

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

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| Country:                    | Viet Nam     | Project Title:       | Viet Nam: Support to Border Areas Development Project |
| Lending/Financing Modality: | Project Loan | Department/Division: | Southeast Asia Department/Viet Nam Resident Mission   |

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| <p><b>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</b></p> <p>Targeting Classification: General Intervention</p> <p><b>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</b></p> <p>The project will improve the transport network infrastructure and sustainable tourism services in the five VDTA provinces of Binh Phuoc, Dak Lak, Dak Nong, Gia Lai, and Kon Tum. This is in line with the Government of Viet Nam's (i) Sustainable Development Strategy, 2011–2020, which prioritizes (a) sustainable poverty reduction and (b) improving the living conditions of people in the most disadvantaged areas; and (ii) Master Plan for Socio-Economic Development of the Central Highlands up to 2020, which emphasizes the development of (a) the transport sector by upgrading and developing all road levels, with a special focus on rural roads in remote and border areas and (b) the tourism sector by preserving and rehabilitating historical and cultural sites for tourism development. The project will contribute to ADB's CPS 2012–2015 targets to promote inclusive growth in the disadvantaged provinces and communities of the VDTA. The project is aligned with ADB's GMS Tourism Sector Strategy, which emphasizes the upgrading of tourism infrastructure and facilities, human resource development, marketing, and policy enhancement to improve the business environment for tourism.</p> <p><b>B. Results from the Poverty and Social Analysis during the Project Preparatory Technical Assistance or Due Diligence</b></p> <p><b>1. Key poverty and social issues.</b> Viet Nam has made significant progress in poverty reduction over the past decade, wherein the national poverty rate fell from 30% in 2001 to 11% in 2012<sup>1</sup> and 5.97% in 2014.<sup>2</sup> Government efforts to extend basic services in remote areas, facilitate access to capital and land, and improve infrastructure have enabled a wide segment of the population to benefit from the growing market economy. However, ethnic minority groups, which represent nearly 15% of the total population, remain disproportionately poor, with 47% of the people living in poverty being from ethnic minorities groups.<sup>3</sup> The project will reduce poverty by improving access to economic opportunities and social services for farmers, traders, tourism service providers and local residents, including poor and vulnerable persons from ethnic minority groups living in the project areas. The project will contribute to inclusive growth in ethnic minority communities with high poverty rates through community-based tourism subprojects that will facilitate access to the benefits of tourism value chains. The investment in tourism will improve poor sanitary conditions and low service standards, which suppress tourist interest.</p> <p><b>2. Beneficiaries.</b> The project will directly benefit about 225,208 people in the VDTA (including 12,405 ethnic minorities beneficiaries from tourism sub-projects). Except for Binh Phuoc, where the poverty rate is 3.5% (below the national rate of 5.97%), the other four provinces are poorer than the national average, with poverty rates ranging from 10.0% in Dak Lak to 15.9% in Kon Tum. The number of poor households in the VDTA is estimated at 131,748 (10% of the population),<sup>4</sup> and persons from ethnic minority groups account for 73.6% of poor population in the central Highland and accounts for over 47% of the poor population in Binh Phuoc province. The poverty rates of ethnic minorities in tourism sub-projects are also relative high from 25% (in Binh Phuoc site) to 60%<sup>5</sup> in Dak Lak sites, which are higher than the average poverty rate of overall population in respective provinces. This poverty is attributed to (i) limited productive agricultural land and possession of land use rights certificates, (ii) limited irrigation, (iii) recurring natural disasters, (iv) limited access to credit, (v) low education levels,<sup>6</sup> (vi) poor physical access (roads), and (vii) poor trading skills (especially among ethnic women). The project investments are designed to expand economic opportunities to benefit producers, including poor, ethnic</p> |
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<sup>1</sup> Ministry of Planning and Investment - 2013. *Statistical Yearbook of Vietnam 2012*. p. 720 General Statistics Office, Hanoi.

<sup>2</sup> MOLISA, Decision No. 1294/QD-LDTBXH, The Decision on Endorsement of the outcomes of the poor and near poor households review 2014, <http://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Quy-yeu-dinh-1294-QD-LDTBXH-phe-duyet-ket-qua-dieu-tra-ra-soat-ho-ngheo-ho-can-ngheo-2014-290844.aspx>

<sup>3</sup> MOLISA, Decision No. 1294/QD-LDTBXH, The Decision on Endorsement of the outcomes of the poor and near poor households review 2014, access at the link on 17 June 2016:: <http://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Quy-yeu-dinh-1294-QD-LDTBXH-phe-duyet-ket-qua-dieu-tra-ra-soat-ho-ngheo-ho-can-ngheo-2014-290844.aspx>, .

<sup>4</sup> MOLISA, Decision No. 1294/QD-LDTBXH, The Decision on Endorsement of the outcomes of the poor and near poor households review 2014, <http://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Quy-yeu-dinh-1294-QD-LDTBXH-phe-duyet-ket-qua-dieu-tra-ra-soat-ho-ngheo-ho-can-ngheo-2014-290844.aspx>

<sup>5</sup> The poverty rates are provided by PPMUs and obtained during the mission in the field sites.

<sup>6</sup> Project Preparatory Technical Assistance Consulting Firm Contrans, April 2016—Social impact assessment and gender analysis report.

households. The project will (i) upgrade 265 km of rural roads, directly improving access to markets and social services for 210,208 people; (ii) improve economic and employment opportunities at 11 tourism sites (benefiting 12,405 ethnic minorities people with 50% of the beneficiaries being women) in poor, ethnic minority communities; and (iii) develop the VDTA Action Plan and build institutional capacity to implement the master and action plan to promote economic development and regional integration. These benefits will spread to the VDTA's population of 5,114,780 persons via the multiplier effect.

**3. Impact channels.** The project will impact poor and vulnerable groups as follows: improved roads will lead to (i) improved access to markets; (ii) better prices for agricultural produce with lower input costs; (iii) reduced travel time and effort; (iv) improved access to social services for the rural population where these roads are located; (v) increased employment opportunities for unskilled local laborers during construction and in O&M, especially prioritizing the ethnic poor and women; and (vi) improved incomes from tourism service provision due to community-based tourism and access to tourism value chains (especially for ethnic women).

**4. Other social and poverty issues.** These include (i) ethnic minority farmers' lack of land use rights certificates, which hampers access to credit and can lead to land disputes; (ii) the lack of a safe water supply; (iii) high numbers of school drop-outs among the children of poor ethnic minorities and those in isolated communities; (iv) early marriage associated with unwanted and teenage pregnancies; and (v) ethnic minority women having an inadequate command of the Vietnamese language. Government programs to address these issues have been unevenly effective due to limited resources, a lack of continuity, and design problems.

**5. Design features.** Measures to reduce poverty reduction and contribute to inclusive growth include the following: (i) the selected Output 1 roads involve minimal land acquisition and resettlement; (ii) the road infrastructure was designed to potentially benefit all producers and road users, and specific efforts were made to help unskilled, poor, ethnic persons and women access employment opportunities in civil works and O&M; and (iii) the community tourism subprojects under Output 2 will lead to inclusive growth and address poverty issues in local poor ethnic minority communities by improving infrastructure and building local beneficiaries' tourism-related capacity. Gender targets linked to Outputs 1 and 2 of the DMF have been set to achieve these.

## II. PARTICIPATION AND EMPOWERING THE POOR

**1. Summarize the participatory approaches:** The project includes the following activities to strengthen inclusiveness and empower the poor and vulnerable: (i) consulting further with the beneficiaries with regard to road alignment and tourism subproject improvement planning, design, and implementation; (ii) integrating the CSBs to help the communities supervise civil works and mitigate potential risks to the communities; (iii) prioritizing vulnerable people for paid unskilled labor in the subsequent O&M of the completed subprojects; (iv) raising awareness of risk reduction for road safety, HIV/AIDS transmission, and human trafficking prevention, especially targeting women and ethnic minorities (included in the GAP); and (v) providing a grievance addressing mechanism (included in the REMDPs) to enable affected people to channel grievances and have their cases handled transparently and fairly. These measures were included in the PAM to guide implementation and follow-up.

**2. Civil society role:** Women's Union representatives are included as members of the CSBs to mobilize women's participation in various subproject implementation activities.

**3. Mechanism to ensure adequate participation of civil society organizations in project implementation:** The participation of the Women's Union is included in the GAP.

**4. What forms of civil society organization participation are envisaged during project implementation?**  
 H  Information gathering and sharing M  Consultation M  Collaboration  Partnership

**5. Whether a program-level participation plan will be prepared to strengthen the participation of civil societies as interest holders for affected person particularly the poor and the vulnerability??**  No  
 As the key activities of the participation plan are part of the GAP and REMDP, it is unnecessary to have a separate plan.

## III. GENDER AND DEVELOPMENT

Gender Mainstreaming Category: Effective Gender Mainstreaming

**A. Key issues.** Key gender issues include the following: (i) women have fewer opportunities to participate in public decision making; (ii) women have less access to information and training; (iii) women have a greater need to earn income due to their reproductive and family responsibilities, which limit their mobility to access employment; (iv) social risks during and after civil works, including road safety, HIV/AIDS transmission, and human trafficking; (v) women from ethnic minority communities are highly likely to participate in and benefit from the provision of tourism services; and (vi) the current poor conditions of road infrastructure prevent women and children from accessing markets and social services easily and safely, especially during the rainy season.

**B. Key actions.**  Gender action plan  Other actions or measures  No action or measure  
 The GAP includes the following targets: (i) women will comprise 50% of participants in community consultations, with separate, women-only consultation meetings; (ii) 25%–30% of unskilled construction and O&M jobs will be prioritized for

women; (iii) women will comprise 50% of all ethnic minority participants in tourism-related training; (iv) women will hold 20%–40% of PPMU staff positions; (v) women will comprise 35% of CSB members; and (vi) awareness raising programs will reduce the vulnerability of women, children, and ethnic minorities to HIV/AIDS transmission, human trafficking, road accidents, and other forms of exploitation. The PPMUs will develop a sex-disaggregated M&E system, assign a gender focal point, and engage a national gender specialist to be responsible for supporting, monitoring, and reporting on the implementation of the GAP.

#### IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

##### A. Involuntary Resettlement

Safeguard Category:  A  B  C  FI

**1. Key impacts.** Key impacts are limited. The infrastructure works mainly involve the rehabilitation of existing roads and rights-of-way. It will be necessary to acquire some small areas to accommodate road upgrading and alignment. Resettlement plans are required since impacts are expected for all road subprojects. Temporary public land acquisition by the contractors is anticipated for all roads. It may be necessary to acquire about 11,000 ha of productive land and 0,009 ha of residential land in total. About 573 households will be affected but none will be physically displaced. Only two households in the Gia Lai subproject will lose more than 10% of their productive land.

**2. Strategies to address the impacts.** A REMDP has been prepared for each subproject, and includes involuntary resettlement mitigation measures, a grievance redress mechanism, and compliance with ADB information disclosure and consultation requirements.

**3. Plan or other actions.**  Combined resettlement and ethnic minority development plan

##### B. Indigenous Peoples

Safeguard Category:  A  B  C  FI

**1. Key impacts.** Ethnic minority people are present in the project areas as both affected people and beneficiaries. Of the 573 affected households, only 36 are ethnic minorities; none will lose more than 10% of their productive assets and none will need to relocate. No physical displacement from traditional or customary lands will occur, and the identity, culture, and customary livelihood systems of ethnic minority people will not be negatively impacted, so the broad community support for the subproject activities is not required.

Is broad community support triggered?  Yes  No

**2. Strategy to address the impacts.** A REMDP has been prepared for each subproject to ensure inclusion and access to project benefits, and includes mitigation measures to address impacts on ethnic minorities, institutional capacity building, a capacity development program, a grievance redress mechanism, and compliance with ADB information disclosure and consultation requirements.

**3. Plan or other actions.**  Combined resettlement plan and ethnic minority development plan

#### V. ADDRESSING OTHER SOCIAL RISKS

##### A. Risks in the Labor Market

1. Relevance of the project to the country's, region's, or sector's labor market.  unemployment  underemployment  retrenchment  M  core labor standards

**2. Labor market impact.** There is no risk related to employment or retrenchment. A small number of unskilled jobs will be generated for local people during and after construction, and tourism employment opportunities and incomes will be generated for ethnic peoples. There is a risk that contractors may breach the core labor standards during civil works to cut costs.

**B. Affordability.** There is no plan to collect toll fees from either the roads or tourism infrastructure. The road maintenance cost will be allocated from the national provincial budgets, and tourism maintenance will be financed by the community development plan's fund, which is collected from households that earn from providing tourism services.

##### C. Communicable Diseases and Other Social Risks

**1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):**  
M  Communicable diseases L  Human trafficking M  Others (please specify): Road safety issues

**2. Describe the related risks of the project on people in project areas.** The people who live in the project areas, especially ethnic minorities and women, have little knowledge of HIV/AIDS transmission and preventative measures. Contractors bringing in more workers may increase the risk of the transmission of this disease. While human trafficking has not been reported in project areas, the risk exists and may increase due to the improvement of the road. Road safety risks have been identified, especially for women and ethnic minorities who have less access to information on traffic rules and compliance measures in the context of the improved roads. Government programs to raise awareness of these risks have had limited impact on vulnerable persons, including the poor, ethnic minorities, and women. The project will conduct awareness raising activities for communities in the project area, specifically targeting women and ethnic minorities. Road safety design features (e.g., road signs, relevant speed bumps, smooth connections between project roads and feeder roads, and sufficient drainage culverts in front of residential households) are included in the design and will be ensured during construction completion.

## VI. MONITORING AND EVALUATION

**1. Targets and indicators:** The project DMF and GAP include performance targets that address poverty reduction, social development, and gender equality (such as employment during and after the civil works, ethnic minority and female participation in CSBs, and female participation in PPMUs).

**2. Required human resources:** The project will have a gender focal point and a national gender specialist (engaged intermittently for 5 person-months), and one communications specialist (1 person-month) in each PPMU to support the implementation and monitoring of the GAP.

**3. Information in PAM:** The PAM requires and guides the monitoring of the project, reporting on the GAP, and implementing of the REMDP.

**4. Monitoring tools:** Semi-annual safeguards and GAP monitoring reports will be submitted to ADB, and relevant information from these reports will be promptly disclosed to affected persons. The PAM includes a GAP monitoring table and key targets, DMF monitoring, and REMDP monitoring as part of project performance, safeguard, and gender and social dimensions monitoring, .

ADB = Asian Development Bank, CSB = community supervision board, DMF = design and monitoring framework, GAP = gender action plan, GMS = Greater Mekong Subregion, ha = hectare, M&E = monitoring and evaluation, O&M = operation and maintenance, PAM = project administration manual, PPMU = provincial project management unit, REMDP = resettlement and ethnic minority development plan, VDTA = Viet Nam Development Triangle Area.