

# Ba Ria Vietnam

## Wastewater Collection and Treatment Project

Poverty Impact Assessment (Annex 5)

7 June 2006



## Contents

1	Introduction.....	1
2	Methodology.....	1
3	Ex-ante Poverty Impact Assessment.....	3
3.1	Present Poverty Situation.....	3
3.2	Identification of Transmission Channels and Outcomes.....	7
3.3	Analysis of Population Groups and their Poverty Escaping Capabilities.....	10
3.4	Impact Assessment regarding MDG and Strategic Goals.....	14
3.5	Summary Assessment and Recommendations.....	16
4	Evaluation of the Methodology.....	17
5	References.....	21



## 1 Introduction

The Organization for Economic Co-operation and Development (OECD) together with other developing agencies propose a methodology allowing for a simple and harmonized assessment of the impacts of projects, programs and policies on poverty and the comparison of these impacts with the poverty reduction targets as set in international and national strategies (e.g. Millennium Development Goals, national poverty reduction strategies). The proposed methodology is called Ex-ante Poverty Impact Assessment (PIA) and should also help to identify interventions with a high poverty reduction potential and to improve the design of poverty alleviation interventions.

The ex-ante PIA is intended to become an integral part of every project appraisal. Its methodology represents a multi-dimensional approach to poverty, which is guided by the principle that it is more important to be roughly right than precisely wrong as regards to the potential impacts of interventions on the well-being of people. It is thus flexible and does not prescribe the level of detail that is required for a specific poverty assessment. An ex-ante PIA may thus be a relatively short exercise taking one to two days based on readily available information, or a longer more detailed assessment requiring greater consultation and research.

The aim of this report is to test in the form of a pilot exercise whether the proposed methodology is suitable for assessing the poverty impact of infrastructure projects, e.g. the Ba Ria Wastewater Collection and Treatment Project.

## 2 Methodology

The proposed methodology is described in detail in [3] and briefly summarized below.

The PIA methodology sets out a structured presentation of relevant information and identifies information gaps by providing an overview using three matrices. By providing semi-quantitative information, these matrices help analysts and decision makers to quickly identify key aspects and risks with respect to pro-poor impacts of the proposed intervention.

**Matrix 1** gives an overview on the links between the project interventions and the outcomes for the target groups, by means of six Transmission Channels (prices, employment, transfers, access, authority, assets).

**Matrix 2** summarizes the impact of the intervention on the different target groups as regard to their poverty avoiding or escaping capabilities. The OECD/DAC capabilities framework distinguishes five capabilities required to avoid or escape from poverty: Economic capability to have and use assets to pursue sustainable livelihoods, human capability (health, education etc.) to engage effectively in society, political capability to have a voice to influence political issues, socio-cultural capability to be included and participate as a valued member within social and cultural relationships and activities, and finally protective capability to lessen vulnerability and to withstand economic shocks.

**Matrix 3** summarizes the impact of the intervention as regards to the achievement of the United Nation's Millennium Development Goals (MDGs) and other relevant strategic goals (e.g. the goals of the national poverty reduction strategy)

The main outputs and benefits of a PIA can be summarized as follows:

- i) Estimated qualitative and/or quantitative outcomes for the target population taking into account the multi-dimensionality of poverty and an assessment of the intervention's broader implications for a range of stakeholders
- ii) An estimation of the potential impact on the MDGs and on the achievement of the goals of the national poverty reduction strategy
- iii) An understanding of the importance and inter-relationship of individual transmission channels through which changes are transmitted to the stakeholders.
- iv) An assessment of key assumptions and identification of potential risks; at the same time an assessment of the reliability of data/information used in the exercise and identification of key knowledge gaps.
- v) Recommendations for decision makers on how the intervention might be improved to increase the pro-poor impact; on appropriate monitoring procedures and whether or not to support the intervention.
- vi) A framework for monitoring impact hypotheses during implementation and as an input for ex-post evaluation exercises.

### 3 Ex-ante Poverty Impact Assessment

#### 3.1 Present Poverty Situation

Parallel to the ongoing and successful transition from a centrally planned economy to a social market economy, Vietnam's human development is increasing country-wide and the poverty rate is declining. According to [1] the poverty rate fell from 53 % in 1993 to 37 % in 1998 and to about 25 % in 2005.

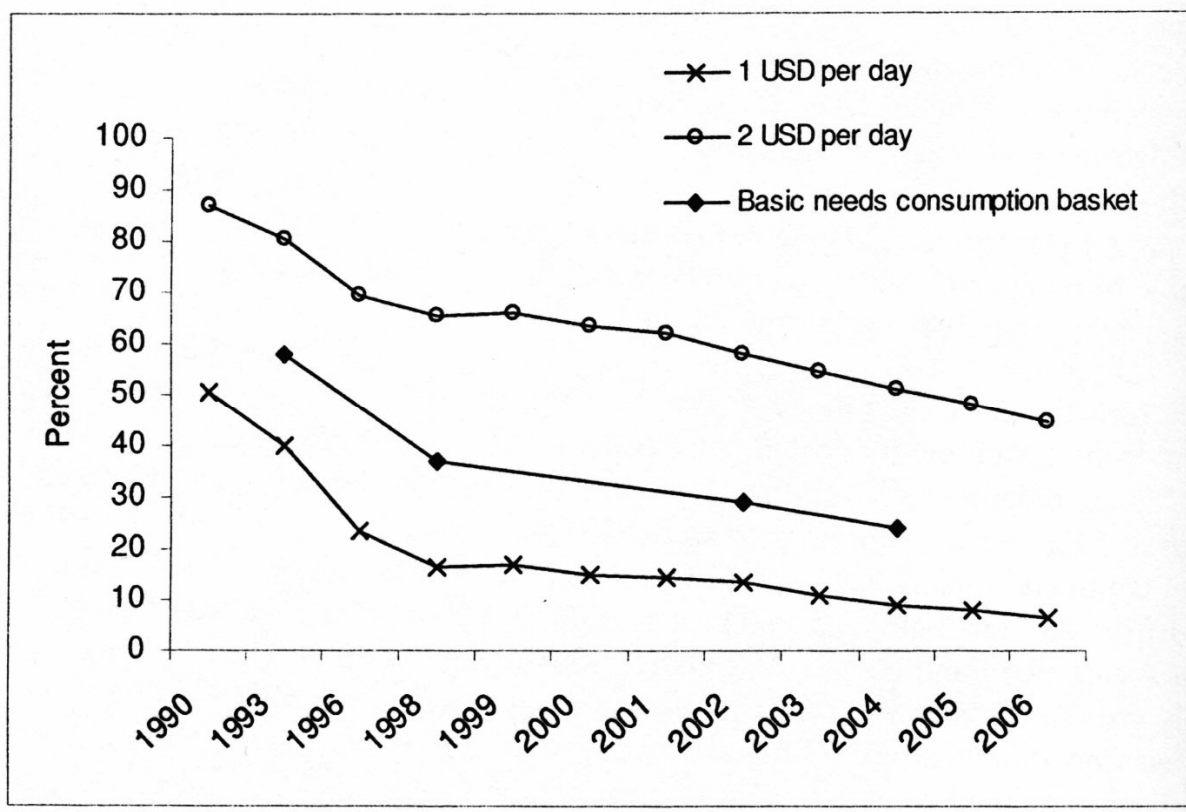


Figure 1: Percent of Vietnam's population below the poverty line (source: GSO and World Bank estimates)

The generally optimistic development does however not imply that all population groups equally profit from a decreasing poverty. In this context, ethnic minorities, highly vulnerable people living just above the poverty line, rural households affected or exposed to natural disasters, rural-urban migrants etc. are of special concern and their situation should possibly be assessed separately. However, specific information on different groups of poor people is not yet collected systematically.

### 3.1.1 National Poverty Reduction Strategy

Vietnam's national poverty reduction strategy [1] is based on the internationally accepted MDGs [4], which should be achieved by 2015 and with regard to the present project can be summarized as follows:

- MDG1: Eradicate extreme poverty and hunger
- MDG2: Achieve universal primary education
- MDG3: Promote gender equality and empower women
- MDG4: Reduce child mortality
- MDG5: Improve maternal health
- MDG6: Combat HIV/AIDS, malaria and other diseases
  - Halt and begin to reverse the incidence of malaria and other major diseases
- MDG7: Ensure environmental sustainability
  - Integrate principles of sustainable development into country policies
  - Reverse loss of environmental resources
  - Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation
  - Achieve significant improvement in lives of slum dwellers
- MDG8: Develop a global partnership for development
  - Promote good governance
  - Address the least developed countries' special needs
  - provide a more generous official development assistance

On the basis and in addition to the MDGs, Vietnam has committed itself in its Five-Year Socio-Economic Development Plan 2006 – 2010 [2] to achieve by 2010 the following project related poverty reduction and social development targets:

- Ensure vital infrastructure works (e.g. domestic water supply, hygienic latrines) for poor people, poor communities and communes.
- Generate jobs, e.g. reduce the proportion of unemployed in urban areas to below 5 % of the total number of people in the working age.
- Push up administrative reforms, e.g. perfect reform strategies related to the public sector, jurisdiction and financial management to better support the poor.

### **3.1.2 Target Population**

According to the proposed methodology, the target population represents the group of people, the condition of which should be improved by the project. Within the target population, particular attention should be given to poor and vulnerable groups of people, who are part of the target population.

The target population of the Ba Ria Wastewater Collection and Treatment Project consists of the about 100'000 people that shall live in the project area by 2010. As a matter of fact, the target population is not homogenous but consists of several sub-population groups, e.g. urban people living and working in the central part of the town, peri-urban population in the outskirts of Ba Ria generating part of their income from agricultural activities etc. As Ba Ria is a relatively wealthy area, the number of extremely poor people is relatively small. Indeed, according to the information from the Women's Union, hunger does generally not represent a problem in Ba Ria.

The approximately 15 poor families presently living on the site of the planned WWTP represent a population group of special concern. These people shall be relocated during project implementation. As most of these families presently live in poor illegal constructions and because the foreseen compensation payments from the local project budget are expected to be relatively high, it is most likely that the living conditions of these people will improve. This is particularly true because their housing status will be legalized.

The farmers and the people getting their income from aquaculturing represent two other sub-population groups, which shall profit from the increased surface water quality in the project area. Indeed, the use of less polluted surface water for irrigation and aquacultures shall increase the quality of the corresponding produces and probably also increase the production yields.

Finally, the present and future staff of the Ba Ria – Vung Tau Urban Sewerage and Drainage Company is also a population group directly benefiting from the project, e.g. from increasing employment and salaries.

The women living in the project area could be defined as a specific target population. This was however not done, because the differences of the project's impact on women and men are not considered as very significant. The involvement of the Women's Union in the project will certainly have a positive effect on gender equality (see Matrix 3).

### **3.1.3 Poverty in the Project Area**

Poverty is normally defined in terms of income. The nature of poverty is however multi-dimensional and can be characterized e.g. by a lack of opportunities, lack of capacity, social exclusion, ethnic and/or gender discrimination, lack of good governance, vulnerability.

### **Main Aspects of Poverty**

From our discussion with the head of the Women's Union as well as from the visits of a poor neighborhood and the poor people presently living near the planned WWTP our picture of the poverty in the project area can be summarized as follows:

- Extreme poverty and hunger does not seem to be significant.
- Most of the poor people seem to have access to the urban public water supply, however the poor living in the outskirts of the town, e.g. the 15 families living on the site of the planned WWTP, are often not connected to the water supply system and thus depend on polluted surface water or shallow groundwater as drinking water resource.
- The poor generally do not have access to land for housing and gardening. They thus mainly live in poor illegal constructions making them vulnerable to the often harsh weather conditions (e.g. tropical rain storms) and also to administrative sanctions (e.g. relocations). As they often do not have a piece of land where they can grow vegetables, fruits etc., they generally need to buy their food at the market.
- The housing and living conditions in the poor neighborhoods are often precarious and characterized by large families living on very limited space, the absence of proper sanitary installations, pollution from waste and wastewater in open channels, frequent flooding during the rainy season etc.
- Frequent health problems (e.g. waterborne diseases, respiratory diseases, limited cases of malaria) but no access to medical infrastructure.
- No access to higher school education (if at all, children of poor families can only finish five years of primary school where they learn to read and write).

### 3.2 Identification of Transmission Channels and Outcomes

As mentioned above, the PIA methodology focuses on the multi-dimensional aspect of poverty and thus proposes the assessment of different transmission channels, through which changes are transmitted to the target group and the condition of the poor shall be improved.

#### 3.2.1 Transmission Channels and Outcomes

The following matrix summarizes the transmission channels, through which the project shall reach its poverty alleviation targets.

Transmission Channels	Used Channels	Results / Outcomes			Information sources
	Details and risks that may influence the effectiveness of this channel	Short term	Medium term	Details and risks that the results will not be achieved	
Prices	T1	-	+ / -	D1.1, D1.5	S1, S2
Employment	T2, T3	+	+	D1.2	S1, S2
Transfers	T4	+	+	D1.3	S1, S2
Access	T5	+	++	D1.4	S1, S2
Authority	T6	+ / -	+	D1.5	S1, S2
Assets	T7, T8	+	+	D1.6, D1.7	S1, S2

Matrix 1: Transmission channels and outcomes, for further details see following tables  
(++ very positive, + positive, +/- not significant, - negative, -- very negative)

Detail of Transmission Channel used by the intervention and potential risks that may affect the ability to use that channel and its effectiveness		Significance of risks	Quality of information
T1	Tariff increase: Although considered as affordable for the average household, the increased tariffs may not be affordable for the poor. A progressive tariff system with low rates for the vital base consumption and higher tariffs for high consumption shall be implemented (people consuming a lot of water "subsidize" the low base rate for people only using the vital minimum). In addition to this the poorest population group could also be exempted from the payment of water tariffs.	mod	mod

T2	The project will lead to the creation for new job opportunities during planning, implementation and operation. It will be important to also engage poor people, e.g. for less qualified works (e.g. sludge disposal).	lo	mod
T3	The resettlement of the 15 poor families will most probably lead to a temporary loss of job opportunities for relocated people. Some of these people could probably be engaged for the project (see T2)	hi	mod
T4	The revolving fund for financing the house connections can be understood as a transfer (transfer of funds to the target population including the poor to facilitate access to the sewage system).	mod	mod
T5	Access to sewage services: the whole target population, including the poor, shall at mid- to long-term be connected to the sewage system. The house connections works shall be facilitated by soft loans from the revolving fund. The revolving fund shall be managed in a way that the house connection is affordable for the poor (e.g. interest payments used to finance grants for the poor). To reduce the connection costs and increase the affordability, the construction of septic tanks should be omitted. To achieve high sewage coverage within time, the house connection works need to be planned, managed and supervised closely.	mod	mod
T6	The project's success will depend on the customer's willingness to pay the sewage tariffs. Efforts to improve the customers' awareness must therefore be undertaken. The customer awareness campaigns foreseen under the project's TA component can be understood as an "authority transfer channel". It will be important to also reach the poor with these campaigns, e.g. to limit their water consumption to an affordable level.	mod	mod
T7	Housing assets: The 15 poor families to be relocated will get legal houses or apartments. Their living status will be legalized making them less vulnerable, e.g. to administrative sanctions. The risk of decreasing living standard is rather low.	lo	mod
T8	Land and natural resources are the most important livelihood assets for poor people, particularly in rural and peri-urban areas. The poorer the people, the more likely they are to derive their livelihoods from a diverse set of activities and to rely on diverse set of natural resources. The project leads to an improvement of the natural resources and thus to an improvement of the poor peoples livelihood (e.g. they can drink groundwater from shallow wells, they can get more healthy fish from the river).	mod	mod

*Matrix 1.1: Details on transmission channels (lo = low risk / quality of information, mod = moderate risk / quality, hi = high risk / quality)*

<b>Details of Output/Outcome/Impact by each Transmission Channel Category and Potential Risks they will not eventuate; plus any mitigation measures to address negative results for Target Groups and Other Poor</b>		<b>Significance</b>	<b>Quality Info.</b>
D1.1	To allow for cost recovery the tariff increases must be implemented without delay. To avoid "tariff shocks" and a corresponding decrease of the willingness to pay, the tariff increase must be implemented stepwise over the project implementation period. Exemption of the poorest population from water tariff payment could reduce the other customer's willingness to pay. Tariff exemptions should therefore be avoided or applied only very restrictively.	hi	mod
D1.2	To avoid an overstaffing situation at the wastewater utility and high personnel costs the number of new staff shall be limited. The poor people may not be qualified, even for the less qualified work. Special recruiting policy could be discussed.	hi	mod
D1.3	The provision of grants from the revolving fund to finance the house connections of the poor only works, if sufficient income from interest payments from the non-poor target population can be generated.	mod	mod
D1.4	The Women's Union is not capable to properly manage the revolving fund. Fund management and house connection works shall therefore be closely supervised by the General Contractor and/or the consultant for TA	mod	mod
D1.5	There is a risk that the customer awareness campaigns do not reach the target population, particularly the poor and that the willingness to pay will be insufficient. The planning and implementation of the campaign must therefore be supervised closely.	mod	mod
D1.6	If the compensation to the relocated poor families is not sufficient or if the relocation is not planned and implemented carefully, the living standard of the relocated people could decrease. The elaboration of the relocation plan and its implementation must be closely supervised, e.g. by the consultant for TA.	lo	mod
D1.7	If other polluters, e.g. the industries, continue to pollute the surface waters, the poor will not profit from improved natural resources. Project management shall thus emphasize on the strict enforcement of the regulatory framework and the implementation of a monitoring concept.	hi	mod

*Matrix 1.2: Details on expected results, corresponding risks and mitigation measures (lo = low risk / quality of information, mod = moderate risk / quality, hi = high risk / quality)*

<b>Sources of Information</b>		<b>Quality Info.</b>
S1	Data from interviews during appraisal mission	mod
S2	Data from studies, papers, project documents, official data	mod

*Matrix 1.3: Details on sources and quality of baseline information, (lo = low quality, mod = moderate, hi = high)*

### **3.3 Analysis of Population Groups and their Poverty Escaping Capabilities**

Based on the definition of the target population and the relevant sub-population groups, the project's impact on the different target or stakeholder groups are discussed in this section. According to the PIA methodology, the outcomes are rated with regards to poverty escaping capabilities as briefly described in Section 2.

### 3.3.1 Outcomes by Selected Population Groups

	Outcomes in terms of capabilities										Details & risks and mitigation measures (see Matrix 2.1)	Information source (see Matrix 1.3)	
	Economic		Human		Political		Socio-cultural		Protective				
	short-term	mid-term	short-term	mid-term	short-term	mid-term	short-term	mid-term	short-term	mid-term			
<b>Stakeholder Groups</b>													
<b>Target population</b>	-	+	+	+	+/-	+	+/-	+	+/-	+/-	+/-	D2.1	S1, S2
<b>Poor</b>	-	+	+	++	+/-	+	+/-	+	+/-	+	+/-	D2.2	S1, S2
<b>Relocated people</b>	-	+	+	++	+/-	+	+	+	+	+	+	D2.3	S1, S2
<b>Employed staff</b>	+	+	+	+	+	+	+/-	+	+	+	+	D2.4	S1, S2
<b>(Shrimp)-farmers</b>	+/-	+	+	++	+/-	+/-	+/-	+	+/-	+/-	+	D2.5	S1, S2

Matrix 2: Outcomes by selected stakeholder groups (++ very positive, + positive, +/- not significant, - negative, -- very negative)

Details of Output/Outcome/Impact by Capabilities and Stakeholders and Potential Risks they will not eventuate; plus any mitigation measures to address negative results for Target Groups and Other Poor	Significance	Quality of information
<p>D2.1 <b>Economic:</b> Due to the necessary significant tariff increases a slightly negative economic impact must be expected at short-term for the target population as a whole (mitigation measure: assure affordability of tariffs, step-wise increase of the tariffs). At mid-term the improved sewage infrastructure should however help to strengthen the economic development of Ba Ria and to increase the living standard in the project area.</p> <p><b>Human:</b> Particularly at mid- to long-term, the project will significantly improve the environmental and hygienic conditions in the project area. It will thus have a positive impact on the people's health, allowing them to make better use of their human potential.</p> <p><b>Political:</b> The foreseen awareness campaigns shall lead to a better information of the target population, helping them to have a stronger voice and to influence water policy in the area.</p> <p><b>Socio-cultural:</b> No significant impacts / risks are expected</p> <p><b>Protective:</b> No significant impacts / risks are expected</p>	mod	mod
<p>D2.2 <b>Economic:</b> Under the condition that a progressive tariff schedule with limited costs for the vital base water consumption / wastewater production and free of charge house connections for the poor will be implemented, the project's impact on the poor's economic capabilities should be similar to the one of the whole target population.</p> <p><b>Human:</b> As a part of the poor will still depend on surface water or shallow groundwater as drinking water resource, the expected improvement of the surface water quality will be particularly beneficial for the poor and ameliorate their health condition and working capability.</p> <p><b>Political:</b> If the foreseen awareness campaigns will also reach the poor, they could also benefit from being better informed and less marginalised. The poor could for example also take part in water user associations.</p> <p><b>Socio-cultural:</b> The involvement of the poor into the project (e.g. during house connection works managed by the Women's Union and the awareness raising by NGOs) the socio-cultural integration of the poor shall be improved.</p> <p><b>Protective:</b> The legal connection of the poor to the sewage system will make them less vulnerable. On the other hand, if the poor will not (be capable to) pay for the water services, they could be sanctioned by the utility / authorities.</p>	hi	mod

D2.3	<p><b>Economic:</b> In addition to the poor which are not relocated, the poor families to be relocated will probably lose temporarily/partly their income opportunities, which are closely linked to the neighbourhood they live in. A negative impact on their economic capabilities, should be compensated as part of the relocation, e.g. by engaging family members in the project.</p> <p><b>Human:</b> As the relocated people will be connected to the water supply and the sewage systems their sanitary condition, health and working capability will significantly improve.</p> <p><b>Political:</b> see D2</p> <p><b>Socio-cultural:</b> The involvement of the relocated into the project (e.g. during the elaboration and implementation of the relocation plan) their socio-cultural integration shall be improved.</p> <p><b>Protective:</b> In addition to the impacts as described in D2, the relocated people will benefit from the legalization of their housing status and thus make them less marginalized and vulnerable to administrative sanctions.</p>	hi	mod
D2.4	<p><b>Economic:</b> The staff employed during project planning, implementation and operation will within short-term improve their economic capabilities (e.g. due to increasing salaries and relatively stable job conditions).</p> <p><b>Human:</b> As most of the staff to be employed under the project do not belong to the category of poor people and thus already have relatively good human capabilities, the additional benefit of the project is less pronounced for this category of people.</p> <p><b>Political:</b> As the employed staff is directly involved in the project, it can participate in decision taking and thus gains an increasing "political" weight.</p> <p><b>Socio-cultural:</b> No significant impacts / risks are expected.</p> <p><b>Protective:</b> Due to the relatively high salaries paid under the project and the rather safe working conditions, the employed staff is less vulnerable and more resistant to withstand economic shocks.</p>	hi	mod
D2.5	<p><b>Economic:</b> At mid- to long-term, the farmers and people working in aquaculturing shall profit from the better quality of the surface waters used for irrigation and aquacultures, e.g. by means of increased income from better quality produces and higher production yields) and under the condition that industrial pollution is also reduced.</p> <p><b>Human:</b> The better quality of the surface waters shall also influence positively the health of the farmers and workers in aquacultures.</p> <p><b>Political:</b> No significant impacts / risks are expected.</p> <p><b>Socio-cultural:</b> No significant impacts / risks are expected.</p> <p><b>Protective:</b> With an increasing surface water quality, the losses of aquaculture breeds due to toxic effects shall be reduced reducing the vulnerability of the people working in this sector.</p>	lo	mod

*Matrix 2.1: Details on expected results, corresponding risks and mitigation measures (lo = low impact / risk / quality of information, mod = moderate impact / risk / quality, hi = high impact / risk / quality)*

### 3.4 Impact Assessment regarding MDG and Strategic Goals

In this section, the projects impacts as regards to the overall poverty reduction objectives, as listed in Section 3.1.1, will be summarized. As the project and its positive impacts regarding poverty reduction are mainly limited to the project area, overall national impacts are expected to be limited.

#### 3.4.1 Impacts regarding MDGs and other Strategic Goals

Strategic Development Goals	Impacts	Details & Risks	Information Sources
<b>MDG1: Eradicate extreme poverty and hunger</b>	+ / -		S1, S2
<b>MDG2: Achieve universal primary education</b>	+ / -		S1, S2
<b>MDG3: Promote gender equality, empower women</b>	+	D3.1	S1, S2
<b>MDG4: Reduce child mortality</b>	+	D3.2	S1, S2
<b>MDG5: Improve maternal health</b>	+	D3.2	S1, S2
<b>MDG6: Combat HIV/AIDS, malaria, other diseases</b>	+	D3.3	S1, S2
<b>MDG7: Ensure environmental sustainability</b>	++	D3.4	S1, S2
<b>MDG8: Develop global partnership for development</b>	++	D3.5	S1, S2
<b>Ensure vital infrastructure works*</b>	++	D3.6	S1, S2
<b>Generate jobs*</b>	+	D3.7	S1, S2
<b>Push up administrative reforms*</b>	+	D3.8	S1, S2

Matrix 3: *Aggregated impacts in terms of MDGs and other strategic goals, e.g. the goals from the national poverty reduction strategy [1], which are related to the project and marked with (\*), (++ very positive, + positive, +/- not significant, - negative, -- very negative)*

<b>Details of Output/Outcome/Impact by MDG++ and Potential Risks they will not eventuate; plus any mitigation measures to address negative results for Target Groups and Other Poor</b>		<b>Significance national level</b>	<b>Quality Info.</b>
D3.1	By assigning the Women's Union as the responsible organization for the management of the revolving fund for house connections, the women in the project area and in the province are empowered. To assure successful implementation of the revolving fund the Women's Union needs to be assisted by the project.	lo	mod
D3.2	The expected improvement of the environmental conditions, e.g. the replacement of open sewage channels, will certainly have a positive impact on child health and mortality, e.g. in poor neighbourhoods where sanitary conditions are often precarious.	lo	mod
D3.3	The project shall help to reduce waterborne diseases (e.g. Enterocolitis, Hepatitis, Salmonellosis). As the project is not known as an area with malaria epidemics, the corresponding benefit is limited.	lo	mod
D3.4	If the project is properly planned and implemented it shall have a direct positive impact on the environmental sustainability and thus on poverty reduction. It e.g. promotes good governance, reverses the loss of environmental resources (surface and groundwater) and improves the living condition in the poor neighbourhoods.	mod	mod
D3.5	The joint implementation of the project by local and Swiss counterparts represents a significant contribution for establishing a global partnership for development and does e.g. promote good governance and address Vietnam's specific needs. The conditions for the foreseen mixed financing by Switzerland are considered as fair with regard to Vietnam's financial possibilities.	mod	mod
D3.6	Even though Ba Ria is located within a relatively wealthy region, the project is in line with the national strategy aiming at the improvement of vital infrastructures (e.g. domestic water supply, hygienic sanitation) particularly in poor areas. Indeed, the poor people in the project area are part of the target population and shall thus also benefit from the enhanced infrastructure.	mod	mod
D3.7	With regard to the national and provincial level, the project's direct job creation potential is limited. It is however expected that the improved infrastructure shall promote the region's further economic development and thus indirectly create additional employment.	low	mod
D3.8	The project represents an excellent opportunity to enforce and improve the regulatory framework	mod	mod

*Matrix 3.1: Details on expected results, corresponding risks and mitigation measures (lo = low impact / risk / quality of information, mod = moderate impact / risk / quality, hi = high impact / risk / quality)*

### **3.5 Summary Assessment and Recommendations**

As can be seen from the above assessment, a clear positive effect can be expected for the project's target population. As the poor living in the project area are part of the target population and because their specific needs shall be further assessed and addressed during project planning and implementation, the project shall also contribute substantially to the improvement of the poor's living conditions.

## 4 Evaluation of the Methodology

**seco** has volunteered to test the proposed “ex-ante PIA” methodology in order to learn more about the strengths and weaknesses of the approach. **seco** has thus mandated Ernst Basler + Partners Ltd. (EBP) to apply the methodology in the frame of the Ba Ria Wastewater Collection and Treatment Project foreseen to be jointly financed from Swiss mixed financing and from the Vietnamese infrastructure budget.

The evaluation is done according to the following questionnaire prepared by the authors of the methodology (OECD).

### A. Description of intervention and process

#### 1. Name of Organisation that carried out the test:

*Ernst Basler + Partners Ltd., Switzerland*

#### 2. Name(s) of collaborator(s):

*Dr Daniel Schläpfer*

*Mr Reto Bühler*

#### 3. Please give a short description of the type of intervention for which you applied PIA (e.g. name of the programme / project / sectoral intervention, partner country, technical or financial cooperation, financial volume, short description of the intervention, cooperation with whom, partner organisations):

*Project: Ba Ria Wastewater Collection and Treatment Project*

*Country: Vietnam*

*Type: Technical and institutional collaboration*

*Financing: Swiss mixed financing approx. CHF 11 Mio (60% grant, 40% soft loan)  
local contribution approx. CHF 13 Mio (from provincial budget)*

*Client: Ba Ria Urban Sewage and Drainage Company*

*Description: The project consists of the extension / new construction of a semi-separate sewage system (approx. 80 km) and the construction of a wastewater treatment plan (approx. 100'000 population equivalents, activated sludge process)*

**4. At which stage in the programme cycle did you apply PIA, for which main purpose?** (Very early planning stage, mid-term review, ...)

*After the feasibility study in the frame of the project appraisal on behalf of the Swiss Government (seco). Main purposes: A) Assess the project's impact on the target population and on the poor living in the project area. B) Test the proposed PIA methodology.*

**5. Was PIA an add-on to an already planned mission to appraise the intervention or did you undertake the mission only to do a PIA?** (Please describe shortly what other purpose the mission / other activities had)

*PIA was done additionally to the earlier planned appraisal mission aiming at the technical, financial, institutional, environmental and socio-economic assessment of the project and leading to the recommendation on whether seco should co-finance the project.*

**6. Did you use PIA to replace another approach that you would have used for the same purpose or did you use PIA as an add-on?**

*The terms of reference for the project appraisal did not explicitly include a poverty impact assessment. It was only foreseen to perform a detailed socio-economic assessment.*

**7. How much time (person days) did you use to pursue PIA and what exactly did you do?**

*Total approx. 4 mandays (for qualitative assessment incl. data acquisition during the appraisal mission).*

- **During preparation:** study the methodology, prepare a questionnaire, gathering baseline data (approx. 0.5 manday)
- **During implementation:** collect additional documents and data (mainly qualitative), interview different involved stakeholders, visit project area, interview poor people on site (approx. 1 manday)
- **For report writing:** study and discuss in more detail the methodology in order to fully understand it. Write the report using the proposed matrices. Discuss the results (approx. 2 mandays)
- **For dissemination of the results:** the present PIA has been discussed with seco and is attached as an Annex to the Appraisal Report (0.5 manday)
- **Others:** --

**8. Which methods did you use to fill in the matrices?** (Analysis of existing papers, interviews, etc.)

*The matrices were filled in by reading the instructions to the methodology. As the methodology and terminology are not easy to understand, it would be most helpful to provide an example for the matrices.*

**9. Did you involve stakeholders in the partner country – in which way?**

*Yes, local stakeholders were involved during the appraisal mission (however not during reporting).*

**10. How did you go about testing PIA?** (e. g. Employ consultant, read guidance note, ask colleagues about their experience, go to the field)

*Mainly by reading the guiding notes and by discussing in the team.*

**11. Whom did you share your results with – why and what feed-back did you get?**

*With **seco** because it initiated and financed the poverty assessment. The feedback was generally positive and seco states that the methodology confirms **seco**'s approach to socio-economic assessments of investment projects generally also including a poverty impacts analysis. **seco** however comments, that the methodology could / should be simplified and condensed, e.g. by avoiding repetitions and that the outcomes have to be fed back into project planning and design.*

**B. Evaluation of process**

**1. Which aspects of PIA did you find most useful?**

*The structured way to do the assessment by means of standardized tables*

*The multi-dimensional assessment of the poverty*

*Flexibility regarding degree of detailing*

**2. Are there aspects of PIA that you found difficult and why?**

*The terminology is rather complex and somehow difficult to understand (e.g. transmission channels, output/outcome/impact, stakeholders / target group). Examples would facilitate the analysis considerably.*

**3. Which step turned out to be most difficult? Why?**

*To fill in the first matrix, e.g. difference between column 2 (Details and risks that may influence the effectiveness of this channel) and column 5 (Details and risks that the results will not be achieved).*

**4. Are there aspects of PIA that you found less useful? Why?**

*Everything is quite useful! The methodology however tends to a repetition of the comments and maybe could be simplified.*

**5. Which aspects of the draft guidance note did you find most useful?**

*The few examples, the step-by-step descriptions on how to proceed to fill in the matrices, the definitions of the terms.*

**6. Which aspects of the guidance note need improvement?**

*It is not very clear whether the PIA focuses on the target population in general or only on the poor people of the target population.*

**7. How does PIA compare with other approaches that your organisation has used for similar purposes? (please name these approaches and compare them critically with PIA)**

*E.g. household surveys, which require more time for data collection and allow for more quantitative results.*

**8. How did your agency (management level) react to PIA?**

*See A11*

**9. How did your partners in partner countries react to PIA?**

*They were not informed on the PIA.*

**C. Evaluation of results****1. How would you judge the results of PIA?**

*The PIA shows that the project has considerable positive impacts on the poverty reduction and is generally in line with the overall poverty reduction strategy.*

**2. What is the value added for you to use PIA?**

*During the elaboration of the PIA additional interesting findings came up and the poverty was assessed in a multi-dimensional way.*

**3. How were the results of PIA used?**

*They were discussed with seco and considered in the final version of the project appraisal report.*

**4. Would you recommend using PIA?**

*Yes, after refining the methodology based on the comments received.*

**D. General Comments and recommendations**

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## 5 References

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International Development Association Program Document for a Proposed Credit to the Socialist Republic of Vietnam for a **Fourth Poverty Reduction Support Operation**,  
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