



Initial Poverty and Social Analysis

Project Number: 49026-004

November 2018

VIE: Climate Resilient Inclusive Infrastructure for Ethnic Minorities Project in the South Central Coastal Provinces

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 29 October 2018)

Currency unit	–	dong (D)
D1.00	=	\$0.000043
\$1.00	=	D23,353

ABBREVIATIONS

ADB	–	Asian Development Bank
ARVC	–	agriculture and rural value chain
CRIEM	–	Climate Resilient Inclusive Infrastructure for Ethnic Minorities Project
EMC	–	ethnic minority communities
O&M	–	operation and maintenance
RDWS	–	rural domestic water supply
SCCP	–	south central coastal provinces

NOTE

In this report, "\$" refers to United States dollars

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Viet Nam	Project Title:	Climate Resilient Inclusive Infrastructure for Ethnic minorities Project in the South Central Coastal Provinces
Lending/Financing Modality:	Multi-sector Project	Department/ Division:	Southeast Asia Department/Viet Nam Resident Mission

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Viet Nam poverty rate, measured by international standards (\$1.9/day), has decreased from 58% in 1993 to 7% in 2015. The overall Coastal region's poverty rate is higher than the national rate and is estimated at 9.8%. The region has potential for development in tourism, agriculture, forestry, aquaculture and fishing, and multi-sectoral industries with the commitment of private investors thru industrial zones. There is a potential for export industries due to the ports.

The project is aligned with Viet Nam's Socio-Economic Development Plan, 2016–2020 by (i) strengthening domestic markets linking production, processing, and distribution; (ii) improving the quality and competitiveness of local products; and (iii) utilizing existing and potential incentives through trade agreements. The project will improve the socio-economic conditions in the five SCCPs of Binh Dinh, Khanh Hoa, Phu Yen Quang Nam, and Quang Ngai. It will address major SCCP infrastructure needs focusing on the needs of rural ethnic minorities, by supporting climate resilient infrastructure such as roads, flood protection and irrigation to support access, connectivity and rural businesses. It will strengthen the SCCP capacity for professional management of infrastructure, and investment planning. The result will be expanded economic opportunities that will generate incomes of impoverished ethnic minority communities.

The project will contribute to achieving ADB's Country Partnership Strategy (2016–2020) objective of promoting inclusive and environmentally sustainable economic growth by targeting support to disadvantaged provinces, upgrading their capacity to deal with increasing climate risks and strengthening regional reform agendas.

B. Poverty Targeting

(TI-H) Geographic (TI-G).

The project will improve the living conditions and incomes in the SCCP by the increased movement of goods, vehicles, and people, and access to markets more widely in Viet Nam, the Greater Mekong Subregion, and via sea links. It will support increased production capacity and values of products/goods through improved: (i) road connectivity within the SCCP; (ii) market oriented rural production; (iii) productive rural infrastructure; and (iv) climate change adaptation through climate resilient infrastructure and flood protection measures.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. In 2015, poverty incidences of the five provinces range from 9.1%, 5.0%, 9.3%, 10.6% to 11% for Binh Dinh, Khanh Hoa, Phu Yen, Quang Nam and Quang Ngai respectively.¹ These Provinces have a combined average poverty rate of 9.1%. Poverty in the SCCP tends to be concentrated in rural communities populated with ethnic minorities in which average rates range from 47% in Binh Dinh to 71% in Phu Yen. The expected beneficiaries of the project are road users, and rural ethnic minorities dependent on agriculture and rural production; businesses dependent on roads; local enterprises and residents involved in the tourism industry and communities vulnerable to severe flood events.

The beneficiaries need improved roads to reduce travel effort, time and cost for people and goods; improved access to markets for agriculture and rural production; improved access to tourism sites for employment opportunities and incomes; and improved access to water supply and other productive infrastructure. Constraints to accessing the project's benefits include remote locations, limited skills and assets, as well as limited access to social services and employment. Other constraints to the development of ethnic minority communities will be identified during the TA. Ethnic minorities have limited access to market oriented rural production and employment.

2. Impact channels and expected systemic changes. Road connectivity improvements including to the tourism sites and main transport network, and service roads which are expected to improve the business development and economic conditions for the poor and socially excluded among the beneficiaries through: (i) higher profitability for ARVC due to lower time and cost of travel of people and goods and improved services, (ii) easier access to markets for high quality rural products, and (iii) improved incomes from tourism services. Improved RDWS will address basic needs of communities in the rural hinterland, particularly for sanitary living conditions. Improved irrigation and other productive rural infrastructure will help rural communities boost production and local value addition. The TA will design interventions to address known and potential constraints.

¹ Ministry of Planning and Investment. 2017. *Statistical Yearbook of Viet Nam 2016*. Ha Noi.

<p>3. Focus of (and resources allocated in) the TA.</p> <p>Gender impact assessment of proposed production infrastructure and road conditions connecting to high potential agriculture and rural areas, tourism sites, and employment and trading opportunities linked to improved connection.</p> <p>Social and poverty assessment of the local population (among them women and ethnic minorities are key groups), which are potential beneficiaries of the project investment components (road connectivity, ARVCs). This assessment should also include identifying detailed constraints to participation and benefit and mitigation measures.</p>
<p>II. GENDER AND DEVELOPMENT</p>
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?</p> <p>Key gender issues in the sector/subsectors that are likely relevant to this project include: (i) poor road networks which limit accessibility to agricultural areas, production facilities, and markets for rural products by local resident/users, among them are women, children and those of ethnic minorities; (ii) compromised living conditions and health outcomes from unreliable RDWS; (iii) limited women's participation and voice, benefit and economic empowerment in ARVC support; (iv) lack of opportunities for women's access to employment generated during and post-civil works infrastructure O&M; (v) potential risks from improved connectivity and investment (road safety, HIV/AIDS transmission, human trafficking, resettlement etc.) and mitigation measures; and (vi) low gender sensitization and gender mainstreaming capacity in planning and implementation of related government agencies.</p> <p>2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?</p> <p><input checked="" type="checkbox"/> Yes: A gender action plan will be prepared during project preparation based on gender assessment for each subproject to promote gender equity.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?</p> <p><input checked="" type="checkbox"/> Yes: The TA will identify potential adverse impact on women and/or girls, especially those from ethnic groups, if any, and design mitigation measures in gender action plan if such impacts are identified.</p> <p>4. Indicate the intended gender mainstreaming category: <input checked="" type="checkbox"/> Effective gender mainstreaming</p>
<p>III. PARTICIPATION AND EMPOWERMENT</p>
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</p> <p>The main stakeholders include the SCCP provincial people's committees, key sector bodies including Departments of Planning and Investment, Agriculture and Rural Development, Departments of Transport, Departments of Trade and Investment, Department of Culture, Sport and Tourism, and local communities/road users, and businesses involved in ARVC. Provincial and District People's committees and their relevant sectors and authorities will participate in the scoping of the project, during the design while local communities/farmers/road users with their representatives will participate in consultation to identify their needs, opportunities, constraints and project interventions to ensure their full participation, benefit and mitigation of negative impact (such as of resettlement).</p> <p>2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?</p> <p>The project will contribute to engaging and empowering stakeholders and beneficiaries, particularly the poor, vulnerable and excluded groups, especially ethnic minorities and women, through consulting, information sharing on project design and implementation. Participatory workshops will be conducted during initial project design to understand stakeholders (including those of the poor, vulnerable and excluded groups) expectations, needs, and constraints. Participation of the poor and excluded people's representatives in design would be on resettlement, road sections that facilitate access to national roads, main transport network for agricultural products, and tourist sites and on rural water supply and sanitation. Constraints to their participation and benefit from the project's components, including the one related to the agriculture and rural development and to rural domestic water supply.</p> <p>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?</p> <p>H<input checked="" type="checkbox"/> Information generation and sharing M<input checked="" type="checkbox"/> Consultation M<input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>Women Union is the key and active civil society organization in the project areas. Other non-government organizations active in the SCCP will be invited to collaborate with the TA team to support their members/beneficiaries to participate in project design during information sharing, and consultation.</p> <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? <input checked="" type="checkbox"/> Yes.</p> <p>The issues for which participation of the poor ethnic minorities are important include: Resettlement, assessment of</p>

accessibility and road connection for business development, and to the greater markets for agriculture and rural products and tourist sites; assessment on needs, expectation and constraints related to agro-business support (involved women and ethnic minorities in the value chains), and assessment of physical road safety measures identifying hot/risk spots that need safety measures such as road bumps, sign boards, etc.). Stakeholder workshops to discuss and consult the issues above will be organized during TA.
IV. SOCIAL SAFEGUARDS
A. Involuntary Resettlement Category <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes. Please explain and provide information on the extent of land and assets acquisition and the estimated number of affected persons. Also describe actions/measures to be conducted during due diligence to address involuntary resettlement.</p> <p>Rehabilitation/upgrading of existing road sections and installation of flood defenses may result in minor land acquisition and impact on some structures along the road. The potential road sections to be covered under the project will be assessed during the TA. A resettlement framework will be prepared to guide involuntary resettlement screening and resettlement plan preparation.</p> <p>2. What action plan is required to address involuntary resettlement as part of the TA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan (in case of confirmed involuntary resettlement impacts)</p>
B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input checked="" type="checkbox"/> No.</p> <p>The improved connectivity of the project areas to markets and services, and improvements to RDWS and productive rural infrastructure are expected to benefit the local population, including ethnic minorities. In addition, the project will potentially benefit the ethnic minority people with employment opportunities during and after civil work of the roads, O&M facility operation, and capacity building. Potential adverse impacts, if any, will be related to minor loss of land and structures that are owned or used by households belonging to ethnic minorities as a direct result of the road upgrading/rehabilitation. A due diligence review will be done during the TA to verify potential positive and negative impacts on ethnic minorities. Benefits accruing to ethnic minority communities as a result of the project will be captured through the Project Benefit Monitoring System and reported every quarter during project implementation.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input checked="" type="checkbox"/> No Please explain. The project interventions do not involve any commercial development of natural resources in ethnic minority communities and will not result in their displacement from their ancestral domain/traditional areas.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the TA or due diligence process? <input checked="" type="checkbox"/> Indigenous peoples plan (in case of confirmed impacts on specific ethnic minority communities)</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input checked="" type="checkbox"/> Increase in human trafficking</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? Further investigation on the risks will be conducted under the TA and if the risks are real, measures to address would be included in the project designs outcomes where relevant.</p>
VI. TA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. the terms of reference for the TA (or other due diligence) contain key information needed to be gathered during TA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the TA or due diligence? Social and gender specialists (national 4 person-months) to conduct poverty and social analysis, gender analysis and gender action plan, develop stakeholder consultation and participation plan and communication strategy, summary poverty reduction and social strategy during the TA or due diligence.</p>

ARVC = agriculture and rural value chain, O&M = operation and maintenance, RDWS = rural domestic water supply, SCCP = south central coastal provinces, TA = technical assistance.