

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY: PROJECT 1

Country and Project Title: Viet Nam: Water Sector Investment Program, Periodic Funding Request 1 (Ho Chi Minh City Water Supply)

Lending/Financing  
Modality:

Multitranche Financing Facility

Department/  
Division:

Southeast Asia Department  
Energy and Water Division

### I. POVERTY ANALYSIS AND STRATEGY

#### A. Link to the National Poverty Reduction Strategy and Country Partnership Strategy

The Viet Nam country strategy and program, 2007–2010 is aligned with the Government of Viet Nam's draft Socioeconomic Development Plan, 2011–2015 and envisages helping the government devolve more responsibilities to the provinces, make cost recovery a core principle in all water supply schemes, and sustain equitable economic growth to achieve further reductions in poverty, the rate of which declined rapidly from 70% in 1990 to 16% in 2009. The government's strategy for Ho Chi Minh City (HCMC) is to develop water supply infrastructure, improve service, and expand services to new urban and peri-urban areas. Project 1 is expected to reduce nonrevenue water and to strengthen and expand the primary transmission network to improve coverage. The project includes an institutional strengthening program to help the Saigon Water Corporation (SAWACO) improve its efficiency and services. These measures will ultimately improve the city's quality of life, working environment, ability to attract investment, and access to services and will therefore help reduce poverty.

#### B. Poverty Analysis Targeting Classification: Targeted intervention—geographic (TI-G)

**Key issues.** The project will seek to improve water service delivery and expand coverage in HCMC. One of its significant design features will be the construction of a pipeline to peri-urban wards with higher poverty rates than the rest of the city. Coverage of poor and moderately poor households and households headed by women in these areas will be 100%, with free connections and lifeline quotas guaranteed by national law. The regular supply of safe drinking water in adequate quantities will improve the economic profile of the project area by giving people access to water for both personal and productive uses; reduce water-fetching and water-management burdens on women; and improve household health.

**Design features.** In zones 1 and 3, 475,000 households will benefit from improved coverage and service pressure from a transmission pipe with a diameter of 2,400 millimeters. In zones 3, 4, 5 and 6, 33,872 households will gain from improved coverage and service pressure following distribution pipe rehabilitation, replacement, and extension. In all, 13,273 poor households will get piped water supply for the first time, and 6,500 poor households who shared connections previously will get their own connections. Moreover, the water tariff structure itself will be pro-poor. It will comprise a subsidized lifeline of 4 cubic meters of water per person per month and free connections to promote access and the use of the service by vulnerable and disadvantaged groups in the city. A citizen's report card will be used to measure the performance of this service.

### II. SOCIAL ANALYSIS AND STRATEGY

#### A. Findings of Social Analysis

**Key issues.** While water supply coverage averages 82% in HCMC, some areas have only 60% coverage. Many households without access to SAWACO supply pay far in excess of the official block tariff, which ranges from D4,000 to D10,000 per cubic meter. Tanker supply costs almost double the official tariff. Although policy dictates free connection charges, there is an obvious lack of tertiary distribution network, especially in urban and peri-urban wards with high poverty rates. HCMC's overall poverty rate of 11.88% disguises poverty incidence of more than 50% in some wards and districts. The poor are both long-term residents and migrants to the city. While the project will provide affordable and clean water to all prospective users, such as households, industries, commercial enterprises, and institutions (e.g., hospitals and public buildings), it has features that will enable access for the poor to improved water supply from SAWACO. Following national decree 117/2007 on water supply, free connections, lifeline quotas, and subsidized tariffs will be principal features of water supplied to 100% of poor households and households headed by women in the project area.

**B. Consultation and Participation**

1. Stakeholders include water users, the water company, and the local government. Several public consultation meetings were held during project preparation, including four workshops and a town hall meeting on resettlement, willingness-to-pay and affordability surveys, and a public consultation on water tariffs. Additionally, the social assessment entailed seven focus group discussions and a survey of 600 households to obtain detailed information on household water supply, including the types and coverage of sources, problems experienced, household coping strategies, beliefs and attitudes towards water, and willingness to pay for improved services.

2. What level of C&P is envisaged during the project implementation and monitoring?

☒ Information sharing   ☒ Consultation   ☐ Collaborative decision making   ☐ Empowerment

3. Was a C&P plan prepared? ☒ Yes   ☐ No

Consultation and participation (C&P) will be one component of a ward-level community-based approach to water supply that will include (i) a pro-poor policy, (ii) participatory water services, and (iii) information and communication with consumers. A total of 149 person-months of technical assistance inputs are envisaged for the community-based approach. C&P elements will include consulting with the poor and nongovernment organizations regarding water services planning and implementation; establishing community supervision boards with community representation; meetings and other consultation events; interactions between SAWACO and community supervision boards; community feedback incorporated into plans, designs, and construction; the ongoing provision of information and communication that will facilitate long-term C&P; the development of a citizen's report card to gauge company performance; and the development of a customer service policy safeguarding consumer rights.

**C. Gender and Development**

**Key issues.** A gender assessment found that women play a key role in ensuring water is available in the home, collecting and paying for water and teaching children about water conservation. More women hold department head positions in SAWACO than in its joint stock companies, but they are often in traditional areas, such as finance and administration. The Women's Union is neither formally included in any water decision-making body nor routinely consulted by SAWACO. Key gender issues that will be addressed by the project include the gender and poverty implications of access to and use of water; women's involvement in water utility agencies and in community-based operation, maintenance, and supervision; the collection of gender-disaggregated data to monitor poverty and water supply access; and information, education, and communication materials on water conservation targeted at women.

**Key actions.** ☒ Gender plan   ☐ Other actions or measures   ☐ No action or measure

The gender action plan advocates (i) the development of a road map for water tariff increases that takes into consideration gender and affordability issues; (ii) 100% coverage of households headed by women in any network extension; (iii) the implementation of decree 117/2007 on water supply to ensure lifeline tariff and free connections are provided to all households headed by women; (iv) the participation of women in community-based operation and maintenance, including in community supervision boards; (v) information, education, and communication materials on water conservation and related issues targeting women; (vi) women acting as community facilitators for information, education, and communication; (vii) 50% of project management unit staff being women and equal employment and training opportunities being provided to them throughout the project; (viii) improved gender awareness disseminated through training of all company staff and ward committees; and (ix) the inclusion of a sex-disaggregated database in the project monitoring system.

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

Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary resettlement	Significant resettlement impact is expected.	Resettlement is necessitated by the laying or extension of pipelines and road widening. A resettlement framework exists. The resettlement plan is to be prepared only when the alignment and routing of all pipelines is finalized. The resettlement framework was prepared with local communities and authorities. Monitoring and evaluation of resettlement during implementation will be similarly consultative.	<input type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework for the multitranche financing facility (MFF) and periodic funding request (PFR) 1 <input type="checkbox"/> Combined resettlement and indigenous peoples plan (IPP) <input type="checkbox"/> Combined resettlement and IPP framework <input type="checkbox"/> Environmental and

