

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Viet Nam	Project Title:	Basic Infrastructure for Inclusive Growth in the Northeastern Provinces Sector Project
Lending/Financing Modality:	Sector Loan	Department/Division:	Southeast Asia Department Environment, Natural Resources and Agriculture

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: Targeted intervention—geographic

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

The project supports investment into the subregion infrastructure, including upgrading 265 kilometers of roads and 10 rural water supply schemes and, for Lang Son province, the development of horticultural value chain infrastructure to support value addition to crops with market demand. This is a contribution to realizing the four northeastern provinces subregional Master Plan for Socio-Economic Development (2015) that identifies priority economic development for sustainable poverty reduction through investment in infrastructure, human resource development, agriculture and rural development, resilience to climate change and natural disaster, and administration. The project seeks to continue the Greater Mekong Subregion economic corridor development identified in the country partnership strategy^a through increasing the inclusiveness of development along the North–South Corridor.

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

1. **Key poverty and social issues.** The four target provinces have some of the highest levels of poverty in Viet Nam. In 2016, the poverty rates in the projects project provinces were 16.2% in Lang Son, 17.1% in Bac Kan, 24.2% in Ha Giang, and 24.4% in Cao Bang, much higher than the national average poverty rate of 7.0%.^b Approximately 90% of the population is ethnic minorities and many of them are considered poor. The main reasons for poverty reflect remote distance, vulnerability to natural hazards (landslide, flood, storm, etc.), and the underdevelopment of infrastructure and services in these communities. Rural labor productivity is low and is increasingly moving to higher-paid employment, resulting in rural–urban labor migration. A consequence of labor migration is the faster aging and feminization of the resident rural population.

2. **Beneficiaries.** The project will provide benefits through: (i) improved access roads to markets and social services to 160,000 people; (ii) improved water supply and thus health to 42,300 people; and (iii) improved ARVCs for better livelihoods to 10,400 people.^c

3. **Impact channels.** Road upgrading resulting in lower costs of marketing provides improved access to health care and education and other services, and increases the competitiveness of local processing value chains, creating additional employment. The rural water supplies improvement will improve quality of life for local communities through reducing health care costs due to waterborne diseases and reduce economic cost (for purchasing safe and clean water during drought and water deficit). It will also ease the burden of water fetching, which is usually shouldered by girls and women. The ARVCs infrastructure component will focus on horticultural crops with proven market demand, including spices (such as star anise), fruits, and vegetables. Its key impacts will be to build systems and supply chains to support value adding and products providing employment in value addition, higher margins along the value chains resulting from higher returns, and reduced cost structures.

4. **Other social and poverty issues.** Social and poverty issues beyond the project’s scope include lower education among ethnic minority women (Ha Giang), lack of proper sanitation facilities (toilets) (Lang Son, Ha Giang), lack of access to national electricity grid (remote villages in Lang Son, Cao Bang), and under-5-year-old malnutrition among the poor population (Ha Giang, Cao Bang). The provincial and national governments and Women’s Unions are running related programs to address these issues, but resources are inadequate and scattered.

5. **Design features.** Key design features of the project include (i) targeting poor provinces in Viet Nam; (ii) improving incomes through building services for smaller commodity groups to enable export and higher-value marketing into Viet Nam and regional markets; (iii) supporting agricultural service providers to develop commercial public–private value chain management and marketing systems with links to producer groups and commodity associations; (iv) providing water supply with improved quality and quantity to reduce burden for women and girls; and (v) providing employment opportunities, to be prioritized to the poor, ethnic minorities, affected households, and women in need.

II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** Participation of the poor and vulnerable will be fostered by (i) consultation with beneficiaries during detailed design of road and water supply infrastructure and for productive infrastructure to be supported under the ARVC infrastructure component, (ii) the establishment of community supervision committees to convey views and issues from the poor and disadvantage groups during subproject implementation, (iii) the poor and disadvantaged people (i.e., women) will be employed during the construction, and (iv) establishment of a grievance redress mechanism to ensure that affected people have a mechanism to express grievances and seek redress on a fair and transparent basis. These measures are described in the GAP, PAM, and associated safeguards documents.

<p>2. Civil society organizations. Mass organizations participating in the project include Women's Unions and community supervision board. They will be involved in the design and implementation of road safety awareness campaigns and implementation of safeguards. Involvement will include consultation on proposed design and design alternatives, commune oversight of contractors, and the building of community producer groups including specific women's groups in the agriculture and processing sectors. Involvement is specified in contractors' terms of reference, PMU indicators, and the 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): Involvement of mass organizations in road safety campaigns (H), participation of the Women's Union in the design and implementation of the GAP (M), and involvement of local stakeholders in producer group and commodity associations (H).</p> <p>M <input checked="" type="checkbox"/> Information gathering and sharing M <input checked="" type="checkbox"/> Consultation M <input checked="" type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Participation plan. Will a project-level participation plan be prepared to strengthen participation of civil society? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No. Consultation and participation plan example is in the PAM. Participation will be further elicited through the support of ARVCs and through implementation of the GAP and the REMDP.</p>
<p>III. GENDER AND DEVELOPMENT</p>
<p>Gender mainstreaming category: Effective gender mainstreaming (EGM)</p>
<p>A. Key issues. Women have fewer opportunities than men to participate in public decision making, and less access to information, training, and employment, especially during the low agricultural season. Women and girls are also disproportionately at risk from human trafficking and HIV/AIDs transmission and road safety, and shoulder more burden of risk should their family members be affected by these. Women are more likely than men to carry the burden of household chores, and face more negative impacts of waterborne diseases (reproductive health issues). Women provide a disproportionate input into production of the main agricultural crops and the marketing of these crops.</p>
<p>B. Key actions. The ARVC subprojects, which will support small enterprise, are expected to enable women to participate in and benefit from the improved economic opportunities associated with agriculture value chains and the road connections to markets, including women's access to project resources for business development and access to technology to enhance productivity and reduce the time required to harvest and market produce. The subproject water supply scheme will improve the position of women and girls and reduce the health care burden through improved water supply in quality and quantity terms. The project will provide increased voice and empowerment for women in road, ARVC, and water supply schemes detailed designs, monitoring, and possible employment opportunities during civil work:</p> <p><input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p> <p>Design features of the GAP are (i) promotion of equality of project benefits and opportunity sharing between men and women; (ii) reduction in gender inequalities and social risks (HIV/AIDs transmission prevention, human trafficking prevention, road safety); (iii) training of women, including those from ethnic minorities, on agriculture technical topics; (iv) increased representation of women in decision-making bodies; (v) collection of sex-disaggregated data for benefit monitoring and evaluation; and (vi) assigning of gender targets to enable women to access investment in ARVCs and the benefits from this at the marketing, commodity association, enterprise, and producer group levels.</p>
<p>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. All representative road subprojects have confirmed that several households will be affected because of widening and minor realignment, resulting in some loss of productive assets but little or no involuntary relocation. Representative water supply subprojects entail fewer such 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 REMDF to guide further REMDPs. Each REMDP provides mitigation measures to address involuntary resettlement impacts, a grievance redress mechanism, and compliance with ADB information disclosure and consultation requirements.</p> <p>3. Plan or other actions.</p> <p><input checked="" type="checkbox"/> Combined resettlement and indigenous peoples plan <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</p>
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. The area features a large diversity of ethnic groups. Impacts on ethnic minorities in the project areas are overwhelmingly positive since the subprojects will be aimed at the overall economic and social improvement of the total population. 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. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>2. Strategy to address the impacts. The REMDP 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>

<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
V. ADDRESSING OTHER SOCIAL RISKS
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market. L unemployment M underemployment L retrenchment L core labor standards</p> <p>2. Labor market impact. The project will address underemployment, directly and in the short term, by creating opportunities for unskilled and semiskilled labor during construction, and indirectly and in the long term through support to agribusiness and other businesses that stand to benefit from increased economic activity associated with corridor development. A key element of the subregion master plan is to reduce the costs of doing business to attract additional investment, employment, and traded outputs</p>
<p>B. Affordability</p> <p>No outlay from project beneficiaries is required for the road and ARVC subprojects. For water supply subprojects, willingness to pay the minimum tariff ranged from 70% to 97%. Cost of water supplies in comparison to household income ranged from 2.8% to a marginal 5.0%. Further work on income levels will be desirable during implementation to ensure that tariffs meet affordability criteria.</p>
<p>C. Communicable Diseases and Other Social Risks</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 (HIV) M <input checked="" type="checkbox"/> Human trafficking L <input checked="" type="checkbox"/> Others: Road Safety: M</p> <p>2. Risks to people in project area. During construction, contractors are likely to source skilled and some semiskilled labor from outside the immediate project area, creating a temporary resident population. Local people, particularly ethnic minorities and women, have limited knowledge of HIV/AIDS, and other diseases are significant, calling for awareness raising among workers and residents. Human trafficking is an ongoing risk, especially for provinces bordering the PRC. Road accidents and crashes are an increasing risk because of greater traffic volumes and travel speeds. Road safety design features are required in detailed designs as well as awareness raising on road safety issues, particularly for children. Awareness raising is provided for in the GAP and is part of current ongoing government programs.</p>
VI. MONITORING AND EVALUATION
<p>1. Targets and indicators. DMF indicators for targets related to social and poverty dimensions include (i) the number of people with access to safe water by 2030, (ii) female membership quota in HortLangson board of governance, (iii) completed infrastructure packages to support market-linked producer groups with female membership quota, and (iv) public awareness and consumer education training completed. DMF indicators for targets related to gender are (i) women's involvement in market-linked producer groups of agricultural commodities, and (ii) women's involvement in commodity associations.</p> <p>2. Required human resources. Each PMU has safeguards and a gender focal point and a monitoring specialist. In addition, each provincial loan implementation consultant includes 8 months of a social and gender safeguards specialist. The value chain output is supported by a service provider that will be contractually required to achieve gender targets, and report on these.</p> <p>3. Information in the project administration manual. Arrangements for GAP and REMDP implementation and for relevant project design features are provided in the PAM.</p> <p>4. Monitoring tools. A quarterly progress report, including GAP and REMDP monitoring, is to be submitted to ADB to assess adherence of resettlement implementation activities to the REMDP and GAP implementation status about covenant compliance. GAP monitoring table and key targets, DMF monitoring, and REMDP monitoring are part of the monitoring of poverty and social dimensions and are included in the PAM.</p>

ARVC = agricultural and rural value chain, DMF = design and monitoring framework, GAP = gender action plan, PAM = project administration manual, PMU = project management unit, PRC = People's Republic of China, REMDF = resettlement and ethnic minority development framework, REMDP = resettlement and ethnic minority development plan

^a ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020*. Manila.

^b General Statistics Office. 2015. *Statistical Yearbook of Vietnam*. Hanoi.

^c Project Preparation Technical Assistance

^d Data from the Department of Labor, Invalids, and Social Affairs (2016).

Source: Asian Development Bank.