

# **ETHNIC MINORITY DEVELOPMENT PLAN**

---

August 2013

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

**Gia Lai province rural distribution power network rehabilitation and expansion subproject.**

## **TABLE OF CONTENTS**

### **ABBREVIATIONS**

#### **A. BACKGROUND AND CONTEXT**

1. Projects Rationale
2. Subproject Setting
3. Ethnic Minorities and Ethnic Minority Poverty in Viet Nam and in the southern Project Provinces
4. Legal and policy framework on ethnic minorities in Viet Nam
5. Ethnic minority population in the project area
6. Expected and potential positive project impacts on local ethnic minority people
7. Expected and potential negative project impacts on local ethnic minority people

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

#### **C. DEVELOPMENT AND MITIGATION ACTIVITIES**

1. Ensuring project benefits and promoting productive use of electricity
2. Mitigation of potential negative impacts

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

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

#### **F. INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTING THE EMDP**

#### **G. BUDGETING OF THE EMDP**

#### **H. MONITORING & EVALUATION**

#### **I. IMPLEMENTATION SCHEDULE**

#### **APPENDICES**

## **CURRENCY EQUIVALENTS**

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

Exchange rate on Apr, 2013: \$1 = 20,900 VND

## **ABBREVIATIONS**

ADB	Asian Development Bank
AP	Affected person
CMB	Community Management Board
CPC	Commune People's Committee
CPC	Central Power Corporation
DPC	District People's Committee
EMDP	Ethnic Minority Development Plan
kV	Kilovolt
kVA	Kilovolt- Ampe
kWh	Kilowatt-hour
MW	Megawatt
NGOs	Non Government Organizations
PMU	Project Management Unit
PPC	Provincial People's Committee
PPTA	Project Preparation Technical Assistance
RETA	Regional Technical Assistance
RP	Resettlement Plan
SE	Socio-economic

## **A. Background and Context**

### **1. Project Rationale**

1. Persistent poverty in mountainous and isolated communities in Viet Nam is closely connected to deficient infrastructure development including lack of electricity. The government's Socio-Economic Development Plan (SEDP) 2006–2010 puts a considerable emphasis on provision of rural infrastructure. Although the household electrification rate has increased from 51% in 1996 to 91% by 2007, the electrification rate in the remote Central mountainous and Central Highlands provinces is relatively low: The household electrification rate in the Gia Lai province is 65%. The low per capita consumption and low population density in remote areas make grid extension to these communities a financially unattractive proposition to the electricity utility. However, these provinces have a good potential for hydropower development, which can be economically developed to meet the demand for electricity and provide surplus to the national grid. The primary objective of Project is to develop the rural electrification and renewable energy sector to serve the ethnic minority communities inhabiting remote and poor parts of the country. The Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project (RERC) consists of two investment components: (i) mini hydropower plants in Lai Chau, Dien Bien and other Northern provinces; and (ii) grid extensions and rehabilitation of distribution network in Dien Bien and Lai Chau provinces in the Northern, Quang Tri, Quang Nam, Gia Lai in the Central and Tra Vinh and Soc Trang provinces in the Southern part of the country. The Executing Agencies of the Project will be Electricity of Vietnam – Northern Power Corporation (EVNNPC), Electricity of Vietnam – Central Power Corporation (EVNCPC), Electricity of Vietnam – Southern Power Corporation (EVNSPC) of Electricity of Vietnam. Rural Electrification Project Management Board (REPMB) of Ministry of Industry and Trade (MOIT) will set up a steering committee to coordinate and monitor the implementation of both the components of the sector project.
2. This EMDP is prepared for “Gia Lai Rural Distribution Power Network Rehabilitation and Expansion Subproject”. This is created simultaneously with Feasibility Report to ensure meeting the objectives of the ADB and Government of Vietnam policies. EMDP preparation is based on results of assessments in 65 communes in Gia Lai province. The assessment work includes workshops, public consultations, in depth interviews and discussions with the relevant stakeholders at all levels – local authority, commune and village. These consultations collected detailed information on the potential impacts, especially the harm to ethnic minorities, proposing mitigation of negative impacts of the project, enhance the socio-economic benefits ethnic minorities at the locality.

The implementation of the project will increase electrified households rate around Gia Lai province from 67.8% now to 95.1% after project completion and the rate of ethnic minority people electrified households from 67.2% at present to 93.3% after project completion.

### **2. Subproject Setting**

3. The subproject will be located in Gia Lai Province and will cover 79 communes in 14 districts. The districts are as follows: Ayun Pa, Chư Sê, Krong Pa, Phu Thien, Ia Pa, Chu Prong, Chu Pah, Dak Po, An Khe, Dak Doa, Mang Yang, Ia Grai, Dak Po and Kong Chro (Map 1). Its main components are the following:
  - (i) Medium Voltage Line: A 48.029-kilometres line comprising of 42.974 kilometers 3-phase line and 5.055 kilometers 2-phase line will be installed and an existing 53.523 kilometers line will be improved. To support the line, 2,031 foundations will be installed each requiring 4 sq meters.

(ii) Low Voltage Line: A 336.719-kilometres line will be installed and an existing line of 40.803 kilometers will be improved. The line will require 9,438 foundations. Each foundation is 4 sq meters.

(iii) Substations: A total of 76 substations with a capacity of 8,315 kVA will be installed and 2 substations with a capacity of 260 kVA will be relocated.

(iv) Meters: A total of 14,205 meters comprising of 13,944 single phase meters and 261 three- phase meters will be installed. The 5,040 existing meters comprising of 4,849 single-phase meters and 191 three-phase meters will be replaced.

### **3. Legal and policy framework on ethnic minorities in Viet Nam**

4. 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.

5. 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*.
6. Government 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.
7. 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 centers, 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 (Gia Lai over 90% of the province budget).
8. 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.

9. 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.

#### **4. Expected and potential positive project impacts on local ethnic minority people**

10. Results of consultations with communities on local minority shows upgrading and expanding rural electricity distribution networks subproject in Gia Lai will have some potential positive impacts on social and economic development of communities of ethnic minorities in locality.
11. National grid expansion increases the total number of households used the national grid in Gia Lai province. The implementation of the project will increase electrified households rate around Gia Lai province from 87.7% now to 95.1% after project completion and the rate of the ethnic minority people electrified households from 67.8% at present to 95.1% after project completion. Sub-projects are completed; the grid distribution system in Gia Lai will improve power quality, reduce losses and limit outages.
12. Create jobs for local people. If the power supply quality and quantity both full on, can contribute to improving the lives and conditions of production in the areas of project development, meet the needs of power users. As power will contribute to development of agriculture with mechanized agriculture electrification, tools, livestock, food processing etc.
13. Cultural exchange between local ethnic minority people and construction workers from outside the project. This impact is helping local people expand their knowledge and improve their awareness.
14. People after they are connected to the national grid have the opportunity to access and use of electrical equipment such as household electric lights, television, radio, cooker, electric fans. This effect helps people access information quickly, easily, with the conditions for organizing cultural events, contributing to preserving the national cultural identity locally. The number of people with eye disease, especially children are likely to fall because children can use to study electric lights instead of using oil lamps today. The use of electricity for cooking may limit the exploitation of timber for firewood.
15. Stable power source will help local people are expected to create more opportunities for increased revenues from the woven fabric and sewing craft of many women. The public services (health, education) will enhance the quality of service by the use of more devices, medical instruments to support patient thanks to reach national power.

#### **5. Expected and potential negative subproject impacts on local ethnic minority people**

16. In addition to the potential positive impact, the results of consultation with ethnic minority communities also showed that building local rural electricity distribution networks in Gia lai will create a number of potential negative impacts on the community of local ethnic minorities.
17. In the process of building due to a large number of workers (mostly men) will come to communities to work in a long time (about 50 workers within 5 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.).

18. The increase in the number of people to work 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.
19. 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.
20. The number of workers and some of the popular local workers are employed without training; no experience about the safety risk can lead to workers ' compensation.
21. 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,
22. The recovery of the area of arable land serves the construction of minor projects also affects the life of the household. Have some adverse effect upon the project, but not significantly.
  - Number of project affected households 4,431 HHs with 22,155 people
  - Total number of households resettled : Nil
  - Number of homeless households : Nil
  - Land affected permanently: : 24,124 m2
  - Land affected temporarily: : 92,049 m2

## 6. Effects on Ethnic Minority people:

23. Total number of households affected by the project is 1,374 households (6,870persons). No HH is severely affected by the subproject.

*Impact on assets:*

Land Use	Permanently Affected (in square meters)	Temporarily Affected (in square meters)	Total (in square meters)
Residential	1,425	9,806	11,231
Agricultural			
Paddy Rice land	527	1,610	2,137
Dry-land crops	3,723	9,524	13,247
Garden	3,505	15,830	19,335
Tree crops	72	222	294
Public Forest		5,469	5,469
<b>Total</b>	<b>9,253</b>	<b>42,460</b>	<b>51,713</b>

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

24. Use unsafe and accidents due to the use of electricity is also a potential risk for the community of local ethnic.

## **B. Objectives of the 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 minority peoples; (ii) local social organization, cultural beliefs, ancestral territory, and resource use patterns among the affected indigenous peoples; (iii) potential positive and negative impacts on indigenous peoples; (iv) measures to avoid, mitigate, or compensate for the adverse project effects; (v) measures to ensure project benefits will accrue to indigenous peoples; (vi) measures to strengthen social, legal, and technical capabilities of government institutions to address indigenous peoples issues; (vii) the possibility of involving local organizations and non governmental organizations with expertise in indigenous peoples issues; (viii) budget allocation; and (ix) monitoring.
27. The main purpose of the EMDP is to ensure the culturally appropriate implementation of the subproject. More specifically, it will:
  - (i) Ensure that the benefits on ethnic minority people are proper and culturally appropriate
  - (ii) Avoid potentially adverse impacts on ethnic minority people
  - (iii) Minimize, mitigate or compensate for such effects when 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. Measures to enhance the positive effects and potential measures to mitigate negative effects as well as programs to improve community development is the important content of development plans of this minority. The owner of project got together with representatives of local authorities, mass organizations and people in the project discussions, agreed on measures to enhance the positive impact, minimizing the negative impact caused by minor project and program support capacity for community development.

### **1. Ensuring Project Benefits for local ethnic minorities**

30. The contractor in cooperation with the local authorities and the Organization of cultural exchange programs between the workers and the local population helped facilitate workers to work in the local sense of integration with the customs of the community and the local population continues to maintain the value of traditional culture.
31. After the end of the project, opened 65 training courses in affected communes for 130 heads of 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.

## **2. Mitigation of Potential Negative Impacts**

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

- Effective management of worker: investors will require the contractor to comply with the requirements of management workers working in communities such as temporary shelter registration absence building rules to manage workers, training for workers and the media about the sense of preserving the cultural values of ethnic community's 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, especially the police, rural areas in the management of local 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, flower color, according to the market price (for property, trees, flower color) and as alternative prices for land, architectural material to affected people can restore livelihoods and lives at least equal as prior to the project.
- Make good environmental management plan as approved and are closely monitoring implementation of problems of community.
- Conducting program advocacy, guidance on use of electrical safety for the entire people.
- During the period of implementation of the project, the discharge of water from plant operation need to be notified in advance. Active mechanisms need to be well prepared in order to avoid affecting children and other animals.
- Concentrated areas of machinery, construction material needs to be protected and managed closely, to avoid affecting the people, especially the children.
- Building materials, land in the process of shipping must be screened, avoid falling off the road transport and leaving land was cultivated by the locals. Car shipping is only running with speed limit.
- The organization of unions and NGOs implement programs communication guide people use electrical safety in living as well as in production.

## **3. Promoting productive use of electricity program**

34. As a result of community consultations with ethnic minority communes, in addition to measures to enhance the positive impacts and measures to minimize negative impacts, the construction of the program community development assistance is needed. Community development programs including:

- (i) The program supports capacity aggregate for locals include active support of people raising consciousness about the bitter world, support the propaganda about the evils of drugs, prevention of prostitution and the preventive measures for HIV/AIDS, the spread of infectious diseases as well as trafficking in women; advocacy for local people about the value and preserving traditional cultural values. Audience participation programs to enhance the capacity of the entire household in the u.s. construction projects. The operational capacity for the people will be the owner in collaboration with the relevant unit as representative of the local authorities, mass organizations, clinics and social society made. The owner will support funding to implement the programme of capacity building;
- (ii) Raising awareness and skills in the use of electricity safely: NPC will conduct propaganda for local people about the safe use of electricity by the media holds people to use instructions electrical equipment and household measures when handling incidents of electric shock, fire occur,...;
- (iii) To support access to credit and power production: The investment bank will cooperate with the province's social policy, Women, the local organizations to support the increased household income from the use of electricity for production through activities (i) propagation of the preferential credit programs of the Bank's policies and institutions at local credit, (ii) instructions and enhanced use of credit resources for the development of production and business through the use of electricity, and (iii) conducting TV programs information and propaganda electricity use and guide technical assistance in operating the equipment and machinery for the development of electricity production;
- (iv) Other support: Support connector for poor households that have not been affected before electrical connection of affected communes with the amount of 40 USD / household. Support in your home once the cord, black, socket ... for the poor, ethnic minority households subsidize the cost of free electricity for households of poor families.

#### **D. Strategy for Ethnic Minority People's Participation: Consultation, Participation and Disclosure**

- 35. All project activities that will impact on the local stakeholders have to be communicated properly with them, following the *Project Consultation and Participation Strategy* (see Appendix 4). Consultations have to be arranged with formal commune and village leaders, as well as with traditional village leaders in each of the four villages, mass organizations including Women's Union and all Project affected households. At the commune level a Community Management Board (CMB) will be formed, consisting of the Commune leader, village leaders, men and women representatives from the mass organizations and Project consultants. The PPMU will have regular dialogue and meetings with the CMB and will prepare a schedule to follow set milestones throughout the project phases. Issues raised and decisions made at these meetings are requested to be recorded, and copies of these minutes of meetings to be kept and be available for the local people in these communes office.
- 36. Apart from regular meetings with community leaders and representatives, PPMU is required to organize a participatory village meeting in each of the 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.
- 37. 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.

38. 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.

39. 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.

65 Community consultations are done in affected commune; the participants include representatives of investors, representatives of the CPC and ethnic minority households;

40. During this consultation, representatives of the investor and consultant unit's 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 opinions 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 of the affected 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, people in 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.

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

#### **E. Strategy for ensuring women's involvement and benefiting from the Project**

42. Women live in subject communes belong to two different ethnic minorities (Jrai and Bana): they are poor, and have in general low education level, and poor abilities in reading, writing, and speaking the Vietnamese language. According to tradition, girls get married early, often in the age of 14–15 years, they live in isolated villages with limited contacts outside, and they take major share of the production and household work. Ethnic minority women are often shy to express their opinions or speak up in meetings if men are present; therefore communication and consultations about the Project have to be arranged separately for men and women in the villages. Special attention have to be paid to women's awareness about safe and productive use of electricity, so that poor ethnic minority women will be able to benefit from electricity and from the special support provided by the Project for using electricity in a safe and productive way.

43. The Project consultants will ensure that the Project *Gender Strategy* is followed throughout project implementation. The consultants will arrange special consultation and meetings with women and provide information on safe use of electricity to ethnic minority women. Information meetings concerning the risks of HIV and trafficking will be arranged separately for men and women. Project consultants will investigate the available opportunities to improve income for women, and provide support to poor ethnic minority women in accessing micro credits from the Social Policy Bank and Women's Union. The consultants will provide capacity building to WU for supporting ethnic minority women in loan access. The WU will also provide capacity building for ethnic minority women in efficient utilization of credits for production and income generation activities, and training in relevant activities like using rice threshers, improving animal fodder and running machinery for that, and using electric grinders for food processing. Local government and the WU will also investigate opportunities for ethnic minority women to do small business activities like tailoring, handicrafts and small trade, and support women in starting up the kind of activities that will be found sustainable and generate income for them.

#### **F. Grievance redress mechanism for Ethnic minority**

44. The resolution of complaints and disputes on land acquisition, compensation rates, and rehabilitation is the responsibility of the local authorities. Avenues and procedures are in place for the grievances of the affected people to be resolved in a timely and satisfactory manner. The affected people will be informed of their rights and the avenues and procedures through a public information booklet and the consultation meetings: A four-stage procedure of the grievance and redress mechanism is presented below:

- (i) Stage 1: An aggrieved affected household may bring the complaint before any member of the Commune People's Committee, either through the Village Chief or directly to the CPC, in writing or verbally. It is incumbent upon said member of CPC or the village chief to notify the CPC about the complaint. The CPC will meet personally with the aggrieved affected household 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.
- (ii) Stage 2: If after 15 days the aggrieved affected household does not hear from the CPC, or if the affected household is not satisfied with the decision taken on the complaint, the affected household may bring the case, either in writing or verbally, to any member of the DPC or the DCC. The DPC in turn will have 15 days following the lodging of the complaint to resolve the case. The DCC is responsible for documenting and keeping file of all complaints that it handles.
- (iii) Stage 3: If after 15 days the aggrieved affected household does not hear from the DPC, or if the affected household is not satisfied with the decision taken on the

complaint, the affected household may bring the case, either in writing or verbally, to any member of the PPC or the PCC. The PPC has 15 days within which to resolve the complaint to the satisfaction of all concerned. The PCC is responsible for documenting and keeping the file of all complaints that reaches its office.

- (iv) Stage 4: If the complainant is not satisfied with the decision taken on the complaint at the provincial level, the case may be brought to the People's Court for adjudication. Under no circumstance will the affected household be evicted from its property or for the Government to take over his/her property without the explicit permission of the court. Upon the settlement of their complaints, the AP will abide by the decision of the People's Court.

#### **G. Institutional Arrangements for Implementing the EMDP**

45. 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.
46. 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.
47. Gia lai province, DPCs and CPCs will assist investors in implementing the activities and supervision of the implementation of development plans of minority investors.
48. Task management in community project will assist investors in planning and implementing public consultation programs.
49. The social organizations of the affected commune and will participate in the communication program and monitor the implementation of development plans of minority investors.
50. The organizations will collaborate with the management of the project owner and the project management community to carry out an activity effectively.

#### **H. Budgeting of the EMDP**

51. 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, the cost of technical support electricity production and some social affairs and diseases that could negative affect life of ethnic minority. Estimated budget for plan implementation minority the projects is VND 245,000,000.

**Table budget implementation EMDP**

<b>No</b>	<b>Activity</b>	<b>Unit</b>	<b>Quantity</b>	<b>Estimated cost (VND)</b>
<b>I</b>	<b>Raise the cost impact</b>			<b>150,000,000</b>
1.1	Training agricultural (crops and livestock)	1/2 day	2	50,000,000
1.2	Build a production model form	Model	5	100,000,000
<b>II</b>	<b>Minimize negative impacts</b>			<b>95,000,000</b>
2.1	Propagation instructions on how to use electrical equipment and safe use of electricity, on the risk of HIV / AIDS, trafficking in women, risk of social evils	1/2 day	2	70,000,000
2.2	Propagation of indigenous cultural values and the protection of indigenous cultural values	1/2 day	2	25,000,000
2.3	Compensation for land and property affected	Packages		Calculated in RP
2.4	Environmental Management	Packages		Calculated in EMP
	<b>TOTAL</b>			<b>245,000,000</b>

#### **I. Monitoring & Evaluation**

52. It will be the responsibility of the Provincial Project Management Unit (PPMU) to set up routines for internal supervision and monitoring of activities against the set goals during the project implementation in order to monitor the success of the project in reaching the set goals after the project implementation. At commune level the Community Management Board (CMB) will take care of the internal monitoring of project activities. The subproject does not require an external monitoring agency.

#### **J. Implementation Schedule**

53. Detailed monthly implementation schedule will be prepared during the feasibility study, following the technical design and implementation schedule of the Project.

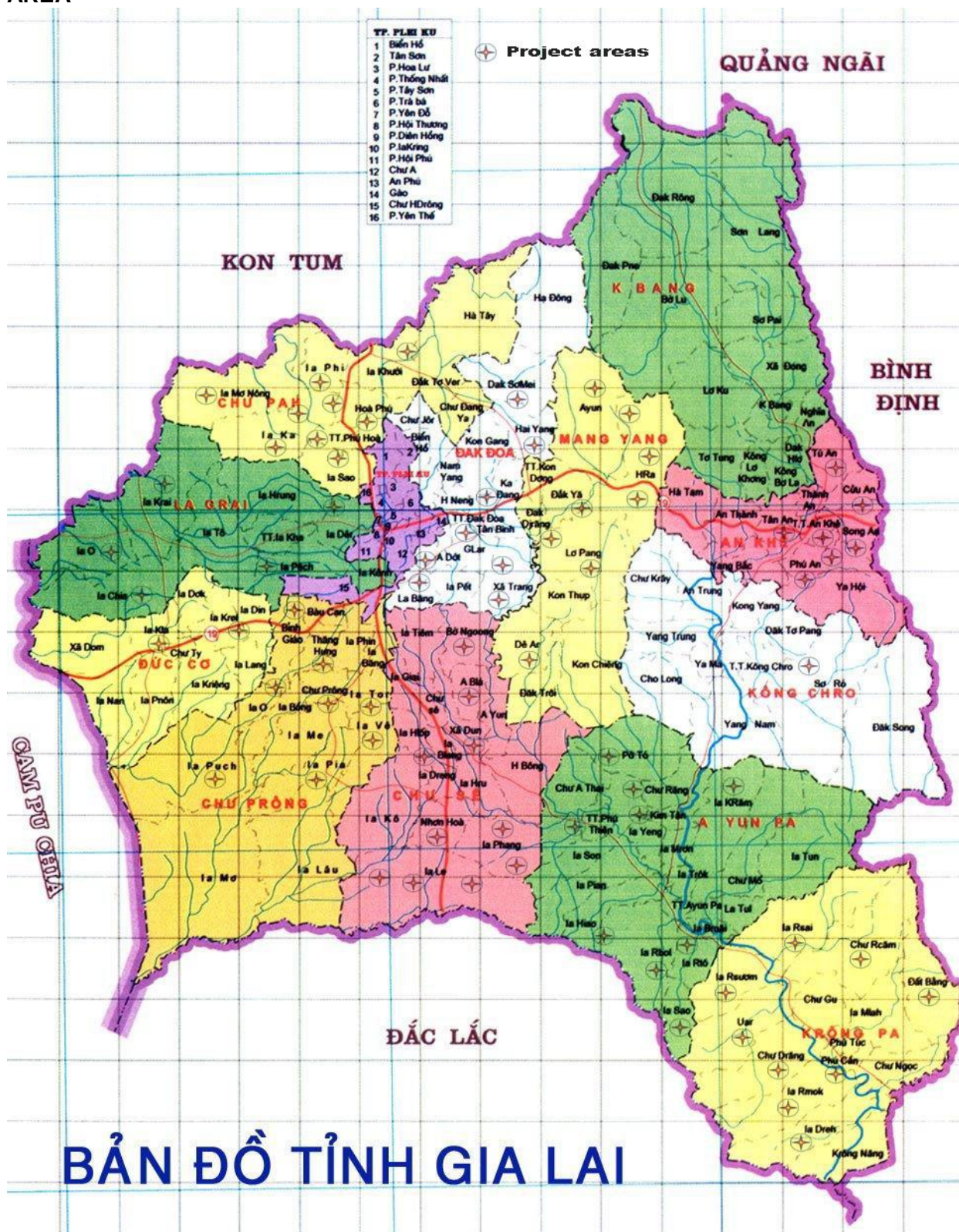
Implementation schedule of EMDP is as follows:

## Implementation Plan

Activities	Time												Responsibility of
	2012			2013									
	5-10	11	12	2	3	4	5	6	7	8	9	...	
First consultation on subproject and its potential impacts													CPC/Consultancy
Preparation of EMDP													CPC/Consultancy
Public consultation on EMDP													CPC/Consultancy
To complete EMDP and submit to technical assistance consultant													CPC/Consultancy
To complete, update EMDP based on recommendation of TA consultants then submit to ADB													CPC/Consultancy
To completed, update EMDP based on recommendation of ADB (if any)													CPC/Consultancy
Information dissemination of the updated EMDP after approved by ADB													CPC/Consultancy
To initiate implementation of EMDP (mitigation measures, development activities) (during 12 months)													CPC/Consultancy



# MAP AREA OVER COMMUNES IN THE PROJECT





## SOCIAL IMPACT ASSESSMENT OF GIA LAI RURAL DISTRIBUTION POWER NETWORK REHABILITATION AND EXPANSION SUBPROJECT

### A. Project Setting

1. Gia Lai Rural Distribution Power Network Rehabilitation and Expansion Subproject is planned to be constructed in 79 communes, in 14 districts, Gia Lai province that affect ethnic minority Jrai and Ba Na in the project area.

According to preliminary results of the Census of Population and Housing 04/01/2009, Gia Lai province has a population of 1,419,503 persons of which live in the urban area 264,256 persons and females is 727,138 persons.

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

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

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

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

Gia Lai Rural Distribution Power Network Rehabilitation and Expansion Subproject, 65/79 communes in 12/14 districts of the project that affect minority communities Jrai and Bahnar. So the content of this report also focuses on issues affecting ethnic communities Jrai and Bahnar.

2. Gia Lai province is a mountainous province in the Central Highlands of Vietnam. The villages at a distance of 5 km from the commune centers.

### B. Social and poverty assessment

#### 1. Socio-economic description of the project area

3. The Gia Lai Province has several ethnic groups of which Kinh is by far the largest one making up 52% of the total provincial population, followed by Jrai of 33.5%, Ba Na with 13.7% and the other minority people such as Gie Trieng, Xo dang, Co ho, Thai, Muong.

**Table 1 : Target Households of Subproject by Location**

District	Wards (No.)	Commune (No.)	Village (No.)	Households Receive Power under subproject (percent)	Commune (Wards) with ethnic minority participants (No.)	The number of ethnic minority households affected (HHs)
1. Ayun Pa	0	03	11	3.35	03	93
2. Chư Sê	0	10	37	8.33	09	144
3. Krông Pa	0	9	16	3.59	09	94

District	Wards (No.)	Commune (No.)	Village (No.)	Households Receive Power under subproject (percent)	Commune (Wards) with ethnic minority participants (No.)	The number of ethnic minority households affected (HHs)
4. Phú Thiện	1	1	12	7.24	02	82
5. Ia Pa	0	4	19	4.22	04	50
6. Chư Prông	1	7	15	6.60	07	77
7. Chư Pah	1	8	40	12.95	09	84
8. Đăk Pơ	0	3	16	8.27	0	0
9. An Khê	0	7	23	15.99	03	76
10. Mang Yang	0	8	26	4.97	08	300
11. Đăk Đoa	1	7	24	11.76	06	286
12. Ia Grai	0	5	19	9.05	04	78
13. Đức Cơ	0	2	3	3.34	02	10
14. Kông chro	1	0	4	0.35	01	0
<b>Total</b>	<b>05</b>	<b>74</b>	<b>267</b>		<b>67</b>	<b>1,374</b>

Source: Gia lai Department of Industry and Trade

4. Includes both new HHs to be connected to as well as existing HHs whose power supply will be stabilized after the subproject.
5. According to above statistics, the project when completed will increase the number of households with electricity in the province to 95.1%, in which ethnic minority households have electricity will increase to 93.3%.

#### **Living condition:**

6. Equipment: In general. many households (35%) have motorcycle to travel. most of households (48%) have TV or Cassette player for entertainment service when needed; all most households have water pumps for irrigation when production water shortages
7. Using water: up to 2010, there are 90% city people and 80% village people use cleaned water 15% people (mainly ethnic minorities) use water from other sources such as rain, rivers, streams, etc ... to serve the activities.
8. Utilizing electricity: about 90% of households in the communes of the project area are used power grids. However. Only about 36% of households buy electricity directly from the power company and 64% of households use from the commune contract with the company. So the service can cost from 1.5 to 2 times specified by the Government.
9. Average number of persons in a household is 4.71 and there are more women than men (50.85%). Average number of persons in an ethnic minority's household is more than Kinh household.
10. Ethnic minorities are far more central commune Kinh households; they will benefit less from the works of roads, schools and markets.

11. The difference in land size to narrow differences between ethnic minority households so often have more land than the Kinh and how to cultivate land in mountainous and up land area more effectively.
12. Of the total 325,568 HHs in the province, 27.6 % are ethnic minority people of which the important groups are Ba Na and Jrai. The minority people are fairly well-spread out in the province. The distribution of HHs by ethnic composition is in Table 2.

*Table 2: Ethnic Composition of Population in the project area*

	<b>Ba Na</b>		<b>Jrai</b>		<b>Kinh</b>	
<b>District</b>	<b>HHs (No)</b>	<b>(%)</b>	<b>HHs (No)</b>	<b>(%)</b>	<b>HHs (No)</b>	<b>(%)</b>
Ayun Pa	0	0	216	33.5	429	63.5
Chư Sê	220	13.7	536	33.5	847	52.8
Krông Pa	0	0	230	33.5	455	63.5
Phú Thiện	191	13.70	0	0	1,203	86.3
Ia Pa	111	13.6	0	0	701	86.4
Chư Prông	175	13.6	427	33.5	669	52.8
Chư Pah	0	0	996	40	1,497	60
Đăk Pơ	175	8.8	428	21.5	988	69.7
An Khê	177	3.39	0	0	2,901	96.61
Mang yang	363	38.01	497	52.01	97	9.98
Đăk Đoa	301	11.7	758	33.5	1,205	54.8
Ia Grai	0	0	584	33.49	1,157	66.51
Đức Cơ	24	4.83	207	31.86	412	63.31
Kông chro	9	13.54	0	0	59	86.46

13. About 12 of the 14 project districts have ethnic minority people in affected areas. However, more ethnic minority people are concentrated in the districts of Chư Sê, Krông Pa, Chư Prông, Chư Pah (See Appendix 1 Table 3).

\*Jrai people:

14. Jrai people have about 426,385 persons that live mainly in the districts of Chu Pah, Ia Grai, Duc Co, Chu Prong, Chu Se and Pleiku city in Gia Lai province, accounting for 33.5% of the population of the province and 90.5% of Jrai people in Vietnam. Jrai language belongs to the Nam Dao language.
15. Their main livelihood is farming and animal breeding. Poultry and pigs are kept for household food and for cultural festivals while cattle and buffaloes are mainly for selling to generate cash. They grow rice, beans, gourd, pumpkin, sesame, peanuts, potatoes and fruit

trees such as banana, jackfruit, papaya; the arable land is mainly hilly areas. The main method of cultivation comprises of burning forest and dig holes for sowing seed. There are pieces of field grown crop rotation cycles 8-12 years. The livestock development Jrai ancient. Fellow raising cattle, horses, elephants, pigs, dogs and chickens. Buffaloes, cows, pigs and chickens to worship yang. Elephants, horses, to haul. Jrai people who has some extra jobs such as carpentry, knitting and weaving.

\* Ba Na people:

16. Ba Na people have about 174,373 persons that live mainly in the South of Kon Tum province, East of Gia Lai province (in the Mang Yang district, Dak Doa, Chu Pah district north, Pleiku city), accounting for 13.7% of the population of the province and 66.1% of Banar people in Vietnam. Banar language belongs to the Mon – Khome language.
17. Ba Na people live by agriculture. Along with the cultivation, each family usually poultry, livestock such as cattle, goats, pigs and chickens. Dogs are also raised but not slaughtered. Some places that make simple pottery, weaving women's self-sufficiency in the family clothing. Men woven mats, nets and other kinds of baskets, basket, happy ... The buying and selling on the principle of barter, the value determined through the exchange of goods by chickens, axes, baskets of rice, pork or copper pot, jars, gongs, buffalo etc.

#### **Population in the affected areas.**

18. In the affected areas consists with 4,431 households and 22,155 persons, of whom are 1,374 ethnic minority Jrai and Banar households with 4,098 persons, except Kinh persons. These villages at a distance of 5km from the commune centers. Population and Ethnicity data is seen in Table 3. Map over the communes are seen in **Appendix 1**.

*Table 3: Ethnicity minority in the affected area*

<b>District/commune</b>	<b>Total No. HHs</b>	<b>Kinh No. HHs</b>	<b>Jrai No. HHs</b>	<b>Ba Na No. HHs</b>
<b>AYUN PA TOWN</b>	<b>830</b>	<b>782</b>	<b>93</b>	
la Rbol commune	330	273	72	
la Rtô commune	365	358	17	
la Sao commune	135	151	4	
<b>CHU' SÊ DISTRICT</b>	<b>229</b>	<b>85</b>	<b>103</b>	<b>41</b>
AlBá commune	23		17	6
Nhơn Hòa commune	42	28	10	4
la Phang commune	9		6	3
la Le commune	12	3	6	3
Dun commune	3		2	1
Bngoong commune	13		10	3
Bar Maih commune	20	8	9	3
la Blang commune	53		38	15

District/commune	Total No. HHs	Kinh No. HHs	Jrai No. HHs	Ba Na No. HHs
la Hla commune	54	46	5	3
<b>KRÔNG PA DISTRICT</b>	<b>1,041</b>	<b>947</b>	<b>94</b>	
la Sượm commune	99	80	19	
la Dreh commune	91	80	11	
la Rmok commune	10	1	9	
Chự Đrăng commune	93	72	21	
Uar commune	256	251	5	
Chự RCăm commune	130	119	11	
Phú Cậ̀n commune	270	264	6	
la Sai commune	8	4	4	
Đất Bặ̀ng commune	84	76	8	
<b>PHÚ THIỆN DISTRICT</b>	<b>534</b>	<b>452</b>		<b>82</b>
Phú Thiệ̣n commune	152	94		58
la Hiao commune	382	358		24
<b>IA PA DISTRICT</b>	<b>219</b>	<b>169</b>		<b>50</b>
la KDặm commune	53	44		9
Kim Tân commune	56	43		13
Pờ Tộ̀ commune	60	47		13
Chự Rặ́ng commune	50	35		15
<b>CHỰ PRÔNG DISTRICT</b>	<b>96</b>	<b>19</b>	<b>56</b>	<b>21</b>
Thặ́ng Hựng commune	13		9	4
la Tộr commune	30		22	8
la Pia commune	11		8	3
la Puch commune	17	6	8	3
la Vê commune	14	7	5	2
la Đrặ́ng commune	9	6	2	1
Bậ̀u Cặ̣n commune	2		2	
<b>CHỰ PẶ́H DISTRICT</b>	<b>108</b>	<b>24</b>	<b>84</b>	
la Phí commune	10		10	
Phú Họ̀a commune	23		23	
Nghị̃a Họ̀a commune	6		6	

District/commune	Total No. HHs	Kinh No. HHs	Jrai No. HHs	Ba Na No. HHs
Nghĩa Hưng commune	12	2	10	
Hoà Phú commune	11	9	2	
Ia Ka commune	15	9	6	
Ia Ly commune	7	4	3	
Ia Mơ Nông commune	4		4	
Ia Nhin commune	20		20	
<b>AN KHÊ TOWN</b>	<b>153</b>	<b>77</b>		<b>76</b>
Song An commune	50	29		21
Tú An commune	58	30		28
Cửu An commune	45	18		27
<b>MANG YANG DISTRICT</b>	<b>652</b>	<b>352</b>	<b>214</b>	<b>86</b>
H'Ra commune	10		7	3
Đăk Ta Ley commune	14		10	4
Đê Ar commune	7		5	2
A Yun commune	25		18	7
Đăk Jơ Ta commune	25		18	7
Đăk DJRăng commune	24		17	7
Đăk Yă commune	507	352	110	45
Lơ Pang commune	40		29	11
<b>ĐĂK ĐOÀ DISTRICT</b>	<b>352</b>	<b>66</b>	<b>204</b>	<b>82</b>
Hà Bàu commune	133	42	65	26
Ia Băng commune	145	21	88	36
Đăk Krong commune	35		25	10
Đăk Sơ Mei commune	15		11	4
Hnol commune	17	3	10	4
Đăk Đoa commune	7		5	2
<b>IA GRAI DISTRICT</b>	<b>113</b>	<b>35</b>	<b>78</b>	
Ia Pếch commune	43	22	21	
Ia Sao commune	66	13	53	
Ia Krai commune	2		2	
Ia Chia commune	2		2	

District/commune	Total No. HHs	Kinh No. HHs	Jrai No. HHs	Ba Na No. HHs
<b>ĐỨC CƠ DISTRICT</b>	<b>14</b>		<b>3</b>	<b>11</b>
la KRêl commune	8		3	5
la Kla commune	6			6
<b>Total</b>	<b>4,386</b>	<b>3,008</b>	<b>929</b>	<b>449</b>

#### a. Poverty Situation

19. Totally 64% of households participating in the project in Gia Lai province are poor, but in Mang Yang district 85.4% of households are classified under the national poverty line. The average income in a commune is 200,000VND/person/month such as la Sượm commune, la Dreh commune, meaning that even most of those households that are not classified poor are actually just above the poverty line, view in Table 4.

**Table 4: Percentage of poor households participating in the project**

District	Poor HHs (%)	Near-Poor HHs (%)	Non-poor HHs (%)
Ayun Pa	56	32	12
Chư Sê	55	27	18
Krông Pa	70	11	19
Phú Thiện	30	34	37
la Pa	54	28	18
Chư Prông	56	19	25
Chư Păh	70	10	20
An Khê	78	15	7
Mang Yang	75	13	12
Đăk Đoa	62	24	14
la Grai	62	21	17
Đức Cơ	69	16	15
Krông Chrọ	56	23	21

Source: Gia Lai Department of Industry and Trade, 2010

Reasons for poor HHs is described at item c (Income Generation and Resource Use).

*Image 1: The helping for poor ethnic minority households in Gron village – Đức Cơ district*

20. Educational level is low and especially many of the women are both illiterate and not able to communicate fluently in Vietnamese. Most families have lived in the same location for generations. They live their daily life in their own local ethnic culture, and in general rather isolated from the rest of the society (see **Appendix 2** for details on Social Impact Assessment).

## **b. Income Generation and Resource Use**

21. Of ethnic minorities in the Central Highlands from the past until now mainly for cultivation in extreme weather conditions, leading to low efficiency, difficult life. They grow rice, beans, election, pumpkin, sesame, peanuts, potatoes and fruit trees such as banana, jackfruit, papaya ...Arable land is mainly hilly fields. They were cultivated by the method of burning forest and dig holes to investigate the particle. There are pieces of field grown crop rotation cycles 8-12 years. People Jrai livestock development soon. Fellow raising cattle, horses, elephants, pigs, dogs and chickens. Buffaloes, cows, pigs and chickens to worship yang. Elephants, horses, to haul. Jrai people who has some extra jobs such as carpentry, knitting and weaving. Households' cultivation areas are small, practically no machines are used, and productivity remains low. Major part of production is for household food, there is no commune market and access to district market is very difficult due to poor road access. In 14 districts have business consists of 314 small shops selling basic goods for household needs.
22. Animal breeding is an additional income generation activity to agriculture. Poultry and pigs are kept for household food and for calendar festivities, cows and buffaloes for selling and generating cash. Occasionally traders arrive here to buy cows and buffaloes.
23. Alternative income generation to agriculture is only found among government staff and 314 households traders (per 25,218 households) with small shops selling everyday basic items for household use.
24. There are more women than men in the population, mainly due to the higher and earlier mortality of men, because men drink much alcohol and smoke more cigarettes. Accordingly, one obstacle for household production activities is lack of male labor force as agricultural production, other major ones being difficult transportation conditions, lack of funds for production investments, lack of technical knowledge in agriculture and animal raising, and lack of ability for household economic planning.

## **c. Infrastructure and Services**

25. Road conditions: At these communes now has roads leading to commune centers, inter-village roads are still dirt roads are preparing concrete to serve rural residents conditions interests in tourism, transport and agricultural products circulation of goods between the local. 100% of villages are linked to commune center by good condition roads and 100% of communes to district center in the same way.
26. Education: there are kindergartens, primary schools, post offices and cultural houses in communes, towns of project areas where ethnic minorities live, which meet the demand for education and cultural activities. There are 35 teachers per 1,000 pupils.

**Table 5: Data kind of school in the subproject**

<b>District</b>	<b>Primary schools #</b>	<b>Secondary Schools #</b>	<b>Higher learning institutions #</b>
Ayun Pa	3	3	2
Chư Sê	10	4	1
Krông Pa	9	5	1
Phú Thiện	2	4	1



District	Primary schools #	Secondary Schools #	Higher learning institutions #
Ia Pa	4	3	1
Chư Prông	8	3	1
Chư Păh	9	4	1
An Khê	7	3	1
Mang Yang	8	3	1
Đăk Đoa	7	2	1
Ia Grai	5	3	1
Đức Cơ	2	2	1
Krông Chro	1	2	1

27. Health care: 100% of communes, towns of project areas where ethnic minorities live have health stations, nursing and doctor staff for medical examination and initial treatment for people. Main income of people in communes, towns of project areas where ethnic minorities live is farm products (crops and breeding). Average income is from 3.3 million to 3.7 million VND per capita per year.

28. Facilities: In general, many households (35.8%) have motorcycle for travel; the majority of households have televisions (43.7%) or cassette to serve entertainment needs; number of households (12%) has water pumps for irrigation in producing is still less. Clean water utilizing: only a few households of ethnic minority households has permission to use water resources from water station (4.4%), the majority of households use domestic water from drilled wells or dug wells (77.9%), the rest (17.7%) of households use water from other sources (rainwater, river, spring, streams) and latrines ownership 8%.

29. Marketing: Most households are producing just enough food for household consumption, and there are few products available for selling. Access to districts market is very poor due to lacking transportation conditions.

30. Micro credits: 5% households have taken a loan from the Social Policy Bank for income improvement, mainly for purchasing animals

31. Electricity utilizing: about 67.8% of households in the communes of the project area have access to electricity grids, but only about 10% of households purchase directly from Power Company, majority of households (90.0%) is through electric service companies, cooperatives with unit price higher 1.5 to 2 times than that stipulated by the government.

*Table 6: HHs with power by difference source in the subproject area*

District	Total HHs #	HHs with Power by Source #			HHs without Grid Power %
		National Grid	Private Generators	Micro-hydro plants	
Ayun Pa	645	159	0	0	75.35
Chư Sê	1,603	755	0	0	52.90

Krông Pa	<b>685</b>	245	0	0	64.23
Phú Thiện	<b>1,394</b>	936	0	0	32.86
Ia Pa	<b>812</b>	287	0	0	35.34
Chư Prông	<b>1,271</b>	731	0	0	42.49
Chư Păh	<b>2,493</b>	684	0	0	72.56
An Khê	<b>3,078</b>	668	0	0	78.3
Mang Yang	<b>957</b>	0	0	0	100
Đắk Đoa	<b>2,264</b>	0	0	0	100
Ia Grai	<b>1,741</b>	0	0	0	100
Đức Cơ	<b>643</b>	0	0	0	100
Krông Chro	<b>68</b>	0	0	0	100

There are 72.4% HHs in province that have power. Đắk Đoa districts have large number HHs without power.

*Table 7: Minority HHs with power (participating in the subproject)*

District	Total Ethnic Minority HHs	Minority HHs with Power #	HHs with power %
Ayun Pa	<b>216</b>	52	24
Chư Sê	<b>756</b>	355	47
Krông Pa	<b>230</b>	83	36
Phú Thiện	<b>191</b>	128	67
Ia Pa	<b>111</b>	72	65
Chư Prông	<b>602</b>	256	42.49
Chư Păh	<b>996</b>	723	72.56
Đắk Pơ	<b>603</b>	475	78.82
An Khê	<b>117</b>	92	78.30
Mang Yang	<b>860</b>	0	0
Đắk Đoa	<b>1,059</b>	0	0
Ia Grai	<b>584</b>	0	0
Đức Cơ	<b>207</b>	0	0
Krông Chro	<b>9</b>	0	0

32. Electricity utilizing: about 67.8% of households in the communes of the project area have access to the electricity grid, but only about 10% of households purchase directly from power company, majority of households (90.0%) are through electric service companies, cooperatives with unit price higher 1.5 to 2 times than the stipulated by the government.

33. Assessment: 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 July 2012.
34. 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 these communes. Deep interviews also took place with each Village leader in the villages.
35. Household survey included 1,374 affect minority households of totally 4,431 are affected households in 65communes – 12 districts.

**Table 8: Number of ethnic minority households in affected project**

No.	District/ communes	Minority households	Minority households	Affected Minority households	Affected Minority households
		(No.)	(PPs)	(No.)	(PPs)
<b>I</b>	<b>AYUN PA</b>	<b>216</b>	<b>1,080</b>	<b>93</b>	<b>465</b>
1	la Rbol	169	845	72	360
2	la Rô	39	195	17	85
3	la Sao	8	40	4	20
<b>II</b>	<b>CHU' SÊ</b>	<b>716</b>	<b>3,580</b>	<b>144</b>	<b>720</b>
1	AlBá	86	430	23	115
2	Nhơn Hòa	33	165	14	70
3	la Phang	138	690	9	45
4	la Le	21	105	9	45
5	Dun	149	745	3	15
6	Bngoong	54	270	13	65
7	Bar Maih	49	245	12	60
8	la Blang	168	840	53	265
9	la Hla	18	90	8	40
<b>III</b>	<b>KRÔNG PA</b>	<b>230</b>	<b>1,150</b>	<b>94</b>	<b>470</b>
1	la Sươ	47	235	19	95

No.	District/ communes	Minority households	Minority households	Affected Minority households	Affected Minority households
		(No.)	(PPs)	(No.)	(PPs)
2	la Dreh	27	135	11	55
3	la Rmok	20	100	9	45
4	Chư Đrăng	53	265	21	105
5	Uar	12	60	5	25
6	Chư RCăm	26	130	11	55
7	Phú Cần	16	80	6	30
8	la Sai	10	50	4	20
9	Đất Bằng	19	95	8	40
<b>IV</b>	<b>PHÚ THIỆN</b>	<b>191</b>	<b>955</b>	<b>82</b>	<b>410</b>
1	Phú Thiện	134	670	58	290
2	la Hiao	57	285	24	120
<b>V</b>	<b>IA PA</b>	<b>111</b>	<b>555</b>	<b>50</b>	<b>250</b>
1	la KDăm	20	100	9	45
2	Kim Tân	28	140	13	65
3	Pờ Tó	28	140	13	65
4	Chư Răng	35	175	15	75
<b>VI</b>	<b>CHƯ' PRÔNG</b>	<b>570</b>	<b>2,850</b>	<b>77</b>	<b>385</b>
1	Thăng Hưng	182	910	13	65
2	la Tôr	165	825	30	150
3	la Pia	146	730	11	55
4	la Puch	30	150	11	55
5	la Vê	20	100	7	35
6	la Đrăng	10	50	3	15
7	Bầu Cạn	17	85	2	10
<b>VII</b>	<b>CHƯ' PẢH</b>	<b>862</b>	<b>4,310</b>	<b>84</b>	<b>420</b>
1	la Phí	134	670	10	50
1	Phú Hòa	140	700	23	115
2	Nghĩa Hòa	115	575	6	30
3	Nghĩa Hưng	92	460	10	50
4	Hoà Phú	22	110	2	10
5	la Ka	66	330	6	30
6	la Ly	29	145	3	15

No.	District/ communes	Minority households	Minority households	Affected Minority households	Affected Minority households
		(No.)	(PPs)	(No.)	(PPs)
7	Ia Mơ Nông	56	280	4	20
8	Ia Nhin	342	1,710	20	100
<b>VIII</b>	<b>AN KHÊ</b>	<b>177</b>	<b>885</b>	<b>76</b>	<b>380</b>
1	Song An	49	245	21	105
2	Tú An	66	330	28	140
3	Cửu An	62	310	27	135
<b>IX</b>	<b>MANG YANG</b>	<b>860</b>	<b>4,300</b>	<b>300</b>	<b>1,500</b>
1	H'Ra	73	365	10	50
2	Đăk Ta Ley	97	485	14	70
3	Đê Ar	57	285	7	35
4	A Yun	220	1,100	25	125
5	Đăk Jơ Ta	105	525	25	125
6	Đăk DJRăng	109	545	24	120
7	Đăk Yă	52	260	155	775
8	Lơ Pang	147	735	40	200
<b>X</b>	<b>ĐẮK ĐOÀ</b>	<b>910</b>	<b>4,550</b>	<b>286</b>	<b>1,430</b>
1	Hà Bầu	247	1,235	91	455
2	Ia Băng	340	1,700	124	620
3	Đăk Krong	123	615	35	175
4	Đăk Sơ Mei	142	710	15	75
5	Hnol	33	165	14	70
6	Đăk Đoa	25	125	7	35
<b>XI</b>	<b>IA GRAI</b>	<b>559</b>	<b>2,795</b>	<b>78</b>	<b>390</b>
1	Ia Pếch	81	405	21	105
2	Ia Sao	258	1,290	53	265
3	Ia Krai	43	215	2	10
4	Ia Chia	177	885	2	10
<b>XII</b>	<b>ĐỨC CỜ</b>	<b>231</b>	<b>1,155</b>	<b>10</b>	<b>46</b>
1	Ia KRêl	207	1,035	3	10
2	Ia Kla	24	120	7	36
	<b>Total</b>	<b>5,633</b>	<b>28,165</b>	<b>1,374</b>	<b>6,866</b>

HH = Household, No. = number, PPs = People

36. 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 64% of the households in 14 districts 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 with most households being very poor and only a few households being marginally “better-off” than all the others.
37. The household survey deliver data on the current socio-economic situation including population and poverty profiles, land and land use, assets, income generation, education, health, water and sanitation, infrastructure and communications, market access; and on the current electricity situation and expected impacts of electrification, including people’s expectations and ability to pay for and utilize the future electricity provision. Many follow up questions were discussed with the surveyed households, delivering additional and clarifying information and opinions of the interviewees. Evaluation of the anticipated potential positive and negative impacts from electrification has been made based on analyzing all the assessed information.
38. Focus group discussions separately with men and with women in one of the villages concentrated on a wide range of socio-economic and cultural issues, development fallbacks and options, electricity situation and views on electrification potential and people’s preparedness for electrification.
39. The collected quantitative data was computerized into the SPSS (Statistical Package for Social Scientists) program. It was combined with all the qualitative data from interviews, group discussions, talks with people and observations on place to provide a comprehensive socio-economic profile of the sub project setting and the expected potential and impacts of electrification in affected area.

## C. Current Socioeconomic Setting

### 1. Population, ethnicity, gender and poverty profile

40. From survey, population and poverty data is seen in Table AB-1, AB-1a and ethnicity in Table AB-2. For comparison the affected commune population and ethnicity setting is given in Table AB-3.

**Table AB-1: Population and Poverty in affected area**

Unit	HHs	Population			Average HH size Persons	HH poverty	
		Total	Male	Female		%	No
<b>AYUN PA</b>	<b>830</b>	<b>590</b>	<b>2,407</b>	<b>1,743</b>		<b>43.25%</b>	<b>359</b>
la Rbol	330	360	174	186	1.09	82.12%	271
la Rtô	365	115	46	69	0.32	20.00%	73
la Sao	135	115	46	69	0.85	11.11%	15

Unit	HHs	Population			Average HH size	HH poverty	
		Total	Male	Female	Persons	%	No
<b>CHƯ SẾ</b>	<b>229</b>	<b>1,145</b>	<b>664</b>	<b>481</b>	<b>5.00</b>	<b>94.32%</b>	<b>216</b>
AlBá	23	115	55	60	5.00	86.96%	20
Nhơn Hòa	42	210	101	109	5.00	97.62%	41
Ia Phang	9	45	22	23	5.00	100.00%	9
Ia Le	12	60	29	31	5.00	91.67%	11
Dun	3	15	7	8	5.00	100.00%	3
Bngoong	13	65	31	34	5.00	100.00%	13
Bar Maih	20	100	48	52	5.00	100.00%	20
Ia Blang	53	265	128	137	5.00	94.34%	50
Ia Hla	54	270	130	140	5.00	90.74%	49
<b>KRÔNG PA</b>	<b>1,041</b>	<b>535</b>	<b>3,019</b>	<b>2,186</b>	<b>0.51</b>	<b>37.56%</b>	<b>391</b>
Ia Sượm	99	95	46	49	0.96	77.78%	77
Ia Dreh	91	60	29	31	0.66	87.91%	80
Ia Rmok	10	45	22	23	4.50	100.00%	10
Chư Ɖrăng	93	105	51	54	1.13	88.17%	82
Uar	256	45	22	23	0.18	9.77%	25
Chư RCăm	130	65	31	34	0.50	36.15%	47
Phú Cậ̀n	270	55	27	28	0.20	9.26%	25
Ia Sai	8	20	10	10	2.50	100.00%	8
Đất Bặ̀ng	84	45	22	23	0.54	44.05%	37
<b>PHÚ THIỆN</b>	<b>534</b>	<b>1,855</b>	<b>1,549</b>	<b>1,121</b>	<b>3.47</b>	<b>57.49%</b>	<b>307</b>
Phú Thiệ̣n	152	315	152	163	2.07	100.00%	152
Ia Hiạo	382	1,540	743	797	4.03	40.58%	155
<b>IA PA</b>	<b>219</b>	<b>610</b>	<b>635</b>	<b>460</b>	<b>2.79</b>	<b>95.43%</b>	<b>209</b>
Ia KĐặm	53	145	70	75	2.74	100.00%	53
Kim Tậ̀n	56	170	82	88	3.04	92.86%	52
Pờ Tộ̀	60	155	75	80	2.58	91.67%	55
Chư Rặ̀ng	50	140	68	72	2.80	98.00%	49
<b>CHƯ ƲRÔNG</b>	<b>96</b>	<b>480</b>	<b>278</b>	<b>202</b>	<b>5.00</b>	<b>85.42%</b>	<b>82</b>

Unit	HHs	Population			Average HH size	HH poverty	
		Total	Male	Female	Persons	%	No
Thăng Hưng	13	65	31	34	5.00	61.54%	8
Ia Tôr	30	150	72	78	5.00	83.33%	25
Ia Pia	11	55	27	28	5.00	63.64%	7
Ia Puch	17	85	41	44	5.00	100.00%	17
Ia Vê	14	70	34	36	5.00	100.00%	14
Ia Đrăng	9	45	22	23	5.00	100.00%	9
Bầu Cạn	2	10	5	5	5.00	100.00%	2
<b>CHU' PẢH</b>	<b>108</b>	<b>540</b>	<b>313</b>	<b>227</b>	<b>5.00</b>	<b>100.00%</b>	<b>108</b>
Ia Phí	10	50	24	26	5.00	100.00%	10
Phú Hòa	23	115	55	60	5.00	100.00%	23
Nghĩa Hòa	6	30	14	16	5.00	100.00%	6
Nghĩa Hưng	12	60	29	31	5.00	100.00%	12
Hoà Phú	11	55	27	28	5.00	100.00%	11
Ia Ka	15	75	36	39	5.00	100.00%	15
Ia Ly	7	35	17	18	5.00	100.00%	7
Ia Mơ Nông	4	20	10	10	5.00	100.00%	4
Ia Nhin	20	100	48	52	5.00	100.00%	20
<b>AN KHÊ</b>	<b>153</b>	<b>515</b>	<b>444</b>	<b>321</b>	<b>3.37</b>	<b>100.00%</b>	<b>153</b>
Song An	50	165	80	85	3.30	100.00%	50
Tú An	58	195	94	101	3.36	100.00%	58
Cửu An	45	155	75	80	3.44	100.00%	45
<b>MANG YANG</b>	<b>652</b>	<b>3,260</b>	<b>1,891</b>	<b>1,369</b>	<b>5.00</b>	<b>26.69%</b>	<b>174</b>
H'Ra	10	50	24	26	5.00	100.00%	10
Đăk Ta Ley	14	70	34	36	5.00	100.00%	14
Đê Ar	7	35	17	18	5.00	100.00%	7
A Yun	25	125	60	65	5.00	100.00%	25
Đăk Jơ Ta	25	125	60	65	5.00	100.00%	25
Đăk DJRăng	24	120	58	62	5.00	100.00%	24



Unit	HHs	Population			Average HH size	HH poverty	
		Total	Male	Female	Persons	%	No
Đăk Yă	507	2,535	1,223	1,312	5.00	5.72%	29
Lơ Pang	40	200	97	104	5.00	100.00%	40
<b>ĐẮK ĐOA</b>	<b>352</b>	<b>1,760</b>	<b>1,021</b>	<b>739</b>	<b>5.00</b>	<b>96.02%</b>	<b>338</b>
Hà Bầu	133	665	321	344	5.00	100.00%	133
laBăng	145	725	350	375	5.00	91.72%	133
Đăk Krong	35	175	84	91	5.00	100.00%	35
Đăk Sơ Mei	15	75	36	39	5.00	100.00%	15
Hnol	17	85	41	44	5.00	100.00%	17
Đăk Đoa	7	35	17	18	5.00	71.43%	5
<b>IA GRAI</b>	<b>113</b>	<b>565</b>	<b>328</b>	<b>237</b>	<b>5.00</b>	<b>100.00%</b>	<b>113</b>
la Pêch	43	215	104	111	5.00	100.00%	43
la Sao	66	330	159	171	5.00	100.00%	66
la Krai	2	10	5	5	5.00	100.00%	2
la Chia	2	10	5	5	5.00	100.00%	2
<b>ĐỨC CƠ</b>	<b>14</b>	<b>47</b>	<b>41</b>	<b>29</b>	<b>3.36</b>	<b>100.00%</b>	<b>14</b>
la KRêl	8	10	5	5	1.25	100.00%	8
la Kla	6	37	18	19	6.17	100.00%	6
<b>Total</b>	<b>4,386</b>	<b>11,902</b>	<b>18,313</b>	<b>15,294</b>	<b>2.71</b>	<b>56.18%</b>	<b>2,464</b>

Table AB-2: Ethnicity in affected area

Unit	Population	Ethnicity		
		Banar	Jrai	Kinh
<b>AYUN PA</b>	<b>590</b>	<b>0</b>	<b>465</b>	<b>125</b>
la Rbol	360	0	360	0
la Rôl	115	0	85	30
la Sao	115	0	20	95
<b>CHƯ SÊ</b>	<b>1,145</b>	<b>205</b>	<b>515</b>	<b>425</b>
AlBá	115	30	85	0
Nhơn Hòa	210	20	50	140
la Phang	45	15	30	0

Unit	Population	Ethnicity		
		Banar	Jrai	Kinh
Ia Le	60	15	30	15
Dun	15	5	10	0
Bngoong	65	15	50	0
Bar Maih	100	15	45	40
Ia Blang	265	75	190	0
Ia Hla	270	15	25	230
<b>KRÔNG PA</b>	<b>535</b>	<b>0</b>	<b>470</b>	<b>65</b>
Ia Sượm	95	0	95	0
Ia Dreh	60	0	55	5
Ia Rmok	45	0	45	0
Chư Ɖrăng	105	0	105	0
Uar	45	0	25	20
Chư RCăm	65	0	55	10
Phú Cậ̀n	55	0	30	25
Ia Sai	20	0	20	0
Đất Bặ̀ng	45	0	40	5
<b>PHÚ THIỆN</b>	<b>1,855</b>	<b>410</b>	<b>0</b>	<b>1,445</b>
Phú Thiện	315	290	0	25
Ia Hiao	1,540	120	0	1,420
<b>IA PA</b>	<b>610</b>	<b>250</b>	<b>0</b>	<b>360</b>
Ia KDặm	145	45	0	100
Kim Tân	170	65	0	105
Pờ Tọ́	155	65	0	90
Chư Rặ̀ng	140	75	0	65
<b>CHƯ PRÔNG</b>	<b>480</b>	<b>105</b>	<b>280</b>	<b>95</b>
Thặ́ng Hựng	65	20	45	0
Ia Tộr	150	40	110	0
Ia Pia	55	15	40	0
Ia Puch	85	15	40	30
Ia Vệ	70	10	25	35

Unit	Population	Ethnicity		
		Banar	Jrai	Kinh
Ia Đrăng	45	5	10	30
Bầu Cạn	10	0	10	0
<b>CHU' PĂH</b>	<b>540</b>	<b>0</b>	<b>420</b>	<b>120</b>
Ia Phí	50	0	50	0
Phú Hòa	115	0	115	0
Nghĩa Hòa	30	0	30	0
Nghĩa Hưng	60	0	50	10
Hoà Phú	55	0	10	45
Ia Ka	75	0	30	45
Ia Ly	35	0	15	20
Ia Mơ Nông	20	0	20	0
Ia Nhin	100	0	100	0
<b>AN KHÊ</b>	<b>515</b>	<b>380</b>	<b>0</b>	<b>135</b>
Song An	165	105	0	60
Tú An	195	140	0	55
Cửu An	155	135	0	20
<b>MANG YANG</b>	<b>3,260</b>	<b>430</b>	<b>1,070</b>	<b>1,760</b>
H'Ra	50	15	35	0
Đăk Ta Ley	70	20	50	0
Đê Ar	35	10	25	0
A Yun	125	35	90	0
Đăk Jơ Ta	125	35	90	0
Đăk DJRăng	120	35	85	0
Đăk Yă	2,535	225	550	1,760
Lơ Pang	200	55	145	0
<b>ĐĂK ĐOA</b>	<b>1,760</b>	<b>410</b>	<b>1,020</b>	<b>330</b>
Hà Bầu	665	130	325	210

Unit	Population	Ethnicity		
		Banar	Jrai	Kinh
IaBăng	725	180	440	105
Đăk Krong	175	50	125	0
Đăk Sơ Mei	75	20	55	0
Hnol	85	20	50	15
Đăk Đoa	35	10	25	0
<b>IA GRAI</b>	<b>565</b>	<b>0</b>	<b>390</b>	<b>175</b>
Ia Pếch	215	0	105	110
Ia Sao	330	0	265	65
Ia Krai	10	0	10	0
Ia Chia	10	0	10	0
<b>ĐỨC CỜ</b>	<b>47</b>	<b>35</b>	<b>11</b>	<b>1</b>
Ia KRêl	10	0	10	0
Ia Kla	37	35	1	1
<b>Total</b>	<b>11,902</b>	<b>2,225</b>	<b>4,641</b>	<b>5,036</b>

**Table AB-3: Population, Ethnicity and Poverty in ethnic minority affected area**

Ethnic group	No. of HHs	Population	% of population	No. of poor HHs	Poverty rate (%)
Bana	449	2,225	18.69	449	18.2
Jrai	929	4,641	38.99	929	37.8
Kinh	3008	5,036	42.32	1,086	44
<b>Total</b>	<b>4386</b>	<b>11,902</b>	<b>100</b>	<b>2,464</b>	<b>100</b>

41. The ethnic composition in Gia Lai Province is complex with 02 different ethnic minority groups and very persistent poverty situation, the two ethnic minority groups of Banar, Jrai and the remaining Kinh. All villages are small and each inhabited by one ethnic minority group. Average number of persons in a household is 2.71 and there are less men (3,375 persons) than women (3,491 persons) (49.15% respective 50.85%). In a community where people make their living on small-scale agriculture, this puts heavy workload on women. Moreover, there is a culture of alcohol use among men, which further affects their labor capacity in a negative way. All ethnic minority households are poor, 64% fall under the poverty line according to the national criteria and almost 14% of households are further classified as hungry and receive rice from the government. Average income 200,000VND/per/month, and majority of households are either under or just above the poverty line, and can be considered very poor even if not classified as poverty households. According to the adjusted poverty line criteria, introduced by MOLISA as late as July 2008,

with income under 300,000VND/pers/month, even more households will probably fall under the poverty line in the future classification.

42. The commune office have no data on the number of persons in labour age (15–60 years), but according to the household survey, most households (70%) have a labour force of 1–2 persons, 30% of households have 3–4 persons working.
43. Population is very stable; most inhabitants (90% according to the HH survey) have been living in the area all their lives and also their ancestors were living in the same area. There has been neither labour migration from the area nor significant in-migration. There are, however, a number of persons working in the commune area who are not registered inhabitants. Of the school teachers, who are inhabitants in these communes.
44. Poverty is very severe and persistent and the commune is approved for the governmental support for poor communes. According to CPC, inhabitants lack funds to invest in production, they lack technical knowledge in agriculture and animal raising, they lack male labour force, and have no ability for household economic planning. Difficult transportation conditions are added as a major cause for the persistent poverty in the household survey. They make their living on small-scale agriculture.

## 2. Subsistence and income generation

### a. Income generation profile

45. Great majority of households are living on small-scale agriculture added to animal breeding, fishing in the rivers and mountain streams and collecting forest products like mushrooms, bamboo shoots, fruits and roots for food. Only the government staff and shop owners gain income from other activities. Food is produced and mostly sold locally for household use and there is no market in the commune.

- Agriculture 75.14%
- Forestry 1.65%
- Idle 5.06%
- Self-earning 5.60%
- Trafficking in small (grocery trade) 3.5%.
- Retirement 3.65%
- Other income 3.26%
- Fishing / aquaculture 2.14%

### b. Agriculture and land use

46. Agriculture is the main occupation. In affected area has total agricultural land area is 192,815ha but only 35.52% are mainly cultivating rice, 24.23% for industries plants and 40.25% for natural forests.

The crops, cultivation areas used and approximate productivity of crops are seen in **Table AB-3** below.

**Table AB-3: Cultivated crops, areas and productivity**

Crop	Area in ha	Productivity		Comment	Average productivity tons/ha in	
		Ton/ha	Ton/hrs		Southern provinces	Vietnam

Crop	Area in ha	Productivity		Comment	Average productivity tons/ha in	
rice	68,487	0.2	4.4	1 crop/year	3	10
Fruit trees	0					
Industries	46,719	18	360	1 crop/year	-	-
Forests and other	77,608			1 crop/year	-	-

Source: Gia Lai Department of Agriculture, 2010

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

48. Division of agricultural land and land allocation to households was done 1989. Land allocation is usually revised every 20 years. According to the household survey, 80% of households have land use certificates on agricultural land, the other households have received land or taken land into use without certificates. All households have, however, received certificates for residential land. Of the households with agricultural land certificate, majority, 50% have a cultivation area of 0.1–0.5ha (1000–5000m<sup>2</sup>), 25% an area of 0.01–less than 0.1ha (100–1000 m<sup>2</sup>) and 25% have an area of 0.5–0.8ha (5000–8000 m<sup>2</sup>).

Forest is managed by the community and no land use certificates are allocated for forest land.

49. Agricultural products are mainly utilized without processing by each producing household itself. Buffaloes are used for ploughing, agriculture is based on manual work only, and only 17 local farmers own agricultural machines.

50. Annual income from selling agricultural products, mainly coffee, pepper, span between 0 and 10.5MVND in 2008. The household survey showed that 6% of the households had no income from selling basic agricultural products, half the households (76%) had an annual income under 10MVND and half (16.9%) had 2008 an income between 10 and 13.85MVND (i.e. 1.154MVND/month for a household or in average 214,000VND/person, which is just slightly above the poverty line). Most households selling rice have only little income from other sources. 42 households (17%) had further income between 125,000VND and under 1MVND from selling vegetables, beans and peanuts, and 10 households (11.9%) from 1 to 2.5MVND. 16 households (19%) earned between 400,000 and 4MVND and 6 household declared and income of 12.5MVND from selling cardamom. Income from selling agricultural products is summarized in **Table AB-4** below.

**Table AB-4: Income from selling agricultural products in 2008**

(Household survey, 1,374 HHs)

Product	Annual income	No. of hhs	% of hhs
Rice		1374	100
	No income	878	63.9
	<10MVND	526	38.25
	10≤13.85MVD	44	3.2

Industrial trees (coffee, pepper)		1374	100
	No income	187	13.6
	0.4≤4MVND	525	38.2
	12.5MVND	662	48.2

### c. Animal breeding and fishery

51. Animal breeding is an additional income generation activity to crop farming.

52. Income from selling animals in 2012 is summarized in **Table AB-5** below.

**Table AB-5: Income from selling animals in 2008**  
(Household survey 1,374 HHs)

Annual income	No. of HHs	% of HHs
No income	172	12.5
< 1MVND	300	21.8
1 ≤ >10 MVND	750	54.6
10 ≤ ≥ 20 MVND	96	7
20MVND < ≥ 83MVND	43	3.1

The average HH incomes from animals are 3.4 MVND. The 12% HH with no animal income, they don't have animals. They are poor.

53. Fish is caught in rivers and mountain streams to complement household diet. Income from selling fish is quite low.

### d. Marketing and business

54. Most households are producing just enough food for household consumption, and there are few products available for selling.

55. The only small business activities in affected commune consist of small shops in the commune centre in these villages. These shops are run by households registered as residents in the commune, Kinh. These shops transport basic goods on motorbike from the district town and sell mainly food and items like salt, fish sauce, soap, washing powder; clothes etc. for everyday household use, all of them by kinh, no minority HH have shops.

56. The monthly profit of the largest shops is 1.5–2MVND (annually approx. 15–20MVND). Trading households supplement their earnings with income from other activities.

### e. Additional income generation

57. 100% of minority households receive 10kg/person/month rice from the government under the governmental "Program to support difficult ethnic minorities" for ethnic minorities. Many ethnic minority households have received this support from the government since 2006. Many of these households have made the receipt of subsidies into a way of living; they expect the government to sustain them without putting much effort to developing their own income generation. They also sell part of the rice to other households in order to get cash.

### **3. Transportation and communications**

58. Transportation: 100% of communes, wards and town ships in the project area contain links to the town center, the roads to villages across the inter-communal roads also developed to serve the people off favorable conditions for tourism, transport and agricultural products circulation of goods between provinces...
59. Overall, many households (35.8%) had motorcycles for transportation (mainly china motorcycles),the majority of households have television(43.7%) or cassette machine to serve the needs of recreation location, use of electricity: about 67.8% of households in the communes of the project area have continued access to the grid, but only about 10% of households purchased directly from the power company, the majority of households (90.0%) through service companies and co operatives with the unit cost 1.5-2 times higher than government regulations. There is a post and telephone office in the commune centre providing communications outside the commune.

### **4. Health and Healthcare**

60. Public works: a kindergarten, primary school, post office, houses of culture in the communes and towns of the project area, where ethnic minorities live, to meet the needs of education and cultural activities. Health: 100% of communes in the project area, where ethnic minorities have medical, nursing and physician staff to diagnose and treat people early. Vaccination program for children reaching 90% target in 2008 and according to survey households, 96% of households believe the commune health center as an ill family member. However, 78% of women in the household survey do not go to medical clinics check the fetus. Accordingly, 87% of women give birth at home, although often with the support of the midwives cooperative.
61. Respiratory infections in the winter and diarrhea in the summer are the most common health problems. 30% of the total number of patients to the health care centre is due to coughing and 30% due to diarrhea. 20% of the patients seek treatment for malaria occurring during the summer, and 20% have eye diseases during summer and autumn.
62. The communes have no use drug but alcohol is relatively common in men, clearly the habit impacts both on the capacity of the male labour force and its health status as well as on household economy.

### **5. Water and Sanitation**

63. Number of households with water pumps for irrigation in production is still less. Fresh water to use: just a few families of ethnic minority households in a position to use the fresh water (4.4%), the majority of households use water from domestic wells or dug wells (77.9%), the remainder(17.7%) households use water from other sources (rainwater, rivers, streams). Water for household consumption is lead from water sources through pipes into water tanks provided with Program 135 support. Water and rain water is considered adequate.
64. The hygienic standard in there is very low and people's knowledge about health and hygiene poor. There are neither bathrooms nor toilets or latrines. People wash themselves with stream water and use forest as a toilet. The population density is low and therefore this practice is not environmentally destructive at present, however, the free roaming animals eating human faces increase the risk of spreading diseases.

### **6. Education**



65. Standard education is available with village schools providing education in grades 1–5, and the commune school in grades 6–9. The lower secondary school in the commune centre provides boarding opportunity and subsidized education for students from remote villages through the governmental programme of supporting poor students. Only one or two students yearly continue to upper secondary school in the ethnic minority boarding school in the district town.
66. There are mostly teachers majority Kinh people, no teachers are from ethnic minorities.
67. 88% children start school at the age of 6 years, but approximately 12% start later in ethnic minority HHs, at the age of 8–9 years. Many ethnic minority students remain poor in their knowledge in the Vietnamese language and consequently attain poor skills in reading and writing. Irregular school attendance is common as children have to contribute with labour in agriculture and animal breeding. Ethnic minority girls get married at the age of 15–17 years and stop attending school, in many cases only with finished grade 3 or 4 education. Accordingly illiteracy is common among the ethnic minority population, especially among women (no exact illiteracy data available).

## **E. Current Electricity Situation**

### **1. Production and Use of Power**

68. There are 67.8% of surveyed HHs used central electricity provision, but only about 10% of households purchased directly from the power company, the majority of households (90.0%) through service companies and co operatives with the unit cost 1.5-2 times higher than government regulations.
69. Electricity produced with pico systems is mainly used for lighting, but some households also have a TV (43.7% in the HH survey), video (25% of surveyed HHs), radio (10%), fan (18%) and refrigerator (2%). Yet majority of households are too poor to afford buying any household electrical appliances.
70. Electricity is used very little for agricultural production, the number of households with water pumps for irrigation in production is small (10%).

### **2. Current costs for producing power**

71. In the project area now has the national power system to the commune's office and a number of village, some areas without electricity are included in this project.
72. Households that do not have micro hydro or diesel generators mainly use kerosene for lighting or borrow power from a neighbour's micro hydro generator. The cost of one litter of kerosene is 14–15,000 VND. Households' annual and monthly estimated costs for kerosene are seen in Table AB-6 below.

**Table AB-6: HHs estimates on HHs current annual and monthly costs for kerosene (household survey, 1,374 HHs)**

<b>Cost in '000 VND</b>	<b>No. of HHs</b>	<b>% of total No. of HHs</b>	<b>Average monthly cost range in '000 VND</b>
No cost	149	10.9	0
≤60	753	54.6	≤10

60 ≤500	225	16.4	10–20
> 500	247	18	20–50
<b>Total</b>	<b>1,374</b>	<b>100</b>	<b>0</b>

73. There have 10% poor households mainly rely on connect power from a neighbour's power system and on using kerosene lamps, the estimated costs appear very low. Poverty households use very little power and only for lighting; they work long days with food production and go to bed early, which makes the time needed for lighting very short. One third of the total households, or 55.9% of the households without a generator have an annual cost under 100,000VND. Households with the highest costs for kerosene are large and consist of several families with children.

74. All of households without small hydro power or diesel generators.

75. Approximately 55.9% of the households have an annual cost for electricity under 100,000VND, or less than 10,000VND/month. Slightly more than 31.5% has an annual cost between 100,000 and 500,000VND, or 10,000 to 20,000VND/month, and approx. 12.6% has an annual cost exceeding 500,000VND or over 50,000VND/month. Considering the high poverty rate and the severe household poverty situation, the figures appear rather high, especially for those paying most.

Annual Power Cost Range (VND)	HHs (%)	Average Cost /HH/Year VND '000
<100,000	55.9	95
100,000 – 500,000	31.5	400
> 500,000	12.6	600

## **Development options of activities through electrification**

### **1. Household income generation and production**

76. National grid expansion increases the total number of households used the national grid in Gia lai province. The implementation of the project will increase electrified households rate around Gia Lai province from 67.8% now to 95.1% after project completion and the rate of the ethnic minority people electrified households from 67.2% at present to 93.3% after project completion. Sub-projects are completed, the grid distribution system in Gia lai will improve power quality, reduce losses and limit outages, ...

77. Create jobs for local people. If the power supply quality and quantity both full on, can contribute to improving the lives and conditions of production in the areas of project development, meet the needs of power users. Has power will contribute to development of agriculture with mechanized agriculture electrification, tools, livestock, food processing...

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

79. 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.

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

## **2. Consequences for household's living standards**

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

## **3. Potential for improved public services and social life**

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

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

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

## **4. Potential for business development**

84. The improvement in power supply will have several benefits on businesses. Such benefits include reduced costs of operation, easy operation of mills, and better quality of output such as electric-operated paddy mills, wood processing industry 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.

## **G. Potential adverse impacts of electrification**

85. A resettlement plan (RP) was prepared to manage resettlement impacts. According to RP, level of project impact on ethnic minority their households in Gia Lai province are summarized as follows :

- Number of Project Affected Households (PAHs): 1,374PAHs
- Number of affected people: 6,866 peoples
- Total area of private land temporarily affected 42,460m<sup>2</sup>
- Total area of private land permanently affected 9,253m<sup>2</sup>
- Number of resettlement households: None

86. All ethnic minority households are affected in alignment right-of-way restrictions in communes of subproject area are agricultural production: mainly on cultivation (rice and crops) and breeding. Key food crops are wet rice, maize, cassava, beans and some other vegetables. Perennial plants are mainly fruit: jackfruit, cashew, mainly traditional livestock are cattle, pigs, and other poultry (chickens, ducks,...). Breeding develops in a small form in communities.

87. In fact, the distribution networks construction only affect individually at minimize or at least because subproject only voltage of the project is MV and LV, the standards in 2006 Vietnam's electricity with a voltage of 35 kV, the distance of 3 meters, with a voltage of 22kV distance of 2 meters, with a voltage of 0.4 kV at 1 meter distance safe for users is not affected. Most of affect to ethnic minorities land is temporary (about 2,246 households); only a few households (about 597 households) will lose land permanently due to construction of pylons and transformer stations (stations hang on the pillar). Therefore, project categories do not cause serious impact on cultural field to affected ethnic minority households as well as socio-economic aspect in the whole communities we need to assess this.

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

89. If workers are not well managed, during construction of the subproject, a large number of workers (420 workers- mainly man) will work in the area for a long time (about 12 months) that may affect traditional cultural values, customs of the community and may be a risk to social order issues (thief, robberies, loss of social security and solidarity) and social evils for local community (risk of HIV/AIDS and other infectious diseases, women trafficking, prostitution, drug addiction... However, when this subproject implemented, supervision contractor and contractor's leader will manage construction workers. Therefore, these can not occur

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

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

92. 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.

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

94. 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.
95. The sub-project will acquire permanently 24,123.42 m<sup>2</sup> in 79 communes. Of these, 4,596m<sup>2</sup> of agricultural land of 885 households (4,425 people) of 79 communes. Of which 597 households are ethnic minorities: Jrai and Bana, they are poor (according to the new 2010). Main source of income of households mainly depends on cultivation. Therefore, land acquisition of the subproject will directly affect daily activities and production of local people. Areas of gathering construction machines, materials and disposal sites may become a potential risk (accident, disease) for children in the community.
96. 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.

#### **H. Affordability of electrification for households and private business**

97. The household survey shows both very poor estimated ability and very poor willingness of households to pay for electricity. Accordingly, 1,374 (100%) of the surveyed households, 25% households are not willing to pay anything. Of those households that think they can afford and are willing to pay for electricity, 50% households are willing to pay 40,000VND/month, and 20% households are willing to pay 80,000VND and only 5% household are willing to pay over 70,000VND/month at the most.
98. Local business currently consists of ten small-scale shops in the villages and commune centre. They bought power from the neighbour to provide lighting and according to interviews and household survey are willing to pay only up to 50,000VND each per month for electricity.

#### **I. Recommendations for Enhancing Access to Electricity and Productive Use of Electricity**

99. There is little potential in electrification for raising living standards and improving income generation if it is not connected to general improvements in infrastructure and long-term community and income development supporting activities. These should include both literacy and educational level improvements and income generation development through training and micro credits. A few people have plans to utilize electricity for developing current and starting new activities (wood processing, cloth making, and some agricultural machines) but the potential of these small-scale improvements for improving households' income is very limited if market access is not significantly improved and marketing capacity developed.
100. Ethnic minority household's communes are not currently aware of and have no plan to develop the use of electricity in production. Therefore, to encourage households to use electricity for production, some specific assistance are needed. Here are some recommendations to enhance the capacity to use electricity for households in the subproject area.
  - There should be information disclosure programs on electricity use in production. The programs should be specific and focused on introduction of models which can be applied in communes.
  - There should be assistances for skill training, technique for use of electric appliances and machines serving for production, processing, preservation...

- There should be provisions to encourage and support the establishment of manufacturing, processing and trading units (agriculture, forestry productions or other areas) in the local in terms of capital, information, experience, tax incentive, costs, procedures, and premises ...
- There should be an agency with consistent experience to support people to access sources of credit for production development (Social Policy Bank, Women's Union, Fatherland Front, Farmers' Union) and models of technical assistance, the methods on reasonable and effective use of credit to increase income.
- There should be directions on safe, economical and effective use of electricity for households.
- In addition, the subproject owner should conduct consultation regularly with households, communities and local authorities to learn and solve difficulties of households in using electricity to increase household incomes and reduce poverty in the community. The Subproject will negotiate with Social Policy Banks to increase working time of bank staffs who works regularly in the community and conduct credit access programs including conditions, participants and support local people in filling information form, preparation of necessary papers to complete the loan application.
- Develop training programs on raising public awareness of electricity use in production to increase household income for ethnic minority households and the whole communities.
- The local authorities will in cooperation with the mass organizations: the Women's Union, Farmers' Union ... to organize excursions model on effective use of electricity in production in the areas which successfully applied the model

#### **J. Summary of Expected Impacts of Electrification in affected areas**

101. Below the anticipated positive and negative effects from electrification after the Project implementation in affected areas 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
<b>Income and economic activities</b>				
Agriculture	Machines to improve production will be possible to use	<ul style="list-style-type: none"> <li>• Some small-scale agricultural machines</li> </ul>	<ul style="list-style-type: none"> <li>• Use will depend on HH economic and skills capacity</li> <li>• Supportive systems needed (funds, training)</li> </ul>	<ul style="list-style-type: none"> <li>• Local farming households</li> </ul>
Production development	Machinated production will be possible	<ul style="list-style-type: none"> <li>• Making clothes with electric sewing machines</li> <li>• Food processing with milling</li> </ul>	<ul style="list-style-type: none"> <li>• Expected impacts on household level</li> <li>• Market access lacking to have significant income improvement effect</li> </ul>	<ul style="list-style-type: none"> <li>• Some local households</li> </ul>

Sector	General Impact	Impact Description	Comments	Major Stakeholders
		<ul style="list-style-type: none"> <li>• Small-scale local wood processing</li> </ul>	<ul style="list-style-type: none"> <li>• Supportive systems needed (funds, training)</li> </ul>	
Trade and business	Trading of new consumer goods 2. Wood processing industry development potential	<ul style="list-style-type: none"> <li>• Electricity enables demand of new consumer goods</li> <li>• Electricity enables development of wood products processing</li> </ul>	<ul style="list-style-type: none"> <li>• Magnitude depends on local HHs economic capacity to invest in new consumer goods</li> <li>• Wood processing depends on access to microcredit</li> <li>• Outsiders may take the new opportunities so little local benefit will appear</li> </ul>	<ul style="list-style-type: none"> <li>• Local and external traders</li> <li>• Those capable of taking new opportunities</li> <li>• Local and external labour force</li> </ul>
Governmental sector				
Public services	Improved quality of health care and education services, governmental offices	<ul style="list-style-type: none"> <li>• Time for availability of services increase with lighting</li> <li>• Electricity enables better equipment and medical supplies in health care</li> <li>• Potential for computers and internet improve communications, and knowledge level</li> </ul>	<ul style="list-style-type: none"> <li>• Positive impact depends on commune economic and staff capacity</li> </ul>	<ul style="list-style-type: none"> <li>• All commune inhabitants</li> <li>• School students</li> </ul>
Inhabitants, households				
Households living standards	Enhanced security and comfort	<ul style="list-style-type: none"> <li>• Lighting enable evening time activities like studying</li> <li>• Consumer goods like TV, karaoke machines, CD-players, computers etc. may increase</li> </ul>	<ul style="list-style-type: none"> <li>• Household labour will be easier</li> <li>• Access to information and knowledge potentially improve</li> <li>• Electricity use depends on HH</li> </ul>	<ul style="list-style-type: none"> <li>• Households using electricity</li> <li>• Households that can afford buying machines, consumer goods</li> </ul>

Sector	General Impact	Impact Description	Comments	Major Stakeholders
			economic resources, so poor HHs access to electricity should be ensured	
Social life	More activities and evening time activities will be possible	<ul style="list-style-type: none"> <li>• Evening time activities like study groups, meetings may increase</li> </ul>	<ul style="list-style-type: none"> <li>• Access to information and knowledge potentially improve</li> </ul>	<ul style="list-style-type: none"> <li>• All inhabitants</li> </ul>



## **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 mountainous areas extra support for improving their livelihoods through new opportunities with electrification at the implementation of a micro hydropower project. This component will consist of:
  - (i) Providing awareness building on efficient use of electricity for living standards improvement and on using electricity in a productive way for income generation;
  - (ii) Supporting poor households' access to available micro credits for income improvement;
  - (iii) Providing borrowers with technical assistance and capacity building for utilizing the loans efficiently for improving their income generation.
4. An NGO will be contracted for implementing this component. Added to awareness and capacity building and technical assistance for productive use of electricity, the NGO will provide relevant capacity building for the Community Management Board (CMB) in implementing the Ethnic Minority Development Plan (EMDP) and support to the Province Project Management Unit (PPMU) in all relevant tasks, especially in implementing the Communication and Participation (C&P) activities. The NGO 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. Project support for efficient and productive use of electricity**

### **1. Awareness building of electricity utilization**

6. People have awareness neither of use of electricity nor of opportunities to improve production and income generation with electricity. The Project will therefore provide support for communities that will be electrified through micro hydropower development on safe and productive use of electricity. Households will be provided awareness building in how to use electricity in a safe and efficient way in order to avoid accidents and improve living standards.

Poor ethnic minority beneficiaries' awareness of the possibilities to utilize electricity in production and income generation activities related mainly to agriculture, forestry, livestock and fish breeding will be improved.

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

### **2. Project support to microcredit accessibility and its efficient utilization**

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

- (vi) Loan for poor students: Students from poverty households can borrow up to 800,000VND/month for vocational training or university studies for an interest rate of 0.5%.
  - (vii) Exporting labour abroad: Workers with a labour contract for working in a foreign country can borrow up to 30MVND with an interest rate of 0.65% for moving and establishment costs.
  - (viii) Gia Lai Social Policy Bank has since 2005 an additional programme that is being implemented in 15 provinces in Vietnam, providing loans for small and medium size enterprises. For being eligible for this loan the business has to own assets for guaranteeing the loan, and this loan is therefore hardly applicable for poor household businesses.
8. Mass organizations are the major channel for information of microcredit availability and procedures at village level. However, both human capacity and competence in the organizations is limited. Especially information dissemination to ethnic minority people and assisting them with the loan procedures in their own language and in a way that meets their low educational level is deficient. Ethnic minority people in general have much poorer access to credit than the majority Kinh, and they need a lot of support to be able to utilize the available opportunities. During the deployment of associations may need to work with village elders, chiefs to popularize information about the microcredit program.
  9. Poor households, especially ethnic minority ones in isolated communities, seldom have sufficient knowledge on how they could improve their income through a micro loan apart from investing in traditional activities using traditional methods. Currently SPB and mass organizations are organising some technical training for micro credit borrowers in activities like fish breeding and animal care through province and district Agricultural Extension Centres. According to Gia Lai SPB, the bank organizes training courses through the extension centre, based on the training needs its district support group is identifying among borrowers. However, the trainings organized by the extension centres are often very short, ½-1 day, and not based on any systematic training needs assessment among the very participants, neither content nor quality or efficiency of the training is evaluated, and the training is not followed up at any later date.

### **3. Outline for the capacity and technical support provided by the Project**

10. To encourage households to use electricity it needs specific support. Here are some recommendations to enhance the ability to use electricity for household the sub-project:
  - Need to have the media stage production of electricity use. Content specific communications needs, focusing on introducing models that can be applied at communes.
  - Need to have the support skills training, use of technical equipment, machinery and electricity used for production, processing, storage...
  - Should be regulated to encourage and support the formation into the production facilities, processing and trading (agriculture, forestry or other areas) in the locality. In the early years after the electrical connection, if any household electrical plans for production use should be supported (capital, information, experience, the preferential policies on taxes, fees and procedures, plane ...).

- Should have a consistent experience unit, the Women's support people to access sources of credit for production development (Social Policy Bank, Women's Union, Fatherland Front, Farmers ) and building models of technical support, use the power method reasonable credit, effective for income.

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

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

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

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

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

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

- viii. To provide capacity building and support to mass organizations in their facilitating role towards poor households in accessing micro credits;
  - ix. To provide District Agricultural extension centres with relevant capacity building according to training needs assessment in giving poor ethnic minority households technical support in production and income generation development activities.
14. The NGO chosen for the task is required to have wide experience in community development work among ethnic minorities and working with ethnic minority women, as well as knowledge in microcredit organization and procedures, experience and competence in supporting microcredit schemes, and in capacity building. The organization needs to have available staff with relevant experience and technical capacity in supporting various production and income generation activities, focused on ethnic minority settings in remote locations, staff with gender expertise, and with capacity for promoting anti-HIV and human trafficking program activities. The NGO needs to be familiar with the mass organizations and their work at different levels, be co-operative and establish a good working relationship with PPMU and CMB, CEM, Social Policy Bank, mass organizations, authorities at different levels and especially CPC at each sub project location.
15. The organization in consultation with CMB and local leaders, will prepare provide a proposal for the detailed implementation of all the activities in the sub project locations, including detailed activities, schedule and budget, based on the following preparatory tasks:
- (i) Investigate in cooperation with health authorities and any other relevant body or project the specific HIV and human trafficking situation and risk in sub project locations; propose a sub project specific implementation of the HIV and human trafficking prevention program of the Project.
  - (ii) Make a capacity and training needs assessment and propose needed and relevant capacity building support to CMB in each sub project location in facilitating community participation and implementation of the EMDP and when relevant, the Resettlement and Compensation Plan.
  - (iii) Propose needed and relevant awareness raising support to local households in sub project locations in using and utilizing electricity.
  - (iv) Investigate in each sub project location the microcredit information and support channels (mainly mass organizations), their capacity and organization for supporting poor and near-poor households' credit taking; based on this prepare a plan on how relevant measures for support and capacity building for these channels will be provided.
  - (v) Investigate if there are any ongoing projects or governmental initiatives at district and province level relevant for the Component; propose how project cooperation with these will be arranged.
  - (vi) Identify suitable optional activities for production and income generation improvement with electricity in each sub project location.
  - (vii) Define the funding needed for the identified income generation improvement for individual households and/or groups of households.
  - (viii) Propose how poor and near-poor households will be supported in choosing activities for loan taking that are sustainable and can be potentially more productive with electricity.

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

## **CONSULTATION AND PARTICIPATION STRATEGY FOR THE PROJECT IMPLEMENTATION**

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

1. According to ADB requirements, the borrower/client is required to involve the communities, groups, or persons who are expected to be affected by a proposed project through information disclosure, consultation and informed participation. The scope of this consultation and participation (C&P) should be in proportion to the expected risks and impacts on the affected communities.
2. If the project will potentially have impacts on ethnic minority people, the borrower/client has to undertake free, prior and informed consultation with affected people to obtain their broad community support of the project, and their informed participation in (a) designing, implementing, and monitoring measures to avoid adverse impact on them, or when avoidance is not feasible, to minimize, mitigate, and compensate for such effects; and in (b) tailoring project benefits that accrue to them in a culturally appropriate manner. Free, prior and informed consultation is an ongoing process and will be started as early as possible in the project cycle so that views of affected people can be taken into account in the project design.
3. C&P is a process through which stakeholders' influence and share control over development initiatives and the decisions and resources that affect them. Sufficient C&P is based on an understanding of 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 roles and responsibilities for conducting C&P
  4. Cost plan and budgeting for C&P implementation.

**C. Identification of different stakeholder groups**

7. During the detailed design phase of each sub project, a stakeholder analysis will be conducted in order to identify all the different stakeholder groups, initially define their vulnerability profiles, and estimate project impacts, both positive and negative, on each group of stakeholders. This analysis will ensure that all groups of people that are significantly affected by the project are included in the detailed C&P plan, and that the plan is designed to meet the needs and capacity of the major stakeholder groups. 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
    - 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.
19. 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.
20. All complaints as well as solutions provided will be recorded at different levels of their handling. Grievances will be taken up in the monitoring process and will be referred to the steering committee for their information. The grievance redress will be included as an agenda item of the steering committee for further follow up.

## **LEGAL AND POLICY FRAMEWORK ON ETHNIC MINORITIES IN VIET NAM**

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

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

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

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

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

2. Second policy group includes specific policies as follows:

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

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

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

(iv) Decision 07/2006/QD-TTg 01 on May 10, 2006 by the Prime Minister 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

## **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-projects.

## **APPENDICES**

- Appendix 1: Map over in the project area**
- Appendix 2: Social analysis and guidelines for: Gia Lai rural distribution power network rehabilitation and expansion subproject**
- Appendix 3: Promoting productive use of electricity in project communities**
- Appendix 4: Consultation and participation strategy for the project implementation**
- Appendix 5: Minutes of community consultation (as attached file)**