

## INITIAL POVERTY AND SOCIAL ANALYSIS

|                             |  |                      |  |
|-----------------------------|--|----------------------|--|
| Country:                    | <div style="border: 1px solid black; padding: 2px;">Viet Nam</div> | Project Title:       | <div style="border: 1px solid black; padding: 2px;">Viet Nam: Secondary Cities Development Project</div> |
| Lending/Financing Modality: | <div style="border: 1px solid black; padding: 2px;">Project</div>  | Department/Division: | <div style="border: 1px solid black; padding: 2px;">SERD/SEUW</div>                                      |

### I. POVERTY ISSUES

#### A. Links 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's rapid economic growth has been impressive; averaging 7% per year for the past 8 years, has been very rapid. In parallel, urban poverty has been reduced from 25.1% in 1993 to 13.7% in 2004. However the effects have not been even, whereby most of the returns have accrued to the major metropolitan areas of Ha Noi and Ho Chi Minh City, which are increasingly becoming congested. To enable balanced development, the Government is increasingly relying on secondary city development to accelerate economic growth, modernize technical and social infrastructure to attract investment and improve living standards, reduce gaps in development and living standards between urban and rural areas, and ensure sustainable urban development, which is reflected in its Socio-Economic Development Plan 2006–2010 and Orientation Plan for Urban Development to 2020.

As the focus on developing priority transport corridors to promote trade, tourism, and investments in the subregion is now shifting to the development of full-fledged economic corridors to promote broader, economic development and added investments, cities and nodes along these corridors will assume increasingly important roles. ADB's country partnership strategy for the urban sector emphasizes targeted infrastructure investments in small and medium cities along economic corridors, thereby diverting mass migration from the large cities, in particular, Ha Noi and Ho Chi Minh City. The comprehensive socioeconomic urban development approach will systematically identify the strategic economic development planning as well as infrastructure and capacity building needs to ensure economic growth, inclusive social development, and environmental sustainability to alleviate poverty in the project cities.

#### B. Targeting Classification

Select the targeting classification of the project:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> General Intervention | <input type="checkbox"/> Individual or Household (TI-H)    |
| <input type="checkbox"/> Geographic (TI-G)               | <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.) |

Explain the basis for the targeting classification:

The proposed Project will generally improve the living conditions especially public health condition of those who live in the project cities by providing new/ upgraded urban infrastructure and municipal services. Improved urban infrastructure and services will also increase economic opportunities for people live in the project cities, leading to poverty reduction.

#### 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?

Not applicable.

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

Gender specialist (international, 1.5 person-months), resettlement specialist (international, 2 person-months), social development specialist/community development specialist (national, 2 person-months), gender specialist (national, 2 person-months); and resettlement specialist (national, 2 person-months).

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? Please explain:

The proposed Project will increase access to affordable urban services through infrastructure investments and capacity building. During project preparation, it will be determined if project investments in specific spatial areas within the target zone would particularly contribute to the well-being of poor and socially excluded groups bearing in mind that the Project may reinforce existing social inequalities by strengthening the relatively affluent areas, whilst overlooking the poor areas. The consultations with the stakeholders will also be conducted to identify the spatial composition and social boundaries of the target areas.

## II. SOCIAL DEVELOPMENT ISSUES

### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The potential beneficiaries are the residents, people's committees, and business communities in the three project cities. They stand to benefit from infrastructure investments and capacity building programs.

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

The needs of beneficiaries relate to accessible, affordable, and reliable urban services, improved productivity, and increased employment opportunities.

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

Potential constraints include lack of effective formal and informal mechanisms to enable poor and marginalized groups to access the proposed benefits and services. During project preparation, assessment of social risks and effectiveness of governance institutions will be conducted to formulate mitigation measures to address the constraints.

### B. Consultation and Participation

1. Indicate the potential initial stakeholders.

People's Committees, communities, and business community. Other stakeholders that will be consulted during the early stages of the TA include: (i) women's unions, (ii) civil society organizations, and (iii) development partners.

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.)?

Participatory and stakeholder workshops will be conducted during the initial stages of project design to gauge beneficiaries' understanding and expectations. This will be followed up by collaborative decision making where feasible.

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 during the project design for project implementation? ☒ Yes    ☐ No    Please explain.

The C&P is considered an important tool to enable voice and participation, and ultimately, ownership of the project by beneficiaries.

### C. Gender and Development    Proposed Gender Mainstreaming Category: Effective gender mainstreaming

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

Key gender issues are relevant for the project and the potential impact of the project. These could include: (i) involvement of women in community decision-making and planning of local infrastructure, waste management and

environment protection, (ii) women's access to employment generated from construction/ rehabilitation of local infrastructure, capacity development to manage and maintain facilities and in any local level activities to generate awareness on environmental protection. All these interventions will raise women's status/ standing in community, ensure women's specific needs are met and support women's economic empowerment.

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.

A gender action plan will be prepared under the PPTA.

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

☐ Yes ☒ No Please explain.

The gender action plan will mitigate the potential for any adverse impacts on women and/or girls. Project facilities constructed or improved under the Project are expected to benefit equally for men and women.

### III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

| Issue  | Nature of Social Issue   | Significant/Limited/<br>No Impact/Not Known  | Plan or Other Action<br>Required              |
|--|--|--|---|
| Involuntary Resettlement   | There will be land acquisition in association with civil works for infrastructure construction and upgrading. This will affect some paddy lands and about 10 households. | The type of investments may fall under Category A. Lands to be acquired will be mostly agriculture lands. Affected people have already been informed about the Project. The potential resettlement impacts will be further determined during the TA. | <input checked="" type="checkbox"/> Full Plan |
| Indigenous Peoples   | The majority of the population is of Kinh ethnicity.   | The type of investments may fall under Category C. Further survey will be conducted to determine the potential impacts on indigenous peoples.  | <input checked="" type="checkbox"/> No Action |
| Labor<br><input type="checkbox"/> Employment Opportunities<br><input type="checkbox"/> Labor Retrenchment<br><input type="checkbox"/> Core Labor Standards   | The Project must ensure that opportunities to work be given to project-affected people, possibly for construction works.   | In designing civil works for infrastructure upgrading, steps will need to be taken to ensure that core labor standard requirements, protection against child labor, and prevention of discrimination against women will be adequately addressed.     | <input checked="" type="checkbox"/> No Action |
| Affordability  | Not yet known.   | A survey will be conducted to review willingness to pay, ability to pay, and cost-sharing mechanisms.  | <input checked="" type="checkbox"/> Uncertain |
| Other Risks and/or Vulnerabilities<br><input type="checkbox"/> HIV/AIDS<br><input type="checkbox"/> Human Trafficking<br><input type="checkbox"/> Others (conflict, political instability, etc.), please specify | Not yet known.   | Further investigation on other risks will be conducted under the TA.   | <input checked="" 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

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 yes, please provide details. If no, please explain why.

