



## Initial Poverty and Social Analysis

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Project Number: 54013-001  
January 2021

Viet Nam: Proposed Loan and Administration of  
Loan

Dau Tieng Tay Ninh Joint Stock Company B.Grimm  
Viet Nam Solar Power Project (Dau Tieng Project)

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Asian Development Bank

**CURRENCY EQUIVALENTS**  
(as of 11 January 2021)

Currency unit	–	dong (D)
D1.00	=	\$0.000044
\$1.00	=	D23,000

**ABBREVIATIONS**

ADB	–	Asian Development Bank
DTE	–	Dau Tieng Tay Ninh Energy Joint Stock Company
ESCA	–	Environmental and Social Compliance Audit
EVN	–	Vietnam Electricity

**NOTE**

- (i) In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Viet Nam"/>	Project Title:	<input type="text" value="Proposed Loan and Administration of Loan to Dau Tieng Tay Ninh Joint Stock Company"/>
Lending/Financing Modality:	<input type="text" value="Project Loan"/>	Department/Division:	<input type="text" value="Private Sector Operations Department/ Infrastructure Finance Division 2"/>

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

**A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy**  
 The Asian Development Bank will provide long-term financing for the operation of the 240-megawatt solar photovoltaic power plant in Tay Ninh Province, Viet Nam, developed by Dau Tieng Tay Ninh Energy Joint Stock Company (DTE). B.Grimm Power Public Company Limited fully owns DTE. The proposed project will respond to the Government of Vietnam's National Power Development Plan and Decree No. 11/2017/QD-TTg, which aimed at promoting the use of renewable energy and the development of solar power projects.<sup>a</sup> It will also support the ADB's country partnership strategy for Viet Nam, 2016-2020, in supporting investments that promote environmentally sustainable economic growth.<sup>b</sup>

**B. Poverty Targeting:**  
 General intervention  Individual or household (TI-H)  Geographic (TI-G)  Non-income MDGs (TI-M1, M2, etc.)  
 The proposed project will support the sustainability of the operations of Dau Tieng solar power plant that will ensure the availability of a reliable supply of electricity in Tay Ninh province.

**C. Poverty and Social Analysis**

1. Key issues and potential beneficiaries. Viet Nam's reliance on fossil fuel for electricity puts vulnerable populations at further risk due to its adverse impacts on the environment. In 2004, 60% of the recorded greenhouse gas emissions in Viet Nam (283.9 million tons of carbon dioxide equivalent) were attributed to the energy sector. The impact of emissions was linked to the observed changes in the climate of Viet Nam. In the 2017 Global Climate Risk Index, Viet Nam ranked 8<sup>th</sup> among ten countries, mostly affected by extreme weather events experienced from 1996 to 2015. The occurrence of extreme weather events entailed greater impacts on poor populations residing in remote areas because they relied on natural resources for their livelihood. In 2016, 1.9 million or 2% of the Vietnamese people were living below the International Poverty Line of US\$ 1.90 per day per capita.<sup>c</sup> The borrowers, including its employees, contractors, and subcontractors, will primarily benefit from the proposed loan assistance. Also, the local communities surrounding the solar power plant will benefit from the jobs and alternative livelihood opportunities that will be made available through the project.
2. Impact channels and expected systemic changes. The solar plant's establishment will provide Tay Ninh province residents with better access to electricity from clean and environment-friendly sources. The jobs and livelihood opportunities from the project will also fuel socio-economic improvement in the lives of the people from the host communities.
3. Focus of (and resources allocated in) the transaction TA or due diligence. Since the solar power plant and associated facilities are already established, due diligence included environmental and social compliance audit (ESCA) to assess the impacts of the land rights acquisition process to previous land users, especially to the poor and the vulnerable households. The audit also includes a review of the land acquisition process and compensation procedures undertaken to address physical and economic displacement impacts on land users.

### II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Viet Nam's female labor force participation rate of 73% in 2019 was one of the highest in the world, although it was still lower than the male labor force participation rate of 82%.<sup>d</sup> Women's economic opportunities are constrained by the significant degree of segregation of men and women in their fields of study, occupations, and industries of employment. There is also an unequal burden of unpaid care work, which limits women's involvement in the workplace as well as a general resistance to women taking up leadership positions.<sup>e</sup> The renewable energy sector in Viet Nam has a small proportion of women in management, technical, and field-based roles and a high concentration of women in office positions such as administration, finance, and human resources. There are, however, notable exceptions, including a few medium- and large-sized renewable energy firms in Viet Nam led by women.<sup>f</sup>
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  No  
 Potential gender measures which will be considered include targets for women employed in technical and/or managerial roles, an internship program, and/or anti-sexual harassment provisions and staff training.

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 establishment of the solar power plant entailed acquisition of land use rights which required direct interaction with stakeholders mainly the affected land users, Tan Hung and Suoi Da Communes, the Provincial Peoples Committee, and government units such as the District Land Fund Development Center, and EVN.

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? Concerns on environmental and social impact will be identified and gathered from the stakeholders through the consultation in the conduct ESCA. Feedback from the stakeholders will be considered or incorporated in the project design. The ESCA will review the existing community grievance mechanism and the presence of outstanding concerns will be confirmed.

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

Information generation and sharing (L)  Consultation (L)  Collaboration  Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed?  Yes  No The ESCA includes the impact of the land resumption process on the informal land users, especially the poor and vulnerable. The project design will also consist of measures to minimize and mitigate impacts on affected informal land users.

### 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 solar power plant is within a state-owned property where informal users previously plant agricultural crops during the dry season. The area is on the western edge of the Dau Tieng reservoir, which is seasonally flooded for 4 to 6 months a year. The government assisted DTE in resuming the land from existing informal land users. The ESCA will determine the extent and impact of involuntary resettlement impacts in establishing the solar power plant, transmission line, and other project facilities.

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

Resettlement plan

**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 solar power plant facilities are located within the land area of Dau Tieng Reservoir, which is owned and managed by the government. The ESCA will confirm the presence of ethnic minorities within the vicinity of the reservoir that may be affected by the solar power plant.

3. Will the project require broad community support of affected indigenous communities?  Yes  The proposed project is not anticipated the cause impact on ethnic minorities that will require broad community support.

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

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 (M)  Adhering to core labor standards (L)  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS  Increase in human trafficking  Affordability  
 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? ADB's assistance will sustain the operations of the solar power plant, which provides employment and other income-generating

opportunities for the surrounding communities. Through the proposed project, DTE will report to ADB its compliance with applicable occupational safety and health standards as well as adherence to core labor standards.

#### VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction 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?

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 transaction TA or due diligence?

A third-party consultant was engaged to conduct the social compliance audit and social due diligence with guidance and in collaboration with ADB PSOD staff.

<sup>a</sup> Government of Viet Nam, Ministry of Industry and Trade – Electricity and Renewable Authority and Danish Energy Agency. 2019. *Vietnam Energy Outlook Report, 2019*. Hanoi.

<sup>b</sup> ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020—Fostering More Inclusive and Environmentally Sustainable Growth*. Manila

<sup>c</sup> ADB. 2019. *Basic Statistics 2019*. Manila

<sup>d</sup> International Labour Organization. 2021. [ILOSTAT Database](#) (accessed 6 January 2021).

<sup>e</sup> World Bank. 2011. [Vietnam Country Gender Assessment](#). Ha Noi.

<sup>f</sup> United States Agency for International Development Clean Power Asia. 2017. [Gender Equality in Renewable Energy in the Lower Mekong: Assessment and Opportunities](#). Bangkok.

Source: Asian Development Bank