Enhancing Lives
A Case Study of an Income Restoration Program in Viet Nam
FOREWORD

In 2018 the Asian Development Bank (ADB) unveiled Strategy 2030, which charts a course for responding effectively to changing development needs in Asia and the Pacific. Under this corporate strategy, ADB continues efforts to eliminate extreme poverty while expanding its vision to achieve a prosperous, inclusive, resilient, and sustainable region. Strategy 2030 also emphasizes ADB’s goal to strengthen the knowledge services it provides to developing member countries.

This publication highlights key achievements and lessons learned from the implementation of the income restoration program of the Noi Bai–Lao Cai Highway Project in Viet Nam, which was developed to assist households affected by project-related land acquisition and resettlement.

One of the key challenges of involuntary resettlement implementation is developing efficient and effective income restoration programs. With Viet Nam currently overseeing multiple comprehensive income restoration programs for different projects, we hope this publication serves to help resettlement practitioners, development partners, and ADB staff—in Viet Nam and throughout the region—in reinforcing and better upholding social safeguards in projects, consistent with ADB’s key operational priority to strengthen governance and institutional capacity.

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PROJECT DESCRIPTION

Noi Bai–Lao Cai Highway Project is a link within the Kunming–Hai Phong transport corridor and is part of the cooperation program between six Greater Mekong Subregion countries. The Project was approved by ADB on 14 December 2007. The Viet Nam Expressway Corporation under the Ministry of Transport is the Project Executing Agency. The highway has a total length of 264 kilometers. It starts in Soc Son District, Ha Noi City, and crosses the provinces of Vinh Phuc, Phu Tho, Yen Bai, and Lao Cai before terminating at Bat Xat District, Lao Cai Province.

While the project acquired land and other assets of 25,156 affected households (AHs) with 110,061 affected persons (APs), highway operations are correlated with significant improvements in local socioeconomic activities. The exchange of agricultural products has become more efficient for approximately 900,000 farmers in the provinces along the highway. It has also been linked with the creation of around 300,000 non-agricultural jobs in industrial parks in Lao Cai, Yen Bai, Phu Tho and Vinh Phuc Provinces, and in tourism services in Sapa town in Lao Cai Province. Overall, approximately 1.2 million people have benefited from highway operation.

“The Income Restoration Program was effective, because it provided jobs for household members and generated sustainable income.”

—Chu Thi Hoa, 64–year old affected person involved in pig rearing under the IRP.

THE INCOME RESTORATION PROGRAM (IRP)

PLANNING AND IMPLEMENTATION PROCESS

• The IRP aimed, for the short term, to restore the income and stabilize livelihood activities of eligible affected households. The longer–term IRP objective was to help improve productivity of the IRP eligible households. This would be done by exploring ways to make the most efficient use of AHs’ remaining human and material assets and engaging them in new or supplementary activities that they were interested in.

• Severely affected households were eligible to participate in the IRP. These included households who lost 10% or more of their total productive land and/or assets as well as relocating households with affected income or livelihoods. Vulnerable affected households were also eligible. These included the poor, female-headed households with dependents, disabled household heads, children and elderly-headed households who are landless and with no other means of support, landless households, and ethnic minorities.
• In the early stages of project implementation, the IRP was developed based on a detailed needs assessment of eligible households carried out by trained members of the IRP District Management Boards, with support from IRP experts of the Project Supervision Contractor. The detailed needs assessment involved key informant interviews, focus group discussions, community and public meetings, and analysis of the needs, preferences and capacities of IRP households. Each household participated in three consultations. The first consultation focused on the skills, resources, needs, or priorities of the households after land acquisition, and the income restoration activity of interest to the household. The second consultation explored the likely economic benefits of the income restoration measures that the households registered for. The third consultation involved discussions on how to properly implement the chosen income restoration activity.

• A detailed local market analysis was carried out, along with an inventory of existing and planned local development and livelihood opportunities such as poverty alleviation programs, animal rearing programs, and occupational training programs that could be integrated with the Project IRP.

• While preparing the inventory of ongoing and planned development and livelihood opportunities, the interest and capacity of various service providers and program managers to partner with the Project IRP was assessed.

• Based on the needs assessment, suitable agricultural and non-agricultural income restoration activities were identified.
Specific material, training, and other in-kind support levels were developed for each IRP activity, along with corresponding contributions of participating households. For example, for fish farming, household contributions included labor for pond preparation and provision of cassava pulp as fish food.

Support levels varied depending on the type and degree of loss, and the vulnerability of the AH. Higher levels of support were provided to AHs with greater levels of impact and/or those who were more vulnerable.

Support levels were developed based on what the AH needed to regenerate income lost due to the project, taking into consideration their baseline socioeconomic conditions.

The IRP was carried out in 2010–2014 in two phases: a demonstration phase and a full implementation phase. During the demonstration phase, all identified income restoration activities were tested to select the most suitable activities for full implementation by the participating households.

“The IRP helped me to have a better life, and also helped me overcome previous difficulties. I had no job before participating in the IRP; now I have a livelihood and better income.”

—Nguyen Thi Hang, 36-year old affected person supporting her family through the chicken rearing IRP activity.
THE OUTCOME

- A total of 12,548 eligible households participated in the IRP, of which 7,026 households were severely affected and 5,522 were vulnerable.

- In-kind contributions such as breeding facilities and animal feed (for livestock-rearing activities) ranged from 17% to 70% of the total cost of each IRP activity and helped build participating households’ ownership of their activity.

- The IRP District Management Board conducted a survey 1 year after the start of IRP implementation. The board found that 90.07% of participating households had income generated through the IRP and 64.8% had been expanding IRP activities they assessed as effective in developing their households’ livelihood.

- After IRP participation, household income increased by an average of VND1.4 Million a month.

- Households that successfully implemented their IRP activity often switched their main source of income to the IRP activity.

- Lao Cai Province adopted the IRP approach for planning and implementing provincially funded poverty reduction programs in rural areas.

“Other IRP households should join as many trainings as possible because it increases knowledge. I already gained experience from implementing the IRP but I still want to learn more”.

—Dinh Van Truyen, 45 year–old affected person who selected chicken–rearing as their household’s IRP activity.
LESSONS LEARNED

• An effective IRP provides AHs with new skills to supplement their current income sources and build on their remaining resources after land acquisition.

• A responsive IRP is developed from a highly participative process with a minimum of three household-level consultations during the detailed needs assessment stage, and should be built around the household’s needs, preferences, skills, and capacities.

• Commitment, interest, and ownership of AHs is a key ingredient for success. All efforts must be made from the early stages of IRP development to identify activities that IRP households are interested in and for which they can access tools such as the internet to proactively build on the skills learned from IRP service providers.

• It is important to understand the development context of the area when planning the IRP. For example, local authorities may not support implementation of an agricultural IRP activity in an urbanizing area.

“Without follow up from IRPMB’s technical experts, we would have made mistakes in detecting diseases and wasted money on medication.”

—Ha Van Chau, 55-year old affected person from the Muong ethnic group whose main source of income switched to chicken-rearing after the IRP.

• The IRP should be planned and prepared with the active participation of provincial and district people’s committees and concerned departments, agencies, and communes. This promotes local ownership over the IRP, which then facilitates integration of the IRP with existing and planned local development programs and services.

• During IRP planning, it is important to carry out market studies, including an assessment of the availability and capacity of local suppliers to provide trainings and material inputs needed to implement the proposed activities.

• Participating households appreciate frequent visits from IRP District Management Board technical staff who follow up on the progress of income restoration activities and provide timely advice and support. During IRP implementation, in line with the IRP Implementation Manual, IRP District Management Board technical staff carried out monitoring trips once a week.

• Project IRPs should also establish a clear communication mechanism between the IRP District Management Board and participating households so that the households can reach out anytime they need IRP support and advice.

• It is important to select highly qualified and effective facilitators for the training component of the IRP, which was identified by many participating households as a key element in the success of their selected IRP activity.
Nguyen Thi Hoan, 61–year old affected person who has diversified his household’s income sources from purely rice growing to paddy agriculture and cow–rearing.

“...We greatly appreciated the trainings provided by the IRP. Even if we stop the IRP activity now, we can return to it in the future. We gained two things from the IRP—knowledge and income.”

—Nguyen Thi Hoan, 61–year old affected person who has diversified his household’s income sources from purely rice growing to paddy agriculture and cow–rearing.

- Slow liquidation of IRP budget has been shown to negatively affect requests for advances and replenishment of funds for the IRP; thus, also slowing down implementation progress. To avoid this situation, training on budget liquidation should be organized for the IRP District Management Boards before IRP implementation.
- Combining the IRP with existing socioeconomic development programs helped maximize available resources and led to more sustainable outcomes.

Nguyen Van Hoa’s neighbors now approach him for advice on how to successfully raise pigeons.

Notes:
In this publication, “VND” refers to Vietnamese Dong.
All photos by ADB.
On the cover: Nguyen Thi Hoan feeds the cow she received from the income restoration program.