

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Viet Nam	Project Title:	Basic Infrastructure for Inclusive Growth in the North Central Provinces Sector Project
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Lending/Financing Modality:	Sector Loan	Department/Division:	Southeast Asia Department Environment, Natural Resources, and Agriculture
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<p><b>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</b></p> <p>Poverty targeting: Targeted intervention—geographic</p>
<p><b>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</b></p> <p>The project is aligned with Viet Nam’s Socio-Economic Development Plan, 2016–2020 by (i) strengthening domestic markets and promoting exports by more closely linking production, processing, and distribution; (ii) improving the quality and competitiveness of local products; and (iii) utilizing existing and potential incentives through trade agreements. It is consistent with the three pillars of ADB’s Viet Nam Country Partnership Strategy, 2016–2020 through (i) the promotion of job creation and competitiveness; (ii) enhanced and more inclusive infrastructure and service delivery; and (iii) improved environmental sustainability and climate change response. The project is included in ADB’s Viet Nam Country Operations Business Plan, 2017–2019. It aims to improve connectivity, particularly between urban and the rural areas, and facilitating tourism growth. The project will support investments in the four north central provinces<sup>1</sup> (NCPs) including upgrading provincial and district roads, rural domestic water supply (RDWS), coastal and river protection, productivity infrastructure, and water–land interface transport infrastructure.</p>
<p><b>B. Results from the Poverty and Social Analysis during PPTA or Due Diligence</b></p> <p>1. Key poverty and social issues. The poverty rate of the four NCPs averages 12.6%, varying from 11% in Ha Tinh to 15% in Quang Tri. Poverty is declining (rates were between 26% and 31.5% in 2006) reflecting improvements in coastal protection, urbanization, and increased economic investments. A relatively high proportion of the NCP population remains in the vulnerable near-poor category. Most poor households are dispersed in areas with limited capital due to deficits in financial, physical, and natural assets. This is particularly true of rural areas, which feature low labor productivity associated with largely subsistence production resulting in labor migration to urban areas. The socioeconomic development plans of the NCPs target higher factor productivity for land and labor, calling for improved transport links to reduce costs and enhance productivity for inclusive growth.</p> <p>2. Beneficiaries. The rural population accounts for 82% of the total NCP population. Approximately 10% of the population are from ethnic minorities, ranging from 0.2% in Ha Tinh to 15.5% in Nghe An. Ethnic minorities have poverty rates of around 90%. Issues faced by most poor households include constraints on access to employment and markets, limiting opportunities and increasing costs of doing business and living, limited access to clean water and sanitation particularly in remote areas. Output 1: road infrastructure improved will directly benefit 900,000 people, and Output 2: productive business infrastructure improved will benefit 340,000 people.</p> <p>3. Impact channels. The project will target social wellbeing through inclusive economic growth. The principal impact channels are investments in basic infrastructure including: roads, and natural disaster and climate change risk reduction. Better infrastructure will increase investment into local production and enterprises. Investments in roads will increase network efficiencies with sub-national connectivity of districts into the economic corridors and the growing number of industrial processing zones. Constructing and upgrading rural roads will service the growing demand for freight and passenger movement and enhancing economic opportunities by restructuring to efficient productive growth opportunities with increased competitiveness. A second key area is water supply and sanitation. Investments will support (i) irrigation; (ii) improved fishing ports and facilities; (iii) disaster risk reduction measures including sea dykes, river protection embankments; (iv) restructuring defunct salt production into aquaculture production systems; and (v) improved flood evacuation and land use infrastructure.</p> <p>4. Other social and poverty issues. Some rural areas have significant populations of ethnic minorities. The poverty social assessment found links between incidence of poverty and the level of education of household members. Access to education is generally lower in rural areas. Opportunities for employment across the region are increasing with investment in industry, though access to employment can be constrained by the road network.</p> <p>5. Design features. Investments in roads will facilitate inclusive economic development, and improve access of the poor to industrial centers and markets for production outputs, leading to increased employment opportunities. The project will focus on supporting roads and other infrastructure that serves tourist centers, creating new employment opportunities, especially for women.</p>

<sup>1</sup> The four provinces are Nghe An, Ha Tinh, Quang Binh and Quang Tri.

<b>II. PARTICIPATION AND EMPOWERING THE POOR</b>			
<p>1. Participatory approaches and project activities. Participation of the poor and vulnerable will be fostered by (i) consultation with beneficiaries during detailed engineering design (DED) of road and RDWS, (ii) the establishment of community supervision and monitoring boards to convey views and insights from the poor during implementation, (iii) requiring contractors to give equal opportunity to vulnerable people for paid unskilled employment during construction, and (iv) implementation of a grievance redress mechanism to ensure that affected people can express grievances and seek redress on a fair and transparent basis. These measures are described in the project administration manual (PAM) and associated safeguards documents.</p> <p>2. Civil society organizations. Mass organizations linked to the commune people's committee (CPC), women's unions, and water supply customers will be involved in the DED and implementation of safeguards and of road safety awareness campaigns. The involvement will include consultation on DED, and the involvement of the CPC in the oversight of contractors. Involvement by affected groups in project planning and implementation is specified in contractors' terms of reference, project indicators, and project implementation guidelines.</p> <p>3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p style="padding-left: 40px;">M <input checked="" type="checkbox"/> Information gathering and sharing    M <input checked="" type="checkbox"/> Consultation    M <input checked="" type="checkbox"/> Collaboration    NA <input checked="" type="checkbox"/> Partnership</p> <p>4. Participation plan.</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Yes.    <input type="checkbox"/> No. In addition to the Consultation and Participation Plan, participation will be elicited through implementation of the GAP and the resettlement and ethnic minority development plans (REMDPs).</p>			
<b>III. GENDER AND DEVELOPMENT</b>			
<p>Gender mainstreaming category: Effective gender mainstreaming</p> <p><b>A. Key issues.</b> Women have fewer opportunities than men to participate in public decision making, and less access to information, training, and employment. Women and girls are also disproportionately at risk of human trafficking, HIV/AIDs transmission, and road safety hazards. The productive business infrastructure improvement requires (i) women's participation and empowerment during DED and subproject decision making to address features that affect the access of women to project benefits; (ii) short-term employment in construction; and (iii) greater opportunities for women in the management and ownership of production systems, marketing of goods, and public infrastructure. Women will be significant beneficiaries of the RDWS through improved health and reduced time burdens. The project requires equal women's rights in the ownership and management of productive assets.</p> <p><b>B. Key actions.</b></p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Gender action plan    <input type="checkbox"/> Other actions or measures    <input type="checkbox"/> No action or measure</p> <p>The GAP promotes (i) equal participation in and benefits between men and women, (ii) increased economic opportunities for women resulting from improved infrastructure, (iii) reduction in social risks associated with roads, (iii) enhanced women's voice, (iv) increased economic opportunities for women resulting from improved infrastructure, and (v) collection and use of sex-disaggregated data.</p>			
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>			
<p><b>A. Involuntary Resettlement</b> <span style="float: right;"><b>Safeguard Category:</b> <input type="checkbox"/> A    <input checked="" type="checkbox"/> B    <input type="checkbox"/> C    <input type="checkbox"/> FI</span></p> <p>1. Key impacts. Feasibility studies for representative road subprojects have confirmed that, based on proposed improvements, several households will be affected because of widening and minor realignment of roads, resulting in some loss of productive assets but little or no involuntary relocation. RDWS subprojects show minimal land acquisition effects. Subprojects that would entail impacts sufficient to place them in Category A will not be financed.</p> <p>2. Strategy to address the impacts. A combined REMDP has been prepared for each representative subproject and a resettlement and ethnic minority development framework to guide further REMDPs. Each REMDP provides for mitigation measures for involuntary resettlement impacts, a grievance redress mechanism, and compliance with ADB information disclosure and consultation requirements.</p> <p>3. Plan or other Actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Resettlement plan  <input type="checkbox"/> Resettlement framework  <input type="checkbox"/> Environmental and social management system arrangement  <input type="checkbox"/> No action         </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Combined resettlement and indigenous peoples plan  <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework  <input type="checkbox"/> Social impact matrix         </td> </tr> </table>		<input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> No action	<input checked="" type="checkbox"/> Combined resettlement and indigenous peoples plan <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix
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<p><b>B. Indigenous Peoples</b> <span style="float: right;"><b>Safeguard Category:</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</span></p> <p>1. Key impacts. The area features a large diversity of ethnic minorities. Impacts on ethnic minorities in the project areas are overwhelmingly positive since the subprojects will be aimed at inclusive economic and social improvement. The project will not cause physical displacement from traditional or customary lands, nor negatively impact the identity, culture, or customary livelihood system of ethnic minorities.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. The REMDPs will be used to ensure the inclusion of ethnic minorities and to ensure their access to project participation opportunities and the resultant benefits. The REMDP also includes mitigation measures to address impacts on ethnic minorities, an institutional capacity development program, a grievance redress mechanism, and compliance with ADB information disclosure and consultation requirements.</p> <p>3. Plan or other actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Indigenous peoples plan  <input type="checkbox"/> Indigenous peoples planning framework  <input type="checkbox"/> Environmental and social management system arrangement  <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> No action         </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Combined resettlement plan and indigenous peoples plan  <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework  <input checked="" type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary         </td> </tr> </table>	<input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action	<input checked="" type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input checked="" type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
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<b>V. ADDRESSING OTHER SOCIAL RISKS</b>		
<p><b>A. Risks in the Labor Market</b></p> <p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L): unemployment: L underemployment: M retrenchment: L core labor standards: L</p> <p>2. Labor market impact. The project will address underemployment, by the creating opportunities for lower skilled labor during construction, and indirectly and in the long term through the impact of improved infrastructure for business development and increased economic activity, attracting investment, employment, and trading.</p>		
<p><b>B. Affordability</b></p> <p>Water services to be provided in the RDWS has been found affordable at 4.5 to 5% of household income. The current tariff projections are maintained to ensure these thresholds are not exceeded. Water tariffs are subsidized to ensure poorer households access. 90% or more of households are willing to finance their connections.</p>		
<p><b>C. Communicable Diseases and Other Social Risks</b></p> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):  <input checked="" type="checkbox"/> Communicable diseases: L <input checked="" type="checkbox"/> Human trafficking: L <input checked="" type="checkbox"/> Others: Road Safety: M</p> <p>2. Risks to people in project area. Contractors may source outside labor, exposing the local people, particularly ethnic minorities and women, to HIV/AIDS risks and other diseases, calling for awareness raising among workers and residents. Road dangers will increase with greater traffic volumes and travel speeds. Road safety design features are required in DED as well as awareness raising on road safety issues and is provided for in the GAP.</p>		
<b>VI. MONITORING AND EVALUATION</b>		
<p>1. Targets and indicators. Design and monitoring framework (DMF) indicators for targets related to social and poverty dimensions include (i) 10,180 households with safe water; improved health and reduced time required for access to safe water by 2023; (ii) 44 communes with improved protection and productivity from flood and sea-level rise by 2023. DMF indicators for targets related to gender include aquaculture development with 50% of ponds allocated to joint female and male ownership and 50% of post-harvest employment being female.</p> <p>2. Required human resources. Each PMU will have staff responsible for environmental and social safeguards and gender, supported by provincial loan implementation consultants, that will include social/gender specialists.</p> <p>3. Information in the PAM. Arrangements for GAP and REMDP implementation are provided in the PAM.</p> <p>4. Monitoring tools. PMUs to submit GAP and REMDP monitoring reports to ADB. GAP monitoring table and key targets, DMF monitoring, and REMDP monitoring are part of monitoring poverty and social aspects included in PAM.</p>		