



# Initial Poverty and Social Analysis

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## Viet Nam: Binh Duong Waste Management and Energy Efficiency Project

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## **ABBREVIATIONS**

ADB	–	Asian Development Bank
BIWASE	–	Binh Duong Water Environment Joint Stock Company
CSO	–	civil society organization
ESMS	–	environmental and social management system
MONRE	–	Ministry of Natural Resources and Environment
PPC	–	Provincial People’s Committee
SPS	–	Safeguard Policy Statement
WTE	–	waste to energy

## **NOTE**

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

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Viet Nam	Project Title:	Binh Duong Waste Management and Energy Efficiency Project
Lending/Financing Modality:	Corporate Finance	Department/Division	Private Sector Operations Department/ Infrastructure Finance Division 2 Southeast Asia Department/ Urban Development and Water Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed Asian Development Bank (ADB) financing to Binh Duong Water Environment Joint Stock Company (BIWASE) for the Binh Duong Waste Management and Energy Efficiency Project will partially support the construction and operation of a composting plant with a capacity of 840 tons per day, and an industrial and municipal solid waste incinerator using waste to energy (WTE) technology with a capacity of 200 tons per day. The project is aligned with the operational priorities of ADB's Strategy 2030 of (i) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; (ii) making cities more livable; and (iii) addressing remaining poverty and reducing inequalities.<sup>a</sup> This is also in line with the two main pillars of ADB's Country Partnership Strategy with Viet Nam 2023-2026 which focuses on supporting the country's transition to a green economy, and harnessing Viet Nam's private sector and promoting social equity.<sup>b</sup>

#### B. Poverty Targeting:

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

The project will provide support to the construction and operations of additional composting plant to produce organic fertilizer, and an incinerator using WTE technology to produce electricity for in-house use, contributing to the reduction of waste that will go the landfills, indirectly contributing to the improvement of the environment, and is also seen to provide additional employment opportunities for the local population.

#### C. Poverty and Social Analysis

- 1 Key issues and potential beneficiaries. Viet Nam's population increase, fast urbanization, and strong economic growth has resulted in an average annual 5% increase of generated solid waste from 2015-2019 for the whole country, and 8.4% for urban areas, according to a report released in 2019 by the Ministry of Natural Resources and Environment (MONRE).<sup>c</sup> Binh Duong Province is one of the provinces with the highest rate of urbanization and industrialization in the country, which results to a substantial increase in the volume of domestic and industrial solid waste and hazardous waste.<sup>d</sup> Since 2005, the Binh Duong's People's Committee (PPC) contracted BIWASE, where BIWASE's waste treatment complex is located, to collect and treat domestic, industrial, medical and hazardous waste. ADB financing will be used to partially support the construction and operations of additional composting plant to produce organic fertilizer, and an incinerator using WTE technology to produce electricity for in-house use, primarily benefitting BIWASE. The primary objective of the additional composting plant and incinerator is to support the management of increased volumes of industrial and domestic waste that the province is expected to generate. This project is also foreseen to provide additional employment opportunities for locals, and substantially reduce the residual waste that will go to the sanitary landfills benefitting the environmental situation of the province.
2. Impact channels and expected systemic changes. Urbanization and industrialization almost always lead to increase in waste volume, thus affecting the environmental condition and the people. This is also the case for the Binh Duong Province. Several policies and regulations on solid waste management in urban areas and industrial zones, and reduction of landfills have been issued by the Government of Viet Nam, but the lack of clear regulations on WTE has limited the private sector's participation in the said segment. This transaction is envisaged to contribute in increasing BIWASE's current capacity in recycling the generated waste of the province and turn these into fertilizer and electricity. This is also foreseen to contribute to reducing greenhouse gases emission, pollution, and provide additional employment opportunities for locals during construction and operations.
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 BIWASE's environmental and social management system (ESMS) and assess its environmental and social compliance with the requirements of the ADB Safeguard Policy Statement (SPS) 2009. Due diligence will be conducted by the ADB team and will evaluate BIWASE's adherence to national laws, its labor policies and practices, and its gender responsiveness.

### 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? Men and women in Viet Nam are economically active, though a gender gap is still tangible: 82.10% of men and 72.73% of women are engaged in economic activity.<sup>e</sup> Vietnam's energy sector is particularly male-dominated and employs just over 20 percent women.<sup>f</sup> In the renewable energy sector only a small proportion of women hold management, technical, or field-based roles with a higher concentration of women in office positions such as administration, finance, and human resources.<sup>g</sup> This industry represents a growth area for Viet Nam, and the exclusion of women from opportunities in this market deepens Viet Nam's gender equality divide. Inequities continue in the education system, where Vietnamese men are provided more opportunities to receive vocational training than women. Viet Nam Women's Union has made efforts to establish vocational centers for women, but the number of trainers and classrooms are limited.<sup>h</sup> These factors contribute to various forms of gender discrimination in the workforce, including wage disparities and inequities. The amended Labor Code which came into effect in January 2021, specific guidelines on sexual harassment in the workplace are now provided, covering prevention and handling of cases of sexual harassment at work and help and support to victims in filing complaints. Similarly, the 2006 Law on Gender Equality specifies that men and woman should be treated equally in workplaces regarding work, wages, pay and bonuses, social insurance, labor conditions, and other working conditions.

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

A gender analysis will be undertaken to determine the potential gender measures which may include introducing targeted initiatives on recruitment, skill, and professional development opportunities for female staff.

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. The main stakeholders of this transaction is BIWASE, its owners, and current workforce. Interviews with the employees and consultations with relevant stakeholders will be undertaken as part of the audit.

2. Who are the key, active, and relevant CSOs in the project area? Due diligence will cover the CSOs that BIWASE may engage during project processing

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? The audit of the corporate ESMS and at the subproject level will involve information sharing about the project and gathering of insights from the stakeholders. The stakeholder engagement activities of BIWASE, including its grievance redress mechanism will also be evaluated.

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

L Information generation and sharing L Consultation NA Collaboration NA 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 The expansion of the Project will be within the existing footprint of BIWASE's waste treatment complex. Though no site expansion or additional land acquisition is envisaged, nor is it foreseen to cause physical and economic displacement, BIWASE's land acquisition process and its supporting documents will be reviewed, as well as its measures to avoid permanent or temporary physical and economic displacement.

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

<p><b>B. Indigenous Peoples Category</b>      <input type="checkbox"/> A    <input type="checkbox"/> B    <input checked="" 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    BIWASE's waste treatment complex facility in Binh Duong Province is in an industrial area and the audit will validate that the construction activities and operations of BIWASE will not impact any Indigenous Peoples (IP) or ethnic minority 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 is envisaged.</p> <p>3. Will the project require broad community support of affected indigenous communities?      <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan                      <input type="checkbox"/> Indigenous peoples planning framework                      <input type="checkbox"/> Social impact matrix</p> <p><input checked="" 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?</p> <p><input checked="" type="checkbox"/> (L) Creating decent jobs and employment    <input checked="" type="checkbox"/> (L) Adhering to core labor standards    <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS    <input type="checkbox"/> Increase in human trafficking    <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration    <input type="checkbox"/> Increase in vulnerability to natural disasters    <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts                      <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?    BIWASE's human resources (HR) policies, employment contracts, and its adherence with the national labor laws and the core labor standards will be evaluated during due diligence. BIWASE's current process of ensuring its contractor's compliance with labor laws will also be reviewed.</p>
<p><b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<p>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?</p> <p><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 the participation plan during the transaction TA or due diligence?    The borrower will engage a third-party expert to conduct an audit of the environmental and social management system of BIWASE and assess its environmental and social compliance with the ADB SPS requirements. An ADB team composed of environment, social, and gender specialists will conduct due diligence for the proposed transaction, review the audit report, and other documents submitted by the client.</p>

Source: Asian Development Bank

<sup>a</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

<sup>b</sup> ADB. 2022. *Country Partnership Strategy: Viet Nam, 2023-2026 – Fostering Inclusive, Green, and Private Sector-Led Growth*. Manila.

<sup>c</sup> The Ministry of Natural Resources and Environment (MONRE) of Viet Nam. National State of Environment 2019 on MSW management. 21 September 2020

<sup>d</sup> Government of Viet Nam, Ministry of Natural Resources and Environment. 2022. *Domestic Environmental Impact Assessment: South Binh Duong Solid Waste Treatment Expansion Project*.

<sup>e</sup> International Labour Organization. 2021. *ILOSTAT Country Profiles Database* (accessed 12 June 2022).

<sup>f</sup> United States Agency International Development. 2021. [Engendering Utilities Partner Profile Vietnam Electricity](#). Hanoi.

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

<sup>h</sup> United States Agency International Development. 2013. Viet Nam Country development cooperation strategy (CDCS). Hanoi.