, composition of gender in the water companies, commune level water and sanitation unit. The Project is qualified for Effective Gender Mainstreaming; to maximize the benefit of the project to women, a gender action plan has been prepared. The plan addresses gender issues related to gender and poverty implications of access to and use of water, reduction of non-revenue water, women's empowerment and involvement in water utility agencies, community based water boards and in operation and maintenance as well as sex disaggregated data on gender, poverty and water supply/access.

The resettlement plan will include gender strategy to minimize negative impact. The gender concerns in the Project related to resettlement, HIV/AIDS, safety measures, and stakeholders will be also prepared for the proposed project. The communication plan will be gender focused to promote and build awareness.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?² ☒ Yes ☐ No Please explain. The project directly contributes to women's participation and empowerment through targets for employment of women in operations and maintenance, women's involvement and participation in water boards and other community decision making structures and agencies for water supply, targets for women in all capacity development interventions, targets for women's recruitment in PMU, etc. In addition, improved services and the expansion of the distribution network will benefit women through improved access to a potable water supply. A gender strategy and specific action plan have been prepared and gender actions are included in all safeguard documents.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

☐ Yes ☒ No

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	Proposed investments are on existing facilities	No impact	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples	The social assessment survey confirmed there are no indigenous people in the project area in HCMC	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	<p>Access to water as a limiting factor for growth will be addressed in the project and can facilitate expansion of employment opportunities.</p> <p>There will be employment opportunities during the construction phase of the Project.</p> <p>Clauses on core labor standards will be included in all bidding documents.</p>	Limited	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	<p>Affordability has not been a problem for urban water supplies. This will be confirmed through the social assessment survey, which includes a willingness-to-pay and affordability study; however, the one-off cost of accessing the services is an issue that will be discussed with the water companies and is proposed to be included as part of the water tariff as required under the new legislation.</p>	Limited	<input checked="" type="checkbox"/> Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	<p>An awareness campaign will be conducted on prevention of HIV/AIDS and human trafficking. The construction sites will have an influx of workers and might increase the risk of HIV/AIDS and trafficking of girls and women.</p>	Limited	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PROJECT PREPARATORY TECHNICAL ASSISTANCE/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the terms of reference for the project preparatory TA (or other due diligence) include poverty, social, and gender analysis and the relevant specialist(s)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social, and/or gender analysis, and C&P during the project preparatory TA or due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p>			