

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Socialist Republic of Viet Nam"/>	Project Title:	<input type="text" value="Rural Electrification Project"/>
Lending/Financing Modality:	<input type="text" value="Project Loan"/>	Department/Division:	<input type="text" value="SERD/SEEN"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Viet Nam's economy grew steadily at an average rate of 6.3% per annum during 2005–2012, and gross domestic product per capita increased from \$699 to \$1,755, while the poverty rate fell from 15.5% in 2006 to 11.1% in 2012. Economic growth was accompanied by average annual growth in electricity demand of 12.6% during 2005–2012, which increased electricity consumption from 53.2 terawatt-hours (TWh) in 2005 to 120.3 TWh in 2012. This rapid growth was also due to the dramatic increase in the household electrification rate from less than 30% in the early 1990s to 97% by 2013. Access to electricity and reliable electricity supply are keys for the economic development and poverty reduction. Hence, the government seeks to increase access electricity and reliable electricity supply to support the country's economic growth and reducing poverty.

In the Socioeconomic Development Plan 2011–2015 (SEDP), the government has focused on the broad range of policies required to achieve high quality and sustainable economic growth. These include the need to restructure the economy to increase the share of high value-adding economic activities, improve the living standards of ethnic minority populations, strengthen environmental protection, and mitigate and prevent the adverse impacts of climate change. The country partnership strategy, 2012–2015 of the Asian Development Bank (ADB) supports the government's SEDP. The Viet Nam Energy Sector Assessment, Strategy and Road Map recognizes the strategic importance for ADB of continuing to support the power sector and strengthening the power system, and thus ensuring reliable and efficient supply of electricity to all consumers.

The proposed project will support the government in achieving its target of 99.89% electrification by 2020, the poverty alleviation and the economic development of the rural areas and the improvement of the reliability of distribution network. Given the importance of access to electricity and reliable electricity supply to support the economy and reduce poverty, ADB's support to the program is essential to ensure inclusive and sustainable economic growth. The project is also in line with ADB's Midterm Review of Strategy 2020: *Meeting the Challenges of a Transforming Asia and Pacific* (2014, Manila), which emphasizes the need for inclusive economic growth and infrastructure development in middle-income countries.

B. Poverty Targeting

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

The project is classified under general intervention because of its national focus. The project will provide more sustainable and inclusive access to electricity and foster the country's efforts to increase the sustainable economic growth and alleviate poverty.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The proposed project link to poverty reduction ensures that rural households, especially in the project-affected areas, have access to affordable electricity on a more reliable basis than they have at present. A poverty and social assessment (PSA) will be conducted to provide more details.

2. Impact channels and expected systemic changes.

Poor and vulnerable groups will benefit from access to electricity and reliable electricity supply because it will boost economic activity and in turn create more and better income-generating opportunities for these groups, given that higher-value income generation hinges on the use of electricity.

3. Focus of (and resources allocated in) the PPTA or due diligence.

In coordination with Ministry of Industry and Trade (MOIT), Provinces' People's Committees (PPCs), Viet Nam Electricity (EVN) and Power Corporations (PCs), assessments will be undertaken which will include (i) the least-cost rural electrification program; (ii) technical aspects including design, quality, quantity, and unit costs; (iii) financial and economic feasibility; (iv) environmental and social safeguards; (v) fiduciary aspects including fund flow mechanisms and project reporting; and (vi) procurement capacity.

4. Specific analysis for policy-based lending.

Not applicable.

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?

Women have an important role for domestic activities such as cooking, arrangement of wood or other alternative fuel for cooking and lighting. Women have also capacity to meet their families' basic needs through subsistence and income-earning activities. Reliable, sustainable and affordable supply of electricity will significantly reduce time and effort spent by women for domestic activities, by reducing the labor required to obtain and use other fuels, enabling income-generating activities in the home, family or leisure time, allowing easier study for school or other training, and generally improving the health and quality of life. In addition, women running home industries, businesses, and other enterprises might experience lower production costs and increased revenue. Therefore, energy provision can alleviate women's activities.

2. Does the proposed project or program have the potential to make a contribution 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

Since women use their labor and drudgery to look for traditional energy sources to compensate for lack of electricity. Hence the positive impact of household electrification on women is significant, improving their health, welfare, and personal safety.

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

Yes No

The proposed project will have positive impact both on women and men. No adverse impact to be experienced by women and/or girls is expected.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

II. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people?

Main stakeholders are the national and local governments; EVN and three power corporations; and un-electrified rural households.

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 stakeholders will be consulted through meetings, interviews and surveys in order to increase awareness about the project and seek inputs to the project. Consultation with the poor, vulnerable and excluded groups will focus on issues associated with environment, involuntary resettlement, if any, and other social issues that may affect them.

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?

Information generation and sharing Consultation Collaboration Partnership

Because the social benefits of the project are primarily indirect, civil society organizations (CSOs) relevant to social impact and development will have a limited role in the program; if any such CSOs express interest in being involved, the project will make information flows transparent and will seek their advice as appropriate.

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? Yes No

III. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI (to be determined during PPTA)

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

The proposed project does not foresee large scale involuntary resettlement or land acquisition because the upgrading of distribution lines are already owned and managed by power corporations and new extension of distribution lines will be installed normally along the roads. All affected persons will be consulted during the PPTA implementation.

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

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 PPTA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

No special strategy is required to manage these impacts, although the resettlement framework includes provisions to ensure that if indigenous peoples are impacted, they will be consulted, compensated, and able to seek grievance redress.

IV. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment 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?

The employment opportunities will be available during construction period. The requirement to comply with core labor standard will be assessed during the project preparation and related provisions will be incorporated in civil work contracts.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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

Social/Resettlement specialists (international and national consultant) will be engaged under the proposed PPTA, and they will conduct poverty and social analysis.

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 PPTA or due diligence?

Social/Resettlement specialists (international and national consultant) will be engaged under the proposed PPTA, and they will conduct poverty and social analysis.