



Initial Poverty and Social Analysis

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VIE: Floating Solar Energy Project

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Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Viet Nam"/>	Project Title:	<input type="text" value="Floating Solar Energy Project"/>
Lending/Financing Modality:	<input type="text" value="Project"/>	Department/ Division:	<input type="text" value="Private Sector Operations Department/ Private Sector Infrastructure Division 2"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project contributes to Viet Nam's Socioeconomic Development Strategy, 2011–2020 through the alignment of inclusive socialist-oriented economic growth with environmental protection and sustainable development. The project is consistent with the Asian Development Bank (ADB) Strategy 2030 operational priorities, especially in tackling climate change, building climate and disaster resilience, and enhancing environment sustainability. Through this focus on renewable energy, the project is also aligned with two of the three pillars of ADB's country partnership strategy for Viet Nam, 2016–2020: (i) increasing the inclusiveness of infrastructure and service delivery, and (ii) improving environmental sustainability and climate change response.

B. Poverty Targeting:

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

The project is a general intervention because it does not directly address poverty and only indirectly contributes to Viet Nam's poverty reduction goals by generally supporting the development strategy. Poverty incidence in Viet Nam has fallen rapidly since the early 1990s, though it continues to be significantly higher in the Northern Mountains, North Central Coast, and Central Highlands regions, where ethnic minorities tend to live. The project is located in the rural Tanh Linh and Ham Thuan Bac districts, about 220 kilometers northeast of Ho Chi Minh City in Binh Thuan Province in the South-Central Coast region. According to the environmental and social impact assessment (ESIA) commissioned by Da Mi - Ham Thuan - Da Nhim Hydro Power Joint Stock Company (DHD) for the project, poverty incidence is 5%–7% in the three communes in which the project is located, which is within the national average of 7% according to ADB statistics. Electricity connection rates are almost universal in Viet Nam and are 95%–98% in the three project area communes. Household income is derived primarily from agriculture livelihoods.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary beneficiaries of the project are the borrower (DHD), its employees and contractors, local governments, host local communities that will benefit during project construction and operation, and the wider grid-connected population, which will indirectly benefit from additional supply of electricity.

2. Impact channels and expected systemic changes. Because of the project's discreet footprint on the surface of an existing reservoir already managed by DHD, it presents limited new opportunities for poor and vulnerable groups to benefit directly from the project. During construction, the project will require 10–30 unskilled workers from the local area. The operations phase worker requirements are yet to be determined, though solar projects of this scale typically require only 5–10 unskilled employees, who could be sourced locally. The project will indirectly contribute to development and continued poverty reduction through the additional supply of electricity to the grid from a renewable source that will further enable the development of the South-Central Coast regional economy.

3. Focus of (and resources allocated in) the transaction TA or due diligence. The environmental and social due diligence report found that further effort was required to better understand poverty and social issues in the project area. DHD commissioned a separate independent consultant to undertake further socio-economic baseline data collection and design of impact mitigation and management measures. These will be described in the updated Initial Environmental and Social Examination (IESE).

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? The most relevant gender issue for the project is access to employment. DHD actively promotes equal opportunity in employment and operates in accordance with the Law on Gender Equality, 2006. DHD's human resources policy and procedures ensure equal opportunity rights for men and women in employment, promotion, and vocational training. Remuneration rates for personnel are based on qualifications and the roles they perform.

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? Yes No

ADB has asked DHD to develop strategies within its existing human resources policy framework to increase female participation within the DHD workforce. Solar power plant construction and operation projects offer few opportunities for gender mainstreaming, but planned growth in DHD's renewable energy business should offer new opportunities for bringing women employees into technical and management roles within the company. The socio-economic

baseline data analysis should also highlight opportunities for outreach activities that will promote women's empowerment in the project area.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The main stakeholders are local governments, host local communities impacted during project construction and operation, and the wider grid-connected population.

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? DHD has indicated its preference to collaborate with local government and non-government community development organizations already operating in the project area. There are two civil society organizations operating in the project area—World Vision and the Norwegian Agency for Development Cooperation. DHD will develop a Stakeholder Engagement Plan as part of the IESE prepared for ADB.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (L) Consultation (L) Collaboration Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No

DHD will develop impact mitigation and management plans as part of the IESE, which will include community development measures to strengthen the participation of CSOs, and poor and vulnerable people in the project area.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No DHD will install a 47.5 megawatt floating solar plant on 46.6 hectares of the surface of the reservoir used for its existing Da Mi hydropower project. DHD has formal land use rights to the bottom of the reservoir (i.e., inundated land) and recently acquired the right to use 6.8% of the total surface area for the project. About 6.65 hectares of land are required for non-floating project components. Land required for a new substation, two inverters, and construction laydown are within the buffer area of the reservoir on state-owned land. Forty-two households will be compensated by the government and DHD for tree height restrictions (4 meters) imposed on agricultural land required for a new 3.3 kilometer 110 kilovolt transmission line alignment. Eleven of these households will be compensated for loss of agricultural land for 11 tower pads along the alignment.

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No The project is located in La Ngau, Da Mi, and La Da communes in Binh Thuan Province. Binh Thuan is in the South-Central Coast region on the edge of the southern Central Highlands where the ethnic K'ho group reside, largely assimilated with other ethnic groups such as the dominant Kinh group. Due diligence will assess the presence of any distinct and vulnerable Indigenous Peoples groups in the project area and determine what, if any, impacts the project will have on them.

3. Will the project require broad community support of affected indigenous communities? Yes No While ethnic minority groups are resident in the region, the environmental and social due diligence has not identified the presence of a distinct and vulnerable group in the project area. Despite the absence of distinct groups, some ethnic minority households may be identified and will therefore be accounted for in community development measures.

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (L) <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? The project will provide limited new jobs during construction and operation. DHD will ensure that its engineering, procurement, and construction contractors manage employees and subcontractors in compliance with the core labor standards ratified in national labor law. Due diligence will assess risks associated with the spread of communicable disease due to the presence of construction workers, however the risk is expected to be negligible.</p>
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction 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?</p> <p><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 transaction TA or due diligence?</p> <p>DHD has commissioned two separate independent expert companies to undertake technical and environmental and social due diligence for ADB. The environmental and social due diligence has recommended that additional studies be undertaken and DHD has commissioned a third independent consultant to undertake this work and prepare an updated impact assessment. This report will include a thorough analysis of poverty, gender and participation elements and include measures to ensure the project is designed in accordance with ADB requirements.</p>

Sources: ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila; ADB. 2016. *Country Partnership Strategy: Viet Nam, 2016–2020—Fostering More Inclusive and Environmentally Sustainable Growth*. Manila; ADB. 2018. *Basic Statistics 2018*. Manila; Government of Viet Nam. *Socioeconomic Development Strategy, 2011–2020*. Ha Noi; Japan International Cooperation Agency. 2008. *Ex-post Evaluation Report for Ham Thuan - Da Mi Hydropower Project*. https://www2.jica.go.jp/en/evaluation/pdf/2008_VNV-3_4.pdf.