



Initial Poverty and Social Analysis

Project Number: 49404
July 2016

Proposed Loan Viet Nam: Water Efficiency Improvement in Drought Affected Provinces

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Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Viet Nam	Project Title:	Water Efficiency Improvement in Drought Affected Provinces
Lending/Financing Modality:	Project Loan	Department / Division:	Southeast Asia Department/ Environment, Natural Resources and Agriculture Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to National Poverty Reduction Strategy and Country Partnership Strategy

The project is consistent with the objectives of the government's current Socioeconomic Development Planning for 2011-2015 and is closely aligned to the National Targeted Program for New Rural Development with its focus on improving socio-economic conditions and creating diversified and higher valued production of agricultural goods. The project is consistent with Asian Development Bank's Country Partnership Strategy (CPS, 2012-2015)^a which supports Viet Nam's transition to an upper-middle-income country through three pillars: inclusive growth, environmental sustainability, and improved efficiency.

B. Poverty Targeting

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

The project will improve the living conditions of residents in five drought-affected provinces (namely, Dak Lak, Dak Nong, Khanh Hoa, Binh Thuan and Ninh Thuan) by improving water resource planning and by improving water-use efficiency in agriculture. The targeted beneficiaries of the project include rural farmers dependent on agriculture for their livelihoods.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** Viet Nam's poverty rate (as measured by international standards) has decreased from 58% in 1993 to 21% in 2010 (GSO,2011). By 2014, the national poverty rate was estimated at 5.97%. However the poverty rate in three of the five project provinces (Ninh Thuan: 7.53%; Dac Lak: 10.02%; and Dac Nong: 13.75%) is higher than the national poverty rate which was estimated at 5.97% in 2014.^b

In term of both income and non-income poverty, the Central Highlands and South Central Coastal regions present significant challenges especially for ethnic minority groups. Ethnic minorities make up 5% and 11% of the total population of the respective regions; however they account for 74% and 34% of the poor in the respective regions.^c

The targeted provinces are frequently affected by droughts, the last being the 2014-2016 El Niño droughts which had a significant impact on rural incomes. Key issues faced by rural inhabitants include (i) an unreliable source of water for irrigating high value crops; (ii) deteriorating irrigation infrastructure (head-works and distribution canals) that contribute to one of the lowest water-use efficiencies in Asia; (iii) increased uncertainty of precipitation due to climate change; and (iv) unsustainable extraction rates of ground water to irrigate upland crops impose additional costs as wells/bores need to be deeper – all of which are expressed in increased vulnerability of incomes and a risk of increased environmental degradation.

The introduction of on-farm water saving delivery mechanisms will invariably temporarily increase farmer debt as their financial resource bases are limited and most will need to access credit to adopt the technologies. This is only possible through the formal financial institutions where land titles have been issued to land users, a large proportion being ethnic minorities. As such, the project will re-enforce land ownership arrangements amongst the more vulnerable minority population.

2. **Impact channels and expected systemic changes.** The desired impact will be on water use efficiency in agricultural holdings. The project will improve water-use efficiency for irrigated agriculture as applied to higher valued crops. It will also attend to institutional capacity building to equip staff of irrigation water management companies and farmer water user groups to operate and maintain irrigation facilities. The project will also introduce water saving technologies to transfer water from these facilities to farmers' fields.

The adoption of a basin wide approach to planning water-use allocations is a significant change from the traditional planning by departments of agriculture and rural development at provincial levels. This, together with improved delivery mechanisms and with incentives for the adoption of water efficient irrigation techniques on high valued crops will improve water use efficiency leaving increased volumes for downstream users. The re-introduction of the principles of 'user pays' for water will provide added incentive to ensure the resource is used efficiently. The impacts from these development initiatives will be for increased incomes amongst the rural inhabitants (including a higher than average proportion of the poor and ethnic minority populations) who depend on agriculture for their livelihoods.

3. **Focus of (and resources allocated in) the PPTA or due diligence.** The PPTA will provide technical verification on the impact of the project on the poor, and in particular on ethnic minorities involved in agricultural. Two social and gender specialists (international and national) will be responsible for the preparation of a Gender Action Plan, a Communication and Participation Strategy and an Indigenous People's Plan to guide project implementation.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Key gender issues relevant to this project include (i) women work equal amounts of time in agriculture, operate half the household businesses, yet few of them share equal control over household finances and are generally not included in village based decision making groups e.g. for irrigated agriculture (water user groups) or make key decisions on their households farming work; (ii) women have lesser opportunities to gain exposure to new and improved agricultural technologies than men due to their time consuming household burden and occasionally lower level of education; (iii) women are primarily responsible for care of children and the elderly, shopping and cooking and most other household duties and are often more impacted from drought situations as increased time is spent collecting and processing water for household consumption; (iv) for ethnic women these constraints are compounded by inability to confidently converse in Vietnamese language due to their non-participation in formal educational services – partly because of their isolation but also cultural practices preclude their participation; and (v) within irrigation management companies, very few women are engaged in either technical or administrative positions and similarly for district and commune committees they lack representation in decisions about prioritizing subprojects contributing to perpetuation of the mind-set of male only orientated planning and extension services. Familiarity with the gender mainstreaming concepts is minimal. Women's exclusion from the public sphere appears to be due to a combination of cultural practices.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes. Opportunities exist to increase representation of women in water user group committees to assist in the operations and management of irrigation schemes in leading an water efficiency demonstration model and in capacity building opportunities from project. A gender action plan will be prepared during PPTA based on gender assessment.

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

Unlikely. The PPTA will identify potential adverse impact on women and/or girls if any and design mitigation measures in a gender action plan if impacts are identified.

4. Indicate the intended gender mainstreaming category: EGM (effective gender mainstreaming)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The five participating provincial people's committees, their departments of agriculture and rural development, provincial department of labor, invalids and social affairs, and departments of industry and trade, together with local communities/irrigated agriculture producers, agri-business community are the principal stakeholders. People's committees and their relevant departments will participate in scoping during project design while local communities/irrigated agriculture producers, agri-business community will participate in consultation to identify their needs, opportunities, constraints and project interventions to ensure their full participation, benefit and mitigation of negative impacts (such as of resettlement, etc.).

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

The project will contribute to engaging and empowering stakeholders and beneficiaries, particularly the poor, vulnerable and excluded groups through consultations, information sharing on project design and implementation. Participatory workshops will be conducted during initial design to understand stakeholder (including the poor, vulnerable and excluded groups) expectations, needs, and constraints. Participation of the poor and excluded people's representatives in design would address resettlement issues arising from canal re-alignment and any associated access roads needed to market agricultural products. Constraints to their participation in design and benefit from project's components, will be addressed by the social and gender specialist in the PPTA.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing Consultation Collaboration Partnership

Viet Nam's Women Union is an active civil society organization in the proposed project areas. There are other nongovernment organizations active in these areas assisting in the implementation of other development initiatives. Where relevant, these will be invited to collaborate with the PPTA to support their members/beneficiaries to participate in project design deliberations during information sharing and consultation.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?

Yes. The issues for which participation of the poor and excluded important include: Resettlement, assessment of accessibility to rehabilitated irrigation infrastructure for agriculture and rural products; assessment on needs, expectation and constraints related to agro-business support (involving women and ethnic minorities in value chain

investigations). Stakeholder workshop to discuss and consult the issues above will be organized during PPTA.
IV. SOCIAL SAFEGUARDS
<p>Involuntary Resettlement Category A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/></p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? If yes. Please explain, and provide information on the extent of land and assets acquisition and the estimated number of affected persons. Also describe actions/measures to be conducted during due diligence to address involuntary resettlement. Rehabilitation/upgrading of existing irrigation infrastructure may result in minor land acquisition and impact on some structures along the canal alignments. The impacts will be assessed during the preparation of feasibility studies. If significant land acquisition is required, the subproject will be ruled ineligible for project financing. A resettlement framework will be prepared to guide subproject screening and resettlement plan preparation.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? <input type="checkbox"/> Resettlement Plan (in case of confirmed involuntary resettlement impacts) <input checked="" type="checkbox"/> Resettlement Framework</p>
<p>Indigenous People's Category A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/></p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> Yes</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input checked="" type="checkbox"/> No. The improved productivity in the project areas is expected to benefit the local population, including ethnic minorities. In addition, the project will potentially benefit the ethnic minority people with employment opportunities during and after civil works construction, facility operations and maintenance, and other capacity building initiatives. Potential adverse impacts, if any, will be related to minor loss of land and structures that are owned or used by households belonging to ethnic minorities as a direct result of the irrigation canal realignment and will be settled with compensation in kind within the rehabilitated command areas. A due diligence review will be done during the PPTA to verify potential positive and negative impacts on ethnic minorities.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input checked="" type="checkbox"/> No Please explain The project interventions do not involve any commercial development or incursion into natural resources in ethnic minority communities and will not result in their displacement from ancestral domain/traditional areas.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <input checked="" type="checkbox"/> Indigenous peoples plan (in case of confirmed impacts on specific ethnic minority communities) <input type="checkbox"/> Indigenous people's planning framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable disease including HIV/AIDS <input type="checkbox"/> Increased human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increased unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others please specify.</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Further investigation on the risks will be conducted under the TA and if the risks are real, measures to address would be included in the project designs outcomes where relevant.</p>
VI. PPTA DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks? Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the PPTA or due diligence? Social and gender specialists (international, 1 person-month and national, 4 person-months) and resettlement specialist (national, 4 person-months) to conduct due diligence. Planned workshop budgets to inform local population of project activities and beneficiary participation - \$20,000.</p>

^a The CPS (2012-2015) has been extended until 2016 while a new CPS (2016-2020) is being prepared.

^b Ministry of Labour – Invalids and Social Affairs. 2015. Quyết định phê duyệt kết quả điều tra, rà soát hộ nghèo, hộ cận nghèo năm 2014 (The Decision No. 1294 on MOLISA's Approval of the results of the Review of poor and near poor households in 2014), access via link: <http://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Quyết-dinh-1294-QĐ-LĐTBXH-phe-duyet-ket-qua-dieu-tra-ra-soat-ho-ngheo-ho-can-ngheo-2014-290844.aspx#>

^c Ministry of Planning and Investment. 2010. Official Report – Population and Housing Census 2009 (page 1). Ha Noi.