

ETHNIC MINORITY DEVELOPMENT PLAN

August 2013

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

Quang Ngai province rural distribution power network rehabilitation and extension subproject.

CURRENCY EQUIVALENTS

Currency unit: Vietnam Dong (VND) and US dollar (\$)

Exchange rate on June, 2013: \$1 = 21,130 VND

ABBREVIATIONS

ADB	Asian Development Bank
AP	Affected person
CEM	Committee for Ethnic Minority Affairs
CMB	Community Management Board
CPC	Commune People's Committee
EVN-CPC	Electricity of Vietnam – Central Power Corporation
EMDP	Ethnic Minority Development Plan
EMP	Environment Management Plan
EVN	Electricity of Vietnam
DONRE	Department of Natural Resource and Environment
DPC	District People's Committee
RERC	Renewable Energy Remote Commune
HHs	Householders
kV	Kilovolt
kVA	Kilovolt- Ampe
kWh	Kilowatt-hour
MONRE	Ministry of Natural Resource and Environment
MOIT	Ministry of Industry and Trade
MW	Megawatt
NGOs	Non Government Organizations
PC	People's Committee
PMU	Project Management Unit
PPC	Provincial People's Committee
PPTA	Project Preparation Technical Assistance
RETA	Regional Technical Assistance
ROW	Right of Way
RP	Resettlement Plan
SE	Socio-economic
SPB	Social Policy Bank

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A. BACKGROUND AND CONTEXT

I. 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 (consider to 2015) puts a considerable emphasis on provision of rural infrastructure.

The main objective of this sector Project is to increase the supply of low-cost electricity to the national grid from renewable energy sources on a commercially sustainable basis in an environmentally and socially sustainable manner. The Project consists of two investment components. Under the component 1 is the development of about 20 mini hydro power plants each with a capacity of 0.5 MW to 7.5 MW in Lai Chau, Dien Bien, Ha Giang and Cao Bang Provinces and connection of these power plants to the national grid. The component 2 entails the extension of the low voltage network to supply the near-by non-electrified villages with power and the rehabilitation of distribution network.

The Quang Ngai Rural Distribution Power Network rehabilitation and extension subproject that aims to newly constructing and rehabilitating the main power supply transmission lines and connecting branches, substations and electricity meters system to overcome the current status of overload and upgrading of medium and low voltage power networks, to enhance power supply quality, reduce power loss in the province.

2. Ethnic minorities constitute the majority in remote areas of Quang Ngai province with household poverty rates far above the average in Vietnam. The fast socio-economic development that has lead to a general poverty reduction and living standards improvement in the country still remains to take place in these areas. The living standards of most households are very low and lack alternatives for sustainable income generation. Electricity provision is one of the most important prerequisites for socio-economic development in remote mountainous communes inhabited by ethnic minority people. The subproject location therefore gives it a strong poverty and ethnic minority focus.

II. Subproject Setting

3. The subproject will be located in Quang Ngai Province and will cover 38 communes in 12 districts and city. The districts are as follows: Binh Son, Son Tinh, Tu Nghia, Duc Pho, Mo Duc, Nghia Hanh, Son Ha, Son Tay, Tay Tra, Ba To, Minh Long and Quang Ngai city (Map 1). Its main components are the following:

(i) Medium Voltage Line: A 61.334 kilometers line comprising of 60.333 kilometers will be installed and an existing 1.001 kilometers line will be improved.

(ii) Low Voltage Line: A 119.245 kilometers line comprising of 114.123 kilometers line will be installed and an existing line of 5.122 kilometers will be improved.

(iii) Substations: A total of 62 substations with a capacity of 4,230 kVA will installed and 7 substations with a capacity of 550 kVA will be relocated.

(iv) Household meters: 7,127 household meters will be installed.

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

3. 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.

4. 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 with especially small populations and lagging behind in development are defined as *especially difficult national minorities*.

5. 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/QĐ-TTĐ)* 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 first phase covered 1,715 communes and the ongoing second phase 2006–2010 is implemented in 1,644 of the country's poorest communes. Since the policy concerns hunger elimination and poverty reduction, ethnic minority issues appear prominently due to the strong correlation of ethnic minorities with poverty. 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 resources. 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.

6. The main vehicle for implementing government policies concerning ethnic minorities in the central level is the Committee for Ethnic Minorities (CEM), which is a cabinet-level committee established in 1993 (with the name Committee for Ethnic Minorities and Mountainous Areas, CEMMA). The task of CEM is to identify, coordinate, implement, and monitor projects targeted to ethnic minority development and has an own budget to be spent on the main programs and projects. At province level the Department of Ethnic Minorities is the implementing agency for development policies concerning ethnic minorities, at district level this office has been integrated into the office of Agriculture and Rural Development.

7. The state-owned *Social Policy Bank* (also previously called Bank for the poor) is providing micro loans targeted for poverty and ethnic minority households and households in communities that are classified by the GoV as *extremely difficult areas*. To qualify for a loan from SPB, the borrower has to be member of a village-level micro credit group. Mass organizations (Women's Union, Farmers' Association, Fatherland Front, Youth Union) support these groups and further cooperate with SPB in disseminating information on loan availability, procedures and management. Mass organizations also give recommendations for priority listing of households for loan attainment. Added to facilitating the SPB loan procedures, provincial Women's Union also has a credit fund with funds from the national WU (i.e. governmental funding) to provide loans to poor WU members for income generation improvement.

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

The subproject will create several potential beneficial impacts if properly implemented. There are several types of benefits attributable to the successful implementation of the subproject:

13. HHs lighting: The subproject will both stabilize and install new power connections in 38 communes and wards. This is an obvious direct benefit on HHs that does not have power. This will also impact positively on 27,720 HHs which do not have reliable power supply at

present. The implementation of the project will increase electrified households rate around Quang Ngai province from 85.2% now to 90.3% after project completion and the rate of the ethnic minority people electrified households from 61.2% at present to 75.4% after project completion. The focus group discussions clearly revealed that ethnic minority people in particular women return home after working in their fields all day. Well-illuminated home at the time of their arrival makes them comfortable and the life easier. They can work on HH tasks quite well and attend to other productive roles such as animal feed preparation, making handicrafts, etc. now that the home is illuminated. The life of children is smoother and happier. The entire HH has the facility to view TV, if available, together which contributes to their overall happiness.

14. Electricity provision can potentially contribute to improving living and production conditions in Quang Ngai (via radio, television, internet, radio, television), given that the inhabitants can afford and will have capacity to utilize electricity. Electricity will enable some improvements in agriculture, animal breeding, and food processing and having conditions to organize cultural events. If electricity can be provided at an affordable price for ethnic minority households, better lighting will increase activities in the evening, like studying and watching the TV or also internet.

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.

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.

In short, electricity brings opportunity to increase income and improve the living of each ethnic minority people.

15. Other HH tasks: New connection and improved power supply will make many other HH tasks easy to perform and improve their efficiency. They include cooking, operation of electric fans, water pumping, cleaning, etc.

Home-based production: As mentioned above, a reliable power supply helps increase home-based production now that light is available at night and water can be uplifted for irrigation, cleaning of animal cages, etc. None of these activities can be done at present due to low voltage that makes the operation of relevant machines not possible and night lighting is either unavailable or there are power outages. The earlier discussion indicated that there are no power-operated water pumps in the study area. Interviews and discussions indicated that HHs are willing to invest on electric water pumps and to expand their livestock rearing activities if reliable power is available.

Businesses: The improvement in power supply will have several benefits on businesses. Such benefits include reduced costs of operation, easy operation of mills, better quality of output such as electric-operated paddy mills and new businesses. The entrepreneur discussions revealed their willingness to invest on new businesses for crop production and processing if their power supply is improved. More often than not, there can be new wood mills, furniture factories and large-scale food processing facilities introduced in the area following an improvement in power supply. Such businesses will both create new produce and increase employment in addition to the improved quality of final output compared to fuel-operated machines.

16. During project construction, the construction contractors will create jobs for local people.

17. In order for electricity to improve lives and livelihoods of ethnic minority inhabitants, electricity provision needs to be combined with other development efforts, and capacity building as well as micro credits should be provided for the local ethnic minority people.

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

Results of public consultation showed that in addition to potential positive impacts, the construction of Quang Ngai subproject will cause some potential negative impacts on local ethnic minority community.

18. In the process of building, due to a large number of workers (mostly men) will come to community to work in a long time (about 40 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.). 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.

19. The increase in the number of workers in the community will increase the pressure on the use of community resources such as land, water, especially the exploitation of forest products. The exploitation and consumption of forest products in unauthorized products may increase.

20. 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.

21. 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. 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.

22. The assembled machinery, building materials, waste dumps if not managed well are likely to become the underlying risk (accident, sickness) for children in the community...

23. Implementation of this subproject imply that ethnic minority people in project area will lose land or/and trees/crops.

The project would impacts on 1,246 ethnic minority households (4,984 persons) of Hre, Cor, Ca Dong in 15 communes of 6 districts in the project areas of Quang Ngai province. Number of EM HHs affected by permanent land acquisition are 112 HHs and temporary land acquisition: 1,134 HHs. No HE is severely affected by subproject.

There are 1,246 HHs of EMs of these:

The productive land lost as percentage of the total productive land is minor 0.9%

- Permanently affected productive land: 303 m²
- Temporarily affected productive land: 3,486 m²

The permanently acquired area is insignificant in comparison with total area of their land holdings (average EM DPs productive land holding is more than 4,000 m² /HH).

There are no EM DP affected more than 10% of total agricultural land their holdings. Actually, the average EM DP affected productive land is only 2.6% of their total productive land holding only.

- Impacts on Crops: There are 1,246 EM HHs in the project areas with 3,789 m² of crops would be affected, in which 65% rice, 20% beans, 15% cassava and corn.

- Impacts on perennial/fruit trees: total 4,350 trees affected, in which 2,175 eucalyptus, 1,305 peppers and 870 trees other.

Ethnic Minorities and Ethnic Minority Poverty in Viet Nam and in Quang Ngai Province

8. 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 are over represented in poverty statistics and their poverty is more persistent than among the Kinh.

Table 2: Affected ethnic communities in project area

No.	District	Commune	Kinh HHs (%)	Hre HHs (%)	Cor HHs (%)	Ca Dong HHs (%)
I	Tay Tra					
1		Trà Phong	4%	3%	84%	9%
2		Trà Thanh	20%		80%	
II	Son Tinh					
3		Nghĩa Thọ	7%	93%		
4		Nghĩa Sơn	2%	98%		
III	Nghia Hanh					
5		Hành Tín Đông	93%	7%		
IV	Minh Long					
6		Long Môn	11%	89%		
V	Son Ha					
7		Di Lăng town	44%	52%	3%	2%
8		Sơn Kỳ	8%	92%		
VI	Ba Tơ					
9		Ba Tơ town	17%	83%		
10		Ba Thành	16%	84%		
11		Ba Động	15%	85%		
12		Ba Lễ	18%	82%		
13		Ba Xa	15%	85%		
14		Ba Giang	15%	85%		
15		Ba Bích	18%	82%		

Ethnic minority population in the project area

9. The rural power network rehabilitation and upgrading project in Quang Ngai will affect and benefit inhabitants in 15 communes of 06 districts in Quang Ngai Province. The expected impacts on the local population will be assessed in detail through a feasibility study to be conducted in 2009. The current assessment is based on fieldwork done in July 2009 during the Project preparation.

Table 3: Affected minority households in project area

No	District	Commune	Affected EMs					
			(Households)			(Peoples)		
			Hrê	Cor	Ca Dong	Hrê	Cor	Ca Dong
I	Tay Tra		2	75	7	8	300	28
1		Tra Phong	2	63	7	8	252	28
2		Tra Thanh		12			48	
II	Tu Nghia		149			596		
1		Nghia Tho	52			208		
2		Nghia Son	97			388		
III	Nghia Hanh		5			20		
1		Hanh Tin Dong	5			20		
IV	Minh Long		120			480		
1		Long Mon	120			480		
V	Son Ha		149	4	3	596	16	12
1		Di Lang town	82	4	3	328	16	12
2		Son Ky	67			268		
VI	Ba To		732			2,928		
1		Ba To town	260			1,040		
2		Ba Thanh	70			280		
3		Ba Dong	119			476		
4		Ba Le	28			112		
5		Ba Xa	176			704		
6		Ba Giang	17			68		
7		Ba Bich	62			248		

Most ethnic minority people in Quang Ngai lack preparedness for electrification and for taking any new opportunities through it. Preparedness to take new opportunities is found only among some people with assets and income above the average. There is a significant risk that, unless electricity will be strongly subsidized and electrification connected to other supportive mechanisms for capacity building and income generation, only the most “well-off” households in Quang Ngai will benefit from using electricity for other purposes than small-scale household lighting.

24. In a very poor ethnic minorities in Quang Ngai province, there could be negative social effects from electrification, like more beer and karaoke bars and guest houses, which might potentially increase vulnerability of women. Due to the scattered pattern of the

villages, this kind of a development can only be expected in the commune centre, and be very limited, due to the isolated location of the commune and the general poverty situation.

B. OBJECTIVES OF THE ETHNIC MINORITIES DEVELOPMENT PLAN (EMDP)

25. 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.

26. EMDP will in the relevant context of the specific project location address the (i) aspirations, needs, and preferred options of the affected indigenous 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.

27. The EMDP will ensure the culturally appropriate implementation of the Quang Ngai sub project and proper social and economic benefits for the local ethnic minority people. It will:

- (i) Ensure that the benefits from the sub project for ethnic minority people are proper and culturally appropriate
- (ii) Avoid potentially adverse impacts on ethnic minority people
- (iii) Minimize, mitigate or compensate negative impacts if they cannot be avoided.

28. 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

29. According to the results of this survey in 2009 of the consultant, households' preparedness for electricity in Quang Ngai shows very poor; most households do neither find electrification necessary nor are willing to pay for it. This condition should be seen in the light of the current persistent poverty situation. Consequently, under the present poverty circumstances electrification can be expected to have only very limited positive consequences for households' living standards and income generation without significant subsidies and/or additional supportive mechanisms.

I. Ensuring Project Benefits and Promoting Productive Use of Electricity

30. The contractor in cooperation with the local authorities and/or the organization of cultural exchange programs between the workers and the local people to recognize and maintain the value of local traditional culture.

31. The PMB together with the local authorities to implement training programs to develop production by using machine in agriculture to increase labour productivity.

During the project construction, opened 06 training courses in Nghia Hanh, Tu Nghia, Tay Tra, Minh Long, Son Ha, Ba To districts for ethnic minority households affected by the project: propagating the risk of HIV/AIDS, trafficking in women, social evils... We offer a training course to workers (about 20 workers, mostly men); each course has been carefully designed to meet the learning needs of them about indigenous cultural values and the protection of indigenous values.

After the end of the project, opened 6 training courses in courses in Nghia Hanh, Tu Nghia, Tay Tra, Minh Long, Son Ha, Ba To districts for ethnic minority households: propagating the safe use of electricity, use of electricity production.

32. The contractor undertakes priority employment of villages affected land recovered by the project to train and work.

33. To create favourable conditions for using electricity of local ethnic minorities, this project will support costs connected to the affected poor households with about 40 USD/households.

The project has to ensure that the poor ethnic minority households in Quang Ngai will be motivated and prepared for using electricity and that they will benefit from electrification. This support is outlined in the Project document *Promoting productive use of electricity*. Accordingly the project will provide in Quang Ngai:

- (i) Free grid connection to all poor households;
- (ii) Subsidized energy efficient bulbs for all poor households;
- (iii) Awareness raising and motivational campaign on information and training on safe use of electricity and conservation in ethnic minority language and at a level and way that is understandable for each ethnic minority group. This campaign will use culturally popular media, poster and pictorial information, group meetings etc. Poster and pictorial information will be placed in a central place in each village. The Community Management Board (CMB) established under this Project at the village level will be trained to implement the campaign together with the project NGO.
- (iv) Support to microcredit access for poor households from the Social Poverty Bank and Women's Union for improving income generation connected to electrification;
- (v) Technical support to borrowers in utilizing the loans in an efficient way (Such as sent technical staff to the area of ethnic minority people to guide those wishing to use the loan);
- (vi) Access to leasing production machines at an affordable price.

34. Whereas the subsidized electricity provision is part of the overall project design, providing new electricity consumers with information and training on safe use of electricity and conservation will be organized by the PMU of this project (PPMU). The PPMU will be provided support by the Project consultants. The consultants will be responsible to build capacity of the CMB in each commune, facilitate implementation of the awareness and motivational campaign, ensuring access to micro-credit from Social Policy Bank to eligible borrowers from the ethnic minority households, social preparation for micro-credit program, assessment of potential individual and group enterprises through micro-credit, technical assistance for income generating activities and other related tasks of the Project component *Promoting productive use of electricity*

II. Mitigation of Potential Negative Impacts

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

- Effective workers management: PMB will require the contractors to comply bids with terms to manage workers, training for workers and preserving the cultural values of ethnic communities' councils...

- Building areas tents workers far away from residential areas, implementing rules to preserve sanitation...

- The contractor shall be responsible for coordinating with local authorities to manage workers. These regulations will have to be clearly in written agreements and contractors are committed to implement

- Conducting media programs: investors firm will collaborate with women, women and other social unions 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 ills occur when there are a large number of workers to work in the Community (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.

- For effects on land: compensation, full support for households affected land, property, trees, crops, according to the market price (for property, trees, crops) and as alternative prices for land, architectural material to affected people can restore livelihoods and lives at least equal as prior to the project. 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.

- During the period of implementation of the project, the discharges 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.

36. To ensure that local people will be able to benefit from electrification, the Project will provide special support for them on safe and productive use of electricity.

The Project NGO will be engaged to support and provide capacity building for the CMB, local beneficiaries as well as for the PPMU and relevant government staff.

The NGO will conduct a needs assessment for potential micro-credit activities and facilitate access to credit for Quang Ngai ethnic minority households from the Social Policy Bank. The social preparation for micro-credit activities and technical support for income generating activities through micro-credit will also be provided by the Project NGO.

To counter any risk of HIV/AIDS or STDs, abuse of ethnic minority girls by construction laborers during the project construction, a prevention of HIV and trafficking program will be

included in the Project for all ethnic minority villages. The construction laborers, women and men from the ethnic minority villages will be targeted for this program.

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

37. All project activities that will impact on the local stakeholders have to be communicated properly with them, following the *Project Consultation and Participation Strategy*. Consultations have to be arranged with formal commune and village leaders, as well as with traditional village leaders in each of ethnic commune in project area, 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. Chairpersons of the CMB will participate in regular consultations and meetings with PPMU during the detailed design and implementation of the project. 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 communes office.

38. Apart from regular meetings with community leaders and representatives, PPMU is required to organize a participatory village meeting in each of the four 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.

39. 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.

40. 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.

41. 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 is done at hall of 15 communes has ethnic minority households in project area; the participants include representatives of investors, representatives of the CPC and some of ethnic minority households.

42. The PPMU communication with CMB and villagers will be facilitated and supported by the Project NGO and also by Quang Ngai CEM staff for ethnic minority issues in order to ensure that all information and communication with ethnic minority people will take place at a level, in a language and in a manner that is understandable for them.

43. During this consultation, representatives of the investor and consultant units' present contents of the consultation 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. After the dissemination of information, participants have discussed and an opinion on issues such as follows:

- The people agreed to support full implementation of the expansion project to upgrade the grid and the desired sub-projects done quickly under plans outlined.

- People in project 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 is recovered: the investor protection desired after construction will be joined by social reclamation and recovery of the affected area temporarily. The area to the junk yard or yards for construction materials will be excavating to improve the soil to form suitable arable land handed over to the people of.

- The construction activities of the project will affect the environment and daily life of everyday people such as noise, dust. Households, especially those residents living near the road transport construction materials factories will be affected by noise and dust: The investor is committed to carrying the car does not run people off hours to minimize the influence of noise. The vehicles carrying construction materials must be carefully shielded.

- When more workers to work in the community will bring the social evils to the community: the investor is committed to coordinate with police to manage social workers, promulgate regulations governing monitoring of workers and strict enforcement, will conduct advocacy for workers so that they respect cultural values of the community. At the same time, will conduct community advocacy to recognize the negative effects and preventive measures.

- After discussing the potential impact on communities in sub-regional and community projects to benefit people from sub-project, attending people completely agreed to support the construction of primary projects in the commune and agree to the measures to enhance positive effects and the measures to minimize negative impacts raised in the consultation process. Ethnic minority communities fully support local building the project locally.

44. Minutes of the public consultation phase of this consultation are attached in the Appendix 6.

Table 4: Public Consultations Done for Quang Ngai Rural Distribution Network Rehabilitation and extension project

No	Communes	District	Dates of Public Consultation	Number of Men participants	Number of Women participants
1	Long Mon	Minh Long	November 2, 2009	9	8
2	Di Lang town	Son Ha	November 9, 2009	17	14

No	Communes	District	Dates of Public Consultation	Number of Men participants	Number of Women participants
3	Son Ky	Son Ha	November 11, 2009	7	6
4	Ba To town	Ba To	December 14, 2009	12	11
5	Ba Thanh	Ba To	December 7, 2009	6	6
6	Ba Dong	Ba To	December 11, 2009	9	8
7	Ba Le	Ba To	December 10, 2009	5	5
8	Ba Xa	Ba To	December 9, 2009	13	11
9	Ba Giang	Ba To	December 8, 2009	10	8
10	Ba Bich	Ba To	December 15, 2009	8	6

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

The construction of Quang Ngai rural distribution power network rehabilitation and extension subproject will affect communities in the sub-project area, especially women. In the potential negative impacts generated by the sub-project to the community, women are more susceptible subjects of all. Therefore, in the process of sub-project implementation need to minimize risk and ensure benefits to local women.

45. In the communications program (such as HIV / AIDS, prostitution, drugs, human trafficking ...), women must be seen as the media object is the most direct and most often.

46. The benefits of incentive programs to use electricity is common for women, and also to communicate, support the use of electrical activity that reduces the time and effort for women workers. Women need to make propaganda, to explain to women the opportunity to recognize people and their rights to participate in this program. At the same time, the women need support, help women access to loans, the technical assistance program to help women use the loans to be effective. If the women credit support to purchase and use of sewing machines as well as technical assistance accompanying the labor productivity will be higher and harder support and income will also be improved.

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

48. 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 recovery program incomes for affected households need to be consulted with women.

49. Safety issues need to use electricity is common for people when household electricity connections and when families use electricity. Campaign on safe use of electricity also needs to pay attention to the participation of women because they are the daily electricity use - both in daily life and production.

50. During the public consultation on any matters of sub-projects, women should be encouraged to participate. In the structure of the property in community projects necessary to have at least three or more female members, 2 of 3 persons shall be members of the WU.

51. In the monitoring sub-projects require input and participation of women. In the pilot project should be evaluated using indicators such as electricity production, the index of the level of reduction, performance indicators of environmental management plans ... are

required analysis in terms of gender and participation of women (to benefit, the negative impacts are minimized).

52. 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 Grievance Redress Mechanism for the Ethnic Minority

The mechanism to lodge complaints and grievances and the process for resolution of such grievances will be set up as part of the implementation of this EMDP and disclosed to people. The steps are as provided below:

a. First Stage - At Commune People's Committee (CPC)

An aggrieved ethnic minority may bring his/her complaint to any member of the CPC, in writing or verbally. It is incumbent upon said member of CPC to notify the CPC about the complaint. CPC will personally meet with the aggrieved ethnic minority and will have 15 days following the lodging of the complaint to resolve it. The CPC secretariat is responsible for documenting and keeping file of all complaints that it handles.

b. Second Stage - At District People's Committee (DPC)

If after 15 days the aggrieved ethnic minority does not hear from the CPC, or if the CPC gives its solutions, but ethnic minority person is not satisfied with the decision taken on his/her complaint, the ethnic minority may bring the case, either in writing or verbally, to any member of DPC or DCB. The DCB in turn will have 15 days to resolve the case. The DCB is responsible for documenting and keeping file of all complaints that it handles.

c. Third Stage - At the Provincial People's Committee (PPC)

If after 15 days the aggrieved ethnic minority does not hear from the DCB, or if the ethnic minority is not satisfied with the decision taken on his/her complaint, the ethnic minority may bring the case, either in writing or verbally, to any member of the provincial people's committee. The PPC has 15 days within which to resolve the complaint to the satisfaction of all concerned. The PPC secretariat of Quang Ngai is also responsible for documenting and keeping file of all complaints that it handles.

d. Final Stage - Court of Law

If after 15 days following the lodging of the complaint with the PPC, the aggrieved ethnic minority does not hear from Quang Ngai PPC, or if he/she is not satisfied with the decision taken on his/her complaint, the case may be brought to a court of law for adjudication.

F. INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTING THE EMDP

54. Project management of the investor (CPC) will be responsible for implementation of development plans of ethnic minorities and monitoring activities throughout the sub-project implementation. Project management board of CPC is responsible to plan and regular consultation with the project management community, commune leaders, chiefs and other relevant units on issues related to the ethnic minority communities locally. The non-governmental organizations and development organizations participating sub-projects will strengthen technical support activities for the project management of the investor in the implementation of development plans of ethnic minorities. Investors are responsible for implementing measures to minimize the potential negative effects of sub-projects and other development assistance as mentioned.

55. Investors are also responsible for coordination with the Social Policy Bank, Women of all levels, agricultural provinces, districts, mass society ... for the conduct of media programs and technical assistance for community contract. Investors also will hire a consulting unit match or a non-governmental organization (NGO) to conduct communication programs, technical assistance in encouraging households to use electricity.

56. Quang Ngai province people's committee, 6 district people's committees, 15 commune people's committees will assist investors in implementing the activities and supervision of the implementation of development plans of minority investors.

57. Task management in community project will assist investors in planning and implementing public consultation programs.

58. The social organizations of ethnic minority communes will participate in the communication program and monitor the implementation of development plans of minority investors.

59. The organizations will collaborate with the management of the project owner and the project management community to carry out an activity effectively.

G. BUDGETING OF THE EMDP

60. 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 160,000,000.

Table 5: Budget implementation EMDP

No	Activity	Unit	Quantity	Estimated cost
I	Raise the cost impact			40,000,000
1.1	Training agricultural (crops and livestock)	1/2 day	2	20,000,000
1.2	To build a production model form	Model	2	20,000,000
II	The cost minimizing negative impacts			80,000,000
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	80,000,000
III	The cost of development assistance programs			40,000,000
3.1	The cost of project management in the community	Packages		10,000,000
3.2	The cost of the public consultation phase	Packages		10,000,000
3.3	The cost of credit officers and training support in the community	Packages		20,000,000
	TOTAL			160,000,000

H. MONITORING & EVALUATION

61. Sub-projects do not require independent monitoring of the implementation of EMDP. However, in the mission to test sub-projects of the Asian Development Bank (ADB), if any problem or activity that does not comply with the Policy Framework ethnic minority development approved or not just as with the EMDP (when approved) the activities necessary adjustments will be ADB exchange investors (CPC).

62. However, the investor, namely the management of the project the investor will be responsible for conducting internal monitoring on the implementation of EMDP.

The index internal monitoring will 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.

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

I. IMPLEMENTATION SCHEDULE

Monthly Detailed implementation 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 September 201.

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 these activities.

Table 6: Implementation Plan

Activity	Time Period									Implementing Organization
	Year 2009				Year 2010, 2011, 2012	Year 2013			Year 2014	
	9	10	11	12		1-6	7	8	1-4	
Community consultation (the 1st) on the project and potential impacts										CPC/Consultant
Prepare Development Plan Ethnic										CPC/Consultant
Community consultation on Development Plan minority										CPC/Consultant
Complete Development Plan minorities and submitted to the TA										CPC/Consultant
Complete supplement EMDP under comments counseling and submit to ADB TA										CPC/Consultant
Complete supplement EMDP under ADB's comments (if any)										CPC/Consultant
Disseminating information about the EMDP was approved by ADB										CPC/Consultant
Start implementation of activities EMDP (mitigation activities and the development work) (24 months)										CPC/Consultant

APPENDICES

APPENDIX 1: MAP OF PROJECT AREA



APPENDIX 2: SOCIAL ANALYSIS FOR QUANG NGAI RURAL DISTRIBUTION POWER NETWORK REHABILITATION AND EXPANSION SUBPROJECT

A. Project Setting

1. Quang Ngai Rural Distribution Power Network Rehabilitation and Expansion Subproject is planned to be constructed in 275 villages in 38 communes, in 11 Districts, Quang Ngai province which are 15 communes in 6 districts that affect minority communities and Hre, Cor, CaDong in the project area. Quang Ngai province with a total land area of 5,135.2 km². The province population (2007) totals 1,311,445 persons, of which live in the urban area are 65% and females are 51.5%.

At the locality of province, there are 4 different ethnic groups of which Kinh is the famous largest one (1,155,383 persons, 83.7%), followed by Hre (113,440 persons, 8.65%), Cor (26,753 persons, 2.04%), CaDong (15,475 persons, 1.18%) and the other minority ethnic covers (394 persons, 0.03%).

April 10.1997, Quang Ngai has been recognized as a national universal primary education - anti-illiteracy. By the end of school year 2004 - 2005, with 8 / 14 units at district level are recognized as universal primary education at the right age (including the districts of Mo Duc, Nghia Hanh Duc Pho, Nghia, Binh Son, Li Son Minh Long and Quang Ngai city). In parallel with the fight against illiteracy - universal primary education, many years, the implementation of universal secondary school education has also been strengthened. By the time May 8.2005, with six districts and cities (Mo Duc, Nghia Hanh Duc Pho, Nghia, Binh Son and Quang Ngai City) and 120 communes, wards and townships shall meet the standards of upper secondary school education facility.

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 Kinh, they participate in cultural activities generally, general economic opportunities available and interested in public interest. In minority communities, Hre, Ca Dong and Kor have their own language but the language is usually Kinh (Vietnamese).

In 15 communes in six districts minority communities, the Hre has 1,157 persons, the CaDong has 79 persons and the Kor has 10 person affected in the project area.

So the content of this report also focuses on issues affecting ethnic communities Hre, CaDong and Kor.

B. Reason to invest sub-project

2. The rural communes of Quang Ngai province most have electricity, but the number of substations was small, only concentrated in the town center and residential areas. The current line in Quang Ngai has been degraded, some distribution substations has been over-load, power radius is too large making a large electricity loss, voltage quality decrease. Therefore, expanding and rehabilitation medium and low voltage line and distribution substation in Quang

ngai province is a critical requirement for high power quality, reduce losses, improve the spiritual and material for the project area

C. Social and poverty assessment of Quang Ngai

3. For subproject planning an assessment has been prepared of the current social and poverty situation and of the potential for electrification in Quang Ngai province. 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 Quang Ngai in Sep 2009.

4. 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 Quang Ngai. The following staff was 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

5. Deep interviews also took place with each commune.

6. 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 70% of the households in Quang Ngai 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 Quang Ngai with most households being very poor and only a few households being marginally "better-off" than all the others.

The households survey (85 ethnic households) 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.

7. Focus group discussions separately with men and with women in each of the 15 covered communes 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.

D. Current Socioeconomic Setting

1. Population, ethnicity, gender and poverty profile

8. Quang Ngai province has totally 1,311,445 inhabitants in households (2007). Population and poverty data is seen in Table 1 and ethnicity in Table 2.

Table 7: The ethnic communities affected by the project.

No	DISTRICT/COMMUNE	Kinh Ethnic		Hre Ethnic		Kor Ethnic		CaDong Ethnic		TOTAL	
		Number of HHs	Number of persons	Number of HHs	Number of persons	Number of HHs	Number of persons	Number of HHs	Number of persons	Number of household	People (No.)
	Bình Sơn District	1,143	4,572							1,143	4,572
1	Bình Hải	133	532							133	532
2	Bình Hòa	314	1,256							314	1
3	Bình Chương	270	1,080							270	1
4	Bình Thuận	220	880							220	880
5	Bình Trung	151	604							151	604
6	Bình Hiệp	55	220							55	220
	Tây Trà District	6	24	2	8	75	300	7	28	90	360
7	Trà Phong	3	12	2	8	63	252	7	28	75	300
8	Trà Thanh	3	12			12	48			15	60
	Sơn Tịnh District	1,022	4,088							1,022	4,088
9	Sơn Tịnh town	329	1,316							329	1
10	Tịnh Hòa	447	1,788							447	2
11	Tịnh Hiệp	191	764							191	764
	25/3 Farm	55	220							55	220
	Tư Nghĩa district	414	1,656	149	596					563	2,252
12	Nghĩa Phú	41	164							41	164
13	Nghĩa Thuận	367	1,468							367	1
14	Nghĩa Thọ	4	16	52	208					56	224
15	Nghĩa Sơn	2	8	97	388					99	396

No	DISTRICT/COMMUNE	Kinh Ethnic		Hre Ethnic		Kor Ethnic		CaDong Ethnic		TOTAL	
		Number of HHs	Number of persons	Number of HHs	Number of persons	Number of HHs	Number of persons	Number of HHs	Number of persons	Number of household	People (No.)
	Quảng Ngãi city	592	2,368							592	2,368
16	Nghĩa Dũng	275	1,100							275	1
17	Nghĩa Đông	317	1,268							317	1
	Đức Phổ district	1,352	5,408							1,352	5,408
18	Phổ Châu	351	1,404							351	1
19	Phổ Nhơn	480	1,920							480	2
20	Đức Phổ town	521	2,084							521	2
	Mộ Đức district	321	1,284							321	1,284
21	Đức Thạnh	20	80							20	80
22	Mộ Đức town	301	1,204							301	1
	Nghĩa Hành district	389	1,556	5	20					394	1,576
23	Chợ Chùa town	241	964							241	964
24	Hành Thiện	78	312							78	312
25	Hành Tín Đông	70	280	5	20					75	300
	Minh Long district	15	60	120	480					135	540
26	Long Môn	15	60	120	480					135	540
	Sơn Hà district	289	1,156	149	596	4	16	3	12	445	1,780
27	Di Lăng town	69	276	82	328	4	16	3	12	158	632
28	Sơn Thủy	58	232							58	232
29	Sơn Kỳ	6	24	67	268					73	292
30	Sơn Tinh	75	300							75	300
31	Sơn Tân	81	324							81	324

No	DISTRICT/COMMUNE	Kinh Ethnic		Hre Ethnic		Kor Ethnic		CaDong Ethnic		TOTAL	
		Number of HHs	Number of persons	Number of HHs	Number of persons	Number of HHs	Number of persons	Number of HHs	Number of persons	Number of household	People (No.)
	Ba Tơ district	141	564	732	2,928					873	3,492
32	Ba Tơ town	52	208	260	1,040					312	1
33	Ba Thành	13	52	70	280					83	332
34	Ba Động	21	84	119	476					140	560
35	Ba Lễ	6	24	28	112					34	136
36	Ba Xa	32	128	176	704					208	832
37	Ba Giang	3	12	17	68					20	80
38	Ba Bích	14	56	62	248					76	304
	Total	5,684	22,736	1,157	4,628	79	316	10	40	6,930	27,720

Table 8: Population in project area

No	District	Communes	Household (HHs)	Population	Male	Female	Average HH size	HH poverty	
								%	No
I	Bình Sơn		37,652	180,730	101,209	79,521	4.8	12%	4,518
1		Bình Hải	1,474	7,667	4,294	3,373	5.2	13%	195
2		Bình Hòa	1,585	8,398	4,703	3,695	5.3	12%	184
3		Bình Chương	1,754	8,945	5,009	3,936	5.1	17%	298
4		Bình Thuận	2,173	9,128	5,112	4,016	4.2	17%	359
5		Bình Trung	2,671	10,953	6,134	4,819	4.1	17%	460
6		Bình Hiệp	830	3,651	2,045	1,606	4.4	11%	94
II	Tay Tra		2,826	15,825	8,862	6,963	6	23%	650
1		Tra Phong	554	2,994	1,677	1,317	5.4	24%	130
2		Tra Thanh	295	1,711	958	753	5.8	23%	67
III	Sơn Tịnh District		43,414	195,361	109,402	85,959	5	13%	5,644
1		Sơn Tịnh town	2,094	9,215	5,160	4,055	4.4	8%	172
2		Tịnh Hòa	3,429	14,744	8,257	6,487	4.3	15%	501
3		Tịnh Hiệp	2,304	11,058	6,192	4,866	4.8	16%	376
4		25/3 Farm							-
IV	Tu Nghĩa		37,906	181,951	101,893	80,058	5	15%	5,686
1		Nghĩa Phú	1,643	7,066	3,957	3,109	4.3	16%	256

No	District	Communes	Household (HHs)	Population	Male	Female	Average HH size	HH poverty	
								%	No
2		Nghĩa Thuận	2,355	10,599	5,935	4,664	4.5	16%	370
3		Nghĩa Thọ	768	3,533	1,978	1,555	4.6	15%	118
4		Nghĩa Sơn	865	4,240	2,374	1,866	4.9	15%	132
V	Quảng Ngãi city		30,123	123,505	69,163	54,342	4.1	8%	2,410
1		Nghĩa Dũng	1,038	4,464	2,500	1,964	4.3	8%	85
2		Nghĩa Đồng	647	2,976	1,667	1,309	4.6	9%	56
VI	Đức Phổ district		29,655	154,208	86,356	67,852	5.2	15%	4,448
1		Phổ Châu	1,197	6,705	3,755	2,950	5.6	15%	183
2		Phổ Nhơn	2,794	15,086	8,448	6,638	5.4	15%	416
3		Đức Phổ town	2,095	10,057	5,632	4,425	4.8	14%	297
VII	Mộ Đức district		30,919	145,319	81,379	63,940	4.7	16%	4,947
1		Đức Thạnh	1,887	8,304	4,650	3,654	4.4	16%	304
2		Mộ Đức town	1,354	6,228	3,488	2,740	4.6	11%	144
VIII	Nghĩa Hành		19,276	100,233	56,130	44,103	5.2	15%	2,969
1		Chợ Chùa town	1,645	7,075	3,962	3,113	4.3	14%	232
2		Hành Thiện	1,720	8,254	4,622	3,632	4.8	15%	263
3		Hành Tín Đông	1,439	8,490	4,754	3,736	5.9	16%	233
IX	Minh Long		2,207	15,006	8,403	6,603	6.8	26%	574

No	District	Communes	Household (HHs)	Population	Male	Female	Average HH size	HH poverty	
								%	No
1		Long Môn	202	1,396	782	614	6.9	26%	53
X	Sơn Hà		12,058	81,993	45,916	36,077	6.8	23%	2,713
1		Di Lang town	1,274	8,410	4,710	3,700	6.6	18%	232
2		Sơn Thủy	725	4,205	2,355	1,850	5.8	24%	173
3		Sơn Kỳ	1,187	7,358	4,120	3,238	6.2	22%	265
4		Sơn Tinh	377	2,601	1,457	1,144	6.9	16%	60
5		Sơn Tân	493	3,251	1,821	1,430	6.6	18%	89
XI	Ba To		7,886	48,891	27,379	21,512	6.2	24%	1,916
1		Ba To town	497	2,933	1,642	1,291	5.9	24%	117
2		Ba Thành	349	1,956	1,095	861	5.6	23%	79
3		Ba Đông	552	3,422	1,916	1,506	6.2	22%	123
4		Ba Lê	425	2,933	1,642	1,291	6.9	24%	103
5		Ba Xá	535	3,422	1,916	1,506	6.4	26%	138
6		Ba Giang	233	1,467	822	645	6.3	27%	64
7		Ba Bích	394	2,445	1,369	1,076	6.2	28%	109

Table 9: Ethnic groups in project area

No	District	Communes	Population	Ethnicity				
				Kinh	Hre	Cor	CaDong	Other
I	Bình Sơn District		180,730	180,254	-	419	-	57
1		Bình Hải	7,667	7,667				
2		Bình Hòa	8,398	8,398				
3		Bình Chương	8,945	8,945				
4		Bình Thuận	9,128	9,128				
5		Bình Trung	10,953	10,953				
6		Bình Hiệp	3,651	3,651				
II	Tay Tra		15,825	258	473	13,580	1,493	21
1		Tra Phong	2,994	49	89	2,569	282	4
2		Tra Thanh	1,711	28	51	1,468	161	2
III	Sơn Tịnh District		195,361	195,325	-	-	-	36
1		Sơn Tịnh town	9,215	9,215				
2		Tịnh Hòa	14,744	14,744				
3		Tịnh Hiệp	11,058	11,058				
4		25/3 Farm						

No	District	Communes	Population	Ethnicity				
				Kinh	Hre	Cor	CaDong	Other
IV	Tu Nghia		181,951	180,140	1,764	-	-	47
1		Nghĩa Phú	7,066	7,066				
2		Nghĩa Thuận	10,599	10,599				
3		Nghia Thọ	3,533	2,827	706	-	-	-
4		Ngha Sơn	4,240	3,605	635	-	-	-
V	Quảng Ngãi city		123,505	123,230	57	-	-	218
1		Nghĩa Dũng	4,464	4,464				
2		Nghĩa Đồng	2,976	2,976				
VI	Đức Phổ district		154,208	154,131	-	-	-	77
1		Phổ Châu	6,705	6,705				
2		Phổ Nhơn	15,086	15,086				
3		Đức Phổ town	10,057	10,057				
VII	Mộ Đức district		145,319	145,272	-	-	-	47
1		Đức Thạnh	8,304	8,304				
2		Mộ Đức town	6,228	6,228				
VIII	Nghia Hanh		100,233	99,489	713	-	-	31
1		Chợ Chùa town	7,075	7,075				
2		Hành Thiện	8,254	8,254				
3		Hanh Tin Dong	8,490	7,641	849			
IX	Minh Long		15,006	3,998	11,004	-	-	4

No	District	Communes	Population	Ethnicity				
				Kinh	Hre	Cor	CaDong	Other
1		Long Môn	1,396	279	1,117			
X	Sơn Ha		81,993	11,469	54,403	134	287	96
1		Di Lang town	8,410	1,262	5,887	841	421	
2		Sơn Thủy	4,205	631	2,944	421	210	
3		Sơn Kỳ	7,358	1,104	5,151	736	368	
4		Sơn Tinh	2,601	390	1,821	260	130	
5		Sơn Tân	3,251	488	2,276	325	163	
XI	Ba To		48,891	5,785	43,066	-	-	
1		Ba To town	2,933	352	2,581			
2		Ba Thanh	1,956	235	1,721			
3		Ba Đông	3,422	411	3,011			
4		Ba Lê	2,933	352	2,581			
5		Ba Xá	3,422	411	3,011			
6		Ba Giang	1,467	176	1,291			
7		Ba Bích	2,445	293	2,152			

9. 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 (71%) have a labour force of 1–2 persons, 25% of households have 3–4 persons working, and 4% consist of 5 or more persons able to contribute with a labour input.

10. Population is very stable; most inhabitants (92% 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

11. Poverty is a major problem, from history to it and there are many different causes. By the end of 2000, the number of poor households (according to the old standard) has dropped to 15.6% (in 1995 is 37.53%). In the period 2001 - 2004, the province has reduced the 37,541 poor households, but this time had 6,882 households into poverty and poor new ones. By the end of 2004, the number of poor households (according to old) account for 11.74% of households in the province. The rate of poverty in mountainous communes is 25% (according to old standards), down 35% compared to 2001. In 2005, Quang Ngai still 15,608 poor households in temporary houses, dilapidated, or have no house should support the construction or repair. In the period 2006 - 2010, Quang Ngai province will support the renewal and repair housing for 5,520 poor households with a total cost of 55,666 million.

2. Subsistence and income generation

a. Income generation profile

Conducting socio-economic survey to collect accurate data regarding the impacts of the project supplying electricity to 38 communes in 11 districts of Quang Ngai Province. Survey to gather information about living condition of local residents. This is information about living standard, average incomes and socio-economic conditions of each households living in the project affected areas. The main objective of the socio-economic survey is to identify fundamental features of the affected areas, assess population growth, data of houses, socio-economic conditions and other impacts on local people. These survey data will be used to facilitate preparation of the resettlement policy and rehabilitation for project affected people.

12. Great majority of households in Quang Ngai are living on small-scale agriculture added to animal breeding, fishing in the sea.

Sources of income of inhabitant in Quang Ngai province:

- Agriculture:	92.4%
- Forestry:	0.9%
- Fishery and aquaculture:	2.8%
- Common labour not related to agriculture:	0.1%
- Hired labour:	1.8%
- Salary other allowances:	0.04%
- Support from relatives:	0.02%
- None income:	1.9%

14. Income of households:

According to the socio-economic survey result of 38 communes/towns in 11 districts of Quang Ngai Province in the project area, average income of residents living in the project's areas is as follows:

- Lower than 1 million VND/Month/HHs:	15.4%
- From 1 to 3 million VND/month/HHs:	70.9 %
- From 3 to 5 million VND/month/HHs:	12.1 %
- Over 5 million VND/month/HHs:	1.6 %

15. *Vulnerability and risk analysis of Quang Ngai province*

Type of Households	Number	Percent	Risks Due to loss of Assets
Very Poor (Landless Households)	1.705	30%	Land acquisition is used to pit dug up the column, an average household of 4m ² soil loss should not affect their lives and their activities.
In which: Ethnic Minority Households			
+ Hre Ethnic	405	35%	
+ Kor Ethnic	40	51%	
+ CaDong Ethnic	6	60%	
Women-headed Households	902	16%	

- *Average of family size*
 - Man 47 %
 - Women 53 %
- *Age groups*
 - 1 – 17 yrs old 43 %
 - 18 – 60 yrs old 47 %
 - Above 60 yrs old 10 %
- *Heads of HH*
 - Male 84 %
 - Female 16 %
- *Education standard*
 - High school 4 %
 - Secondary (10 – 12 classes) 18 %
 - Primary (6 – 9 classes) 34 %
 - Elementary (1 – 5classes) 44 %

16. **Health**

- All districts in the project area have one hospital at the district central and one health station in each commune.
- Communal Health Station providing services for health checking and treating for minor illness and child delivery for women in commune. District hospital will provide health service for serious diseases and health protection activities for the community.

- However, health service for the labours and the poor people are not ensured due to lack of necessary equipments.

17. Housing condition

In accordance with Vietnam Construction Standards providing characteristics for residential houses and industrial houses projects, houses are classified into 4 classes and 1 class of temporary house. According to actual survey in the project areas, there are two main classes of houses as follows:

Housing categories in Quang Ngai

Items	Types of houses	Quantity	Ratio (%)
1	Tiled roof one floor house (class 4)	6,310	41.5%
2	Temporary house	7,237	47.6%
3	2 storey house (class 3)	365	2.4%
4	3 storey house upward (class 2)	547	3.6%
5	Other types of houses	745	4.9%
			100%

F. Development options of activities through electrification

1. Household income generation and production

138. Approximately half the surveyed households think their income generation may be better with electricity access, either through improving the current production or starting new activities. Most of households (80%) plan to improve their income generation after electrification if micro credits will be available for them. However, 20% of the surveyed households anticipate no future improvements following electrification.

149 Electricity will enable some improvements in agriculture and animal breeding, like using electric threshers to peel rice, and machines for maize processing for animal food. Ethnic minority women think they will be able to use electric grinders for grinding beans for making tofu for household food. They also plan to use electric sewing machines for making clothes, but as long as their access to marketing clothes is lacking, the effect remains mostly for household consumption. Some men consider potential in wood production with electric machinery that could be purchased if they can access micro credits. They plan to use machinery for producing and selling planks for house construction and reparation locally. Yet at present they have no market access outside the commune.

21. The potential for wood processing industry will probably be taken by business from outside the commune. If wood processing industry will provide new labour opportunities there will probably be in-migrating men with more experience than the local ethnic minority labour force. Poverty together with lack of funds and lack of experience restrict opportunities for production and income generation development though electricity if no additional measures to support the local ethnic minority people will be connected to electrification.

2. Consequences for household's living standards

22 Households' preparedness for electricity in Quang Ngai shows very poor, most households do neither find electrification necessary nor are willing to pay for it. This condition should be seen in the light of the current persistent poverty situation. Consequently, under the present poverty circumstances electrification can be expected to have only very limited positive

consequences for households' living standards without significant subsidies and/or additional supportive mechanisms. People cannot afford utilizing electricity or purchasing electric appliances to be used in homes or for income generation, and therefore also lack motivation for electrification. If electricity can be provided at an affordable price for Quang Ngai households, better lighting will increase their comfort and potentially some evening time activities may increase, like studying and watching the TV – given that poor households can afford buying a TV.

3. Potential for improved public services and social life

23. The strongest positive effect of electrification in Quang Ngai lies in 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. Schools will potentially be able to have lighting and 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 Quang Ngai. Staff capacity building is required as well.

24. Evening time public lighting potentially increase comfort and security in the commune centre and may encourage social activities like meetings, study groups and beer drinking.

4. Potential for business development

15. Potential from electrification for business development is rather limited in Quang Ngai 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.

16. Rural electrification usually leads to increasing the number of household electric appliances, mostly TVs, leading to an additional need of repair services. This potential is though limited in Quang Ngai due to the high poverty rate and low consumer purchasing power. Usually internet shops follow electrification, and there may certainly appear some in Quang Ngai province centre, yet the number of people with ability to utilize and pay for internet services is so far very limited in Quang Ngai.

G. Potential adverse impacts of electrification

17. Most ethnic minority people in Quang Ngai lack preparedness for electrification and for taking any new opportunities through it. Preparedness to take new opportunities is found only among some people with assets and income above the average. There is a significant risk that, unless electricity will be strongly subsidized and electrification connected to other supportive mechanisms for capacity building and income generation, only the most “well-off” households in Quang Ngai will benefit from using electricity for other purposes than small-scale household lighting.

18. The current educational level of Quang Ngai population is low and experience of wage labor is next to nonexistent. It is therefore probable that any of the new labour opportunities that potentially will appear in the future, like within wood processing industry, will be taken by workers coming from the outside and not by the local ethnic minority people.

19. In a very poor ethnic minority commune like Quang Ngai, negative social effects from electrification, like more beer and karaoke bars and guest houses, which potentially increase vulnerability of women, are improbable due to the traditional culture, poverty and isolated location. No such negative social impacts are anticipated in Quang Ngai.

H. Affordability of electrification for households and private business

20. The household survey shows both very poor estimated ability and very poor willingness of households to pay for electricity. Accordingly, 80% of the surveyed households consider they can afford paying anything for electricity, and the whole 20% are not willing to pay anything.

Households and interviewed people consider a need for electricity; lighting and running some electric appliances like TV is enough, and can be done through the current systems that are not comprehended to be expensive.

J. Summary of Expected Impacts of Electrification in Quang Ngai

31. Below the anticipated positive and negative effects from electrification after the Project implementation in Quang Ngai 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	Machinated 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				

Sector	General Impact	Impact Description	Comments	Major Stakeholders
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 • Consumer goods like TV, karaoke machines, CD-players, computers etc. may increase 	<ul style="list-style-type: none"> • Household labour will be easier • Access to information and knowledge potentially improve • Electricity use depends on HH economic resources, so poor HHs access to electricity should be ensured 	<ul style="list-style-type: none"> • Households using electricity • Households that can afford buying 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

APPENDIX 3: 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) Affordable electricity tariffing for poor households;
- (iii) 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 this sub-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 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 the remote mountainous communes with primarily ethnic minority populations, all poor households will be provided with free grid connections and subsidized energy efficient bulbs. It is also crucial that electricity tariffing will be affordable for the poor ethnic minority households.

C. Promotion enhance the ability to use electricity

6. Preparedness for electrification appears very deficient in poor mountainous ethnic minority communities. 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 people have opportunity to improve life quality using electricity in production

Some recommendations to enhance the ability to use electricity for ethnic households of sub-project include:

- Need to organize communication phase of electricity use. Content specific communications focused on introducing models that can be applied in the communes in the project area.
- Need to have the support skills training, use of technical equipment, machinery and electricity used for production, processing, storage ...
- There should be provisions to encourage and support the establishment of manufacturing facilities, processing and trading (agriculture, forestry or other sectors) 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 ...).
- Need to have a consistent experience unit, Women Unions support people to access sources of credit for production development and building models of technical support, the method used to credit reasonable and effective to increase income.
- Need a guide for families on the use of electricity safely, economically and effectively.

In addition, investor 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. CPC will work with policy banks increased credit time staff 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 necessary documents to complete the loan application.

The local government in cooperation with the unions: the Women's Farmers Association ... organizes excursions models used to produce electricity efficiently at the local successfully applied this model.

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

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

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.

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.

To implement the Project HIV and human trafficking prevention program;

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;

To undertake motivational work for improving ethnic minority households' awareness of safe electricity use and possibilities in utilizing electricity.

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;

To cooperate with the Social Policy Bank and Women's Union in facilitating poor household's access to micro credits according to their loan schemes;

To provide capacity building and support to mass organizations in their facilitating role towards poor households in accessing micro credits;

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.

9. The NGO will 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:

Investigate the knowledge and human capacity of the PPMU to implement the Project activities following the social guidelines of the Project; propose and plan relevant capacity building support.

Investigate in cooperation with health authorities and Women's Union 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.

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.

Propose needed and relevant awareness raising support to local households in sub project locations in using and utilizing electricity.

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.

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.

Identify suitable optional activities for production and income generation improvement with electricity in each sub project location.

Define the funding needed for the identified income generation improvement for individual households and/or groups of households.

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.

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.

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.

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.

Assess the capacity and capacity building needs of relevant health care staff and WU 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.

Prepare a plan for implementation of the *Project Gender Strategy* and any relevant capacity building needed for its implementation.

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.

10. The NGO will undertake the activities according to an agreed plan based on the proposal. The major activities will consist on:

Supporting the PPMU in all project planning and implementation tasks and activities as needed;

Implementing the Project HIV and human trafficking prevention program;

Mainstreaming gender concerns in all project phases in all sub project locations and activities, following the Project Gender Strategy;

Supporting the CMBs in all project implementation activities in sub project locations as needed;

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.

APPENDIX 4: 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 which 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 which decisions need to be made through the C&P and how
 4. Planning extent of stakeholder engagement at each stage of the project cycle
 5. Planning methodology of C&P for involving the different stakeholder groups at each stage of the project cycle
 6. Planning timeline for C&P
 7. Defining roles and responsibilities for conducting C&P
 8. Defining expected outputs and recording of C&P
 9. 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.¹ 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
 - CPC representatives
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- 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 organizations 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 organization 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.

G. Summary check-list for participation and consultation of stakeholders

19. Involvement of stakeholders is required to be monitored throughout the different project phases. The following stepwise check-list may ensure that a proper C&P plan has been prepared and followed, and that different stakeholders have been involved in all stages of the project:

- Stakeholder identification and analysis conducted?
- Consultation and participation plan prepared involving all major stakeholders?
- Methodology chosen that ensures bottom-up stakeholder involvement?
- Informed consultations conducted with all chosen stakeholder groups?
- Consultations have been gender balanced so that both men and women have been consulted?
- Feedback from stakeholders brought into project planning and implementation?

- Stakeholder consultations summarized?
- Grievance procedures prepared in cooperation with stakeholders?
- Community Management Group formed in a representative way and is functional?
- Monitoring of the project performance conducted involving stakeholders?

APPENDIX 5: 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 approves 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

APPENDIX 6: MINUTES OF COMMUNITY CONSULTATION

Synthesis of community consultations as follows:

- All ethnic minority communities understand about sub-project. Understand the positive effects and negative potential of the sub-project.
- People have understood and agree to measures to minimize the negative impacts of the project and development assistance policies provided to the community.
- People are entitled to participate fully in the implementation of measures to minimize the negative impacts as well as other related activities.
- People totally agree with the construction of sub-project.