

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Viet Nam	Project Title:	Urban Environment and Climate Change Adaptation
Lending/Financing Modality:	Project	Department/Division:	Southeast Asia Department Urban Development and Water Division

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General intervention

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

The Viet Nam Socio-Economic Development Strategy, 2011–2020, approved in January 2011, envisions Viet Nam becoming a modern industrialized nation by 2020. Viet Nam’s Socio-Economic Development Plan (SEDP), 2011–2015 focus areas to achieve this goal are economic restructuring, human resource development, and infrastructure improvement. The SEDP accords high priority to construction of urban infrastructure, taking into account environmental protection, in which special importance is attached to (amongst others) sewerage systems; waste and water treatment facilities; and facilities for collection, transport, treatment, and burial of waste, especially hazardous waste in urban areas and industrial zones. The importance of these facilities and their development is emphasized in the recent National Program on Urban Development (Decision No 1659/QD-TTG) in which nationwide performance indicators are defined for both 2015 and 2020. Key targets for these facilities are also incorporated in Viet Nam’s National Green Growth Strategy recently approved by the government. The country partnership strategy supports Viet Nam’s goal to rise to upper-middle-income country status through three pillars: inclusive growth, enhancing economic efficiency, and environmental sustainability. In support of the SEDP, the project will benefit the disaster-prone cities of Dong Hoi and Hoi An by improving their urban environment and access to climate-change-resilient infrastructure as well as strengthening the local communities resilience to climate change and the capacity of the government agencies to plan and manage urban development projects.

#### B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

##### 1. Key Poverty and Social Issues

The coastal residents of Dong Hoi and Hoi An are exposed to the risks of extreme weather events. With 2012 poverty rates in Hoi An of 2.15% (of which 59% are households headed by women) and in Dong Hoi of 2.05% (of which 40% are households headed by women), compared to the national poverty rate of 12.00%, the poor are more vulnerable to impacts because of higher exposure to climate hazards. The poor and near-poor more often have livelihoods which are dependent on natural resources, are located in low-lying flood-prone areas, reside in houses made of structurally deficient materials, experience insufficient and/or lack infrastructure and basic urban services, and have lower resilience to withstand and recover from the aftermath of extreme weather events because of a low economic asset base. Social impacts include temporary displacement, disruption to livelihoods such as reduction in fishing activities and market activities for informal traders, and increased waterborne disease incidence. The project seeks to reduce vulnerability of these vulnerable groups through improvements in access to climate-resilient infrastructure and urban environmental services.

##### 2. Project Beneficiaries

The target direct project beneficiaries include the 113,772 residents of Dong Hoi and the 92,366 residents of Hoi An (with a combined female population of 103,418) as well businesses and organizations that will benefit from improved climate-change-resilient urban infrastructure and services; access to construction employment (targeting 20%–25% females) and business opportunities; and improved health awareness, hygiene, and sanitation through participation in the project’s training programs. Indirect beneficiaries include tourists and visitors to the two cities who will benefit from an improved urban environment and water and wastewater systems.

##### 3. Impact Channels

The key poverty and social issues are the need for affordable and sustainable municipal services in light of climate change vulnerability and environmental pressures arising from tourism. Hence, provision of affordable municipal services and climate change adaptation can be viewed as poverty prevention measures. The poor and vulnerable will benefit from the establishment of the project’s affordability fund (for wastewater connections for the 986 poor households), early warning systems to improve disaster management and emergency support measures, targets of 20% (Hoi An) and 25% (Dong Hoi) for women employed in project-related construction, and provision of training to raise awareness to increase local resilience to climate change.

##### 4. Other Poverty and Social Issues

Hoi An city has a serious problem of a limited treated piped water supply which serves only 30% of domestic demand. The majority of the residents in Hoi An continue to use shallow well water, which has become increasingly contaminated by fecal pollution and is impacted by salinity. The project provides water supply connections only for the

new Co Co urban development. However, there is an ongoing Norwegian-funded water supply project catering for the rest of the unserved areas of the city.

### 5. Design Features

The project's poverty reduction and socially inclusive design features include the \$200,000 affordability fund for Dong Hoi to be managed by the Women's Union to provide financial support (low-interest, long-term loans) for wastewater connections that will benefit 1,500 households (including 535 poor households, of which 330 are headed by women), 2,000 water supply and 2,000 wastewater connections for Hoi An, and expanding the Women's Union recycling income-generation program to support an additional 100 women. The new and improved climate-change-resilient urban infrastructure outputs will support improved storm water and flood management, and erosion and salinity control. Wastewater management systems and water source protection and utility efficiency will serve to reduce the vulnerability of poor households to climate change impacts. Training and awareness programs will contribute to strengthening community and individual resilience while at the same time develop capacity in government agencies to better improve and manage disaster management systems including early warning systems, environmental protection, and climate change adaptation.

## II. PARTICIPATION AND EMPOWERING THE POOR

All stakeholders, including the poor and vulnerable, participated in climate change planning discussions at the ward and/or commune level during project preparation. Targets for capacity development of underrepresented female staff in the sector are designed to increase participation. As a result of their key role in environmental support and livelihood programs for poor females in the community, the Women's Union in both cities will be important actors in project implementation, receiving climate change capacity development training in addition to being engaged to manage the project's affordability fund for wastewater connections at household level. Improved household-level climate-resilience strategies will be strengthened through the participation of women in awareness raising training and emergency services.

What forms of civil society organization participation is envisaged during project implementation?

M - Information gathering and sharing M - Consultation M - Collaboration N – Partnership

Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable?

Yes. Key features include climate change awareness raising and adaptation planning discussions at the commune and/or ward level drawing upon resources from the affordability fund. A separate project-level participation plan has been prepared to strengthen the participation of the target beneficiaries including affected persons, particularly women and poor households.

## III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Effective Gender Mainstreaming (EGM)

**A. Key issues.** Key gender issues relevant to the project include affordability concerns, climate change management capacity and representation of female staff in sector agencies, lower resilience of poor households (including significant representation of households headed by women) to climate change risks due to higher exposure to climate hazards (being spatially located in low-lying flood-prone areas and residing in houses made of structurally deficient materials) and waterborne disease incidence from poor environmental sanitation, and temporary displacement and disruption to livelihoods such as reduction in fishing activities and market activities for informal traders (where women are in the majority). The burden of climate-change-related impacts and disruptions to services falls directly on women as their work often is based from home and they have frontline responsibility for evacuating family and property, taking children to and from school, washing clothes, and going to markets to source food supplies. They also bear the brunt of an increased burden of family care arising from increased waterborne diseases. Lastly, sex-disaggregated data is largely unrecorded, a shortcoming that can affect water sector performance.

**B. Key actions.** Based on the gender analysis and proposed actions, the project is gender mainstreaming category II – effective gender mainstreaming. The gender action plan (GAP) has been prepared to ensure that 103,418 women in Dong Hoi and Hoi An will benefit from improved climate change resilience and urban infrastructure improvements. The following key measures promote gender equality and women's empowerment: (i) the Women's Union to manage the affordability fund for wastewater system connections for poor households; (ii) Women's Union members to be included in management staff in the design of urban flood warning systems; (iii) a minimum of 30% women are among Quang Binh Urban Environment Company staff to be trained in operational management of drainage systems; (iv) Hoi An Women's Union recycling income-generation program to be supported to involve a further 100 women; (v) increased women's representation as staff and management of public sector and government agencies including the executing and implementing agencies; (vi) minimum 30% female staff of the project management units (PMUs) strengthened in urban management, environmental protection, and climate change adaptation; and (vii) collection of sex-disaggregated data for inclusion in periodic (minimum biannual) GAP reports to inform midterm review and project completion review.

Gender action plan

## IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

**A. Involuntary Resettlement**

**Safeguard Category:**  A  B  C  FI

<p>1. Key impacts. In Hoi An there are 645 households (2,580 persons) affected by land acquisition under the project. Of 645 affected households, 311 households will lose more than 10% of their productive landholding, 176 households have to relocate, and 151 households are vulnerable households. In Dong Hoi, among the project-funded activities only the Bao Ninh road systems under the Bao Ninh urban development component requires land. The roads construction would affect 375 households (1,550 affected persons), of which 52 households have to relocate. None of the affected households lose more than 10% of their total agricultural landholding. Among the affected households, three households are vulnerable households. Of the total affected households, 143 households have only land affected, 225 households have only graves affected, and 7 households have both land and graves affected.</p> <p>2. Strategy to address the impacts. Full resettlement plans have been prepared for both Hoi An and Dong Hoi that also include corrective actions for associated facilities. However, the components have been designed to minimize involuntary resettlement impacts. The institutional capacity of the agencies responsible for resettlement implementation in Hoi An are generally considered to be satisfactory but less so in Dong Hoi. A project-specific redress mechanism has been developed for both Hoi An and Dong Hoi and the resettlement plans have been disclosed to affected persons. Consultations with all severely affected persons and a representative sample of less severely affected persons have been undertaken.</p> <p>3. Plan or other Actions.</p>	
<input checked="" type="checkbox"/> Resettlement plan	
<b>B. Indigenous Peoples</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
<p>3. Plan or other actions.</p> <input checked="" type="checkbox"/> No action	
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>	
<b>A. Risks in the Labor Market</b>	
<p>1. Relevance of the project for the country's or region's or sector's labor market</p> <p>L - unemployment L - underemployment N/A - retrenchment M - core labor standards</p>	
<p>2. Labor market impact. The unemployment rate nationally is 2.28% with the underemployment rate about 4.40%. The project will engage local contractors for components requiring civil works, encouraging contractors to target 30% women in the hire of local laborers and women being paid an equal wage. Core labor standards clauses will be included in the contractors' contracts. It is not expected that the project civil works will have a major impact on unemployment or underemployment, although female government and agency staff trained by the project may have access to better-paying jobs.</p>	
<b>B. Affordability</b>	
<p>Surveys and focus group findings indicated affordability issues associated with water and wastewater connections in the two cities. An affordability fund will be established to assist households with costs for wastewater connection.</p>	
<b>C. Communicable Diseases and Other Social Risks</b>	
<p>Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):</p> <p>L - Communicable diseases N/A - Human trafficking</p> <p>The project's civil works will be undertaken by local contractors, targeting hire of local laborers. Access roads will be built primarily as natural disaster escape corridors and are therefore unlikely to contribute to human trafficking.</p>	
<b>VI. MONITORING AND EVALUATION</b>	
<p>1. Targets and indicators: The key targets and indicators for poverty reduction and inclusive social development in the design and monitoring framework include: (i) 7,000 wastewater connections are built in Dong Hoi from which 1,500 households (including 535 poor households of which 330 are headed by women) receive connection assistance under the affordability fund; (ii) 2,000 water supply and 2,000 wastewater connections are built in Hoi An from which 451 poor households including 179 households headed by women will benefit; (iii) a minimum of 20% of unskilled laborers in Hoi An and 25% in Dong Hoi employed during project construction are women with equal pay and safe working conditions; and (iv) the ratio of female staff is increased to 35% in the Quang Nam Water Supply and Drainage Company and 50% in the Hoi An division.</p> <p>2. Required human resources: An intermittent international social and gender expert (6 person-months) to be part of the project implementation support consultant will assist two national gender experts (6 person-months each) and two local PMU gender focal points to coordinate the implementation, monitoring, and reporting of the GAP and the project's social inclusion and poverty reduction design measures. A safeguard monitoring expert will be engaged by the PMUs to ensure compliance with ADB's Safeguard Policy Statement (2009).</p> <p>3. Information in project administration manual: The PMUs will establish and maintain a project performance management system which will follow established reporting formats and schedules for project review, monitoring, and completion reports.</p> <p>4. Monitoring tools: The PMUs will be assisted by the project implementation support consultant in devising the monitoring indicators and reporting templates in assessing progress of the social action plans.</p>	

ADB = Asian development bank, GAP = gender action plan, PMU = project management unit, SEDP = Socio-Economic Development Plan.

Source: ADB.