

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Viet Nam	Project Title:	Productive Rural Infrastructure Sector Project in the Central Highlands
----------	----------	----------------	---

Lending/Financing Modality:	Sector loan	Department/ Division:	Southeast Asia Department/ Environment, Natural Resources, and Agriculture Division
-----------------------------	-------------	-----------------------	---

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: Geographic dimension of inclusive growth

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

The project aims to achieve balanced growth in the five Central Highland provinces (CHPs) of Dak Lak, Dak Nong, Gia Lai, Kon Tum, and Lam Dong by rehabilitating and upgrading productive rural infrastructure (PRI) in 15–18 medium-scale irrigation systems and associated rural access infrastructure. The PRI improvements are expected to enable communities to respond to market signals by increasing agricultural intensity and diversity; providing quicker and safer access to markets, employment opportunities, and social services; and reducing costs of rural production and marketing. Viet Nam has made impressive progress in poverty reduction, lowering the rate of national poverty from 18.1% in 2002 to 10.7% in 2010.¹ However, the rate of poverty varies significantly across regions—in the CHPs it was 22.2% in 2010, from 61.2% in 1993.² The CHPs have a relatively higher proportion of ethnic minorities, and among these the poverty rate can be as high as 80%. The need for social equity and balanced development to sustain the country's economic growth is duly recognized in the government's Socio-Economic Development Strategy, 2011–2020, which embeds the poverty reduction strategy, and in the country partnership strategy, 2012–2015 for Viet Nam of the Asian Development Bank (ADB).³ The strategic thrusts of ADB's strategy are based on the three pillars of inclusive growth, economic efficiency, and environmental sustainability. The project directly supports Viet Nam's National Target Program for New Rural Development (NRD) and the government's National Target Program on Sustainable Poverty Reduction, 2012–2015.⁴

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

1. **Poverty levels.** Initial poverty and social analysis of the three representative subprojects (RSPs) has revealed several issues: (i) the percentage of poor households is significantly higher in remote rural communities, and particularly high within ethnic minorities—some subproject areas in the Gia Lai and Kon Tum provinces have poverty rates of over 20%, with 87% (Gia Lai) and 90% (Kon Tum) ethnic minority households;⁵ (ii) the percentage of poor households in general, and ethnic minority households in particular, is significantly lower in urban or semi-urban subproject areas—the subproject area in Dak Lak province covers wards and communes with a poverty rate of 6.8% (lower than the national rate), comprising just over 42% ethnic minority households;⁶ and (iii) households headed by women exist in all subproject areas—they account for over 16% in Kon Tum, 24% in Gia Lai, and 28% in Dak Lak. The main reasons for poverty among the intended beneficiaries include low levels of education, recurring natural disasters, lack of irrigation facilities, lack of access to credit, and lack of access to productive agriculture land (footnotes 5 and 6).

2. **Beneficiaries.** The project's direct beneficiaries are the 225,000 residents in the subproject areas (about 50% of them female) who will all have access to and thus benefit from the rehabilitated PRI. Poor rural communities are expected to benefit greatly from the project, since some of Viet Nam's poorest districts and villages are located in the project area and so far have minimum access to social services and market facilities. Most of the beneficiaries are farmers (rice, coffee, maize, cassava, pepper, and livestock).

3. **Impact channels.** More effective PRI will benefit the poor and vulnerable by increasing agricultural intensity and diversity; creating jobs; reducing costs of rural production and marketing; increasing incomes from on- and off-farm employment; and providing safer and quicker access to production areas, markets, and social services.

4. **Other social and poverty issues.** The poor condition of rural roads, especially during the rainy season, makes it hard for people to access production areas, but also for children and sick people to access schools or health units. This increases the burden on women, whose traditional role is to take care of children's schooling and of sick family

¹ Vietnam Academy of Social Sciences. 2011. *Poverty Reduction in Vietnam: Achievements and Challenges*. Hanoi.

² Government of Viet Nam, General Statistics Office. 2011. *Results of the Viet Nam Household Living Standards Survey 2010*, Hanoi.

³ ADB. 2012. *Country Partnership Strategy: Vietnam, 2012–2015*. Manila.

⁴ Decision No. 1489/QĐ-TTg, dated 8 October 2012.

⁵ Social Impact Assessment and Gender Action Plan: Gia Lai and Kon Tum provinces.

⁶ Social Impact Assessment and Gender Action Plan: Dak Lak province.

members. The rural road component will improve access to social services for women and ethnic minorities. Moreover, the improvements will reduce air pollution now caused by dust raised by traffic and wind. This will have wide-ranging and beneficial impacts on health and safety.

5. Design features. The project includes measures to minimize the need for land acquisition and resettlement, and to encourage full participation of women and ethnic minorities in the subproject areas. The project prioritizes subprojects where poverty rates are higher than the CHP average. The project also helps ethnic minorities to fully benefit from the subprojects by providing training to improve their agricultural production capacity and more employment opportunities.

C. Poverty Impact Analysis for Policy-Based Lending: Not applicable

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and empowerment of the poor and vulnerable. A participation and consultation strategy has been included in project design and social safeguard documents to ensure that stakeholders continue to participate and are meaningfully consulted throughout the project cycle. Social screening criteria for subproject proposals makes it mandatory that all proposed subprojects are selected in consultation with the members of the intended beneficiary communities, especially marginalized sectors and population groups that may experience negative impacts. Stakeholder participation will ensure that all potential project impacts will be recognized. Any mitigation measures needed must also be decided in consultation with the affected persons. Prior to implementation, the implementing agency will ensure community mobilization through the local communes. Commune supervision boards will play a key role in monitoring construction works; and ethnic minorities and vulnerable people will be given priority for paid unskilled labor in subsequent operation and maintenance of the completed subprojects.

2. Role of civil society. The project plans to collaborate with the Vietnam Women's Union (VWU) to mobilize women's participation and help them benefit from the subprojects (consulting them during design and construction, and nominating women's representatives for commune supervision boards, and water user groups' management committees). The project will subcontract nongovernment organizations (NGOs) for assisting (i) HIV/AIDS awareness raising, (ii) road safety education, and (iii) dam community safety awareness and systems. The project will also partner with training institutes to provide capacity building for stakeholders and communities.

3. Ensuring adequate participation of civil society. The project will appoint social safeguard officers in the project management units to monitor the implementation of the gender action plans (GAP). Budgets are allocated and contracts will be signed with NGOs for working on HIV/AIDS and road and dam safety. The social safeguard officers will be responsible for monitoring and reporting to ADB on participation and contribution.

4. Forms of civil society participation. Information gathering and sharing (medium), consultation (medium), collaboration (high), partnership (high).

5. Will a project participation plan be prepared to strengthen participation of civil society as interest holders for affected persons, particularly the poor and vulnerable? – Yes. The project team will facilitate access and networks with other service providers and NGOs to further support communities in providing added value to the PRI funded by the project. NGOs will be hired as mentioned above. Vocational training institutes will provide capacity building for stakeholders and communities and prepare implementation plans to ensure stakeholders' participation.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: effective gender mainstreaming.

A. Key issues. The government has a strong policy framework and institutional setup to support gender equality and women's empowerment. Despite this, gender inequality still exists in rural areas, and in the CHPs in particular. Women have limited control over productive resources. In the majority of households, land use right certificates bear only the name of the husband. Women also lack adequate access to skills development training such as agriculture extension programs. In the vast majority of cases, men are selected to attend extension training (though in theory they share information with female members of the household). Women's role in decision making within the community is quite limited, as only heads of households—primarily men—are invited to these meetings. Within households, decision making is more equitable—in over two-thirds of the households interviewed, decisions are made jointly by husband and wife, e.g., decisions on investment in assets. Although both men and women are involved in farming and work together in PRI maintenance, women are less active than men in the roles of irrigation technicians, community irrigators, or water user groups' management committee members. It is claimed to be mainly due to time constraints, or to the perception that the work is either too technical or too "heavy" for women to take on.

B. Key actions. The GAP (i) increases women's economic empowerment through construction jobs (30% female labor) and their agricultural production capacity through water resource and agriculture extension training (40% female participation); (ii) boosts women's participation in PRI-related decision making through (a) consultation during design (50% participation), (b) greater share in construction supervision (35%) and post-construction maintenance, and in water user groups' management committee (35%); and (c) project management training (35%); and

(iii) improves women's and children's social safety by raising awareness (before construction) of HIV/AIDS and prevention, and (after construction) of road and reservoir safety issues. The GAP further includes awareness campaigns related to gender and PRI issues, and setup and maintenance of a sex-disaggregated monitoring system to register progress in achieving project implementation targets.	
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement	Safeguard Category: B
<p>1. Key impacts. Subproject screening criteria exclude any significant resettlement and land acquisition. Very little permanent impact on lands and community assets is anticipated. There will be some temporary impact on lands, plants, and small structures during construction for some subprojects.</p> <p>2. Strategy to manage the impacts. Any impacts on land, structures, and livelihood, either temporary and permanently, will be compensated according to the resettlement framework and the approved entitlement matrix. The majority of subprojects will be category C. A very small number of category B subprojects is anticipated.</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> Resettlement plan (depending on project impacts from specific subprojects). Not yet prepared because the RSP feasibility studies determined that the subprojects were category C.</p> <p><input checked="" type="checkbox"/> Resettlement framework.</p>	
B. Indigenous Peoples (Ethnic Minorities)	Safeguard Category: B
<p>1. Key impacts. No potential negative impacts on ethnic minorities were discerned. The RSP feasibility studies determined the subprojects to be category C. If category B is triggered, an ethnic minority development plan (EMDP) will be prepared based on the ethnic minority development framework (EMDF).</p> <p>Is broad community support triggered? No</p> <p>2. Strategy to manage the impacts. An EMDF has been prepared. If indigenous-people-related issues arise among the 12–15 remaining subprojects, specialist input will be required to prepare subproject-specific EMDP measures in accordance with ADB's Safeguard Policy Statement (2009).</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> EMDP. Not yet prepared because all RSP feasibility studies rated the subprojects as category C.</p> <p><input checked="" type="checkbox"/> EMDF</p>	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market – not applicable.	
<p>1. Relevance of the project for the country's or region's or sector's labor market. Unemployment (medium), underemployment (not applicable), retrenchment (medium), core labor standards (medium)</p> <p>2. Labor market impact. Jobs will be created for potential irrigation and road improvement civil works. The GAP specifies that operators will provide equal employment opportunities for women (minimum 30% female participation in unskilled labor) and that 40% of unskilled labor should be allocated to ethnic minority people. All contracts will forbid the hiring of minors. Health safety standards will be adopted in all infrastructures.</p>	
B. Affordability – no action	
C. Communicable Diseases and Other Social Risks	
<p>1. Indicate the risks: Communicable diseases (low), human trafficking (not applicable), others (not applicable)</p> <p>2. Describe the related risks of the project on people in project area: No incidence of HIV was reported during the social impact assessment and GAP exercise in the three RSPs. Awareness of HIV is high in the three RSP areas, particularly among men, thanks to awareness-raising campaigns by VWU. One of the GAP strategies is to organize HIV/AIDS awareness-raising campaigns in the (other) subproject areas before civil works start.</p>	
VI. MONITORING AND EVALUATION	
Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? – Yes	