

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Socialist Republic of Viet Nam	Project Title:	Ha Noi and Ho Chi Minh City Power Transmission Development Sector Project
Lending/Financing Modality:	Sector loan	Department/ Division:	Southeast Asia Department/ Energy Division

I. POVERTY ISSUES

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

Viet Nam's rapid economic development has been accompanied by steadily growing demand for electricity from both industrial and residential consumption. Consumption has grown by an average of 14% annually, substantially surpassing the average economic growth rate of 7% per year during 2004–2010. Demand for electricity is expected to continue growing by an average of 14% per year during 2011–2015. Ensuring efficient and reliable electricity supply is an important prerequisite for economic growth, expanding employment and income-generating opportunities, and reducing poverty. Per capita income reached \$1,168 in 2010, and the poverty rate fell to 14.2%. The government implements measures to ensure that economic growth can be sustained at 7.5%–8.0% per year and per capita income can be increased to \$2,100 by 2015.

In its Socioeconomic Development Plan (SEDP), 2011–2015, the government recognizes the importance of expanding power sector infrastructure to meet growing demand and thus sustain socioeconomic growth through continuous industrialization. The Country Partnership Strategy, 2012–2015, will support the government's SEDP.¹ The Viet Nam Energy Sector Assessment and Road Map² recognizes the strategic importance for ADB of continuing support to the power sector and strengthening the transmission system, thus ensuring a secure and efficient power supply. One of the strategic pillars of ADB's support to Viet Nam's power sector includes financing new infrastructure, particularly in the transmission subsector.

B. Targeting Classification

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

The project benefits the general population of Ha Noi and Ho Chi Minh City through the provision of higher quality and more stable supply electricity.

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? n/a

2. What resources are allocated in the PPTA/due diligence?

Social safeguards experts (one international position of 1.3 person-months and two national positions of 3.0 person-months each) will be recruited under the PPTA to execute, among other tasks, poverty and social analysis.

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)?

No, because the project is the rehabilitation and the development of high-voltage transmission lines and substations at voltage levels of 110 kilovolts (kV) and 220 kV.

¹ ADB. 2012. Country Partnership Strategy, 2012–2015: Viet Nam. Manila.

² ADB. 2011. Viet Nam Sector Assessment, Strategy, and Road Map, 2012–2015: Energy. Manila.

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?

The primary beneficiaries of the project are the residential and industrial customers of Ha Noi and Ho Chi Minh City. Since the national electrification ratio at the household level is 97%, the poor and the socially excluded are expected to benefit equally from the provision of a higher quality and more stable supply of electricity.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The potential needs of the beneficiaries are the supply of stable and high quality electricity at affordable tariff. According to a survey conducted under the "Urban Poverty Assessment in Ha Noi and Ho Chi Minh City" of September 2010 funded by the United Nations Development Programme, 27.4% and 7.2% of the population in Ha Noi and Ho Chi Minh City, respectively, responded that poor supply of electricity was a problem in their daily lives.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

Electrification ratio at the household level is 97% nationally, and is believed to be higher in urban Ha Noi and Ho Chi Minh City where the project targets. The tariff is currently about US\$6.5 per kilowatt-hours (kWh) which is lower than in most neighboring countries. Therefore, there are no potential constraints in accessing the proposed benefits.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Stakeholders include Viet Nam Electricity (EVN), Ha Noi Power Corporation (HNPC), Ho Chi Minh City Power Corporation (HCMPC), project affected persons, and electricity consumers of Ha Noi and Ho Chi Minh City.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Consultation will be conducted under the PPTA.

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 during the project design for project implementation? Yes No Please explain.

The project is the rehabilitation and development of high-voltage transmission lines and substations at voltage levels of 110 kV and 220 kV in urban settings where consultations with affected persons are necessary, but the extent of participatory project design is unlikely. The project also requires very few unskilled labor.

C. Gender and Development

Proposed Gender Mainstreaming Category: No Gender Elements

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Key gender issues in the electricity sector include productive use of electricity by women, and health benefits to women by replacing indoor combustion of kerosene and candles for lighting. However, the project involves the strengthening of the high-voltage transmission system which does not have direct contribution to such gender issues.

2. Does the proposed project/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?

Yes No The project is at the high-voltage level which do not have direct contribution to improving access to electricity.

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

Yes No Both men and women have equal access to electricity.

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	Land acquisition and potential involuntary resettlement for the erection of transmission towers and/or poles, and for the development of new substations.	Limited. Transmission poles with smaller footprints will be used. Also, underground cables will be used in high-density areas. The indicatively selected new substations plan to use public land.	<input checked="" type="checkbox"/> Resettlement Plan <input checked="" type="checkbox"/> Resettlement Framework
Indigenous Peoples	Indigenous peoples are not expected in the project areas in Ha Noi and Ho Chi Minh City.	No impact.	<input checked="" type="checkbox"/> None
Labor <input checked="" type="checkbox"/> Employment Opportunities <input checked="" type="checkbox"/> Core Labor Standards	Limited employment opportunities since high-voltage transmission system development does not require significant non-skilled labor.	No impact. Core labor standards, prevention of child labor, priority recruitment of affected persons, and equal pay for men and women for the same work will be incorporated in the contracts.	<input checked="" type="checkbox"/> Other Action: Provisions included in the contracts.
Affordability	Tariff affordability.	Project only deals with high-voltage transmission and does not cover tariff issues.	<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	HIV/AIDS and other sexually transmitted infections.	Limited as the work force required is not significant. Nonetheless, provisions on awareness building on HIV/AIDS and STIs as well as prevention of human trafficking will be included in the contracts.	<input checked="" type="checkbox"/> Other Action: Provisions included in the contracts.
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Social safeguards experts (one international position of 2.5 person-months and two national positions of 3.0 person-months each) will be recruited under the PPTA to execute, among other tasks, poverty and social analysis including gender analysis.</p>			