



# Initial Poverty and Social Analysis

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April 2019

## VIE: Secondary Cities Environment Improvement Project

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 14 April 2019)

Currency unit	–	dong (D)
D1.00	=	\$0.0000431
\$1.00	=	D23,190

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CPC	–	city people's committee
GDP	–	gross domestic product
O&M	–	operation and maintenance
PPC	–	provincial people's committee

## **NOTE**

In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Viet Nam	Project Title:	Secondary Cities Environment Improvement Project
Lending/Financing Modality:	Project	Department/Division:	SERD/SEUW and VRM

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>Viet Nam's poverty rate decreased from 49% in 1993<sup>1</sup> to 2% in 2016<sup>2</sup>. The project will improve the socio-economic conditions in the four provincial capital cities: Dong Xoai (Binh Phuoc province), Gia Nghia (Dak Nong province), Phan Thiet (Binh Thuan province) and Phan Rang-Thap Cham (Ninh Thuan province) in Southeastern, Central Highlands and Southern Central Coast regions. The provinces have higher poverty rates (i.e. 2.3–16.6%) than the national average (i.e. 2.0%), with Binh Phuoc and Dak Nong being the poorest in respective Southeastern and Central Highlands provinces. Dak Nong has potential economic development with agriculture, forestry, hydro-power, and eco-tourism and attraction of foreign direct investment.<sup>3</sup> Binh Phuoc has potential economic development with the expansion of industrial parks from the neighboring province of Binh Duong. Binh Thuan and Ninh Thuan are coastal provinces in the Southern Central Coast Region. Their economy relies on agriculture and agricultural goods processing, but they are strategically shifting their industrial focuses on developing renewable energy industries (e.g. solar, wind) and tourism services. Higher value-added agriculture processing (e.g. wines) in Ninh Thuan and non-ferrous mineral processing in Binh Thuan are also key as their economic development drivers. The project aims to contribute to implementation of the Government's Master Plan for Urban System Development toward 2025 with Vision to 2050 and Socio-Economic Development Strategy 2011–2020, and the provincial Socio-Economic Development Master Plans for 2006–2020<sup>4</sup>. The project aligns with ADB's Strategy 2030, ADB's country partnership strategy, 2016–2020 for Viet Nam, and the Urban Operational Plan. The proposed project is in line with ADB strategy 2030 operational priorities as it will help make cities become more livable by addressing sanitation and urban mobility; it will help build climate and disaster resilience and enhancing environment sustainability in integrating climate change adaptation into the project to cope with floods. It will also strengthen governance and institutional capacity by improving the capacity of provincial people's committees (PPCs) in public finance management and integrated planning.</p>
<p><b>B. Poverty Targeting</b></p> <p><input type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input checked="" type="checkbox"/> Geographic (TI-G) <input checked="" type="checkbox"/> Non-Income MDGs (TI-M7<sup>5</sup>)</p> <p>The project will improve access to urban environmental infrastructure and services in Gia Nghia, Dong Xoai, Phan Thiet and Phan Rang-Thap Cham. Project outputs include: (i) urban environmental infrastructure improved in Gia Nghia, Dong Xoai, Phan Thiet and Phan Rang-Thap Cham and (ii) institutional effectiveness, planning capacity and policy and regulatory environment improved.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries</p> <p>In 2016, Dak Nong is the poorest province in the central highland with the poverty rate of 16.6% as compared with the region average of 12.9%<sup>6</sup>. The poverty rate of Binh Phuoc is 4.5% compared with 0.8% of the Southeast region, making Binh Phuoc the poorest province in the region. Binh Thuan and Ninh Thuan have lower poverty rates among those in the northern and coastal southern regions, being 2.3% and 6.5% against that of the regions of 8.0%. The cities lack sufficient urban infrastructures to support their economic development orientation. In Gia Nghia, wastewater treatment is marginal (less than 5%). The wastewater treatment plant is not operational due to the lack of wastewater collection, household connections, and insufficient operations and maintenance costs. In Dong Xoai, there is a lack of wastewater collection and drainage system, which exacerbates flood impacts. Located in the driest part of Viet Nam, Binh Thuan and Ninh Thuan have relatively small annual rainfall and clear rain/dry seasonal trends pose both cities problems of too much (flood and stormwater drainage) and too little water (drought). The</p>

<sup>1</sup> Measured by the international standard (\$1.9/day/person) and by Government's poverty line set in 2016 being 630 thousand dongs and 780 thousand dongs in 2016, respectively

<sup>2</sup> Viet Nam government standard of poverty line for period 2011-2015: 615,000 vnd/person/month in rural areas and 760,000 vnd/person/month in urban areas.

<sup>3</sup> Decision No. 1942/QĐ-TTg dated 22 Oct 2013. Socio-economic development master plan for Dak nong to 2020. Extracted from the link: [http://business.gov.vn/Portals/0/2013/Tai%20lieu/1942\\_QD\\_TTg.pdf](http://business.gov.vn/Portals/0/2013/Tai%20lieu/1942_QD_TTg.pdf).

<sup>4</sup> Decision No. 194/2006/QĐ-TTg. 2006. Socio-economic Development Master Plan for Binh Phuoc 2020, [http://tnmtphutho.gov.vn/uploads/laws/files/194\\_2006\\_QD-TTg.pdf](http://tnmtphutho.gov.vn/uploads/laws/files/194_2006_QD-TTg.pdf).

<sup>5</sup> MDG7: Ensure Environmental Sustainability.

<sup>6</sup> Government Statistics Office. 2017. *Statistical Yearbook 2016*. Hanoi.

four provincial governments face challenges to mobilize resources and investment to finance basic infrastructures to boost manufacturing industries and economic growths. The expected beneficiaries of the project are about 200,000 residents who will have access to improved environmental infrastructure and services, new economic opportunities and safety living environment. The beneficiaries need improved environment and sanitation facilities to improve their living conditions and reduce their vulnerability to flood and post-storms and -flood impacts. Constraints to accessing the project's benefits include limited skills and assets, as well as limited access to social services and employment. Other constraints will be identified during project preparation.

2. Impact channels and expected systemic changes.

(i) Improved flood protection river bank in Dong Xoai, Phan Thiet, and Phan Rang-Thap Cham; (ii) improved sewage and drainage system in all four cities including coverage and connection, treatment technology, (iii) improved solid waste management and integrated solutions for urban infrastructure in the center of Gia Nghia city and (iv) improved public green and recreation spaces in Dong Xoai, Phan Thiet and Phan Rang-Thap Cham will improve economic and living conditions of the residents and protect them from vulnerability caused by storms and floods. In Gia Nghia, 60,329 residents with 1.4% being poor and 0.5% being ethnic minorities will benefit from the project. In Dong Xoai, there are 97,236 residents, of which 0.5% are poor and 4.5% are ethnic minorities. Approximately 20% of the total residents will benefit from expanded wastewater and drainage system plus around 6,000 residents living in both sides of the Rat river (a total of 20,585 people) will benefit from the Rat river protection dyke. The residents of 198,400 in Phan Thiet and 175,300 residents in Phan Rang-Thap Cham are likely to benefit from the project.

3. The transaction technical assistance facility, Southeast Asia Urban Services Facility (SURF) will support project preparation. It will support the conduct of a poverty and social impact assessment (including gender impact assessment), identifying the poor and vulnerable groups and their benefit, and ensuring participation to project. This assessment will also identify detailed constraints to participation and benefit, and mitigation measures.

## 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?

Key gender issues relevant to this project to be considered include: (i) environment service availability and constraints to women's access and benefit and their vulnerability; (ii) women's participation and voice, benefit in urban environment service planning and improvement; (iii) women's access to employment generated during and post-civil works infrastructure; (iv) potential risks during infrastructure construction (HIV/AIDs transmission, human trafficking, etc.) and mitigation measures; and (v) staff composition (male and female) in the related urban planning and management and technical capacity and training opportunities for these agencies' female staff and (vi) gender sensitization and gender mainstreaming capacity in urban planning and implementation in government agencies.

2. Does the proposed project or program have the potential to contribute 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. A gender action plan (GAP) will be prepared during project preparation based on gender assessment for subprojects.

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

Yes. The project preparation will identify potential adverse impact on women and/or girls if any and design mitigation measures in GAP if such impacts are identified.

4. Indicate the intended gender mainstreaming category:  EGM (effective gender mainstreaming)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders include the PPCs, city people's committees, Department of Planning and Investment, Department of Agriculture Rural Development, Department of Environment and Natural Resources, Department of Construction, local communities and environmental infrastructures service users, and local women's union. Local communities (residents living in the central city district of Gia Nghia, Phan Thiet, Dong Xoai and Phan Rang-Thap Cham, especially residents living near flood protection river banks, and environment service coverage areas) with their representatives will participate in the consultation to identify their needs, opportunities, constraints and project interventions to ensure their full participation, benefit and mitigation of negative impact (such as on resettlement).

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?

The project will engage and empower stakeholders and beneficiaries, the poor, women, the vulnerable and excluded groups, especially the ethnic minorities, through consultations and information sharing on project design and implementation. Participatory workshops will be conducted during initial project design to understand stakeholders (including those of the poor, vulnerable and excluded groups) expectations, needs, and constraints. Participation of the poor and excluded people's representatives in project design would be on resettlement, sanitation infrastructures features, and flood protection river bank section. Constraints to their participation and benefit from the project's components will be discussed and mitigation measures to be identified.

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?

<p>H<input checked="" type="checkbox"/> Information generation and sharing M<input checked="" type="checkbox"/> Consultation M<input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership          Women's union is key and active civil society organization in the project areas. The consultant team will collaborate with the cities' women union and other identified relevant local civil society organizations to support their members/beneficiaries to participate in project design during information sharing and consultation.</p>
<p>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? <input checked="" type="checkbox"/> Yes.          The issues, for which participation of the poor and the ethnic minorities are important, include resettlement, road alignment, safety features of flood protection river bank, environment facilities infrastructures' features.          Stakeholder consultation workshops will be organized and will be funded by SURF. The consultant team will also identify opportunities to maximize benefit and mitigate social risks during project implementation and include these in the project designs.</p>
<p><b>IV. SOCIAL SAFEGUARDS</b></p>
<p><b>A. Involuntary Resettlement Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Permanent and temporary land acquisition and resettlement impacts are envisaged for proposed river and coastal protection, flood control, drainage and waste water components. The major impacts would come from acquisition of private assets such as residential/agricultural lands, fixed structures, crops, trees. This categorization will be confirmed upon the complete assessment of the impacts based on the confirmed project components.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?  <input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M'Nong, Ma, Ede, Cham, Khmer, Stieng, Nung, Hoa and Muong are some of ethnic minority groups living in the project provinces. The project activities will bring mostly positive impacts to the ethnic minority households living in project areas in terms of improved infrastructures and some negative impacts in the forms of acquisition of land and other private assets (e.g. fixed structures, crops and trees) of the ethnic minority households if required. The consulting team engaged under SURF will confirm the categorization and prepare the required documents.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The proposed activities will not involve (i) commercial development of the cultural resources and knowledge of indigenous peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of indigenous peoples.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?  <input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p>
<p>1. What other social issues and risks should be considered in the project design?          L<input checked="" type="checkbox"/> Creating decent jobs and employment          L<input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS L<input checked="" type="checkbox"/> Increase in human trafficking</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?          Further investigation on the risks will be conducted as part of project preparation and will be supported by SURF. If the risks are real, measures to address would be included in the project designs outcomes where relevant.</p>
<p><b>VI. TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<p>1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TA 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?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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 TA or due diligence?          International and national social safeguards and gender specialists (5 person-months); international and national environment and involuntary resettlement specialists (13 person-months), socioeconomic survey costs of \$10,000 each for four cities and separate workshop budget of \$5,000 each for cities are allocated to conduct necessary due diligence activities. SURF (current TA amount is \$10 million) will allocate additional funds, if required, should there be a need for additional scope and analysis.</p>