

ETHNIC MINORITY DEVELOPMENT PLAN

August 2013

VIE- Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project.

Quang Nam province rural distribution power network rehabilitation and expansion subproject.

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ABBREVIATIONS

ADB	Asian Development Bank
AP	Affected people
CEM	Committee for Ethnic Minorities
CMB	Community Management Board
DONRE	Department of Natural Resource and Environment
EMP	Environment Management Plan
EVN - CPC	Electricity of Vietnam – Central Power Corporation
EVN	Electricity of Vietnam
HHs	Householders
MOIT	Ministry of Industry and Trade
MONRE	Ministry of Natural Resource and Environment
NGO	Non-Government Organization
PC	People's Committee
PMU	Project Management Unit
RERC	Renewable Energy Remote Commune
ROW	Right of Way
RP	Resettlement Plan
SPB	Social Policy Bank

A. BACKGROUND AND CONTEXT

1. Project Rationale

1. Persistent poverty in mountainous and isolated communities in Viet Nam is closely connected to deficient infrastructure development including lack of electricity. The government's Socio-Economic Development Plan (SEDP) 2006–2010 puts a considerable emphasis on provision of rural infrastructure. Although the household electrification rate has increased from 51% in 1996 to 91% by 2007, the electrification rate in the remote Central mountainous provinces is relatively low. The household electrification rate in the Quang Nam province was 36% and 65% respectively. The low per capita consumption and low population density in remote areas makes grid extensions to provide electricity to these communities a financially unattractive proposition to the electricity utility. However, these provinces have good potential for hydropower development, which can be economically developed to meet the demand for electricity in the local communities and provide surplus electricity to the national grid. The primary objective of this project is to develop the rural electrification and renewable energy sector to serve the ethnic minority communities inhabiting remote and poor parts of the country. The Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project (RERC) consists of two investment components: (i) mini hydropower plants or grid extensions and rehabilitation of distribution network in Northern provinces; and (ii) grid extensions and rehabilitation of distribution network in Quang Tri, Quang Nam in the Central and other provinces in the Southern part of the country. The Executing Agencies of the Project will be Electricity of Vietnam – Northern Power Corporation (EVNNPC), Electricity of Vietnam – Central Power Corporation (EVNCPC), Electricity of Vietnam – Southern Power Corporation (EVNSPC) of Electricity of Vietnam. Rural Electrification Project Management Board (REPMB) of Ministry of Industry and Trade (MOIT) will set up a steering committee to coordinate and monitor the implementation of both the components of the sector project.

2. This EMDP is prepared for “Quang Nam Rural Distribution Power Network Rehabilitation and Expansion Subproject”. This was prepared simultaneously with Feasibility Report to ensure meeting the objectives of the ADB and Government of Vietnam policies. EMDP preparation is based on survey results in 39 communes in Quang Nam. Workshops, public consultations, extensive interviews and discussions with the relevant local authorities and mass organizations at all levels with respect to ethnic minorities.

Table 1: Statistics of ethnic minority communes participating in the project

No	District	Area (km ²)	Population (1000 persons)	Number of administrative units communal	The number of communes participating in the project	Number of villages under the project	Commune project with ethnic Minority participants	Number of households affected	The number of ethnic minority households affected	The number of communes in 9 districts
1	Dai Loc	587	145.710	18 (17 communes, 01 town)	6/18	22	0	589		18
2	Phu Ninh	252	76.929	10 com, 01 town	4/11	19	0	612		11
3	Nui Thanh	534	137.982	16 com, 01 town	4/17	22	1	1,313	27	17
4	Thang Binh	386	176.402	21 com, 01 town	11/22	53	0	769		22
5	Que Son	251	81.930	13 com, 01 town	5/14	16	0	434		14
6	Nong Son	458	31.397	07 com	3/7	9	0	142		7
7	Hiep Duc	494	37.926	12 com, 01 town	1/13	3	1	60	57	13
8	Dien Ban	215	198.337	19 com, 01 town	4/20	15	0	285		20
9	Duy Xuyen	299	120.799	13 com, 01 town	1/14	5	0	87		14
	Total	3,475	1,007.41	9 districts - 128 com – 8 towns	39/136 com	164	02 com	4,291	84	136

As the table above (Table 1) shows the sub-project of Quang Nam has 9 / 18 districts participating in the project and has 2 / 9 District participants in the project are ethnic minority, each district has 01 commune ethnic minority. This EMDP therefore applies to the 02 communes outlined above and which include:

1 Hiep Duc District : Phuoc Tra Commune

2 Nui Thanh District : Tam Tra Commune

Consultations collected detailed information and feedback on projects, the potential impacts, especially impacts on ethnic minorities, proposed mitigation of negative impacts of the project, and enhancing the socio-economic benefits to ethnic.

Most ethnic minorities' households in 02 communes live in persistent poverty, with very low living standards and lack alternatives for sustainable income generation. Electricity provision is one of the most important prerequisites for socio-economic development in remote mountainous ethnic minority communes. The project location therefore gives it a strong poverty and ethnic minority focus.

2. Subproject Setting

3. "Quang Nam Rural Distribution Power Network Rehabilitation and Expansion Subproject" is planned to be constructed in 164 villages in 39 communes of 9 districts, Quang Nam province.

Quang Nam has an area of 10,438.4 km² natural, district administrative offices including 02 cities: Tam Ky and Hoi An, 16 districts with 241 commune/wards. The total populations 1,435,000 people in Quang Nam at 31/12/2011 According to preliminary Census of Population and Housing 31/12/2011, of which the female populations 729,735 people (account for 52.6% of total Quang Nam population), the female populations 694,025 people (account for 48.36% of total Quang Nam population).

(According to the Statistical Year book of Quang Nam 2011).

Table 2: Number of communes to benefit from the project

No.	District	Communes in the project area (No.)	Number of villages under the project	Total Households (No.)	Households affected (No.)	Number of households in each districts	The number of communes in 9 districts
1	Dai Loc	6	22	4,466	589	38,049	18
2	Phu Ninh	4	19	2,820	612	20,116	11
3	Nui Thanh	4	22	1,925	1,313	39,044	17
4	Thang Binh	11	53	13,386	769	48,544	22
5	Que Son	5	16	2,983	434	24,924	14
6	Nong Son	3	9	1,851	142	4,441	7
7	Hiep Duc	1	3	135	60	9,412	13
8	Dien Ban	4	15	2,162	285	48,648	20
9	Duy Xuyen	1	5	1,292	87	32,402	14
	Total		164	31,020	4,291	265,580	136

According to Table 2 above, the sub-project will include 50% of districts in the province all of which will potentially benefited, from the project, this includes 34.87% of communes in the 9 districts, of which with 11.68% of households in the 9 districts

At the locality of province, there are 20 different ethnic groups of which Kinh is the most dominant (1,280,587 persons, 93.2%), followed by CoTu (37,310 persons, 2.71%), Xo Dang (30,230 persons, 2.2%), Mnông (13,685 persons, 0.99%), Gie Triêng(4,546 persons, 0.33%), Kor (4,607 persons, 0.03%), Chinese (1,106 persons, 0.08%), Tay (509 persons, 0.03%), Mung (364 persons, 0.02%), Nung (247 persons, 0.01%) and the other ethnic minority covers 0,1%.

4. The subproject is supported by capital budget of the Power Corporation of Vietnam (EVN) and loans of the Asian Development Bank (ADB) to expand the distribution of the medium- low voltage network in Quang Nam province. The subproject will supply electricity to 54,096 households in Quang Nam province, mainly to ethnic minority people. The implementation of the project will increase the electrified households' rate around Quang Nam province from 87.7% now to 95.1% after project completion, with the ethnic minority people electrified households increase from 67.2% at present to 93.3% after project completion.

Table 3: Number of households granted state power grid in 9 districts of sub-projects:

No.	District	Total HHs	HHs Connected to Grid (#)	HHs Without Power (#)	HHs Benefitted by other project	HHs Benefitted by sub project
1	Dai Loc	38,049	27,074	10,262	1,829	4,466
2	Phu Ninh	20,116	11,477	8,447	976	2,820
3	Nui Thanh	39,044	29,017	6,669	1,749	1,925
4	Thang Binh	48,544	26,558	18,767	2,221	13,386
5	Que Son	24,924	13,033	8,024	1,032	2,983
6	Nong Son	4,441	5,114	2,964	396	1,851
7	Hiep Duc	9,412	9,370	368	477	135
8	Dien Ban	48,648	41,707	9,363	2,502	2,162
9	Duy Xuyen	32,402	29,329	1,718	1,521	1,292
	Total	265,580	192,679	66,582	12,703	31,020

Table 4: Households ethnic minorities are benefitted by the project in Quang Nam:

No.	District	Ethnic minorities HHs (%)	Ethnic minorities HHs (%)		Ethnic minorities HHs benefitted by sub project (%)
			With Power	Without Power	
01	Tam Tra	2	60	40	40
02	Phuoc Tra	12	62	38	38

Source: Quang Nam Power Company in 2009

3. Ethnic Minorities and Ethnic Minority Poverty in Viet Nam and in the Southern Project Provinces

5. According to the current classification accepted by the Vietnamese government, 54 different ethnic groups are recognized in Vietnam. The majority Kinh (or Vietnamese) make 87% of the total population. The 53 ethnic minority groups are varying in size from 500,000 to a few hundred members each. Ethnic minorities account for 13 % of the total population, but nearly a third (29%) of Vietnam's poverty classified people are ethnic minority people. Ethnic minorities form a significant component off poverty statistics and their poverty is more persistent than among the Kinh.

The ethnic minority has a history of long-term residence in the south of Vietnam and has a unique culture. Ethnic minorities concentrated in the Central Highlands province.

6. Ethnic minority people have long traditional residence in the South of Vietnam and have an unique ethnic culture. Ethnic minority people live in concentration in the Central and Central Highlands provinces (See in table 5 - Ethnic minority groups in 9 districts of sub-projects).

M'ông who is one class of indigenous peoples, comprises of 35,500 persons, they live in the Southwest of Dak Lak , Dak Nong, Lam Dong, Quang Nam, Binh Duong belong to Anhdonediang human race group with low stature, thick lips, brunette. They speak ethnic minority people languages. M'ông people are one of the typical residents of agriculture in the Highlands using hoes. Economics is cultivating hill rice.

Cor people have about 22,600 people that live mainly in Tra My district, Hiep Duc, Quang Nam province and Tra Bong district, Quang Ngai province. They rely on farming. They grow rice, maize, cassava and many other plants. In particular, cinnamon is local traditional tree in Tra My district of Quang Nam province. Cinnamon in the Cor area with high quality and high productivity in many domestic regions as well as well-known in many parts of the world. Annually, cinnamon brings significant revenue for the Cor. Although hunger elimination and poverty reduction has achieved certain results, there are many social problems to solve in the area; this includes inequality and lack of social infrastructure.

The Ethnic minority M'ông and Cor in Quang Nam province have a high rate of the poor households compared to other ethnic groups in the same locality. The government has invested heavily in the Central and Central Highlands of Viet Nam to develop of infrastructure such as transport, electricity, health, culture, education and poverty reduction. However, the actual living standard of the Ethnic minority people is very low, the power consumption average of the Ethnic minority people is about 54-65 kWh/HH/month, which is very low compared with national average of 637kWh per capita per year.

4. Legal and policy framework on ethnic minorities in Viet Nam

7. The definition of ethnic minority status in Vietnam is based on the following criteria:
 - (i) A language different from the national language;
 - (ii) Long traditional residence on, or relationship with, land, and long traditional social institutional system;
 - (iii) A self-provided production system; and
 - (iv) A distinct cultural identity and self-identification as a distinct cultural group that is accepted by neighboring ethnic groups.
8. Article 5 of the Constitution of Viet Nam (1992) acknowledges equality and equal rights among ethnic groups, upon which also the Government policy and programmes on ethnic minority development are based upon. Articles 36 and 39 of the Constitution appoint citizens living in the mountainous regions as *national minorities* and instruct that they are given priority in education and health care services. A number of ethnic minority groups, especially those with small populations, and in not as developed areas are defined as *especially difficult national minorities*.
9. The GoV has implemented a number of National Targeted Programs for Poverty Reduction (NTPPRs) and special support schemes through government Decisions in order to provide funds for poor provinces, especially those with large ethnic minority populations with very high and persistent household poverty. A key policy targeting poverty issues are expressed through the *Program 135 (135/1998/QD-TTG)* dated July 31, 1998. It aims at poverty reduction through a socio-economic development program for communes with special difficulties in mountainous areas and far from centres of the country. The focus of Program 135 activities is on infrastructure (roads, small irrigation systems, clean water systems, schools, health centres, electricity, etc.), funded from multiple donor resources¹. Another central program focused on supporting production and residential land (houses) and water for difficult ethnic minority households is Program 134. Program 139 is supporting health care and poor households' access to health services, and Program 159 is focused on improving education infrastructure in ethnic minority areas. In very poor ethnic minority provinces major part of the provincial budget is provided through NTPPRs and other government funds and subsidies (Lai Chau over 90% of the province budget).
10. The basis for implementation of the plan of development of ethnic minority in Vietnam currently consists of 3 groups: (i) policies group policy related to facilitate settlement of the sedentary, minorities: (ii) the second group of policies related to facilitate the development of economic-cultural-social for the peoples of the mountains; and (iii) the third group of policies related to land, land management in mountainous regions and ethnic minorities. List of this policy are enclosed in **Appendix5**.
11. Besides the group policies that relate directly to the ethnic minorities, two decrees relating to the social democratic village and the participation of the people is also applied in the development plans of this ethnic minority, which is Decree No. 79/2003/ND-CP of the Government on the regulations implementing social democracy, issued on 07 July 2003 and decision No 80/2005/QD-TTg by the Prime Minister about the enactment of regulation oversight of investment of the community.

5. Ethnic minority population in the project area

12. Upgrading and expanding rural distribution power networks in Quang Nam province will provide benefits to 618 the ethnic minority households and 2,543 persons in 02 communes of 02 districts of Quang Nam province.

Which has 84 households with 336 inhabitants are ethnic minorities affected by the project to land loss (temporary and permanent), affecting trees and plants. All households of ethnic minorities have long-term land use rights for land affected. Assessing the social impact of the projects implemented in the preparation. A resettlement plan (RP) has been prepared to assess the impact the project (land acquisition, affecting the property of land, structures, crops, trees) to project implementation. Under the resettlement plan, the impact of the project to the households of ethnic minority ethnic minority in Quang Nam are summarized as follows: (more details from the resettlement plan) households ethnic minority families affected have no livelihood (less than 10% of the total land owned production area), and none of the household must be relocated and resettled. Summary of the resettlement plan and resettlement policy frame work is presented in section (IR) Appendix D and E.

Table 5a: Ethnic minority groups in 9 districts

No	Subproject District	Ethnic Minority HHs by Type (No.)				Ethnic Minority Population by Type (No.)			
		Kinh	Cor	M'Nông	Ka dong	Kinh	Cor	M'Nông	Ka dong
1	Dai Loc	38,049				145,770			
2	Phu Ninh	20,116				76,992			
3	Nui Thanh	38,777	267			137,254	971		
4	Thang Binh	48,544				176,546			
5	Que Son	24,924				81,935			
6	Nong Son	4,441				431			
7	Hiep Duc	8,882		250	101	35,579		980	592
8	Dien Ban	48,648				198,619			
9	Duy Xuyen	32,402				120,762			
		264,783	267	250	101	973,888	971	980	592

Table 5b: Ethnic minority groups who will be affected by the project

No	Subproject Communes/ District	Ethnic Minority HHs by Type (No.)		Ethnic Minority Population by Type (No.)	
		Cor	M'Nông	Cor	M'Nông
1	Tam Tra/Nui Thanh	27		267	
2	Phuoc Tra/Hiep Duc		57		370
		27	57	267	370

a. Tam Tra, Phuoc Tra communes and population

13. Tam Tra commune consists of 8 villages with 809 households and 2,924 persons, which has 267 ethnic minorities' households (971 people's remains from the Kinh group). These villages are a distance of 5km from the commune centres.

Phuoc Tra commune consists of 6 villages with 370 households and 1,631 persons, of whom all are 351 ethnic minority households and 1,572 persons. These villages are a distance of 4.5km from the commune centres.

Population and Ethnicity data is seen in Table 6. Map over Tam Tra, Phuoc Tra communes are seen in **Appendix 1**.

Table 6: Villages of Tam Tra and Phuoc Tra communes, Population and Ethnicity

Villages of Phuoc Tra commune, Hiep Duc district, Population and Ethnicity:

Village	Distance to commune center in km	Total No. HHs	Population	Ethnicity
Village 1	4.5	41	198	Cadong, Kinh
Village 2	3.0	37	196	Cadong, Kinh
Village 3	1.0	54	226	MoNong, Kinh
Village 4	Center	82	310	MoNong, Kinh
Village 5	1.0	61	293	MoNong, Kinh
Village 6	2.5	95	408	MoNong, Kinh
Total		370	1,631	

Villages of Tam Tra commune, Nui Thanh district, Population and Ethnicity:

Village	Distance to commune center in km	Total No. HHs	Population	Ethnicity
Village 1 (Xuan Tho)	3	55	186	Kor
Village 3 (Thuan Tan)	1	109	396	Kor
Village 5 (Tu My)	5	103	389	Kor
Truong Cuu 1 village	2	146	505	Kinh
Truong Cuu 1 village	4	79	303	Kinh
Phu Duc village	3	92	331	Kinh
Phu Thinh village	1.5	74	267	Kinh
Phu My village	4	151	547	Kinh
Total		809	2,924	

b. Poverty Situation

14. Totally 86.45% of households in Phuoc Tra commune, Hiep Duc district are poor, but in village 3 and village 4 as many as 83.3% and 85.4% and in village 6 87.4% of households are classified under the national poverty line. The average income in the commune is 200,000VND/person/ month, meaning that even most of those households that are not classified poor are actually just above the poverty line.

Totally 46.72% of households in Tam Tra commune, Nui Thanh district are poor, in Tho Xuan and Thuan Tan villages as many as 90.9% and 49.54% respectively are classed as poor, and in Tu My village 70.87% of households are classified under the national poverty line. The average income in the commune is 200,000VND/person/ month, meaning that even most of those households that are not classified poor are actually just above the poverty line.

According to survey data: causes of poverty focus groups caused by the ailment, suffering from social vices (23.5%), lack of capital (19.62%), lack of labor (15.27%) as dependents of people (10.76%); do not know how to do business, unskilled (9.99%), lack of arable land (6.59%); do not have employees that are employed (5.62%). Poverty Situation data is seen in Table 7.

Table 7: Poverty Situation in subproject districts of Quang Nam province

No.	Subproject districts	Total No. HHs	Poor households (%)	Near-poor households (%)	Non-poor households (%)
1	Dai Loc	10,692	3,113	1,019	334
2	Phu Ninh	8,372	1,451	901	468
3	Nui Thanh	6,643	952	702	271
4	Thang Binh	20,373	7,687	3,852	1,847
5	Que Son	9,135	1,566	908	509
6	Nong Son	3,244	1,179	431	241
7	Hiep Duc	345	132	3	0
8	Dien Ban	9,623	1,076	727	359
9	Duy Xuyen	1,798	857	284	151
	Total	70,225	18,013	8,827	4,180

Source: Department of Labour, Invalids and Social Affairs of Quang Nam province in 2012

15. Educational level is low. Most families have lived in the same location for generations. They live their daily life in their own local ethnic culture, and in general rather isolated from the rest of the society (see **Appendix 2** for details on Social Analysis).

Table 8: Educational situation

No.	Subproject districts	Commune (No.)	High school	Secondary school	Primary School	Kindergarten	House of culture	Primary pupils (No.)		Secondary pupils (No.)		High pupils (No.)		Primary schoolteachers (No.)	Secondary schoolteachers (No.)	High schoolteachers (No.)	School-age children to nursery (No.)
								M.	F.	M.	F.	M.	F.				
1	Dai Loc	18	4	17	25	19	18	5,063	6,083	5,319	4,959	3,504	3,529	656	599	263	5,134
2	Phu Ninh	11	2	9	13	11	11	2,586	3,107	2,896	2,701	1,429	1,439	292	325	123	1,586
3	Nui Thanh	17	3	16	25	17	17	5,207	6,255	5,174	4,825	2,565	2,584	601	528	214	4,194
4	Thang Binh	22	4	21	30	25	22	6,239	7,495	6,936	6,467	4,237	4,267	766	755	312	4,337
5	Que Son	14	4	12	15	15	14	2,758	3,314	2,982	2,781	2,310	2,327	374	400	192	2,385
6	Nong Son	7	1	4	5	5	7	942.33	1,132	1,020	952	560	563	137	133	48	697
7	Hiep Duc	13	2	4	8	7	13	1,487	1,787	1,456	1,357	839	844	226	190	78	1,443
8	Dien Ban	20	5	16	32	21	20	6,706	8,058	6,317	5,890	3,866	3,894	718	605	308	5,741
9	Duy Xuyen	14	3	15	21	15	14	4,002	4,809	4,155	3,875	2,848	2,868	492	501	222	4,299
		136	28	114	174	135	136	34,989	42,039	36,255	33,807	22,159	22,315	4,262	4,036	1,760	29,816

Source: The Statistical Yearbook Quang Nam in 2012

c. Income Generation and Resource Use

16. Great majority of Phuoc Tra, Tam Tra households rely on small-scale agriculture added to animal breeding, forest products collection and fishing in Mountain Rivers and streams for their livelihood. Main crops are wet rice and upland rice, maize, potato, cassava, peanut and beans. Seventy five percent of households are mainly cultivating wet rice (80%) and 20% hill rice, each giving only one harvest per year. The total agricultural land area is 155ha. Households' cultivation areas are small, practically no machines are used, and productivity remains low. Major part of production is for household food, there is no commune market and access to district market is very difficult due to poor road access. Local business consists of ten small shops selling basic goods for household needs.

17. Animal breeding is an additional income generation activity to agriculture. Poultry and pigs are kept for household food and for calendar festivities, cows and buffaloes for selling and generating cash. Occasionally traders arrive in Phuoc Tra, Tam Tra to buy cows and buffaloes.

18. The main income of the ethnic minority people in communes and town soft he project area are agricultural products (crops and livestock). Alternative income generation to agriculture is only found among government staff and three traders with small shops selling everyday basic items for household use.

19. There are more women than men in the population, mainly due to the higher and earlier mortality of men. Accordingly, one obstacle for household production activities is lack of male labour force, other major ones being difficult transportation conditions, lack of funds for production investments, lack of technical knowledge in agriculture and animal raising, and lack of ability for household economic planning.

d. Infrastructure and Services

20. Road conditions are good in Phuoc Tra, Tam Tra. At Phuoc Tra, Tra Tam now has roads leading to commune centers in both rainy and dry seasons, inter-village roads are still dirt roads with plans for concreting to serve and improve rural resident's conditions and interests in tourism, transport and agricultural product transportation of goods between local communities. The roads access in both rainy and dry season about 60%.

21. There are kindergartens, primary schools, post offices and cultural houses (see table 8 for details) in the project area to serve the local community.

Public Works: a kindergarten, primary school, post office, houses of culture in the communes and towns of the project area, where ethnic minorities live, to meet the needs of education and cultural activities. Health: 100% of communes in the project area, where ethnic minorities have clinics, nurses and staff physicians for the initial examination and treatment for people.

Table 9: Data on health staff and show number of staff

No.	Subproject districts	Communes (No.)	Population (No.)	Post Office (No.)	Hospital (No.)	Clinic (No.)	Doctor (No.)	Medical (no.)	Nurse (No.)	Midwife (No.)	Children immunized (No.)	People have medical (No.)
1	Dai Loc	18	145,710	18	4	18	60	80	82	49	16,231	129,819
2	Phu Ninh	11	76,929	11	1	11	20	35	16	15	7,244	69,860
3	Nui Thanh	17	137,982	17	1	17	10	64	12	20	15,603	122,702
4	Thang Binh	22	176,420	22	2	22	35	75	74	44	18,001	158,826
5	Que Son	14	81,930	14	2	14	24	62	41	25	8,419	73,700
6	Nong Son	7	31,397	7	1	7	8	25	18	12	2,754	28,714
7	Hiep Duc	13	37,926	13	2	12	25	49	26	22	4,684	33,332
8	Dien Ban	20	198,337	20	2	20	110	120	44	50	20,420	178,375
9	Duy Xuyen	14	120,799	14	2	14	50	66	56	34	13,070	108,010
	Total	136	1,007,430	136	17	135	342	576	369	271	106,425	903,338

Source: The Statistical Yearbook Quang Nam in 2012

Facilities: In general, many households (35.8%) have motorcycle for travel; the majority of households have televisions (43.7%) or cassette (90%) to serve entertainment needs; a number of households have pumps to irrigate vegetables in the garden (5%). Clean water utilizing: only a few ethnic minority households have accessed to water resources from a public water station (4.4%), the majority of households use domestic water from drilled wells or dug wells (77.9%), the rest (17.7%) of households use water from other sources (rainwater, river, spring, streams).

Businesses: Common businesses include paddy mills, timber saw mills, furniture workshops, repair shops, food processing machines, marble mills to name a few.

Table 10: Number of units business in 9 districts

No.	District	Businesses (No.)	Owner (No.)		Food processing machines (No.)		Furniture workshops (No.)		Stores, services (No.)	
			Kinh	Ethnic Minorities	Grid power	Pico- Generator	Grid power	Pico- Generator	Grid power	Pico- Generator
1	Dai Loc	118	118		23	2	55	10	27	1
2	Phu Ninh	26	26		5	1	14	2	4	0
3	Nui Thanh	148	148	0	62	3	32	8	36	7
4	Thang Binh	92	92		45	4	27	2	14	
5	Que Son	116	116		22	3	50	6	31	4
6	Nong Son	9	9		1		4	1	3	
7	Hiep Duc	22	22	0	4		10	1	5	2
8	Dien Ban	187	187		69		71		47	
9	Duy Xuyen	129	129		45		49		35	
	Total	847	847	-	276	13	312	30	202	14

22. Electricity utilizing: about 67,8% of households in the communes of the project area have accessed to the electricity grid, about 90% of households purchase directly from power company, (10.0%) households are through electric service companies, cooperatives with unit price higher than the stipulated by the government but reliability of power source was low. For household use outside the national power grid (and litbykerosene) is higher than the cost of two to three times the national power grid.

So the essential needs of the national grid will bring complete stability in production activities, significantly improved the quality of life of people in the project area.

Quang Nam is one of the poor provinces in Vietnam, however, the government's policy priorities for remote areas, ethnic minority areas is priority of state investment in infrastructure such as electricity, roads, schools, etc. Only 618 ethnic minority households without electricity in two Tam Tra commune/Nui Thanh district and Phuoc Tra commune/Hiep Duc district, this project will supply power to them.

Table 11: The situation connected to the grid in the project districts

No.	District	Total HHs (No.)	HHs connected to grid power (No.)	Ethnic minority HHs with power (No.)	HHs to receive/improve power (No.)	Ethnic minority HHs to receive/improve power (No.)
1	Dai Loc	38,049	27,074	-	4,466	
2	Phu Ninh	20,116	11,477	-	2,820	
3	Nui Thanh	39,044	29,017	-	1,925	267
4	Thang Binh	48,544	26,558	-	13,386	
5	Que Son	24,924	13,033	-	2,983	
6	Nong Son	4,441	5,114	-	1,851	
7	Hiep Duc	9,412	9,370	179	135	351
8	Dien Ban	48,648	41,707	-	2,162	
9	Duy Xuyen	32,402	29,329	-	1,292	
	Total	265,580	192,679	179	31,020	618

6. Expected and potential positive project impacts on local ethnic minority people

23. Results of consultations with communities on local minority shows upgrading and expanding the rural electricity distribution network subproject in Quang Nam will have some potential positive impact on ethnic minorities with respect to social and economic benefits.

24. Upgrade of the national grid expansion will enable more households in Quang Nam province to connect to the national grid. This is a constant power source, stable and continuous power supply. The implementation of the project will increase the number of electrified households in Quang Nam province from 87.7% to 95.1% after completed project. The project will also enable the ethnic minorities HHs in the province to connect to the network increasing the number of ethnic minority electrified households from 67.2% at present to 93.3% after

project completion. When the sub-projects are households in Quang Nam will have and improve and more reliable power supply with reduced incidents of outages.

25. Opportunity to use technical equipment powered by electricity will make daily tasks easier. Additionally, the project will provide job opportunities to local people. If the power supply quality and quantity available to local communities this, can contribute to improving the lives and productive of people in the project area and meet their power needs in the areas of project development, meet the needs of power users. The availability of a reliable power source in the area will contribute to the development of agriculture through the use of electrified agriculture equipment, tools, and, food processing techniques.

26. Opportunity to learn and utilize equipment decreasing manual labor and saving time and increasing the opportunity for involvement in income generating activities. Cultural exchange between local's ethnic minority people and construction workers from outside the project. This impact is helping locals people expand their knowledge and improve their awareness of areas outside their community and how to co-exist in harmony with people of different cultural backgrounds.

27. Increase in sense of community safety and well being due to power supply. Secure power supply during night increases the sense of safety. People after they are connected to the national grid have the opportunity to access and use of electrical equipment such as household electric lights, television, radio, cooker, electric fans. This effect helps people access information quickly, easily, with the conditions for organizing cultural events, contributing to preserving the national cultural identity locally. The number of people with eye disease, especially children is likely to fall because children can use to study electric lights instead of using oil lamps today. The use of electricity for cooking may limit the exploitation of timber for firewood.

28. Stable power source will help local people are expected to create more opportunities for increased revenues from the woven fabric and sewing craft of many women. The public services health (neighborhood medical clinic), education (school) will enhance the quality of service by the use of more devices, medical instruments to support patient thanks to reach national power.

29. Better individual state of well being due to development of new skills and opportunities through the provision of power into the community and the sense of belonging to a progressing community.

30. Construction phases of the subproject will require a number of unskilled workers, about 30 workers. Local people, especially subproject affected households will have opportunities to be trained and worked for the subproject.

31. During construction phase, workers who come and stay in the subproject area for 6 months increase needs of food and commodities for daily activities. Thus, trade and business in the area will be promoted.

32. The presence of workers who come from other areas leads to exchange of culture and civilization of other communities with local community of ethnic minority people.

7. Expected and potential negative project impacts on local ethnic minority people

33. In addition to the potential positive impact, the results of consultation with ethnic minority communities also discussed the potential negative impact on the local ethnic community.

34. Cost of power – will these be subsidized for low income HHS Ethnic minority households are low income, to encourage people to use more electricity, the government supported for their electric bills.

35. During construction of the subproject, a large number of workers (50 workers- mainly male) will work in the area for a long time (about 6 months) that may affect traditional cultural values, customs of the community and may be a risk of social order issues (thief, robber, loss of social security and solidarity, ...) and social evils for local community (risk of HIV/AIDS and other infectious diseases, women trafficking, prostitution, drug addiction,) unless this can be managed through educating women about risks and how to manage approaches prior to construction commencing and educating the incoming workforce of local culture, norms and customs and to respect those.

36. The presence of a large number of workers in the local community will increase pressure on use of natural resources (land, water, especially forest products). Illegal forest product exploiting and using may increase.

37. During transportation of building materials, vehicles will cause noise, dust and smoke that affect local people's life. Building materials, petrol, lubricant, disposal sites will pollute the environment if they are not managed well.

38. The large number of workers and some local unskilled workers without training on or experience of labour safety will be a risk of occupational accidents

39. Areas of gathering construction machines, materials and disposal sites may become a potential risk (accident, disease) for children in the community.

40. The recovery of the area of arable land serves the construction of minor projects also affects the life of the household. Have some adverse effect up on the project, but not significantly. Several other adverse impacts:

- Number of project affected households 4,291 HHs with 15,752 persons

• Total number of households resettled	: Nil
• Number of homeless households	: Nil
• Land affected permanently	: 1,596 m2
• Land affected temporarily	: 202,476 m2

Effects on humans:

Total number of households affected by the project 4,291 households (15,752 persons), including:

- Total number of households affected land permanently above 10% of residential land / landowner production: Nil

- Total number of households affected land permanently below 10% of residential land / land owned production: 2,771 HHs/ 11,142 persons

- Total number of households affected land permanently

above 10% of residential land owned : Nil

- The number of households affected structure houses part: Nil

- The number of households affected trees / crops : 7,615 HHs/ 1,894 persons

- Number of affected households to businesses: : Nil

- Number of households needs resettlement : Nil

Impact on assets:

- Land permanently:

Residential land : Nil

Production land : 9,734 m²

- Land for temporary (corridor) : 280 038 m²

- Structural effects permanent homes : Nil

- The structure houses a temporary effect : Nil

- Permanent Crops affected : 6,423m²

- Trees permanently affected : 19,932 trees

- Crops affected temporarily : 280,038m²

There is no impact to the area of cultural heritage, conservation areas, and sensitive areas.

41. Unsafe electricity use and electrical accident are a potential risk for local ethnic minority community in safe electricity use. However, electricity use may be a risk for local community, electric shock may occur due to lack of knowledge on safe electricity use of local people.

B. OBJECTIVES OF THE ETHNIC MINORITIES DEVELOPMENT PLAN

42. ADB's Policy on Indigenous Peoples (IPP) requires preparation of an Ethnic Minority Development Plan (EMDP) for all projects, which are likely to have impacts on ethnic minority communities. ADB's Policy is based on recognition of the vulnerability of ethnic minority communities to development processes, as well as the need to ensure their opportunities to participate equally in and benefit from development. If the project social and poverty analysis identifies ethnic minority people to be affected by or being beneficiaries of the project, a sub project specific Ethnic Minority Development Plan has to be prepared.

43. EMDP will in the relevant context of the specific project location address the (i) aspirations, needs, and preferred options of the affected minority peoples; (ii) local social organization, cultural beliefs, ancestral territory, and resource use patterns among the affected indigenous peoples; (iii) potential positive and negative impacts on indigenous peoples; (iv) measures to avoid, mitigate, or compensate for the adverse project effects; (v) measures to ensure project benefits will accrue to indigenous peoples; (vi) measures to strengthen social, legal, and technical capabilities of government institutions to address indigenous peoples issues; (vii) the possibility of involving local organizations and non governmental organizations with expertise in indigenous peoples issues; (viii) budget allocation; and (ix) monitoring.

44. The main purpose of the EMDP is to ensure the culturally appropriate implementation of the subproject. More specifically, it will:

- (i) Ensure that the benefits on ethnic minority people are proper and culturally appropriate
- (ii) Avoid potentially adverse impacts on ethnic minority people Minimize, mitigate or compensate for such effects when they cannot be avoided.

45. The EMDP will also be connected to the Project's: 1) *Consultation and Participation Strategy* which will provide guidelines for proper involvement of the affected people throughout the project, in all project planning and implementation activities; 2) *Resettlement and Compensation Plan* that is applicable if a sub project will lead to any relocation or loss of houses, land, or other assets; 3) *HIV/AIDS and Human Trafficking Prevention Program*; and 4) *Gender Strategy* which will ensure mainstreaming of gender aspects in all Project phases and activities, and women's involvement and benefiting from the Project.

C. DEVELOPMENT AND MITIGATION ACTIVITIES

46. Measures to enhance the positive effects and potential measures to mitigate the negative effects of the project as well as initiate programs to improve community development is an important component of this project. To ensure this occurs the owner of the project got together with representatives of local authorities, mass organizations and people in the project area to discussion and agree on measures to enhance the positive impact of the project and minimize the negative impacts.

1. Ensuring Project Benefits for local ethnic minorities

47. The contractor in cooperation with the local authorities and the organization of cultural exchange programs between the workers and the local population will help facilitate workers to work in the local community with a sense of integration and sensitivity to the customs of the community and local people so that traditional culture is respected.

48. The contractor and local authorities develop production development training program such as techniques for rubber tree planting and using electricity in agricultural production (using electric machines: mill, plough,...); technique for households' weaving.

49. Subproject contractors will commit to recruit labour from subproject affected villages. In addition, in the construction phase, the contractors will give priority for recruitment of local labour for working regularly in the site.

50. Dissemination of electricity use benefits in daily activities and production and assistance for electricity cost for ethnic minority households who have not been connected with the national grid.

2. Mitigation of Potentially Negative Impacts

51. Based on the results of public consultations, activities to minimize potential negative effects have been proposed, specifically the following:

- Effective worker management: The subproject owner will require contractors to comply with the requirements of managing workers in communities such as temporary residence registration, building worker management regulations, training and dissemination on the sense of preserving the cultural values of local ethnic minority communities for workers...

- To construct worker camp area far from residential area and implement regulations on environmental sanitation

- Construction workforce accommodation will be located in a suitable location at an appropriate distance from residential areas and facilities will be provided to ensure appropriate sanitation and hygiene conditions.

- The contractor shall be responsible for coordinating with local authorities, such as the police and emergency rescue authorities, a plan for emergencies and evacuation which also takes into consideration the local community as well as workers. This will be in accordance with National and local regulations and committed to.

- Consultation and disclosure: the investors will work with local organizations, including women's groups to conduct programs of communication, raising awareness for the local ethnic communities, especially women about the risk of infection of HIV/AIDS and other infectious diseases trafficking in women, sexual abuse, prostitution, etc.; media awareness to the community about the danger of social tension and conflict when there are a large number of workers to work in the community (for example theft, drugs, prostitution, etc.).

- Strengthen the protection of forests, protection of cultural value: investors and contractors will coordinate with local authorities (the police, rangers, border guard) in strengthening forest protection and the protection of the cultural values of the ethnic minority community. This will be stated in the agreement between the owner and the contractor, had the consent of sides.

- With respect to impacts of land acquisition: Affected households must be provided with compensation and assistance at market price for their affected assets, crops and trees and at replacement cost for their affected land and structures to restore their livelihood at least equal to their pre-subproject level.

- Make good environmental management plan as approved and are closely monitoring implementation of problems of community.

- Conducting program advocacy, guidance on use of electrical safety for the entire people in Phuoc Tra and Tam Tra.

- During the period of implementation of the project, the discharge of water from plant operation need to be notified in advance. Active mechanisms need to be well prepared in order to avoid affecting children and other animals.

- Concentrated areas of machinery, construction material needs to be protected and managed closely, to avoid affecting the people, especially the children.

- Building materials, land in the process of shipping must be screened, avoid falling off the road transport and leaving land was cultivated by the locals. Car shipping is only running with speed limit.

- The organization of unions and NGOs implement programs communication guide people use electrical safety in living as well as in production.

3. Promoting productive use of electricity program

52. According to results of community consultations with ethnic minority community in Phuoc Tra and Tam Tra communes, in addition to measures to enhance positive impacts and measures to minimize negative impacts, the development of community development programs is needed. Community development programs including:

- (i) The integrated capacity building program for local people including activities to raise people's awareness on gender equality, dissemination on drug addiction prevention, prostitution and prevention measures of HIV/AIDS, infectious diseases, as well as women trafficking; propaganda for local people on values and preservation of traditional cultural values. Participants in capacity building program are all households in the subproject area. The capacity building activities for the people will be implemented by the owner in coordination with relevant agencies such as local authorities, mass organizations, and health center of Phuoc Tra and Tam Tra communes. The owner will provide fund to implement capacity building programs;
- (ii) To raise awareness and technique for safe use of electricity: CPC will conduct propaganda for local people about safe use of electricity by organizing information dissemination sessions to instruct people to use electric appliances and measures to handle electric shock, fire and explosion;
- (iii) Support access to credit and using electricity in production: The owner will cooperate with provincial Social Policy Bank, Women's Union and other local organizations to support the increased household income from Using electricity production through activities (i) propagation of the preferential credit programs of Social Policy Bank policies and local credit organizations, (ii) guide and enhance capacity of using credit sources for the development of production and business through use of electricity, and (iii) conduct propagation program on use of electricity and guidance technical assistance in operating equipment's and machines for the development production with electricity;
- (iv) Other assistance: Subsidize the cost of free electricity for households of poor families in Phuoc Tra and Tam Tra communes.

D. STRATEGY FOR ETHNIC MINORITY PEOPLE'S PARTICIPATION: CONSULTATION, PARTICIPATION AND DISCLOSURE

53. All project activities that will impact on the local stakeholders have to be communicated properly with them, following the *Project Consultation and Participation Strategy* (see Appendix 4). Consultations have to be arranged with formal commune and village leaders, as well as with traditional village leaders in each of the four villages, mass organizations including Women's Union and all Project affected households. At the commune level a Community Management Board (CMB) will be formed, consisting of the Commune leader, village leaders, men and women representatives from the mass organizations and the field staff of the Project NGO. The PPMU will have regular dialogue and meetings with the CMB and will prepare a schedule to follow set milestones throughout the project phases. Issues raised and decisions made at these meetings are requested to be recorded, and copies of these minutes of meetings to be kept and be available for the local people in these Phuoc Tra, Tam Tra communes office.

54. Apart from regular meetings with community leaders and representatives, PPMU is required to organize a participatory village meeting in each of the 4 villages at least once during the detailed project planning and once during the project implementation in order to ensure that villagers have awareness and understanding about the project content, the benefits and risks that are related to the project. It is crucial to invite all villagers to these meetings, and especially encourage participation of women and of the most vulnerable households.

55. The aim of the consultations is that all the ethnic minority people who are expected to be affected by the project will be properly and timely informed about the project, its scope, implementation schedule and activities, as well as of expected impacts on the local community. Local ethnic minority stakeholders will learn about the benefits and opportunities of electrification, and what kind of support is available (such as micro credits) for them to take new appearing opportunities. The purpose of proper and timely information and consultation is that local stakeholders will gain a proper understanding of all the project issues that will affect them, and that all their concerns can be expressed and assessed in a timely manner. Villagers' opinions will be recorded in an appropriate way through minutes from the village meetings.

56. Any substantial concerns or claims brought up in meetings between PPMU, CMB and local community representatives or in village meetings or through other consultations are required to be recorded and brought into the project planning and for making necessary adjustments in the activities throughout the project phases whenever needed.

57. Project information will also be posted in a central public location in each village, like in the traditional village leader's house, and centrally in the commune office. This information will be mostly pictorial in order to guarantee accessibility of the information for ethnic minority people with poor literacy skills.

Community consultation will be undertaken at the people's hall in Tam Tra commune, Nui Thanh district; the participants include representatives of investors, representatives of the CPC and 30 heads of ethnic minority households (representatives from the affected villages). Community consultation will also be undertaken at the people's hall in Phuoc Tra commune, Hiep Duc district; the participants will include representatives of investors, representatives of the CPC and 26 heads of ethnic minority households (representatives from the affected villages).

58. During this consultation, representatives of the investor and consultant units will present contents of the consultation, which will include (i) the potential impact of sub-projects to mitigate the negative effects of sub-projects for ethnic minority communities. (ii) the development program to support community development and using electricity. (iii) a complaint resolution mechanism.

59. After being provided information related to the subproject, participants discussed and agreed upon some issues as follows:

- The local people agreed upon and support the implementation of the subproject and expected that the subproject will be implemented quickly as planned schedule and economic development for the community.

- People of the Tam Tra and Phuoc Tra communes aware that the power of the village will bring to light, access to mass media, increasing awareness of local people; their children in a better learning conditions, especially in the evening.

- The program supports community development and promote efficient use of electricity is needed to help people improve their lives, especially in support of production and use of electricity safely.

- For households whose land will be acquired: the households expected the subproject owner to reclaim and restore temporary affected areas with local people after completion of the subproject.

- Construction activities of the project will cause dust and noise that affect environment and daily activities of local people. Households, especially those who live near access road will be affected by dust and noise. The subproject owner committed that vehicle transporting building materials will not allowed operating during rest time of local people to mitigate impacts of noise. The vehicles will be carefully covered. The road will be sprayed water regularly to reduce dust.

- For absence of many workers in the community that may be a risk of social evils: subproject owner committed to coordinate with commune police to manage workers, promulgate worker management regulations and monitor implementation of the regulations, conduct propaganda on preservation of traditional cultural values of the community and awareness of negative impacts and prevention measures.

60. After the meetings, representatives of Tam Tra and Phuoc Tra authorities and ethnic minority community agreed with and supported construction of project in the local area.

61. Minutes of the public consultation phase of this consultation is attached in the Appendix 6.

E. STRATEGY FOR ENSURING WOMEN'S INVOLVEMENT AND BENEFITING FROM THE PROJECT

62. The construction of Quang Nam rural distribution power network rehabilitation and expansion subproject will affect communities in the sub-project area, especially women. With regard to the potential negative impacts generated by the sub-project which will impact on the project, women are the more susceptible and vulnerable subjects. Therefore, in the process of sub-project implementation there is a need to minimize this risk and ensure benefits to local women are optimized.

63. In the communications program, awareness rising should include such topics as HIV / AIDS prevention and risks, prostitution, drugs, and potential human trafficking, and women must be seen as a focus in media campaigns.

64. Women need to be made aware of the benefits of incentive programs to use electricity. As such this should be communicated and they should be supported in the use of electrical equipment that reduces the time and effort on daily duties. Information needs to be circulated to women to explain to women these opportunities and benefits of participation in these programs. At the same time, the women need support, to access loans, and technical assistance programs in order for them to effectively capitalize on project benefits. For example programs for women credit support to purchase and use sewing machines as well as technical assistance to learn about productivity and business basics so that incomes are improved.

65. The extension programs as well as building the pilot should focus more on women's participation.

66. The compensation, support economic development, stability of production is paid only when both husband and wife. For resettlement, land use rights to land will be assigned the name of both husband and wife. The income recovery program for affected households should include women.

67. Safety issues on the use electricity need to include women... The campaign on safe use of electricity also need to pay attention to the participation of women because they are the daily electricity use - both in daily life and production.

68. Safety in electricity use need to be disseminated for people after households were provided with electricity and during their using process. Propaganda on safety in electricity using also needs to be paid attention to the participation of women because they use electricity daily - both in daily activities and production.

69. In the monitoring of sub-projects women should provide input and participate. And indicators should be used to report on monitor the involvement of women. This should include such items as electricity use in income generating activities and daily chores. number of women now participating in income generating activities, womens contribution to household income. ,

70. The development plan for the household economy by organizations, corporate sponsors in the community (if any) must be consulted by both men and women in the family,...).

F. INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTING THE EMDP

71. Project management unit of the subproject owner (Central Power Corporation- CPC) will be responsible for implementation of EMDP and monitoring implementation activities during its implementation. The PMU will be responsible for planning and conducting regular consultation with the PMU of community, commune officers, village leaders and relevant organizations on concerns of ethnic minority issues. NGOs and mass organizations will provide technical assistances and facilitate activities to help PMU of the subproject owner to implement EMDP. The owner is responsible for carrying out all mitigation measures to reduce potential impacts of the subproject and supporting development program.

72. The subproject owner will cooperate with Social Policy Bank, Women's Union at all levels, provincial and district agricultural extension offices, mass organizations, etc. to conduct programs of information propagation and technical assistance to the community. Quang Nam PPC, Nui Thanh and Hiep Duc DPCs, Tam Tra and Phuoc Tra CPCs will support the subproject owner to implement subproject activities and monitoring implementation of EMDP of the subproject owner.

73. PMU of the community will support the subproject owner in planning and implementing public consultations.

74. Social mass organizations of Tam Tra and Phuoc Tra communes and of villages will participate in information disclosure programs and monitoring implementation of EMDP of the subproject owner.

75. Mass organizations will coordinate with PMU of the subproject owner and PMU of the community to implement subproject activities effectively.

G. BUDGETING OF THE EMDP

76. Expenses for program implementation ethnic minority development are incorporated in the project budget (as part of project costs). The cost of implementing development plans minorities will include raising the cost of implementing the positive effects, the cost of

implementing measures to minimize the potential negative impacts generated by subproject out (mainly the cost of media campaigns) and implementation costs development assistance (connection cost support, support equipment electrical equipment for the poor, the cost of implementing the communications program, the cost of technical support electricity production, and costs support extension) and the costs for the operation of the project management community. Estimated budget for plan implementation minority the projects is VND 880,000,000.

Table 12: Budget implementation EMDP

No	Activity	Unit	Quantity	Estimated cost
I	Raise the cost impact			600,000,000
1.1	Training agricultural (crops and livestock)	1/2 day	2	400,000,000
1.2	To build a production model form	Model	5	200,000,000
II	The cost minimizing negative impacts			200,000,000
2.1	Propagating the risk of HIV / AIDS, trafficking in women, risk of social evils, Propagation of indigenous cultural values and the protection of indigenous cultural values, Propagating the safe use of electricity and instruction on how to use electric equipment	1/2 day	2	200,000,000
III	The cost of development assistance programs			80,000,000
3.1	The cost of project management in the community	Packages		20,000,000
3.2	The cost of the public consultation phase	Packages		20,000,000
3.3	The cost of credit officers and training support in the community	Packages		40,000,000
	TOTAL			880,000,000

H. MONITORING INDICATORS

77. The PMU of the owner will be responsible for implementation of internal monitoring activities following the approval of EMDP. During business work for supervision of ADB, for any problems or activities that are inappropriately implemented or abandoned, or recognized regulations approved in EMDP, necessary amendment will be discussed with the subproject owner (CPC).

78. Added to the internal monitoring, an external monitoring and evaluation will be conducted by an independent consultant specialized in ethnic minority and rural livelihoods development.

79. Internal monitoring indicators include:

- (i) The number / percentage of ethnic minorities, including poverty, and female household heads are connected to the grid;
- (ii) The number / percentage of ethnic minority households, including poor women and households receive free electric equipment;

- (iii) Number / percentage of ethnic minority poor access to small credit and receive technical assistance about using capital efficiently to generate income through power;
- (iv) Number of mobile workers as required by the manufacturing process;
- (v) The number of external trade increased in the project area;
- (vi) Number of households have transferred land use rights, ownership of property, inheritance, and given donation;
- (vii) The number of HIV / AIDS was discovered;
- (viii) The number of trafficking cases;
- (ix) The rate of social vices in the community;
- (x) the person's health status People related to environmental factors.

80. The internal monitoring results will be presented in the Quarterly Report of the investor (CPC) presents ADB review.

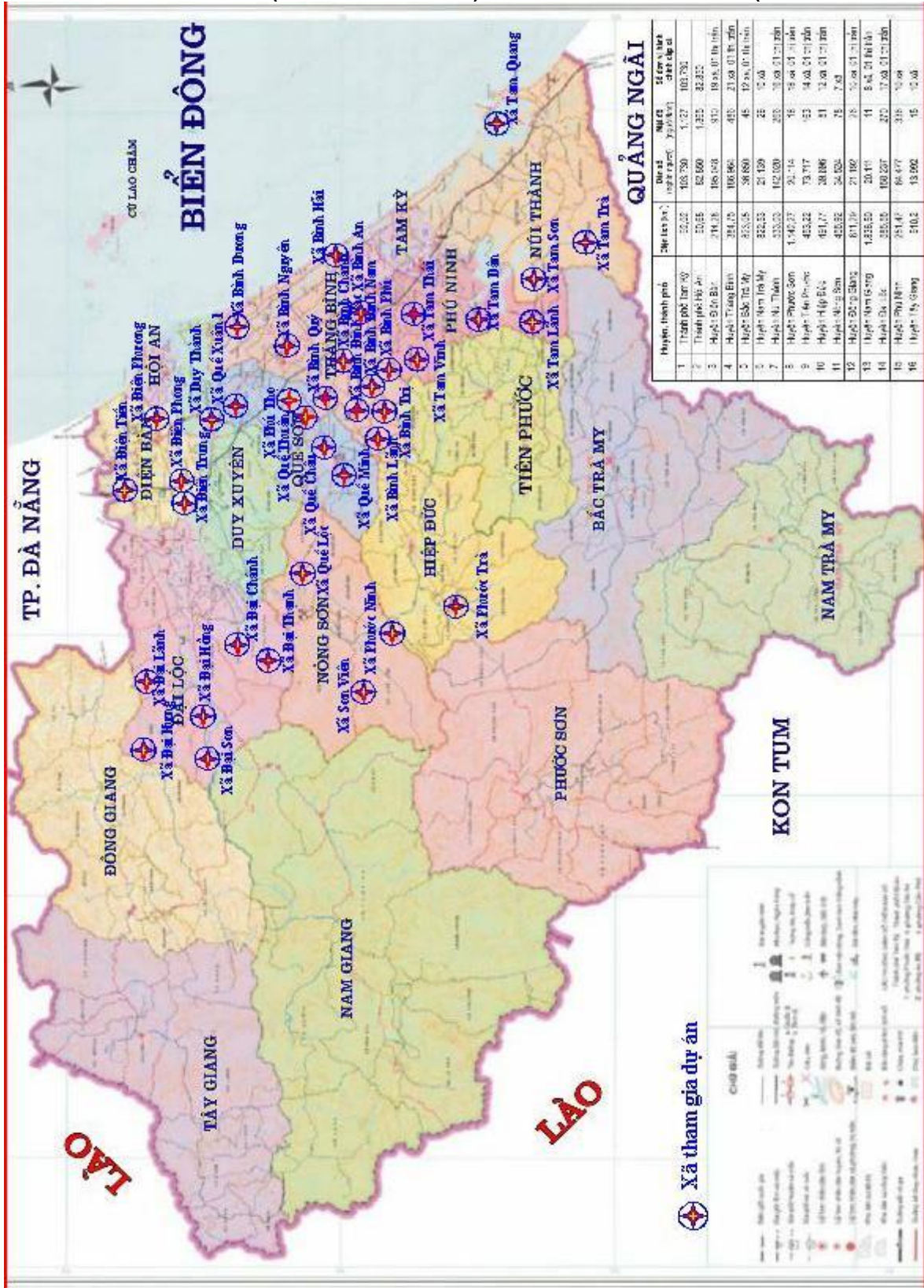
I. IMPLEMENTATION SCHEDULE

81. Detailed implementation time by months will be prepared during the feasibility study done as well as sub-project progress later. Implementation Plan Ethnic plan envisaged in the table below. The specific activities of EMDP (the specific activities and development activities) will be implemented from June 2013. The timing and duration of the specific activities of EMDP will be consultation with ethnic minority communities, to adapt to local conditions as well as consistent with the overall progress of sub-projects, so no specific plans for activities this.

Table 13: Implementation Plan

Activity	Time Period									Implementing Organization
	Year: 2009 ÷ 2012	Year 2012			Year 2013					
		7÷8	9÷10	11÷1 2	1÷2	3	4	5	6	
Prepare Development Plan Ethnic										Construction /consultant
Community consultation on Development Plan minority										Construction /consultant
Complete Development Plan minorities and submitted to the Advisory TA										Construction /consultant
Complete supplement EMDP under comments counseling and submit to ADB TA										Construction /consultant
Complete supplement EMDP under ADB's comments (if any)										Construction /consultant
Disseminating information about the EMDP was approved by ADB										Construction /consultant
Start implementation of activities EMDP (reduction activities and the development work) (24 months)										Construction /consultant

MAPOVER TAM TRACOMMUNE (NUI THANH DISTRICT) AND PHUOC TRA COMMUNE (HIEP DUC DISTRICT)



SOCIAL ANALYSIS FOR: QUANG NAM RURAL DISTRIBUTION POWER NETWORK REHABILITATION AND EXPANSION SUBPROJECT

A. Project Setting

1. “Quang Nam Rural Distribution Power Network Rehabilitation and Expansion Subproject” is planned to be constructed in 164 villages in in 39 communes of 9 districts, Quang Nam province.

Quang Nam has an area of 10,438.4 km² natural, district administrative offices including 02 cities: Tam Ky and Hoi An, 16 districts with 241 commune/wards. The total populations 1,435,000 people in Quang Nam at 31/12/2011 According to preliminary Census of Population and Housing 31/12/2011, of which the female populations 729,735 people (account for 52,6% of total Quang Nam population), the female populations 694,025 people (account for 48.36% of total Quang Nam population).

(According to the Statistical Year book of Quang Nam 2011)

Table 14: Number of communes to benefit from the project

No.	District	Communes to Benefit (No.)	Number of villages under the project	Households to Benefit (No.)	Households to affected (No.)	Number of households in 9 districts	The number of communes in 9 districts
1	Dai Loc	6	22	4,466	589	38,049	20
2	Phu Ninh	4	19	2,820	612	20,116	22
3	Nui Thanh	4	22	1,925	1,313	39,044	17
4	Thang Binh	11	53	13,386	769	48,544	13
5	Que Son	5	16	2,983	434	24,924	7
6	Nong Son	3	9	1,851	142	4,441	18
7	Hiep Duc	1	3	135	60	9,412	11
8	Dien Ban	4	15	2,162	285	48,648	14
9	Duy Xuyen	1	5	1,292	87	32,402	14
	Total		164	31,020	4,291	265,580	136

According to the above sub-projects will include: 50% districts in the province have benefited, with 34.87% of communes in 9 districts have benefited, with 11.68% of households in 9 districts to benefit.

At the locality of province, there are 20 different ethnic groups of which Kinh is the far most largest one (1,280,587 persons, 93.2%), followed by CoTu (37,310 persons, 2.71%), Xo Dang (30,230 persons, 2.2%), Mông (13,685 persons, 0.99%), Gie Triêng (4,546 persons, 0.33%), Kor (4,607 persons, 0.03%), Chinese (1,106 persons, 0.08%), Tay (509 persons, 0.03%), Mung (364 persons, 0.02%), Nung (247 persons, 0.01%) and the other minority ethnic covers 0.1%.

Educational level: As of 2008, have universal primary education for 14 districts, with 222 communes, the percentage of literate persons accounted for 91.2% of people in the school age, accounting for a large percentage of illiteracy 25% of the population in the eradication of illiteracy is concentrated in ethnic minority areas. Number of pupils in the 2009-2010 school year 350,000 children, teachers 14,864 persons. The average physician of over 12.5/10,000 persons.

Characteristics of ethnic minority communities, based on the foundation of rural communities, organizational form similar to the business, farming areas, areas with social housing institutions.

In large parts of the production process below, the reorganization plan of local government, people with low level of understanding, surviving many customs, habits reverse.

Although they have their own language, cultural traditions, customs and habits, lifestyles and is separate but is in much the way they socialize in harmony with the Kinh

Most of their children in school with children sutra, they participate in cultural activities generally, general economic opportunities available and interested in public interest.

In minority communities, M'Nong, CaDong and Kor have their own language but the language is usually Kinh (Vietnamese).

Quang Nam Rural Distribution Power Network Rehabilitation and Expansion Subproject, have 02 Kor, M'Nong and CaDong in Tam Tra and Phuoc Tra communes are affected in the project area. So the content of this report also focuses on issues affecting ethnic communities M'Nong, CaDong and Kor.

2. Phuoc Tra (in Hiep Duc district) is a mountainous commune in Western Quang Nam province. The total land area of the commune is 11,839.47ha (118.4km²), of which only 214 ha (1%) is used for agriculture, the rest is forest, of which in its turn approx. half the area is utilized for forestry and half is so far unexploited mountain forest areas. Phuoc Tra has six villages with 370 households and 1,631 persons, of whom all are 351 ethnic minority households and 1,572 persons, except Kinh persons. These villages at a distance of 4.5 km from the commune centres.

Tam Tra (in Nui Thanh district) is a mountainous commune in Western Quang Nam province. Tam Tra commune consists of 8 villages with 809 households and 2,924 persons, of whom all are 267 ethnic minority households and 971 persons, except Kinh persons. These villages at a distance of 5km from the commune centres.

B. RATIONALE FOR THE PROPOSED ENERGY PROVISION

3. Subproject will apply power to 30,020 households in Quang Nam province. The implementation of the project will increase the proportion of households with electricity around the province of Quang Nam increased from 87.7% to 95.1% after the completion of the project and the percentage of ethnic minority households minority power increased from 67.2% to 93.3% after the completion of the project.

Subproject will create preconditions for economic growth, improve the spiritual and physical protection of minorities, thus contributing to increased crop yields and agricultural products, restructuring distribution structure local economic growth and increasing incomes for rural households, creating conditions for providing scientific knowledge and techniques as well as dissemination and communication policy of the Party and state information to every household through telecommunications means. Along with the development of transport, electricity and other projects, this will promote the implementation of population planning in remote rural areas. Electricity to rural areas is an important issue indispensable importance to the industrialization of our agriculture and rural areas.

Investment to expand power network in the region of Quang Nam province to create favorable conditions for many households of ethnic minorities and the use of electricity production, while promoting more efficient from the poverty alleviation program and projects for ethnic minority households was conducted in Quang Nam. There is also a significant need for living standards improvement that electrification potentially can contribute to

C. SOCIAL AND POVERTY ASSESSMENT OF PHUOC TRA AND TAM TRA COMMUNES

4. For subproject planning an assessment has been prepared of the current social and poverty situation and of the potential for electrification in Phuoc Tra and Tam Tra communes. This assessment is based on: (i) Statistical socioeconomic data from government offices at province, district and commune levels; (ii) Interviews with key commune staff (administration, health and education sectors) and mass organization representatives; (iii) Representative household survey including households from different wealth and income generation activity groups; (iv) Focus group interviews with representatives from different income generation activity groups (farming and business) and wealth groups (poor, medium, well-off), men and women; and, (v) Individual interviews with business owners. Information for the assessment was collected in Phuoc Tra and Tam Tra in August and September 2009(Refer to Appendix 4).

5. Deep interviews were conducted with representatives for the governmental sector and Women's Union, focused to deliver information on their respective responsibility and activity area. These interviewees also provided a good overview and insights into various socio-economic and cultural issues in Phuoc Tra and Tam Tra. The following staffs were interviewed:

- (i) Commune Chairman
- (ii) Officer responsible for Poverty reduction
- (iii) Health care worker
- (iv) Vice headmaster of the secondary school
- (v) Commune Women's Union chair
- (vi) Commune party cell Secretary

6. Deep interviews also took place with each village leader in three villages.

7. Household survey included 84 households of totally 1,179 in Phuoc Tra and Tam Tra. All three ethnic groups present in Phuoc Tra and Tam Tra were covered in the survey in the following way:

Table 15: Phuoc Tra commune, Hiep Duc district

Village	No. of survey HHs	Total No. HHs	Ethnicity
Village 3	6	54	M'Nong
Village 4	13	82	M'Nong
Village 6	38	95	M'Nong
Total	57	370	

HH = Household, No. = number.

Table 16: Tam Tra commune, Nui Thanh district

Village	No. of survey HHs	Total No. HHs	Ethnicity
Xuan Tho Village (1)	15	55	Kor
Thuan Tan Village (3)	5	109	Kor
Tu My Village (5)	7	103	Kor
Total	27	267	

HH = Household, No. = number.

8. Selection of households for the survey was done with assistance from the Commune leader and Poverty reduction officer and with village leaders in each village. Households were selected following the wealth ranking to cover different type of households. However, as 88.6% of the households in Phuoc Tra and 70.4% of the households in Tam Tra fall under the national poverty line and most of the rest of the households are still close to the poverty line, few “average” (just above the poverty line) and “well-off” (mostly traders and some government staff) households were found. Household wealth ranking in the survey follows therefore the real situation in Phuoc Tra and Tam Tra with most households being very poor and only a few households being marginally “better-off” than all the others.

9. The household survey deliver data on the current socio-economic situation including population and poverty profiles, land and land use, assets, income generation, education, health, water and sanitation, infrastructure and communications, market access; and on the current electricity situation and expected impacts of electrification, including people’s expectations and ability to pay for and utilize the future electricity provision. Many follow up questions were discussed with the surveyed households, delivering additional and clarifying information and opinions of the interviewees. Evaluation of the anticipated potential positive and negative impacts from electrification has been made based on analyzing all the assessed information.

10. Focus group discussions separately with men and with women in each of the three covered villages concentrated on a wide range of socio-economic and cultural issues, development fallbacks and options, electricity situation and views on electrification potential and people’s preparedness for electrification.

11. The collected quantitative data was computerized into the SPSS (Statistical Package for Social Sciences) program. It was combined with all the qualitative data from interviews, group discussions, and talks with people and observations on place to provide a comprehensive socio-economic profile of the sub project setting and the expected potential and impacts of electrification in Phuoc Tra and Tam Tra.

D. CURRENT SOCIOECONOMIC SETTING

1. Population, ethnicity, gender and poverty profile

12. Tam Tra commune consists of 08 villages with 809 households and 2,924 persons, of whom all are 267 ethnic minority households and 971 persons, except Kinh persons. These villages at a distance of 5km from the commune centres.

Phuoc Tra has 6 villages with 370 households and 1,631 persons, of whom all are 351 ethnic minority households and 1,572 persons, except Kinh persons. These villages at a distance of 4.5 km from the commune centres.

Population and poverty data is seen in Table 17 & 18 and ethnicity in Table 19 & 20. For comparison the Hiep Duc and Nui Thanh districts population and ethnicity setting is given in Table 21 & 22.

Table 17: Population and Poverty in Tam Tra

Unit	HHs	Population			Average HH size Persons	HH poverty	
		Total	Male	Female		%	No
Xuan Tho village	55	186	89	97	3.38	90.9	50
Thuan Tan village	109	396	204	192	3.63	49.54	54
Tu My village	103	389	194	195	3.78	70.87	73
Truong Cuu 1 village	146	505	251	254	3.46	52	76
Truong Cuu 2 village	79	303	164	139	3.84	15	12
Phu Duc village	92	331	164	167	3.60	26	24
Phu Thanh village	74	267	140	127	3.61	16	12
Phu My village	151	547	293	254	3.62	51	77
Tam Tra commune	809	2,924	1,499	1,425	3.61	46.41	378

Table 18: Population and Poverty in Phuoc Tra

Unit	HHs	Population			Average HH size Persons	HH poverty	
		Total	Male	Female		%	No
1 village	41	198	105	93	4.8	75.6	31
2 village	37	196	112	84	5.3	91.9	34
3 village	54	226	109	117	4.2	83.3	45
4 village	82	310	162	148	3.8	85.4	70
5 village	61	293	143	150	4.8	95.1	58
6 village	95	408	215	193	4.3	87.4	83
Phuoc Tra commune	370	1,631	846	785	4.4	86.45	321

Table 19: Ethnicity in Tam Tra

Unit	Population	Ethnicity			
		Kor			Kinh
Tam Tra Commune	2,924	971	0	0	1,953
Xuan Tho village	186	186			
Thuan Tan village	396	396			
Tu My village	389	389			
Truong Cuu 1 village	505				505
Truong Cuu 2 village	303				303
Phu Duc village	331				331
Phu Thanh village	267				267
Phu My village	547				547
% of population	100	33.21			66.79

Table 20: Ethnicity in Phuoc Tra

Unit	Population	Ethnicity			
		M'nong	Ca dong		Kinh
Phuoc Tra Commune	1,631	773	331	0	567
1 village	198		68		130
2 village	196		98		98
3 village	226	217			9
4 village	310		165		145
5 village	293	120			173
6 village	408	396			12
% of population	100	44.94	20.29		34.76

Table 21: Population, Ethnicity and Poverty in Hiep Duc district

Ethnic group	No. of HHs	Population	% of population	No. of poor HHs	Poverty rate (%)
M'nong	350	1,575	3.61	348	7.34
Ca dong	180	810	1.86	425	8.96
Kinh	9,475	41,264	94.53	3,968	83.69
Total	10,005	43,649	100	4,741	100

Table 22: Population, Ethnicity and Poverty in Nui Thanh district

Ethnic group	No. of HHs	Population	% of population	No. of poor HHs	Poverty rate (%)
Kor	267	971	0.64	267	3.95
Kinh	39,145	149,836	99.36	6,498	96.05
Total	39,412	150,807	100	6,765	100

Poverty rate in the Kinh persons lower than the ethnic minority persons because a higher population of Kinh persons

13. The ethnic compositions in Hiep Duc district are 03 groups and very persistent poverty situation. Phuoc Tra commune inhabitants belong to the two ethnic minority groups of M'Nong, Ca dong and the remaining Kinh. All Phuoc Tra villages are small and each inhabited by one ethnic minority group. Average number of persons in a household is 4.5 and there are more men (467 persons) than women (460 persons) (50.37% respective 49.63%). In a community where people make their living on small-scale agriculture, lack of male labour force is a great obstacle, and puts heavy workload on women. Moreover, there is a culture of drug use among men, which further affects their labour capacity in a negative way. All households in Phuoc Tra are poor, 86% fall under the poverty line according to the national criteria and almost 14% of households are further classified as hungry and receive rice from the government. Average income in Phuoc Tra is 200,000VND/pers/month, and majority of households are either under or just above the poverty line, and can be considered very poor even if not classified as poverty households. According to the adjusted poverty line criteria, introduced by MOLISA as late as July 2008, with income under 300,000VND/pers/month, even more households in Phuoc Tra will probably fall under the poverty line in the future classification.

The ethnic composition in Nui Thanh district are 02 groups and very persistent poverty situation. Tam Tra commune inhabitants belong to the one ethnic minority groups of Kor and the remaining Kinh. All Phuoc Tra villages are small and each inhabited by one ethnic minority group. Average number of persons in a household is 4.4 and there are more men (487 persons)

than women (484 persons) (50.15% respective 49.85%). In a community where people make their living on small-scale agriculture, lack of male labour force is a great obstacle, and puts heavy workload on women. Moreover, there is a culture of drug use among men, which further affects their labour capacity in a negative way. All households in Tam Tra are poor, 46.41% fall under the poverty line according to the national criteria. Average income in Tam Tra is 200,000VND/pers/month, and majority of households are either under or just above the poverty line, and can be considered very poor even if not classified as poverty households. According to the adjusted poverty line criteria, introduced by MOLISA as late as July 2008, with income under 300,000VND/pers/month, even more households in Tam Tra will probably fall under the poverty line in the future classification.

14. The commune office have no data on the number of persons in labour age (15–60 years), but according to the household survey, most households (70%) have a labour force of 1–2 persons, 30% of households have 3–4 persons working.

15. Population is very stable; most inhabitants (90% according to the HH survey) have been living in the area all their lives and also their ancestors were living in the same area. There has been neither labour migration from the area nor significant in-migration. There are, however, a number of persons working in the commune area who are not registered inhabitants in Tam Tra, Phuoc Tra. Of the 87 school teachers, only 15 persons are inhabitants in these communes, the other are not registered in the commune.

16. Poverty is very severe and persistent in Tam Tra and Phuoc Tra, and these communes are approved for the governmental support for poor communes. According to CPC, inhabitants lack funds to invest in production, they lack technical knowledge in agriculture and animal raising, they lack male labour force, and have no ability for household economic planning. Difficult transportation conditions are added as a major cause for the persistent poverty in the household survey.

2. Subsistence and income generation

a. Income generation profile

17. Great majority of households in Tam Tra and Phuoc Tra are living on small-scale agriculture added to animal breeding, fishing in the rivers and mountain streams and collecting forest products like mushrooms, bamboo shoots, fruits and roots for food.

Only the government staff and shop owners gain income from other activities. Food is produced and mostly sold locally for household use and there is no market in the commune. The available food items and daily consumer goods are few in the six existing small local shops. Very low income, high poverty rates.

Table 23: Distribution of Occupations in two communes

No.	Occupation Category	Tam Tra Commune (% HHs)	Phuoc Tra Commune (% HHs)
1	Agriculture	70.1	75.14
2	Forestry	7.5	1.65
3	Fishing / aquaculture	1	2.14
4	Retirement	4.1	3.65
5	Trafficking in small	3.1	3.5

No.	Occupation Category	Tam Tra Commune (% HHs)	Phuoc Tra Commune (% HHs)
6	Self-earning	6.82	5.6
7	Other income	3.1	3.26
8	Idle	4.28	5.06

b. Agriculture and land use

18. Agriculture is the main occupation in Phuoc Tra and Tam Tra. 80% of households are mainly cultivating wet rice and 20% is cultivating hill rice. Phuoc Tra commune has total agricultural land area is 11,839.47ha (118.4 km²) but only some 210ha (1%) is actually under cultivation, the rest is forest, of which nearly half the area used for forestry and half mountainous region far untapped.

Tam Tra commune has total agricultural land area is 9,712.62ha (97.13 km²) but only some 253 ha (1%) is actually under cultivation, the rest is forest, of which nearly half the area used for forestry and half mountainous region far untapped.

The crops, cultivation areas used and approximate productivity of crops are seen in Table 24 & 25 below.

Table 24: Cultivated crops, areas and productivity in Phuoc Tra

Crop	Area in ha	Productivity		Comment	Average productivity tones/ha in	
		Ton/ha	Ton/year		Northern provinces	Vietnam
Wet rice	15.6	0.3	9.36	2 crop/year	3	10
Upland rice	22	0.2	4.4	1 crop/year	1	2
Maize	12	2.6	31.2	1 crop/year	5	9
Potatoes				1 crop/year	7	10
Cassava	20	18	360	1 crop/year	9	9
Peanut				1 crop/year	1	3
Beans	1.5	0.5	0.75	1 crop/year	3	10

Table 25: Cultivated crops, areas and productivity in Tam Tra

Crop	Area in ha	Productivity		Comment	Average productivity tones/ha in	
		Ton/ha	Ton/yr		Northern provinces	Vietnam
Wet rice	108.8	3.35	364.5	2 crop/year	3	10
Upland rice	25.5	0.4	9	1 crop/year	1	2
Maize	13	2.4	31.2	1 crop/year	5	9
Potatoes	40.57	6	243.42	1 crop/year	7	10
Cassava	56.13	11	617.43	1 crop/year	9	9
Peanut	6	0.5	3	1 crop/year	1	3
Beans	3	0.3	0.9	1 crop/year	1.5	3

19. The productivity of wet rice and upland rice in Phuoc Tra and Tam Tra are good in comparison with the average in the Northern mountainous provinces but low compared to the national average. Only one crop can be harvested annually. Productivity of other crops is lower or much under the average of both the northern areas and the country.

20. Division of agricultural land and land allocation to households was done 1989. Land allocation is usually revised every 20 years and is accordingly planned to take place in Phuoc Tra and Tam Tra in 2009. According to the household survey, 80% of households have land use certificates on agricultural land, the other households have received land or taken land into use without certificates. All households have, however, received certificates for residential land. Of the households with agricultural land certificate, majority, 50% have a cultivation area of 0.1–0.5ha (1000–5000m²), 25% an area of 0.01–less than 0.1ha (100-1000 m²) and 25% have an area of 0.5–0.8ha (5000–8000 m²). The forest is managed by the communities and land without a certificate issued for forest land.

21. Annual income from selling agricultural products, mainly rice, span between 0 and 10.5MVND in 2008-per HH/ year. The household survey (average 3.9 people per household) showed that 7% of the households had no income from selling basic agricultural products, half the households (75%) had an annual income under 10MVND and half (18%) in 2008 an income between 10 and 13.85MVND (i.e. 1.154MVND/month for a household or in average 214,000VND/person, which is just slightly above the poverty line). Most households selling rice have only little income from other sources. 11% of the households had further income between 125,000VND and under 1MVND from selling vegetables, beans and peanuts, and 65% of the households had income from 1 to 2.5MVND. And income from industrial trees to 12.5 million VND approximately 4-8% of households. Income from selling agricultural products is summarized in Table 26 & 27 below.

Table 26: Income from selling agricultural products in 2008 in Tam Tra commune (household survey, 27 HHs)

Product	Annual income	No. of HHs	% of HHs
Rice		27	100
	No income	2	7.41
	<10 MVND	20	74.07
	10≤13.85 MVND	5	18.52
Vegetables, beans, peanuts		27	100
	No income	3	11.11
	0.125≤>1 MVND	17	62.96
	1≤2.5 MVND	7	25.93
Industrial trees (Cardamom)		27	100

	No income	20	74.07
	0.4≤4MVND	5	18.52
	12.5MVND	2	7.41

Table 27: Income from selling agricultural products in 2008 in Phuoc Tra commune (household survey, 57 HHs)

Product	Annual income	No. of HHs	% of HHs
Rice		57	73.49
	No income	10	17.54
	<10 MVND	40	47.62
	10≤13.85 MVND	7	8.33
Vegetables, beans, peanuts		57	67.86
	No income	5	5.95
	0.125≤>1 MVND	40	47.62
	1≤2.5 MVND	12	14.29
Industrial trees (Cardamom)		57	67.85
	No income	48	57.14
	0.4≤4MVND	6	7.14
	12.5MVND	3	3.57

c. Animal breeding and fishery

22. Animal breeding is an additional income generation activity to agriculture. In September 2009 there were totally approx. 120 cows, 20 buffaloes, 620 pigs and 2,500 poultry in Phuoc Tra. Tam Tra commune were totally approx. 150 cows, 15 buffaloes, 620 pigs and 1,600 poultry. The number of especially cows is currently low because many cows died during the past cold winter. Poultry and pigs are kept for household food and for calendar festivities, cows and buffaloes for selling and generating cash.

23. Of the 84 surveyed households, 7-12% had no income from livestock in 2008; 11-29% got less than 1MVND, 43-59% from 1 to 10MVND, 10-22% between 10 and 20MVND, and 0-4% over 20MVND, the highest income being 45MVND. Income from selling animals in 2008 is summarized in Table 28 & 29 below.

Table 28: Income from selling animals in 2008
(Household survey in Tam Tra, 27 HHs)

Annual income	No. of HHs	% of HHs
	27	100
No income	2	7.41
< 1MVND	3	11.11
1 ≤ >10 MVND	16	59.26
10 ≤ ≥ 20 MVND	6	22.22
20MVND < ≥ 45MVND	0	0

Table 29: Income from selling animals in 2008
(Household survey in Phuoc Tra, 57 HHs)

Annual income	No. of HHs	% of HHs
	57	100
No income	7	12.28
< 1MVND	17	29.82
1 ≤ >10 MVND	25	43.86
10 ≤ ≥ 20 MVND	6	10.53
20MVND < ≥ 45MVND	2	3.51

d. Marketing and business

24. Most households are producing just enough food for household consumption, and there are few products available for selling. There is no commune market in Phuoc Tra, Tam Tra and infrastructure for marketing outside these communes are lacking. Access to districts market in Hiep Duc and Nui Thanh are very poor due to lacking transportation conditions.

25. The only small business activities in Tam Tra, there 03 consist of four small shops in the commune centre and 08 small shops in the villages of Tam Tra. The shopkeepers in the village of ethnic Kinh. The only small business activities in Phuoc Tra, there 01 consist of four small shops in the commune centre and 06 small shops in the villages of Phuoc Tra. The shopkeepers in the village of ethnic Kinh.

These shops transport basic goods on motorbike from the district town and sell mainly food and items like salt, fish sauce, soap, washing powder, clothes etc. for everyday household use.²⁶

The monthly profit of the largest shops is 1.5–2MVND (annually approx. 15–20MVND). Trading households supplement their earnings with income from other activities. The highest annual income a trading household declared was 95MVND.

e. Additional income generation

27. 30% of Phuoc Tra households and 25% of Tam Tra households receive 10kg/person/month rice from the government under the governmental “Program to support difficult ethnic minorities” including the two ethnic minorities of M’nong, and Kor. Many ethnic minority households have received this support from the government since 2006, which they are liable for one’s debts to get during five years.

Many of these households have made the receipt of subsidies into a way of living; they expect the government to sustain them without putting much effort to developing their own income generation. They also sell part of the rice to other households in order to get cash.

f. Utilization of micro credits

28. A few households in Phuoc Tra and Tam Tra have taken a loan from the Social Policy Bank for income improvement, mainly for purchasing animals. Two households have also invested in preparing fishponds. Of the surveyed households, 15 households (17%) had taken microcredit with the following amounts:

- 100–500,000VND: 5 HHs ethnic minority (100%);
- 5 MMVND: 10 HHs in which four ethnic minority households.

29. There are several loan programs for economic development such as the 120 Loan Program loans, labor export; Loans to households and business; WB3 project loans; loans poor housing, Chapter support the rapid and sustainable poverty reduction (under the resolution 30a/2008/NQ-CP).

3. Transportation and communications

30. Transportation: 100% of communes, wards and townships in the project area contain links to the town center, the roads to villages across the inter-communal roads also developed to serve the people off available conditions for tourism, transport and agricultural products circulation of goods between provinces.

31. Overall, many households (35.8%) had motorcycles for transportation, the majority of households have television (43.7%) or cassette machine to serve the needs of recreation location, use of electricity: about 67.8% of households in the communes of the project area have continued access to the grid, but only about 10% of households purchased directly from the power company, the majority of households (90.0%) through service companies and cooperatives with the unit cost 1.5-2 times higher than government regulations.

There is a post and telephone office in the commune centre providing communications outside the commune

4. Health and Health Care

32. Public works: a kindergarten, primary school, post office, houses of culture in the communes and towns of the project area, where ethnic minorities live, to meet the needs of education and cultural activities. Health: 100% of communes in the project area, where ethnic minorities have medical, nursing and physician staff to diagnose and treat people early. Vaccination program for children reaching 90% target in 2008 and according to survey households, 96% of households believe the commune health center as an ill family member. However, 78% of women in the household survey do not go to medical clinics check the fetus. Accordingly, 87% of women give birth at home, although often with the support of the midwives cooperative.

33. Respiratory infections in the winter and diarrhea in the summer are the most common health problems in Phuoc Tra, Tam Tra. 30% of the total numbers of patients to the health care centre are due to coughing and 30% due to diarrhea. 20% of the patients seek treatment for malaria occurring during the summer, and 20% have eye diseases during summer and autumn.

34. Phuoc Tra, Tra Tam has no use drug but alcoholic relatively common in men, clearly the habit impacts both on the capacity of the male labour force and its health status as well as on household economy.

5. Water and Sanitation

35. Number of households with water pumps for irrigation in productions still less (2%). Fresh water to use: just a few families of ethnic minority households in a position to use the water from the safe water supply points (4.4%), the majority of households use water from domestic wells or dug wells (77.9%), the remainder(17.7%) households use water from other sources (rain water, rivers, streams). Water for household consumption is lead from water sources through pipes into water tanks provided with Program 135 support. Water and rain water are considered adequate.

36. The hygienic standard in Phuoc Tra, Tam Tra are very low and people's knowledge about health and hygiene poor. There are neither bathrooms nor toilets or latrines. People wash themselves with stream water and use forest as a toilet. The population density is low and therefore this practice is not environmentally destructive at present, however, the free roaming animals eating human feces increase the risk of spreading diseases.

6. Education

37. Standard education is available in Phuoc Tra, Tam Tra with village schools providing education in grades 1–5, and the commune school in grades 6–9. The lower secondary school in the commune centre provides boarding opportunity and subsidized education for students from remote villages through the governmental programme of supporting poor students. Only one or two students yearly continue to upper secondary school in the ethnic minority boarding school in the district town. (

38. There are 87 teachers in Phuoc Tra and Tam Tra, mostly majority Kinh people.

39. Most children start school at the age of 6 years, but approximately 12% start later, at the age of 8–9 years. Because many ethnic minority students remain poor in their knowledge in the Vietnamese language and consequently attain poor skills in reading and writing. Irregular school attendance is common as children have to contribute with labour in agriculture and animal breeding. Ethnic minority girls get married at the age of 15–17 years and stop attending school, in many cases only with finished grade 3 or 4 education. Accordingly illiteracy is common among the ethnic minority population in Phuoc Tra and Tam Tra, especially among women (no exact illiteracy data available).

E. CURRENT ELECTRICITY SITUATION

1. Production and Use of Power

40. There is 67.8% of surveyed HHs used central electricity provision in Phuoc Tra and Tam Tra, but only about 10% of households purchased directly from the power company, the majority

of households (90.0%) through service companies and cooperatives with the unit cost 1.5-2 times higher than government regulations.

No.	Commune	HHs	Grid (%)	Other service provider (%)	Micro hydro power (%)	No power (%)
1	Tam Tra	809	67.0	29.3	-	3.7
2	Phuoc Tra	370	5.1	86.2	-	8.7

41. Electricity produced with pico systems is mainly used for lighting, but some households also have a TV (43.7% in the HH survey), video (25% of surveyed HHs), radio (10%), fan (18%) and refrigerator (2%). However, the majority of families in Phuoc Tra, Tra Tam too poor to buy any electrical appliances. They are very poor to invest in small hydro power generators and instead use oil lamps for lighting.

42. Electricity is used very little for agricultural production, the number of households with water pumps for irrigation in production is small (10%).

2. Current costs for producing power

43. In two Phuoc Tra, Tra Tam communes now has the national power system to the commune's office and a number of village, some areas without electricity are included in this project, and the people of these villages have not generator or small hydro.

44. Households that do not have micro hydro or diesel generators mainly use kerosene for lighting or borrow power from a neighbor's micro hydro generator. The cost of one liter of kerosene is 14–15,000 VND. Households' annual and monthly estimated costs for kerosene are seen in Table 30 & 31 below.

Table 30: HHs estimates on HHs current annual and monthly costs for kerosene (household survey in Tam Tra, 27 HHs)

Cost in '1,000 VND	No. of HHs	% HHs	The households using kerosene	% of HHs use kerosene without a generator	Average monthly cost span in '1,000 VND
No cost	1	3.7	1	1.19	20-50
200-500	15	55.56	-	-	>50
500-1000	10	37.04	-	-	50-100
>1000	1	3.7	-	-	>100
Total	27	100	1	1.19	

Table 31: HHs estimates on HHs current annual and monthly costs for kerosene (household survey in Phuoc Tra, 57 HHs)

Cost in '1,000 VND	No. of HHs	% HHs	The households using kerosene	% of HHs use kerosene without a generator	Average monthly cost span in '1,000 VND
No cost	5	8.77	5	5.95	20-50
200-500	30	52.63	-	-	>50
500-1000	20	35.09	-	-	50-100
>1000	2	3.51	-	-	>100
Total	57	100	5	5.95	

45. There are 50-10 poor households use oil lamps; the estimated cost is very low. Poor households use very little energy for lighting only, they work day to produce food and go to bed early, so the time required the use of light is very short. Number of households does not have generators have lower annual cost of 100,000. Households with high cost of oil is the most crowded households and includes a number of families with children.

46. Phuoc Tra, Tra Tam households without micro hydro or small diesel generators

47. Approximately 55% of households with annual costs for grid use 200,000 VND – 500,000VND (poor households are often located in this level), more than 30.0% is the annual cost of 500,000 VND to 1,000,000 VND and nearly 4.0% is the annual cost exceeds 1,000,000VND.

3. Fallbacks from lack of electricity

48. Life and living conditions of poverty found in Phuoc Tra, Tra Tam. Most activities take place only during the day due to lack of electricity. Households use electricity from their neighbors and use oil lamps or lighting. Income people depend on agriculture for small, low productivity, based on manual labor due to lack of power, and by the general poverty and low educational level. Business has only a few small shops selling basic commodities for household needs every day. Lack of electricity is one of the factors contributing to poverty and limited services at Phuoc Tra, Tra Tam.

F. DEVELOPMENT OPTIONS OF ACTIVITIES THROUGH ELECTRIFICATION

1. Household income generation and production

49. National grid expansion increases the total number of households used the national grid in Quang Nam province. The implementation of the project will increase electrified households rate around Quang Nam province from 87.7% now to 95.1% after project completion and the rate of The ethnic minority people electrified households from 67.2% at present to 93.3% after project completion. Sub-projects are completed, the grid distribution system in Quang Nam will improve power quality, reduce losses and limit outages, ...

Create jobs for local people. If the power supply quality and quantity both full on, can contribute to improving the lives and conditions of production in the areas of project

development, meet the needs of power users. Has power will contribute to development of agriculture with mechanized agriculture electrification, tools, livestock, food processing,...

Cultural exchange between locals ethnic minority people and construction workers from outside the project. This impact is helping locals people expand their knowledge and improve their awareness.

50. People after they are connected to the national grid have the opportunity to access and use of electrical equipment such as household electric lights, television, radio, cooker, electric fans ... This effect helps people access information quickly, easily, with the conditions for organizing cultural events, contributing to preserving the national cultural identity locally. The number of people with eye disease, especially children are likely to fall because children can use to study electric lights instead of using oil lamps today. The use of electricity for cooking may limit the exploitation of timber for firewood.

Stable power source will help local people are expected to create more opportunities for increased revenues from the woven fabric and sewing craft of many women. The public services (health, education) will enhance the quality of service by the use of more devices, medical instruments to support patient thanks to reach national power.

2. Consequences for household living standards

51. Households in Tam Phuoc and TraTra communes are quite poor, most households that need the power and power quality stable. However, to encourage people to use more electricity, the government supported for their electric bills..

3. Potential for improved public services and social life

52. Upgrading and expanding the rural electricity distribution network subproject in Quang Nam will have some potential positive impact on ethnic minorities with respect to social and economic benefits. Improving comfort and public services like education and health care. Health care centre will be able to have and utilize better equipment and store medicines in a safe way. The schools will have bought compact light, fans and electric appliances like photocopying machines and computers connected to internet. Lighting will enable evening classes for adult population, e.g. literacy classes for women. Commune office will be able to use computers and photocopying machine on a regular basis, and be connected to internet, which will enhance communications and information access. However, the development of the governmental sector services and administration after electrification is dependent on the economic capacity of the commune to invest on all the new equipment that will potentially enhance the administrative, health and educational services in Phuoc Tra, Tam Tra. Staff capacity building is required as well.

53. General, suggest that it be stated that the provision of power would prompt better social and psychological well being through:

- Improved sense of security through lighting at night
- More opportunity for education through power availability to power equipment and provision of lighting for more study time
- Opportunity for social interaction at night and over group activities
- Sense of well being through better community amenity through social infrastructure powered by electricity and which is more reliable.

4. Potential for business development

54. Potential from electrification for business development is rather limited in Phuoc Tra, Tam Tra due to the isolated location, poor road infrastructure and poor population that cannot afford buying consumer goods or paying for private services. Electricity will, however, enable development of wood processing industry that potentially will create a few new labour opportunities. There is poor capacity and preparedness among the local population to take any new opportunities, which consequently risk to be taken by in-migrating business.

G. POTENTIALLY ADVERSE IMPACTS OF ELECTRIFICATION

55. In the process of building the factory, due to a large number of workers (mostly men) will come to community work in a long time (about 50 workers within 6 months). These are factors that can affect the value of the traditional culture, customs and the risk of arising problems on social security (theft, loss of security and order, loss of solidarity, etc.) and social ills for ethnic minority communities (the spread of HIV/AIDS and other infectious diseases trafficking in women, prostitution, addiction, etc.). However this is only a temporary impact and can be managed.

56. In the process of transporting construction materials, the means of transport will cause noise, dust and smog affects the living of the people. Construction materials, petroleum, fuel, waste dumps, the area contains material likely to contaminate the environment community if not well managed.

H. AFFORDABILITY OF ELECTRIFICATION FOR HOUSEHOLDS AND PRIVATE BUSINESS

57. The household survey shows both very poor estimated ability and very poor willingness of households to pay for electricity. Accordingly, 50% of the surveyed households, 6 households are not willing to pay anything. Of those households that think they can afford and are willing to pay for electricity, 45 households are willing to pay 50,000VND/month, 30 households are willing to pay 80,000VND and only 3 household are willing to pay over 80,000VND/month at the most.

58. Local business in Phuoc Tra, Tam Tra currently consists of 16 small-scale shops in the villages and commune centre. They borrowing power from the neighbour to provide lighting and according to interviews and household survey are willing to pay only up to 80,000VND each per month for electricity.

I. RECOMMENDATIONS FOR ENHANCING ACCESS TO ELECTRICITY AND PRODUCTIVE USE OF ELECTRICITY

59. There is little potential in electrification for raising living standards and improving income generation if it is not connected to general improvements in infrastructure and long-term community and income development supporting activities. These should include both literacy and educational level improvements and income generation development through training and micro credits. A few people have plans to utilize electricity for developing current and starting new activities (wood processing, cloth making, some agricultural machines) but the potential of these small-scale improvements for improving households' income is very limited if market access is not significantly improved and marketing capacity developed.

60. Ethnic minority households Tam Tra and Phuoc Tra communes are not currently aware of and have no plan to develop the use of electricity in production. Therefore, to encourage households to use electricity for production, some specific assistances are needed. Here are some recommendations to enhance the capacity to use electricity for households in the subproject area.

- There should be information disclosure programs on electricity use in production. The programs should be specific and focused on introduction of models which can be applied in Tam Tra and Phuoc Tra communes.

- There should be assistances for skill training, technique for use of electric appliances and machines serving for production, processing, preservation ...

- There should be provisions to encourage and support the establishment of manufacturing, processing and trading units (agriculture, forestry productions or other areas) in the local in terms of capital, information, experience, tax incentive, costs, procedures, and premises, ...

- There should be a agency with consistent experience to support people to access sources of credit for production development (Social Policy Bank, Women's Union, Fatherland Front, Farmers' Union) and models of technical assistance, the methods on reasonable and effective use of credit to increase income.

- There should be directions on safe, economical and effective use of electricity for households.

- In addition, the subproject owner should conduct consultation regularly with households, communities and local authorities to learn and solve difficulties of households in using electricity to increase household incomes and reduce poverty in the community. The Subproject will negotiate with Social Policy Banks to increase working time of bank staffs who works regularly in the community and conduct credit access programs including conditions, participants and support local people in filling information form, preparation of necessary papers to complete the loan application.

- Develop training programs on raising public awareness of electricity use in production to increase household income for ethnic minority households and the whole communities.

- The local authorities will in cooperation with the mass organizations: the Women's Union, Farmers' Union ... to organize excursions model on effective use of electricity in production in the areas which successfully applied the model

J. SUMMARY OF EXPECTED IMPACTS OF ELECTRIFICATION IN PHUOC TRA AND TAM TRA

61. Below the anticipated positive and negative effects from electrification after the Project implementation in Phuoc Tra and Tam Tra are summarized and described in short, and the major stakeholder groups benefiting or suffering from the impacts are defined. Comments are provided to further describe the specific consequences.

Sector	General Impact	Impact Description	Comments	Major Stakeholders
Income and economic activities				
Agriculture	Machines to improve production will be possible to use	<ul style="list-style-type: none"> Some small-scale agricultural machines 	<ul style="list-style-type: none"> Use will depend on HH economic and skills capacity Supportive systems needed (funds, training) 	<ul style="list-style-type: none"> Local farming households
Production development	Machined production will be possible	<ul style="list-style-type: none"> Making clothes with electric sewing machines Food processing with milling Small-scale local wood processing 	<ul style="list-style-type: none"> Expected impacts on household level Market access lacking to have significant income improvement effect Supportive systems needed (funds, training) 	<ul style="list-style-type: none"> Some local households
Trade and business	Trading of new consumer goods Wood processing industry development potential	<ul style="list-style-type: none"> Electricity enables demand of new consumer goods Electricity enables development of wood products processing 	<ul style="list-style-type: none"> Magnitude depends on local HHs economic capacity to invest in new consumer goods Wood processing depends on access to microcredit Outsiders may take the new opportunities so little local benefit will appear 	<ul style="list-style-type: none"> Local and external traders Those capable of taking new opportunities Local and external labour force
Governmental sector				
Public services	Improved quality of health care and education services, governmental offices	<ul style="list-style-type: none"> Time for availability of services increase with lighting Electricity enables better equipment and medical supplies in health care Potential for computers and internet improve communications, and knowledge level 	<ul style="list-style-type: none"> Positive impact depends on commune economic and staff capacity 	<ul style="list-style-type: none"> All commune inhabitants School students
Inhabitants, households				
Households living standards	Enhanced security and comfort	<ul style="list-style-type: none"> Lighting enable evening time activities like studying 	<ul style="list-style-type: none"> Household labour will be easier Access to information and 	<ul style="list-style-type: none"> Households using electricity Households that can afford buying

Sector	General Impact	Impact Description	Comments	Major Stakeholders
		<ul style="list-style-type: none"> • Consumer goods like TV, karaoke machines, CD-players, computers etc. may increase 	knowledge potentially improve <ul style="list-style-type: none"> • Electricity use depends on HH economic resources, so poor HHs access to electricity should be ensured 	machines, consumer goods
Social life	More activities and evening time activities will be possible	<ul style="list-style-type: none"> • Evening time activities like study groups, meetings may increase 	<ul style="list-style-type: none"> • Access to information and knowledge potentially improve 	<ul style="list-style-type: none"> • All inhabitants

PROMOTING PRODUCTIVE USE OF ELECTRICITY IN PROJECT COMMUNITIES

A. Rationale for the Promoting Productive use of electricity Component

1. The Project has a pro-poor focus in that it is focused on providing affordable electricity to consumers in remote areas where the proportion of poverty households in the population is far above the average in Vietnam and majority of the project-affected people and project beneficiaries are ethnic minority people. In mountainous ethnic minority communities, poverty is very severe in large majority of the population and the households that are not classified as poor are still near poor. Local business is next to non-existing, consisting of a few small local shops selling everyday necessary household items. The potential future electricity consumers in these areas typically have very poor preparedness for using electricity or any willingness to pay for it.

2. Electrification has a poverty reduction potential only if poor and near-poor households can afford and have capacity of benefitting from electrification. In very poor communities most people have neither necessary economic nor technical capacity to make use of electricity for improving their lives and livelihoods. It is therefore decisive for the Project to provide:

- (i) Affordable electricity connections for poor households;
- (ii) Capacity (economic and technical) for poor households to utilize electricity for improving their living standards and income generation.

3. Affordability of electricity will be an integral part of the project design while people's capacity to benefit from electricity needs to be strengthened with special supportive measures: the project component *Promoting productive use of electricity* will be focused on providing poor ethnic minority households in mountainous areas extra support for improving their livelihoods through new opportunities with electrification at the implementation of a micro hydropower project. This component will consist of:

- (i) Providing awareness building on efficient use of electricity for living standards improvement and on using electricity in a productive way for income generation;
- (ii) Supporting poor households' access to available micro credits for income improvement;
- (iii) Providing borrowers with technical assistance and capacity building for utilizing the loans efficiently for improving their income generation.

4. An NGO will be contracted for implementing this component. Added to awareness and capacity building and technical assistance for productive use of electricity, the NGO will provide relevant capacity building for the Community Management Board (CMB) in implementing the Ethnic Minority Development Plan (EMDP) and support to the Province Project Management Unit (PPMU) in all relevant tasks, especially in implementing the Communication and Participation (C&P) activities. The NGO or Mass organization will also implement the HIV and human trafficking prevention program and ensure that the project Gender Strategy is applied in all Project activities.

B. Affordability of electricity

5. For each sub project household and small business affordability analysis need to be prepared, based on the specific local conditions. Affordability of grid connection for different types of households will be properly assessed in the detailed project planning and ensured for all poor households.

In remote mountain communes with a population of mostly ethnic minority, all poor households will be provided free grid connection and energy-saving bulbs to be subsidized. Households ethnic minorities would be reasonable subsidize electricity.

C. Project support for efficient and productive use of electricity

1. Awareness building of electricity utilization

6. People have awareness neither of use of electricity nor of opportunities to improve production and income generation with electricity. The Project will therefore provide support for communities that will be electrified through micro hydropower development on safe and productive use of electricity. Households will be provided awareness building in how to use electricity in a safe and efficient way in order to avoid accidents and improve living standards. Poor ethnic minority beneficiaries' awareness of the possibilities to utilize electricity in production and income generation activities related mainly to agriculture, forestry, livestock and fish breeding will be improved.

Need to have the communication phase of electricity use. Content specific communications needs, focusing on introducing models that can be applied in Tam Tra and Phuoc Tra communes.

2. Project support to microcredit accessibility and its efficient utilization

7. Social Policy Bank (SPB) is a state-owned bank with both province and district level offices all over the country with the mandate of providing micro credits targeted for poverty and ethnic minority households and households in communes that are by the government classified as extremely difficult areas. According to a GoV decision, Social Policy Bank has seven loan programmes:

- (i) Poverty households: The largest programme, focused on improving poor households' income generation activities. A typical loan in Quang Nam province is between 5 and 15MVND, the maximum is 30MVND with an interest rate of 0.65%. This loan can be used for e.g. buying livestock; preparing fishponds; planting forest, fruit trees, industrial trees like cotton, coffee, tea, rubber, short-term trees; repairing houses; connecting HH to power grid.
- (ii) Extremely difficult ethnic minority communities: Households with at least either wife or husband of ethnic minority origin can borrow up to 5MVND with 0% interest rate. Household's total assets may not exceed 3MVD.
- (iii) Water supply and sanitation: Loans for both poor and non-poor HHs in rural communes for clean water and sanitation constructions, loan amount 4–8MVND with 0.9% interest rate.
- (iv) National Fund for Creating Occupations: With guarantee from a mass organization, a prospective borrower has to prepare a proposal of how to create more jobs through developing a small business. Business with one labourer can borrow up to 20MVND, business with two or more labourers up to 60MVND, maximum 500MVND.
- (v) Household business development in extremely difficult communes: According to GoV classification, HHs in the classified communes (63 communes in Quang Nam province) are eligible for a loan of maximum 100MVD with 0.9% interest rate.

- (vi) Loan for poor students: Students from poverty households can borrow up to 800,000VND/month for vocational training or university studies for an interest rate of 0.5%.
- (vii) Exporting labour abroad: Workers with a labour contract for working in a foreign country can borrow up to 30MVND with an interest rate of 0.65% for moving and establishment costs.
- (viii) Quang Nam Social Policy Bank has since 2005 an additional programme that is being implemented in 15 provinces in Vietnam, providing loans for small and medium size enterprises. For being eligible for this loan the business has to own assets for guaranteeing the loan, and this loan is therefore hardly applicable for poor household businesses.

8. Mass organizations are the major channel for information of microcredit availability and procedures at village level. However, both human capacity and competence in the organizations is limited. Especially information dissemination to ethnic minority people and assisting them with the loan procedures in their own language and in a way that meets their low educational level is deficient. Ethnic minority people in general have much poorer access to credit than the majority Kinh, and they need a lot of support to be able to utilize the available opportunities. During the deployment of associations may need to work with village elders, chiefs to popularize information about the microcredit.

9. Poor households, especially ethnic minority ones in isolated communities, seldom have sufficient knowledge on how they could improve their income through a micro loan apart from investing in traditional activities using traditional methods. Currently SPB and mass organizations are organising some technical training for micro credit borrowers in activities like fish breeding and animal care through province and district Agricultural Extension Centres. According to Quang Nam SPB, the bank organizes training courses through the extension centre, based on the training needs its district support group is identifying among borrowers. However, the trainings organized by the extension centres are often very short, ½-1 day, and not based on any systematic training needs assessment among the very participants, neither content nor quality or efficiency of the training is evaluated, and the training is not followed up at any later date.

10. To encourage households to use electricity it needs specific support. Here are some recommendations to enhance the ability to use electricity for household the sub-project:

- Need to have the media stage production of electricity use. Content specific communications needs, focusing on introducing models that can be applied at Tam Tra and Phuoc Tra communes.

- Need to have the support skills training, use of technical equipment, machinery and electricity used for production, processing, storage ...

- Should be regulated to encourage and support the formation into the production facilities, processing and trading (agriculture, forestry or other areas) in the locality. In the early years after the electrical connection, if any household electrical plans for production use should be supported (capital, information, experience, the preferential policies on taxes, fees and procedures, plane ...).

- Should have a consistent experience unit, the Women's support people to access sources of credit for production development (Social Policy Bank, Women's Union, Fatherland

Front, Farmers) and building models of technical support, use the power method reasonable credit, effective for income.

- There should be guidelines for families on the use of electricity safely, economically and effectively.

11. In addition, investors should consult regularly with families, communities and local authorities to learn and solve difficult problems of households using electricity to increase household incomes and reduce poverty in the community. Sub-projects will work with banks policy to credit staff increased time working regularly in the community, popular programs is access to credit by banks including conditions, subjects participating and support the people filling this form, prepare the required documents necessary to complete the loan application.

12. Develop training programs raise public awareness of electricity use in production to increase household income for households and ethnic minority communities.

D. TOR for an NGO undertaking the Promoting Productive Use of Electricity Component and providing relevant support and capacity building for the Project management units

13. The overall task areas for an NGO to be contracted by the Project will be:

- i. To cooperate and support through relevant capacity building the PPMU in planning and implementing the Project activities following the social guidelines, as given in the *Communication and Participation Strategy*, *Ethnic Minority Development Framework* and *Gender Strategy* and other relevant social documents of the Project.
- ii. To support and provide capacity building for the Community Management Board (CMB) to implement the sub project specific Ethnic Minority Development Plan (EMDP) and undertake other relevant tasks.
- iii. To implement the Project HIV and human trafficking prevention program;
- iv. To implement the Project Gender Strategy; accordingly ensure that gender aspects are mainstreamed in all Project activities and that ethnic minority women are provided relevant support to participate and benefit from the Project;
- v. To undertake motivational work for improving ethnic minority households' awareness of safe electricity use and possibilities in utilizing electricity.
- vi. To support poor and near poor households' access to micro credits through the available microcredit channels, and to provide them with technical support for efficient utilization of the loans for households' income improvement through electricity;
- vii. To cooperate with the Social Policy Bank in facilitating poor households access to micro credits according to their loan schemes;

- viii. To provide capacity building and support to mass organizations in their facilitating role towards poor households in accessing micro credits;
- ix. To provide District Agricultural extension centres with relevant capacity building according to training needs assessment in giving poor ethnic minority households technical support in production and income generation development activities.

8. The NGO chosen for the task is required to have wide experience in community development work among ethnic minorities and working with ethnic minority women, as well as knowledge in microcredit organization and procedures, experience and competence in supporting microcredit schemes, and in capacity building. The organization needs to have available staff with relevant experience and technical capacity in supporting various production and income generation activities, focused on ethnic minority settings in remote locations, staff with gender expertise, and with capacity for promoting anti-HIV and human trafficking program activities. The NGO needs to be familiar with the mass organizations and their work at different levels, be co-operative and establish a good working relationship with PPMU and CMB, CEM, Social Policy Bank, mass organizations, authorities at different levels and especially CPC at each sub project location.

15. The organization in consultation with CMB and local leaders, will prepare provide a proposal for the detailed implementation of all the activities in the sub project locations, including detailed activities, schedule and budget, based on the following preparatory tasks:

- (i) Investigate in cooperation with health authorities and any other relevant body or project the specific HIV and human trafficking situation and risk in sub project locations; propose a sub project specific implementation of the HIV and human trafficking prevention program of the Project.
- (ii) Make a capacity and training needs assessment and propose needed and relevant capacity building support to CMB in each sub project location in facilitating community participation and implementation of the EMDP and when relevant, the Resettlement and Compensation Plan.
- (iii) Propose needed and relevant awareness raising support to local households in sub project locations in using and utilizing electricity.
- (iv) Investigate in each sub project location the microcredit information and support channels (mainly mass organizations), their capacity and organization for supporting poor and near-poor households' credit taking; based on this prepare a plan on how relevant measures for support and capacity building for these channels will be provided.
- (v) Investigate if there are any ongoing projects or governmental initiatives at district and province level relevant for the Component; propose how project cooperation with these will be arranged.
- (vi) Identify suitable optional activities for production and income generation improvement with electricity in each sub project location.
- (vii) Define the funding needed for the identified income generation improvement for individual households and/or groups of households.
- (viii) Propose how poor and near-poor households will be supported in choosing activities for loan taking that are sustainable and can be potentially more productive with electricity.
- (ix) Identify the technical capacity building needed for households to be able to undertake the identified income generation improvement activities in an efficient way; make a plan how the identified technical capacity building will be provided.

- (x) Assess the capacity of Agricultural extension centre and any other available and relevant supportive systems in the district and province (like district veterinary services, Rural industry promotion centre etc.) to provide the needed technical capacity building support for the identified income generation activities; plan relevant capacity building for these supportive systems for increasing their capacity in supporting the identified local income bringing activities.
 - (xi) Formulate a suitable model for production machines leasing system at commune/village level benefitting poor households, including funding, operation and maintenance mechanism and affordability at each sub project location.
 - (xii) Assess the capacity and capacity building needs of relevant health care staff to participate in implementing the *HIV and trafficking prevention program* in each sub project location; prepare a plan for implementation of the program and the capacity building.
 - (xiii) Prepare a plan for implementation of the Project *Gender Strategy* and any relevant capacity building needed for its implementation.
 - (xiv) Propose monitoring indicators to evaluate the impact of the planned activities; support the community-based monitoring by CMB and the internal monitoring by PPMU through capacity building and other relevant assistance.
16. The NGO will undertake the activities according to an agreed plan based on the proposal. The major activities will consist on:
- (i) Supporting the PPMU in all project planning and implementation tasks and activities as needed;
 - (ii) Implementing the Project HIV and human trafficking prevention program;
 - (iii) Mainstreaming gender concerns in all project phases in all sub project locations and activities, following the Project Gender Strategy;
 - (iv) Supporting the CMBs in all project implementation activities in sub project locations as needed;
 - (v) Implementing the promoting productive use of electricity component, including awareness building on electricity and safe electricity utilization, identifying and developing income generation opportunities related to electrification for local households, supporting households' access to microcredit's for income generation and business development, and providing relevant technical capacity building for efficient loan utilization for improving income generation.

CONSULTATION AND PARTICIPATION STRATEGY FOR THE PROJECT IMPLEMENTATION

A. Purpose of the Consultation and Participation (C&P) Strategy

1. According to ADB requirements, the borrower/client is required to involve the communities, groups, or persons who are expected to be affected by a proposed project through information disclosure, consultation and informed participation. The scope of this consultation and participation (C&P) should be in proportion to the expected risks and impacts on the affected communities.

2. If the project will potentially have impacts on ethnic minority people, the borrower/client has to *undertake free, prior and informed consultation with affected people to obtain their broad community support of the project, and their informed participation in (a) designing, implementing, and monitoring measures to avoid adverse impact on them, or when avoidance is not feasible, to minimize, mitigate, and compensate for such effects; and in (b) tailoring project benefits that accrue to them in a culturally appropriate manner. Free, prior and informed consultation is an ongoing process and will be started as early as possible in the project cycle so that views of affected people can be taken into account in the project design.*

3. C&P is a process through which stakeholders' influence and share control over development initiatives and the decisions and resources that affect them. Sufficient C&P is based on an understanding of who the different stakeholder groups are, and systematic engagement of these groups through a C&P plan. Thus, an adequate C&P requires conducting stakeholder analysis and developing a C&P plan. Accordingly, a C&P plan defines which stakeholders should be engaged and how deeply at each stage of the project cycle, taking into account time and resource constraints.

4. The goal of the Consultation and Participation Strategy is to provide a framework for preparing sub project specific C&P plans, in order to ensure the involvement of different stakeholders in all phases of the project planning, implementation and monitoring. It will guarantee that all groups of people who are expected to be involved and affected in the project are informed, that their interests, concerns and needs will be assessed in the project, and that the vulnerability of project affected people will be considered in all project activities.

5. Consultation and participation will be an integral part of the RERC Project, and the costs will be included in the Project Implementation Support and Capacity Building (Component III) budget of the loan. A sub project specific plan for consultation and participation of stakeholders, based on the Project Consultation and Participation Strategy, has to be formulated during each sub project preparation, parallel with the technical design. The extent of the C & P plan is dependent on the sub project scale and the scope of the expected impacts and benefits from the project. Most of the sub projects under the loan are expected not to lead to significant negative impacts such as relocation, however, when a sub project has such effects, resettlement and compensation planning with affected households will be a central part of consultation and participation.

B. Steps for preparing the sub project C&P Plan

6. Sub project specific C&P Plan will be prepared following the subsequent steps of:
 1. Identification and analysis of different stakeholder groups:

- Interests of different stakeholder groups
 - Most important stakeholder groups
 - Who are the vulnerable stakeholders
 - How different stakeholders will benefit from the project
 - Which stakeholders will be negatively affected by the project
 - Capacity and resources of different stakeholders
 - Mandates or formal authority of different stakeholders
2. Defining which stakeholder groups will be engaged in C&P process based on the identification
 3. Defining roles and responsibilities for conducting C&P
 4. Cost plan and budgeting for C&P implementation.

C. Identification of different stakeholder groups

7. During the detailed design phase of each sub project, a stakeholder analysis will be conducted in order to identify all the different stakeholder groups, initially define their vulnerability profiles, and estimate project impacts, both positive and negative, on each group of stakeholders. This analysis will ensure that all groups of people that are significantly affected by the project are included in the detailed C&P plan, and that the plan is designed to meet the needs and capacity of the major stakeholder groups.² Major focus in stakeholder involvement will reasonably be on the project area inhabitants who will be affected of the project implementation activities, and who also will be the major beneficiaries of electrification.

8. RERIMC Stakeholder analysis should initially assess the following potential stakeholder categories in order to ensure that all relevant groups of stakeholders are recognized in the C&P Plan:

- Village and commune level
 - Project affected households, both men and women, from different wealth categories; poverty, vulnerable and female-headed households need to be paid special attention to
 - Local producers and business owners from different income generation branches
 - Community-based organizations (if any)
 - Mass organizations (Women's Union, Farmers' Association, Youth Union, Fatherland Front)
 - Traditional leaders

² Key questions for identifying different stakeholders interests are seen in *Tools for applying C&P*, Ch.6 in *Strengthening Participation for Development Results: A staff guide to consultation and participation*, ADB April 2006.

- CPC representatives
- Representative staff of gov. service providers (health, education, agricultural extension) and private service providers (if any)
- District level
 - DPC
 - Representative staff from relevant Governmental offices
 - Ethnic Minority authority representative (if relevant)
 - District health care representatives, especially from Preventive health care unit
 - Mass organization representatives (Women's Union, Farmers' Association, Youth Union, Fatherland Front)
 - Representatives from private business and service providers with interests in the project area
- Province level
 - PPC
 - Representative staff from relevant Governmental departments: DOIT, DPI, DARD, DONRE, DOFA
 - CEM and Ethnic Minority Office (if relevant)

D. Methodology for C&P to ensure stakeholder involvement

9. Planning of the methodology and tools for a subproject C&P to ensure the full involvement of the project-affected people will be based on the identification of different stakeholder categories and an analysis of their interests, needs, roles and vulnerability as well as the anticipated project impacts on them.

10. All project activities that will potentially impact on the local communities in the project areas have to be consulted with identified local stakeholders. Consultations have to involve both formal commune and village leaders and the traditional ethnic minority leaders in ethnic minority communities, as well as community-based organizations (if any exist). Participatory village meetings and focus group meetings in relevant smaller groups (for example, men, women, youth, farmers, business owners, governmental officials) will be organized in order to ensure that all local people have full awareness and understanding about the project content. These meetings need to be regular and scheduled to follow set milestones throughout the project phases.

11. In the communes of ethnic minority, Ethnic Minority Office Provincial level and / or the staff involved to resolve the ethnic problem in the district office can support information. The regular dialogue with the affected projects at village level will ensure that all interests, conflict and dispute resolution is expressed and evaluated in time.

12. All the meetings with local stakeholders have to be recorded and summarized, and the results be brought into project planning and for adjusting activities whenever needed. The protocols have to be kept in the project archives.

13. If the subproject implementation will lead to land losses, loss of assets, and/or relocation, the affected people have to receive timely information about the planned procedures. PPMU has to provide the affected people with assistance to fully understand their rights to compensation and grievances, as well as of the compensation and grievances procedures. Individual consultations are required to be arranged with each affected household, their losses have to be identified and their expectations brought into the detailed resettlement and compensation planning.

E. Recommendations for institutional arrangements enhancing bottom-up participation of local stakeholders

14. PPMU will have responsibility to prepare a timely sub project C&P plan, and to follow it accordingly in order to ensure that free, prior and informed consultations with all relevant and central stakeholders are carried out in all phases of the project cycle.

15. All C&P has to take place in a culturally appropriate way and to be sensitive to local culture and traditions. It is important early in the project cycle to involve local institutions and organizations, like traditional leaders, community-based organizations, mass organizations, local leaders and People's Committees. The role and responsibilities of each representative body and individual need to be clearly stated in the C&P Plan.

16. Community Management Board (CMB) will be the representative of the local people and ensure communication between the local people and the PPMU. Funds for CMB will be included in the project budget. CMB or its representatives will participate at any relevant commune and district level meetings concerning the project, and share the information with the villagers,

especially in sub projects with many and scattered villages. PPMU and CMB are required to set up agreed routines and timeline for their regular dialogue and meetings throughout the project cycle.

F. Recommendations for community-based monitoring and grievance procedures

17. One of the tasks of the CMB is to function as a community-based implementation supervisory group to ensure a proper implementation of project activities according to the project plans and following the agreements with people affected by the project. PPMU is responsible for the operation of the whole.

18. Grievance redress procedures will be set up in a way that ensure local stakeholders, mainly the affected ethnic minority people, to take up any issues they consider not being implemented in accordance with the project plan and agreements in a cultural sensitive manner. If any project beneficiary is not satisfied with deliveries, compensation received, method of implementation of activities or any other project related issue, they can take such matters up at different levels. First, the affected party is able to discuss the issue with their local leader and resolve the issue at that level. Every attempt will be made to resolve problems and grievances amicably at the community level itself. Second, if the party is not able to resolve the problem with the negotiation of community leaders, they can bring it to the local CMB for resolution. The CMB will discuss the matter with PPMU and CPC to find a solution and to inform the party accordingly. If the affected party is still unhappy about the manner their problem is being handled, they can directly report the matter to the CPC for a resolution. The CPC in close discussion and collaboration with the provincial ethnic minority committee, will attempt to resolve the issue and inform the CMB and the affected party within one month from the date they are notified about the problem. If the affected party is still unhappy about the solution proposed, they have the option to follow the normal courts procedure to find an appropriate solution.

The mass organisations that will be selected and engaged by CPC to facilitate implementation of this EMDP has the active role of providing information to stakeholders about different methods established to handle grievances and provide information, training and facilitation to stakeholders to bring their grievances to appropriate levels seeking a solution. This organisation will also assist affected parties to prepare for their submission of grievances including the necessary documentation needed. It will work with the institutions involved in the three levels established to handle grievances and facilitate the entire process working between the affected party itself and the appropriate institutional system.

All complaints as well as solutions provided will be recorded at different levels of their handling. Grievances will be taken up in the monitoring process and will be referred to the steering committee for their information. The grievance redress will be included as an agenda item of the steering committee for further follow up.

LEGAL AND POLICY FRAMEWORK ON ETHNIC MINORITIES IN VIET NAM

1. The first group of policies includes specific policies as follows:

(i) Resolution of the Council of Ministers No. 38/CP dated 12 03 1968 Regarding the mobilization of farming, settlements associated with cooperation with fellow chemical is also shifting cultivation, nomadic.

(ii) Directive of the Prime Minister of 393/TTg, May 10, 1996 about 06 people planning to strengthen infrastructure, and production arrangements in ethnic and mountainous

(iii) Resolution No. 24/NQ-TW of the Party Central Committee course IX, 03 on May 12, 2003 on The National Working minorities.

(iv) The decision of the Prime Minister No. 134/2004/QD-TTg, dated 20 May 07, 2004, on a number of policies to support productive land, residential land, housing and water for protection of ethnic minorities, difficult life (known as Program 134).

2. Second policy group includes specific policies as follows:

(i) Directive of the Prime Minister of 525/TTg, November 2, 1993 on a number of guidelines and measures to further economic development Socio - mountain.

(ii) Decision No. 135/1998/QD-TTg dated 31 August 07, 1998 of the Prime Minister approve the program of economic development and socio-economic difficulties of the mountainous areas distance (also known as Program 135)

(iii) Resolution No. 22/NQ-TW of the Party Central Committee Political Bureau on November 11 2003 on a policy of economic development and social in mountainous communes.

(iv) Decision 07/2006/QD-TTg 01 on May 10, 2006 by the Prime Minister approve the program on socio-economic development particularly difficult ethnic minority and mountainous areas during 2006-2010 (also known as Program 135-Stage 2).

(v) Circular No. 676/2006/TTLT-UBDT-KHDT-TC-XD-NNPTNT, on 8 May 08, 2006 on guiding the implementation of development programs and socio-economic development in specially difficult problems of ethnic minority and mountainous areas in the 2006-2010 period.

3. Third policies group include specific policies as follows:

(i) Decision No. 327-CT of the Council of Ministers on 15 May 09, 1992 on a number of guidelines, policies and land use in the hills bare mountains, forests, alluvial and coastal water (also known as Program 327).

(ii) of Decision No. 163/CP Prime Minister 16 November 1999 on land allocation and lease of forestry land to organizations, households and individuals for stable and long-term forestry purposes.

4. Decision No. 132/2002/QD-TTg dated 08/10/2002 of the Prime Minister on the Settlement of production land and residential land to ethnic minorities in the Central Highlands