

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Viet Nam	Project Title:	Ho Chi Minh City Wastewater and Drainage System Improvement Project
Lending/Financing Modality:	Project	Department/Division:	SEUW/SERD

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project directly supports HCMC, the center of Viet Nam's economic activity, to provide better living environment for local residents. This is especially for growing urban poor residents who typically reside in marginal, flood-prone low-lying areas where improvements to sanitation and drainage will be important and are vulnerable to significant economic and environmental shocks. The project supports the Viet Nam's Socioeconomic Development Strategy 2011–2020 and its five year plans by constructing comprehensive infrastructure systems as a basis of balanced, sustainable and inclusive socialist-oriented market economy. The project is also: (i) aligned with ADB's country partnership strategy, 2016–2020; and (ii) consistent with ADB's urban and water operational plans and environment operational directions, promoting, competitive, inclusive, and environmentally sustainable growth; better quality of life by developing livable and climate resilience city; and improved quality of freshwater resources.<sup>a</sup> Improved water environment and public health, and city's climate resilience will strengthen HCMC's foundation as socioeconomic growth pole of southern Viet Nam, creating job and income opportunities for the people especially the local poor and rural–urban migrants.

#### B. Poverty Targeting

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

The proposed project will generally improve environmental sanitation living conditions, especially public health condition, of those who live in underserved areas of HCMC by increasing access to wastewater and drainage systems in remaining catchments. Inclusive and pro-poor design measures will be explored in terms of financial support to poor households so that improved wastewater service and septage management for the household septic tanks are affordable.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** The direct beneficiaries of the project are approximately 4.7 million residents in 10 districts (59% of the total population in HCMC), mainly on the west bank of the Saigon river. The project will benefit surrounding wastewater and drainage catchment areas, collectively covering the whole central districts of HCMC with a total population of 6.8 million (86% of the total population of HCMC). In 2014, HCMC has estimated 184,000 people lived under \$2.7 per day (VND21 million), of which approximately 40,000 under \$2.0 per day. A large number of the poor population will be captured by the project as they are distributed across HCMC. Moreover the analysis indicated that extreme storm events can affect about 1.9 million residents, 26% of the HCMC population, in 2010 and the figure will be doubled by 2050 (57% of the poor in HCMC will be negatively affected).<sup>b</sup> Given higher risk profile and lower socioeconomic coping responses, poor and vulnerable households are more likely to experience greater benefits from the project. Potential constraints to access the improvements include connection charges. Affordability analysis and pro-poor design measures will be explored during the PPTA.

**2. Impact channels and expected systemic changes.** The living conditions of the beneficiaries and overall urban environment are expected to improve with HCMC becoming more climate resilient. First, the cleaning up of surface water pollution will directly reduce flies and mice, eliminate foul odors and risk of water-borne diseases to residents. Second, increased urban drainage capacity will minimize risks and negative impacts of flooding events under the projected climate change scenarios. Third, proper septage management at household level and improved sanitation awareness will directly benefit local people, particularly women, elderly, and children who typically have higher exposure to poor sanitation and/or increased vulnerability to diseases arising from poor environmental living conditions. Collectively, a combined benefit of these aspects will create synergies to significantly benefit public health and urban communities particularly women, children, and the elderly through reduced health care and medicine costs, thereby increasing work productivity.

**3. Focus of (and resources allocated in) the PPTA or due diligence.** The PPTA will (i) collect social and poverty data to assess the current needs of project beneficiaries and affected people, including local residents at public health risks due to poor surface water canals, drains and rivers; (ii) assess the affordability for wastewater and sanitation service and septage management; (iii) assess types of employment opportunities, and identify effective measures to improve employment opportunities for local people, including the poor and women; (iv) assess the negative impact and compensation mechanisms for those affected by land acquisition and resettlement during project implementation; and (v) identify effective mechanisms for community-based awareness activities (wastewater and sanitation, and drainage) and civil society participation in project activities.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Gender inequalities typically include higher burden of household and family responsibilities, both limited employment opportunities and low returns from paid employment. Further, while women typically are responsible for household sanitation management (and risks due to higher exposure related to gender roles), they are not commensurately represented in the wastewater and sanitation sectors and associated decision-making positions. Improving surface water and environmental living conditions will positively affect women. Particularly, improving surface water quality and raising community awareness of wastewater and sanitation will significantly decrease family members' illness and associated time and cost burdens. New job opportunities (and associated skills improvements) will be explored within the project to increase women's income and enhance women's economic status. The PPTA will explore the possibilities to increase women's participation in decision making in the project design, implementation, and monitoring through targets in project management and sector related training and civil society participation. The project will also help to improve the capacity of all female staff in various entities related to the project (e.g., the executing and implementing agencies).

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes     No    Gender analysis will be conducted as part of the poverty and social assessment (PSA), and gender concerns and needs will be incorporated in the design and implementation of the project. Gender action plan will be developed, which will incorporate strategies, mechanisms, and actions to address gender concerns. Opportunities will be explored to collaborate with Viet Nam Women's Union and civil society organizations on women's employment, training, public consultation, and awareness raising issues.

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

Yes     No

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)     EGM (effective gender mainstreaming)  
 SGE (some gender elements)     NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people?

The main stakeholders of the project include Ho Chi Minh City People's Committee, the executing agency, Steering Center of the Urban Flood Control Program in HCMC, the implementing agency, private sector, wastewater and sanitation facilities operators, and contractors, local residents and civil society organizations. During the PPTA implementation, the PPTA consultants will support implementing agencies to undertake public consultation activities with all stakeholders focusing on design, implementation, and monitoring and opportunities for civil society participation in project delivery.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Accessibility and affordability of wastewater and sanitation services, and septage management will be assessed during the PPTA through the PSA.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (H)     Consultation     Collaboration     Partnership

The PPTA will identify relevant civil society organizations and assess their potential for participation in delivery of project services.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes     No

The beneficiaries will be consulted during the PPTA implementation through social surveys, stakeholders' workshops, focus group discussions, and key informant interviews. Key documents, such as the resettlement plans, environmental management plan, social development action plan, and gender action plan will outline consultation and participation for implementation. Loan assurances will address implementation and monitoring of the plans.

## IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A     B     C     FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes     No

The proposed upgrade the existing combined sewer system with interceptors and construct new separate sewer pipeline systems, and modern centralized wastewater treatment plants might cause involuntary land acquisition. For the proposed scope of covering 4–5 catchment areas, it is estimated that over 200 affected people will lose full or part of their land (10% or more), thus involuntary resettlement is categorized as A. HCMC people's committee and Steering Center of the Urban Flood Control Program in HCMC will be required, with assistance of

the PPTA consultant, to prepare resettlement plans in compliance with Viet Nam regulations and ADB's Safeguard Policy Statement (2009). The resettlement plans will include due diligence report of involuntary resettlement caused by associated projects that will be financed domestically (e.g. branch sewer pipelines).

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

- Resettlement plan                       Resettlement framework                       Social impact matrix  
 Environmental and social management system arrangement                       None

**B. Indigenous Peoples Category**    A    B    C    FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?    Yes    No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?    Yes    No

The preliminary assessment shows that except for land acquisition and resettlement, ethnic minorities will not be negatively affected. The PSA will help to quantify the ethnic minority beneficiaries and assess the project impacts. Measures will be developed to ensure that ethnic minorities will benefit from the project in a culturally appropriate way, and that adverse effects, should any be identified, are avoided or mitigated.

3. Will the project require broad community support of affected indigenous communities?    Yes    No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

- Indigenous peoples plan    Indigenous peoples planning framework    Social Impact matrix  
 Environmental and social management system arrangement    None

**V. OTHER SOCIAL ISSUES AND RISKS**

1. What other social issues and risks should be considered in the project design?

- Creating decent jobs and employment (L)    Adhering to core labor standards    Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (L)    Increase in human trafficking    Affordability (M)  
 Increase in unplanned migration    Increase in vulnerability to natural disasters    Creating political instability  
 Creating internal social conflicts    Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design?

The government promulgated the regulations to impose and collect wastewater tariffs, but its implementation and collections are only partly practiced. Meanwhile, many households still rely on a household septic tank that has limited treatment capacity. Moreover these households have little incentives to pay for proper septage management for their septic tanks. The project aims to gradually minimize the use of household septic tanks, while connecting the households to the centralized sewage treatment system. Smooth transition from the septic tank system to the centralized sewage treatment system, their wastewater tariff collection and their impacts to poor and vulnerable people will be assessed during the PPTA. If necessary, pro-poor affordability measures, such as subsidies or exemptions, will be considered to ensure access to household connections. The project will create employment opportunities during construction and operation. The use of core labor standards will be included in the loan assurances. HIV/AIDS clauses will be included in the bidding documents, and awareness and prevention activities will be held during the project implementation and included in the assurances.

**VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?    Yes    No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?

The composition of the project preparatory technical assistance team includes social development and gender specialists, and resettlement specialists. Expected inputs are (i) 3 person-months each for the international resettlement specialist, and social development and gender specialists, and (ii) 4 person-months each for the national resettlement specialist, and social development and gender specialist.

<sup>a</sup> ADB. 2016. *Country Partnership Strategy, 2016–2020: Viet Nam*. Manila; ADB. 2012. *Water Operational Plan, 2011–2020*. Manila; ADB. 2013. *Urban Operational Plan, 2012–2020*. Manila; ADB. 2013. *Environment Operational Directions, 2013–2020*. Manila.

<sup>b</sup> ADB. 2010. *Ho Chi Minh City Adaptation to Climate Change: Summary Report*. Manila

Source: Asian Development Bank.