



Initial Poverty and Social Analysis

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Viet Nam: Hayat Women and Children Personal Hygiene Products Project

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ABBREVIATIONS

ADB	–	Asian Development Bank
CAGR	–	compound annual growth rate
GDP	–	gross domestic product
SPS	–	Safeguard Policy Statement

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Viet Nam	Project Title:	Hayat Women and Children Personal Hygiene Products Project
Lending/Financing Modality:	Corporate Finance	Department/ Division	Private Sector Operations Department / Office of the Director General – Social Sector Team

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Asian Development Bank (ADB) is proposing a corporate loan of up to €20 million to Hayat Kimya Viet Nam Company Limited, a company that manufactures baby diapers, wipes, and women hygiene products, to partially fund the construction of its manufacturing facility in Viet Nam and other capital expenditure. This transaction is aligned with two operational priorities of ADB's Strategy 2030: (i) addressing remaining poverty and reducing inequalities, and (ii) accelerating progress in gender equality.^a The project will support the manufacturing of health care products which is in line with ADB's Operational Plan for Private Sector Operations.^b

B. Poverty Targeting:

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

The project will contribute to the construction of a manufacturing facility and the market expansion of Hayat Kimya's baby diapers, wipes and women hygiene products, thus making it available to more mothers, especially in the Southeast Asian region. This new facility will also contribute to providing additional job opportunities to the local people.

C. Poverty and Social Analysis

- 1 Key issues and potential beneficiaries. According to a market research study done by Sclegel and Partner, there is a direct correlation between the gross domestic product (GDP) per capita of a country and the likelihood that its population will buy absorbent hygiene products.^c The readiness to buy products such as women's hygiene products starts at \$1000, \$3,500 for baby diapers, and \$7,000 for baby wipes.^d In 2019, Viet Nam's GDP per capita is at \$8,397. In 2016, the penetration rate for baby diapers in Viet Nam is only at 15%, but the fertility rate is at 2.0 children per woman, and the country has a stable portion of women of childbearing age, which makes Viet Nam a promising market for this product. The diaper market is expected to grow at the compound annual growth rate (CAGR) of 8% annually. The women's hygiene pad market is expected to grow at a CAGR of 10% between 2019 and 2024 which is attributed to the increasing consumer wealth and the rising profile of Vietnamese women in the labor force. Aside from this, the manufacturing facility is seen to be a stable source of local employment.
2. Impact channels and expected systemic changes. This project will support the construction of the manufacturing facility and other capital expenditures contributing to the planned market expansion of Hayat Kimya in the Southeast Asian region. This will contribute to the access of the mothers and women in this region to these hygiene products, indirectly contributing to the hygiene and health of children and women.
3. Focus of (and resources allocated in) the transaction TA or due diligence. The borrower will commission a third-party expert to undertake an audit of Hayat Kimya's environment and social management system (ESMS), and evaluate its environmental and social compliance with the ADB Safeguard Policy Statement requirements. ADB due diligence will also look into Hayat Kimya's adherence to national laws. Hayat Kimya's labor policies and practices, and gender responsiveness will also be assessed and validated.

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 has one of the highest female labor-force participation rates in the world, at 73% in 2019, although still lower than men's which was 82%.^e Even with rising levels of skills and productivity, Vietnamese female workers are more likely to be in minor roles or in vulnerable work because of gender barriers that limit their opportunities.^f The increasing female labor force participation in Vietnam makes time-saving products and services necessary, given that household chores, including childcare and care for the elderly remain the primary responsibilities of women.^g On average, women work on housework for 35 hours per week compared with 21 hours for men.^h The unequal burden of unpaid care work limits women's involvement in the workplace as well as creates a general resistance to women taking up leadership positions.ⁱ More specifically, a study shows that diaper need, defined as an inadequate supply of diapers to change a child as often as needed, is a basic need specific to caregivers and children.^j

Vietnam has developed a strong legal framework concerning rights of female workers, mainly the 2006 Law on Gender Equality, the 2012 Labour Code (providing broad protections against gender discrimination in the workplace) and the 2021 amended Labour Code (with specific guidelines on sexual harassment).^k

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 access to and use of opportunities, services, resources, assets, and participation in decision-making? Yes No

The project has strong potential to enhance consumers' choice for women in terms of accessibility to affordable products that address a problem disproportionately impacting women's health and indirectly promoting better gender equality in unpaid domestic care work. The project also has potential to improve on gender equality results at the corporate level and on women's participation in the healthcare manufacturing value chain. Gender due diligence will look at gender design features that would enhance women's participation in technical/STEM positions, consolidate gender equality features in corporate policies – particularly from an anti-sexual harassment perspective.

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 EMPOWERING THE POOR

1. Who are the main stakeholders of the project, including beneficiaries and affected people? Explain how they will each participate in the project's design. Hayat Kimya Vietnam, Hayat Kimya Sanayi A.S, shareholders and employees, and its customers are the main stakeholders of the borrower. The Becamex Binh Phuoc Industrial and Residential Complex administration and its customers are also stakeholders of the client. Interview with the employees and consultation with the relevant government authorities will be undertaken as part of the corporate ESMS audit.

2. Who are the key, active, and relevant CSOs in the project area? The CSOs that Hayat Kimya may engage with during project processing will be covered during due diligence.

3. Are there issues during project design for which participation of the poor and vulnerable is important?

Yes No If yes, what are these issues?

4. How will the project ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during project design to address these issues? Through the ESMS corporate audit, information sharing about the project and gathering of insights from the main stakeholders will be undertaken. The audit will also review the stakeholder engagement activities of Hayat Kimya during construction and operation of the manufacturing facility.

5. What level of CSO participation is planned during the project design?

 L Information generation and sharing L Consultation Collaboration Partnership

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

Hayat Kimya's manufacturing facility is located within the Becamex Binh Phuoc Industrial and Residential Complex. It has a 45-year land lease agreement with the industrial park that commenced in February 2020. The audit will review the site selection procedure and land lease acquisition process of Hayat Kimya as well as measures to avoid permanent or temporary physical and economic displacement. No site expansion or additional land acquisition or land lease is envisaged.

2. What action plan is required to address involuntary resettlement as part of the transaction TA 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

Hayat Kimya's manufacturing facility is on land leased from the Becamex Binh Phuoc Industrial and residential Complex. The audit will validate that the construction and operations of Hayat Kimya do not impact any Indigenous Peoples (IP) groups and do not affect the territories or natural and cultural resources that the IPs own, use, occupy, or claim as part of their ancestral domain. No site expansion or additional land acquisition or land lease is envisaged.

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 transaction TA 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?
- (L) Creating decent jobs and employment (L) Adhering to core labor standards 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? Due diligence will evaluate Hayat Kimya's HR policies, employment contracts, and its compliance with local labor laws and the core labor standards. Hayat Kimya's current process on ensuring its suppliers' adherence to local labor laws will also be checked.

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 the participation plan during the transaction TA or due diligence? A third-party expert will take on an audit of Hayat Kimya's environment and social management system, and evaluate its environmental and social compliance with the ADB Safeguard Policy Statement requirements. An ADB team comprising of environment, social, and gender specialists will conduct virtual due diligence for the proposed project and review the corporate ESMS audit report, and other documents submitted by the client.

^a ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

^b ADB. 2019. *Operational Plan for Private Sector Operations, 2019-2024*. Manila.

^c Silke Brand-Kirsh, Sclegel and Partner, "[Race to Win Over a New Generation of Consumers in Asia](#)" Nonwovens Industry, 18 February 2016 (accessed 17 March 2022).

^d Ibid.

^e International Labour Organization. 2021. ILOSTAT Database (accessed 6 January 2021).

^f International Labour Organization 2015. Policy Brief [Gender equality in recruitment and promotion practices in Vietnam](#). Hanoi.

^g International Labour Organization. 2018. [Care Work and Care Jobs For the Future of Descent Work](#). Geneva.

^h Action Aid Vietnam. 2016. [Make a House Become a Home. Policy Brief](#). Hanoi.

ⁱ World Bank. 2011. [Viet Nam Country Gender Assessment](#). Hanoi.

^j Austin, Anna E. "Examining Material Hardship in Mothers: Associations of Diaper Need and Food Insufficiency with Maternal Depressive Symptoms." *Health Equity*, vol. 1, no. 1, 1 Sept. 2017, pp. 217–133, 128., doi: 10.1089/heq.2016.0023.

^k Socialist Republic of Vietnam. 2006. [Law on Gender Equality](#). Law No.: 73/2006/QH11. Article 8, Vietnamese Labour Code 2012, articles 3, 8, 90 and 154). And Shira. D. & Associates. [Vietnam Approves Labor Code for 2021 – Vietnam Briefing](#) (accessed 15 October 2021).