

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title: Viet Nam/Support to the Implementation of the Poverty Reduction Program V

Lending/Financing Modality: Program Cluster Department/Division: SERD/VRM

I. POVERTY ISSUES

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

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Viet Nam has made remarkable progress in reducing poverty over the last 10-15 years. According to the most recent household survey data available, the poverty rate dropped from 58.0% in 1993 to 19.5% in 2004. Anecdotal evidence suggests that the poverty rate declined further in 2005-2007.

The Government's Five-Year Socio-Economic Development Plan (SEDP) 2006-2010, which was adopted in 2006, aims to reduce the poverty rate to 10%-11% by 2010. Unlike previous SEDPs, the SEDP 2006-2010 was prepared in an open and participatory manner involving extensive consultations with the civil society, businesses and development agencies. It is oriented more towards attaining development outcomes and less towards achieving production targets than previous SEDPs. The joint International Development Association-International Monetary Fund staff advisory note on Viet Nam's poverty reduction strategy dated 5 December 2006 concludes that the SEDP 2006-2010 has the key features of a poverty reduction strategy and is likely to lead to economic growth and a poverty reduction.¹ ADB's Country Strategy and Program 2007-2010 for Viet Nam seeks to help the Government reduce the poverty rate to 10%-11% by 2010 by supporting the implementation of the SEDP 2006-2010.

Support to the Implementation of the Poverty Reduction Program (SIPRP) V will be ADB's fifth policy-based lending operation in Viet Nam that will provide parallel financing with the World Bank's Poverty Reduction Support Credits (PRSC) and the second such operation that will support the implementation of the SEDP 2006-2010. However, unlike SIPRP I-VI, which were all single-tranche standard policy loans, SIPRP V will take the program cluster approach. It will consist of three chronologically ordered subprograms, which will help the Government keep policy reforms needed for successful implementation of the SEDP 2006-2010 on track during 2008-2010. These reforms fall into the four broad reforms areas: business development, social inclusion, natural resource management, and governance.

B. Targeting Classification

1. Select the targeting classification of the project:

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

2. Explain the basis for the targeting classification: The program will support reforms in the areas of business development, social inclusion (health & education), natural resources, and governance to achieve the Government's goal of accelerating economic growth and reducing poverty and inequality.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

An in-depth assessment of social and poverty impacts will be prepared separately for each Subprogram of SIPRP V once the policy reforms to be supported by individual Subprograms have been agreed on with the Government and other stakeholder.

2. What resources are allocated in the PPTA/due diligence?

Six person-months of services of a National Social Safeguards Specialist (two person-months for each Subprogram).

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor

¹ The note is available at <http://www-wds.worldbank.org/external>.

governance, and pro-poor growth)?

There is an opportunity for pro-poor design, and the current design of SIPRP V reflects this. Two pro-poor actions have been included in the list of policy actions to be supported by Subprogram 1. These are (i) revising tuition fees at secondary and tertiary levels, better reflecting market conditions and enhancing policies to protect the poor, and (ii) increasing the health insurance premium paid on behalf of the poor, while partially subsidizing the near-poor.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project?

The population of Viet Nam as a whole will be the primary beneficiary of SIPRP V. The policy reforms that SIPRP V will support will raise living standards of the Vietnamese people by fostering inclusive and sustainable economic growth. The poor and near-poor will benefit most from the policy reforms in the area of social inclusion.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The potential needs of the Vietnamese people in general, and the poor and the near-poor in particular, in relation to SIPRP V include the need for more job opportunities, higher incomes, high quality and affordable social services, and clean environment.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The main potential constraint in accessing the benefits of SIPRP V is that it is often difficult to carry out policy reforms due to domestic resistance to these reforms and their complex nature. To overcome this constraint, SIPRP V will support policy actions that have been included in the policy matrix of PRSC 7 or will be included in the policy matrixes of PRSCs 8 and 9. These actions will be supported by about a dozen of other multilateral and bilateral development agencies, which will make it easier for the Government to carry them out.

B. Consultation and Participation

1. Indicate the potential initial stakeholders

Key stakeholders are the Government, private sector, civil society, and other development agencies involved in the PRSC process.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Analytical underpinnings for SIPRP V are provided by the Viet Nam Development Report (VDR) 2007, which was jointly prepared by 16 development agencies (including ADB) in 2006. The VDR 2007 analyzes medium-term development challenges facing Viet Nam and reviews the Government's strategy for overcoming these challenges (as set out in the SEDP 2006-2010). It also proposes a set of policy actions aimed at successful implementation of the SEDP 2006-2010. Some of these actions were included in the policy matrixes of PRSC 6 and SIPRP IV.

Subprogram 1 of SIPRP V will focus on a subset of actions included in the policy matrix of PRSC 7. The initial list of policy actions for PRSC 7 was discussed and agreed on by the development agencies involved in the PRSC process and the Government—in consultation with the private sector and the civil society—during 2007. These actions were based on the VDR 2007. In January-March 2008, the development agencies held two rounds of consultations with the Government on the status of the initial list of policy actions for PRSC 7. The list was slightly modified during these consultations, taking into account their status at the time of consultations. When the World Bank conducted the appraisal and the negotiations for PRSC 7 in May 2008, the development agencies and the Government agreed on the final list of policy actions for PRSC 2008. At that stage, the number of actions was reduced from 61 on the initial list to 39 on the final list. The actions that Subprogram 1 of SIPRP V will focus on will be chosen—in consultation with the Government and other stakeholders—from the final list of actions included in the policy matrix of PRSC 7.

The tentative sets of actions that Subprograms 2 and 3 will focus on have been chosen from the actions that are proposed in the VDR 2008 and have not been included in the policy matrixes of PRSC 6 and 7. If necessary, these actions will be revised later—again in consultation with the Government and other stakeholders—to match the actions that will be included in the policy matrixes of PRSC 8 and PRSC 9 in 2009 and 2010, respectively.

3. What level of participation is envisaged for project design?

- Information sharing Consultation Collaborative decision making Empowerment

4. Will a C&P plan be prepared? Yes No Please explain.

As has been the case so far, consultation and participation for SIPRP V will be carried out within the framework of the PRSC process, which involves about a dozen of multilateral and bilateral development agencies. No separate C&P plan for SIPRP V is therefore needed.

C. Gender and Development

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?

Viet Nam compares favorably with other countries at a similar stage of development on many indicators of gender equality. There is no evidence of a gender gap in enrolment in primary and secondary education, girls are on average as well-nourished as boys, and women are both economically and politically active.² There are, however, some gender disparities in employment and ownership of assets. Outside of agriculture, women are found more often in self-employment and less often in paid work compared with men. Barely more than a third of households have either a woman's name or the names of both spouses on their certificates for agricultural land, and only about two fifths of them have either a woman's name or the names of both spouses on their residential land certificates.³

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?

- Yes No Please explain.

The Government of Viet Nam is committed to eliminating the existing gender gaps in the country, and the SEDP 2006-2010 provides for measures aimed at achieving this objective. SIPRP V will, however, focus on policy reforms that are not only needed for successful implementation of the SEDP 2006-2010, but also reinforce reforms supported by ADB's other program loans to Viet Nam and/or address policy issues affecting ADB's operations in Viet Nam. These reforms will not have a bearing on gender equality.

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

- Yes No Please explain.

The policy reforms that SIPRP V will support are unlikely to have an adverse impact on women and/or girls or to widen gender inequality.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	SIPRP V will have no investment component, and no involuntary resettlement impact is expected.	No impact	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Indigenous Peoples	SIPRP V will not have a direct impact on indigenous people. At the same time, ethnic minorities are likely to benefit somewhat more than the rest of the population from the policy reforms that SIPRP V will support because these reforms will	Limited	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action ¹⁶ <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

² Vietnam Development Report 2007: Aiming High. Joint Donor Report to the Vietnam Consultative Group Meeting. Hanoi, December 14-15, 2006.

³ Ibid.

	help reduce poverty and the poverty incidence is generally higher among ethnic minorities than in the country as a whole.		
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards ¹⁷	Some of the policy reforms that SIPRP V will support will promote business development and generate new job opportunities	Significant	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action ¹⁸ <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Policy reforms in the area of social inclusion will make secondary and tertiary education as well as health insurance more affordable for the poor	Significant	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	SIPRP V will not entail social risks or vulnerabilities	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?
 Yes No If no, please explain why.
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? Yes No If no, please explain why.