VIETNAM'S COUNTRY REPORT

Country report at The 8th ASEAN and Japan High level officials meeting on Caring Societies, August 2010

1) Follow up of the 7th High Level Officials Meeting, “Towards an Inclusive Society”

Vietnam delegates joined the 7th ASEAN and Japan High level officials meeting, in August 2009. After coming back, Vietnam team has been working very hard at national level to integrate what were recommended in Japan to the adapt to the real situation in Vietnam. Particularly:

- Collaborating to finalize the draft Law on People with disabilities to be submitted to the National Assembly for consideration and approved. In this draft Law, the issues of children with disabilities have been seriously considered and paid attention to, including access to education, studying and recreational activities, health care.
- The target for ensuring the rights of children with disabilities has been incorporated into the National Action Plan on Vietnamese Children 2011-2020.
- The care for children with disabilities has also been developated to one Project under the National Targeted Programme on Child Protection to be submitted to the Government for approval in September, 2010.

2) Basic information of your Country

2.1 General information:

a. GDP per capita (2008):
   PPP GDP: 3,100 USD

Foreign exchange rate GDP per capita: 720 USD, expected GDP for 2010: USD 1,200

b. GDP growth rate (2009): 5.2% (6.28% in 2008), expected GDP for 2010: 6.5% in compared to 2009.

c. Poor household rate (2009): under 11%

d. 18,1% (2006); 14,75% (2007); 12,1% (2008) và under 11% by end of 2009

According to the national poverty line approved by the Government, the poverty line during 2006-2010 is applied at: 200,000VND/capita/month for rural area (equivalent with 11USD/capita/month) and 260,000VND/capita/month (equivalent with 14USD/capita/month) for urban area.

d. Urban population (2009): 28.7%

e. Budget for social protection (2009): 1.5%

f. Budget for education (2009): 20%
   15,3% (2001); 18,1% (2005), 20% (2007)

f. Budget for Health (2009): 8%

2.2 Vital statistics

2.2.1 Natural population increase rate: 1.2% (during 1999-2009)

2.2.2 Birth rate: 19.58/1,000 people

2.2.3 Death rate: 6.14 dead /1,000 people

2.2.4 Child mortality rate below 1 year: 16/1,000 live birth
2.2.5 Child mortality rate below 5 year: 32/1,000 live birth

2.2.6 Life expectancy:
Total population: 71.35 years old
Male: 68.86 years old
Female: 74.02 years old

2.2.7 Total fertility rate: 2.07 children (2007); 2.08 children (2008)

2.3 Population (2008)
In 2009, population of Việt Nam: 86,200,000 people, increased by more than 9.5 million compared to 1999.

2.3.1 Age structure:
+ 0-14 years old: 27.4% (male: 12,200,000 and female: 11,500,000)
+ 15-64 years old: 65% (male: 27,700,000 and female: 28,200,000)
+ Above 65 years old: 7.6% (male: 2,900,000 and female: 3,700,000)

2.3.2 Current situation concerned with poverty:
+ Total number of lonely elderly people provided with social subsidiaries

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+ Total orphan children supported with social subsidiaries

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<td>Value</td>
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(4) Case study:
The National Targeted Programme on Poverty Reduction (2006-2010)
THE NATIONAL TARGETED PROGRAMME ON POVERTY REDUCTION OF 2006-2010

I. Overview of the NTPPR 2006-2010

1. General objective
The NTPPR set up the general objectives which are: to enhance the poverty reduction pace, limiting refalling into poverty; enhancing the poverty reduction achievements, creating the opportunities for households escaping from poverty to be wealth-off; improving the living and production conditions in poor communes and specially disadvantaged communes; improving the living qualities of the poor households, narrowing the gaps of incomes, living standards between rural and urban areas, between delta and mountainous areas, between rich and poor household groups.
2. Specific targets by 2010

- Striving to reduce the rate of poor households from 22% in 2005 to 10 - 11% in 2010 (in 5 years reducing by 50% of poor households);

- Incomes of poor households increase by 1.45 times compared to that of 2005.

- Striving to enable 50% of specially disadvantaged communes in coastal and island areas to escape from its specially disadvantaged situations.

Targeted groups include the poor, poor households, specially disadvantaged communes, poor communes; priorities are given to woman-headed poor households, poor minority households, poor households with persons as targeted of social protection (the elderly, the disabled, children with special circumstances).

3. Policies, key projects and activities of the Programme

- Policies, projects creating the conditions for the poor to promote production, increasing incomes, including:
  + Policies for providing the preferential credits to poor households;
  + Policies for supporting land for cultivation for the poor minority households;
  + Projects for extension of agriculture – forestry – aquaculture and promoting production, development of the occupations;
  + Projects for supporting the basic infrastructure in specially disadvantaged communes in coastal and island areas;
    + Projects for providing vocational training for the poor;
    + Projects for duplicating the models of poverty reduction.
  - Policies creating the opportunities for the poor to get access to social services:
    + Policies providing medical support to the poor;
    + Policies on educational support for the poor;
    + Policies on supporting the poor households with housing and improved water;
    + Policies on legal support to the poor.
  - Policies on capacity building and raising the awareness:
    + The project on enhancing poverty reduction capacity (including training poverty reduction and communication staff);
    + Monitoring, evaluating activities.

4. Budget for implementing the Programme:

Total fund for poverty reduction: approximately Vietnam Dong 43,488 billion.

Of which, allocating by sources:

+ Central budget: VND 12,472 bn (28,68 %);
+ Local budget: VND 2,260 bn (5,2 %);
+ Mobilized from community: VND 2,460 bn (5,66 %);
+ Internationally mobilized: VND 296 bn (0,68 %);
+ Credit: VND 26,000 bn (59,79 %).

* The direct fund for the programme accounts for approximately VND 3,456 billion, of which: central budget: VND 2,140 billion; local budget 560 billion; mobilized from the community VND 460 billion and mobilized from the international community VND 296 billion.
II. Evaluating the implementation of the NTPPR 2006-2010

1. Results

1.1. Implementing the policies, projects on poverty reduction

1.1.1. Policies for granting poor households with preferential credit

- Results:
Over the last 4 years, there have been about 5 million accumulated poor households granted with preferential credits with the averaged amount of approximately VND 6-7 million/time/household, it is expected that there will be about 6.2 million accumulated poor households granted with the credit in 5 years, with the average credit of VND 7-8 million/time/household, accounting for 103.3% of the 5-year plan. In general, the credit used by the poor households are in the right track, effectively used, accessible to the poor, contributing to reducing the rate of poor households.

- Shortcomings, limitations: there are about more than 30% of poor households are in need of the preferential credits; the loaning has not been linked to knowledge guidance, vocational training for the poor. Therefore, there has been limitation to the effectiveness of the credits.

1.1.2. Project on agricultural – forestry – aquaculture extension, technology transfer, guiding the poor on the livelihoods

- Results: in 4 years, the provinces carried out 30,000 training courses on technology transfer; developing 8,500 demonstration models and on-site training with the participation of 3 million accumulated poor people; estimated, in 5 years, there will have been about 3.7 million accumulated poor people guided with livelihoods, accounting for 88% compared to that of the 5-year plan;

- Short-comings and limitations: low budget allocated for the livelihoods guidance for the poor, reaching 80.6% compared to the 5-year plan, limited mobilization of the local resources; these activities have not been linked with the preferential credit, therefore, the efficiency is limited.

1.1.3. Vocational training for poor

- Results: in 3 years (2007-2009), there have been 100,000 poor workers are provided with free vocational training (estimated, in four years, about 150,000 poor workers are trained for free, accounting for 100% of the 5-year plan’s target), of which over 60% have found employment, self employment, contributing to increased incomes for poverty reduction. Vocational training project for the poor are highly appreciated at localities and considered as the right direction to achieve sustainable poverty reduction.

- Limitation and shortcomings: some localities are not actively in providing vocational training for the poor, the propagation is limited, low levels of support in the context of the increased price index, leading to the low number of poor laborers trained which did not meet the real demand.

1.1.4. Replicate the model on poverty reduction

- Results: In four years (2006-2009), project on replication of poverty reduction models has been implemented in 218 communes under 35 provinces, including 115 communes in 17 provinces replicated by the commune People's Committee; 57 communes in six provinces by the Ministry of Defense directing the Defense Economic Union of Military zones I, II, III, IV and V in cooperation with commune-level People's Committees to implement; 46 communes in 12 provinces with models replicated by the Ministry of Labor - Invalids and Social
Affairs in cooperation with the People's Committee at communal level by contracting with economic units of the Ministry of Defense.

+ Total capital invested in the projects in support of the program in four years accounts for 31.8 billion, the actual mobilized during implementation of local projects, units, companies are 2.03 times higher (64.67 billion),

+ Total number of households participating in the models are 27,566 households, out of which 77% are poor households (21,329 households), each year after implementation of the model, the number of poor households having participated in the model have created more jobs (an increase of 15% workdays), household incomes increased from 20 to 25% and 15% of households out of poverty.

+ Project replicating the model of poverty reduction has been developed in bottom-up manner which help identifying the right content and the needs of the people, utilizing and exploiting the advantages to develop the production model. Therefore, the model has been replicated in many provinces such as Ha Giang, Kon Tum, Cao Bang, Hau Giang, Dien Bien, Lao Cai ...

- Limitation and shortcomings: resources supporting the development of the model is limited, the low level of support should not promote maximum efficiency of the model. At the same time, few localities have not really paid attention to mobilizing local resources to replicate the model as in Son La Province.

1.1.5. Supporting the development of social infrastructure in specially disadvantaged coastal and island communes

- Results: in four years, there have been about 2,000 infrastructure works for production invested in 273 communes (estimated in 5 years, there will have been about 2,500 investment projects, an average of 9.15 projects /commune). Apart from the central budget support of 46% of the 5-year plan (average 0.7 billion /year), the local mobilization of more than 20-30% of the funding for investment in communes; estimated, there are about 50% of coastal communes with special difficulties will escape from the situation, accounting for 100% of the 5-year plan.

- Limitations and shortcomings: low levels of investment support, not fitting with the investment needs of infrastructure for production in coastal communes and islands, a number of essential infrastructure such as schools, health stations is not in the portfolio.

1.1.6. Policies to support health care for the poor

- Final Results: In four years, there have been about 52 million poor people, ethnic minorities are granted with free health insurance cards (estimated to 5 years of approximately 62 million), of which over 90% of the poor are granted with health insurance card to use free medical care.

- Limitation and shortcomings: short-term card (01 years), the slow issuance of the card, low value health insurance card, the fact that upon medical care, the sick poor people can not afford the cost incurred from travel, meals, accommodation; lacking of equipment for medical treatment in health facilities leading to the ineffective implementation of the policy.

1.1.7. School fee exemption policy for poor students

- Final Results: along with policies to support poor students of ethnic minorities, over the last 4 years, there have been around 8 million poor students are exempted from tuition fee and 2.8 million poor students are ethnic minorities have been provided with textbook support (estimated to 5 years approximately 10 million poor students will be provided with free tuition, fulfilling 100% of the 5 year plan).

- Limitation and shortcomings: the tuition fee exemption for poor students have created burdens for education, training institutions, tuition fee exemption has not been fully reflected the costs needed for poor students to go to school (as the other contributions, meals, accommodation semi-boarding)..., so dropouts are still high in some areas like the Mekong Delta, Central Highlands region.

1.1.8. Capacity building for staff working on poverty reduction
- Results: In four years there were about 140,000 turns of officials working on poverty reduction trained, of which over 90% of the staff in rural communes and villages (estimated in 5 year about 180,000 staff trained, coached, reaching 105.8% of the 5 year plan’s target), having compiled and revised the 3 training materials packages for staff working on poverty reduction at different levels, focusing in guiding the skills and capacity of participatory planning and community development.

- Limitation and shortcomings: staff working on poverty reduction has not been officially recognized as staff in the communes and changed frequently which limits the training effectiveness; due to the limited budget allocation, the organizational methodologies have not been renovated to fit training needs.

1.1.9. Communication activities relating to poverty reduction

- Results: in collaboration with mass media agencies at central and local levels (including newspapers, radio, television) in disseminating guidelines and policies for poverty reduction, good poverty reduction practices and models; publishing documents on poverty alleviation policies, poverty reduction materials handbook for local officials and establishments.

- Limitation and shortcomings: fund allocation for communication activities is limited, leading to the limitation in organizing effective communication activities in localities (such as leaflets, organizing cultural activities and performances with linkage to communication on poverty reduction, organizing dialogue with people ...). Many localities have been confused in organization of communication activities in the province.

1.1.10. Support poor households with housing

- Results: by using the funds mobilized from the day for the poor, the program 134 and local budgets, in four years there were about 350,000 poor households provided with housing assistance (estimated that in 5 year, about 500,000 poor households provided with housing support, reaching 100% of the target for 5-year plan).

- Limitations and shortcomings: there have been incorrect statistics on the poor’s housing assistance which is lower than the real demands; natural disasters happening made many households homeless which lead to higher needs in housing supports; late issuance of the policies on supporting housing to the poor (by late of 2008) which limits the implementation.

1.1.11. Activities on legal support

- Results: Club meetings, mobile support activities, law communication and dissemination and first-step legal support activities have helped people in poor areas to be aware of their rights and responsibilities in implementing the goal of poverty reduction and necessary procedures to enable them approach and receive the state’s poverty reduction policies.

- Shortcomings: annual budget distributed for legal support activities has been low (6-7 billion dong/year); legal support activities have not been diverse and appropriate enough to the poor to approach.

1.1.12. Monitoring and evaluation (M&E) activities

- Results: a framework to monitor and evaluate poverty reduction programmes has been adopted; together with a system of monitoring and evaluation indicators, processes to review poor and near-poor households; processes to regularly inspect and assess at local level; especially reviewing poor households has been implemented annually which has made the management and implementation of the poverty reduction policies more effective.

The steering committee of the Government’s poverty reduction programs has organized cross-sectoral inspectorates to examine the implementation of Directive No.04/CT-TTg; and conducted surveys in poor districts to expose shortcomings and limitations in undertaking the policies and recommend suitable amendments.

- Shortcomings: the management of poor households in some localities have not been close which is reflected by the implementation of Decision 81/TTg issued by the Prime Minister on providing poor households Tet allowance. The reason is that there is a lack of staff at local levels of communes and villages, there have not been preferential mechanisms for staff working on poverty reduction; there is lack of finance for closely reviewing poor households and monitoring and evaluation at local levels (Evaluation annex is attached)
1.2. Results of implementing poverty reduction goal

- Results:

Poverty reduction program has been undertaken comprehensively with numerous effective measures including policies and mechanisms related to infrastructure investment, loans for manufacture development, vocational training for poor households, access to basic social services such as healthcare, culture, education, accommodation and clean water... laying background for the majority of poor households improving their lives out of poverty.

There has been a decrease in the proportion of poor households in the whole nation from more than 20% (in 2005) to 18.1% (in 2006); 14.75% (in 2007); 12.1% (in 2008); estimated by 11% (in 2009) and estimated by 9.45% (by 2010), accomplishing the plan one year earlier than scheduled by the objectives of the program and resolutions issued by the National Congress X.

The proportion of poor household is estimated by the end of 2010 as follows: North East: 14.39%; North West: 27.3%; Red River Delta: 5.43%; North Central: 16.04%; Middle Coast: 10.47%; Central Highland: 11.51%; South East: 2.59%; Mekong Delta: 7.32%.

There are 15 provinces nationwide which have poverty rate of less than 5%, (among which 5 provinces with less than 1% and 5 provinces (Ho Chi Minh city, Da Nang, Khanh Hoa, Ba Ria-Vung Tau and Binh Duong) with no longer poverty rate in according to national standards, 21 provinces with 5-<10%; 11 provinces with 10-<15%; 10 provinces with 15-<20%; 4 provinces with 20%-<25% và 02 provinces with over 25%.

- Shortcomings:

+ The results of poverty reduction are not really sustainable, the improvement level of poor households’ living standards is still slow, the number of near-poor households is still big, the risk of falling back into poverty as natural disasters, floods, disease, illness pain ... is still high.

+ Rate of poverty reduction across regions is a big difference; mountainous, highland areas, remote areas and ethnic minority poverty rates remain high, the proportion of poor households of ethnic minorities tend to increase ; the end of 2006 to 61 districts still have the poverty rate above 50%, many districts to 70%, living standard of ethnic people is still poor.

+ The budget allocated to the national target program on poverty reduction is low, not been reached in four years (2006-2009) Budget allocated to the program only reached 55.58% 5-year plan (1050 5 billion dong/1.890 billion).

+ Poverty standards due to lack of timely adjustments have not reflected:

* Poverty line is issued based on the basic needs expenditure of households, which depend on price factors, the consumer price index (CPI) increased (in which the food price index increases faster) will make the actual value of the poverty line decreased (consumer price index has increased to over 40% compared to the time of issuing the current poverty line); annually, while reviewing poverty, a number of poor people will fall out of the list of local areas and not receive supporting policies of the state, but they remained poor.

+ Actually, there were 09 provinces and cities have adopted a higher poverty line than the national poverty line and actively adjusted it when the CPI increases as: Ho Chi Minh City, Hanoi, Binh Duong, Da Nang, Dong Nai, Khanh Hoa, Ba Ria-Vung Tau, Binh Phuoc, Long An1; other provinces have not applied above the poverty line but are requesting the government to consider the poverty line adjusted to match actual conditions.

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1 HCM city 1 million dong/person/month; Hà nội: 500 thousand dong/person/month (in urban area) and 330 thousand dong/person/month (in rural area); Binh duong: 780 thousand dong/person/month (urban) and 600 thousand dong/person/month (rural area); Đồng nai: 650 thousand dong/person/month (urban area) and 450 thousand dong/person/month (rural area); Bình Phước 390 thousand dong/person/month (urban area) and 300 thousand dong/person/month (rural area); Khánh hòa: 500 thousand dong/person/month (urban area), 430 thousand
* The survey conducted in local areas shows, by the end of 2008, the total number of near-poor households is about 01 million nationwide, with 3.8 million people. In fact, these are poor people but due to the fact that the poverty line has not been adjusted as timely as the retail price index (CPI) increases they do not receive fully the Government’s support by poverty alleviation policies.

2. Overall assessment

In the context of many changes in the world economy, the Government has closely directed the implementation of poverty reduction programs, and promptly issued social security policies to assist poor and near poor households to overcome the consequences of inflation and economic recession, natural disasters, floods and epidemics. The central ministries and sectors have promptly issued documents guiding the implementing process, inspecting and evaluating the results of local implementation, through which the problems expose. Moreover, thanks to that, recommendations and amendments will be inspired to submit to the Government a rapid and sustainable poverty alleviation program for 61 poor districts; the localities have actively established action plans to undertake poverty reduction policies with numerous specific and flexible measures. Therefore, the poverty rate has decreased rapidly over years, and completed 01 year earlier than planned contributing to social stability and sustainable growth.

However, the sustainability and quality of poverty reduction is not high, which has not created sustainable conditions for new households to fall out of poverty, near-poor households have not been entitled to supporting policies of the state, the management have not been close and the implementation of poverty reduction policies is still limited.

The mid-term review report of the national target program on poverty alleviation in the period 2006-2010 in 2008 made by the Ministry of Labour, Invalids and Social Affairs in collaboration with the UNDP has also affirmed:

The recent success of Vietnam in poverty reduction is remarkable, much of this success is due to the social and economic development associated with support for the poor. However, with the formation of national target programs family for years - the National Target Program for Poverty Reduction and Program 135, also play an important role in providing additional support targeted to the poor and poor areas. the National Target Program for Poverty Reduction supported through 10 policies and projects aimed at poor households nationwide; Program135 Phase II support poverty reduction in the poorest ethnic minority communes, expressed as follows:

The compatibility of design

The program components designed have handled various aspects of poverty with policies and projects to support poor people to develop production and increase income. But the lack of adhesion among components has affected the common goal; the method of distribution-based support will no longer suitable for solving the current challenges of poverty.

Effectiveness and economic efficiency

The components of the National Target Program on Poverty Reduction were designed with separate but overlapping objectives, the capacity of implementing projects at local level is very restrictive and should further enhance the participation of all levels.

The level of completion of objectives

dong/person/month (in lowland) and 360 thousand dong/person/month (mountainous area); Đà Nẵng: 500 thousand dong/person/month (urban area) and 400 thousand dong/person/month (rural area); Bà Rịa – Vũng Tàu: 400 thousand/person/month (urban area) and 300 thousand dong/person/month (rural area); Long An: 540 thousand dong/person/month (urban area) and 400 thousand dong/person/month (rural area)
In recent years, although the coverage rate of beneficiaries has been much progressive, but there is a lack of close links among activities: defining objectives, budget building and monitoring and evaluation.

Quality of service

Although beneficiaries appreciate the support of the program, particularly on infrastructure support, health and education, but there are still many opportunities to be improved further, especially on the participation and communication.

Efficiency of beneficiary identification

The review of beneficiaries conducted in once/year showed lack of flexibility in conditions of scale, range that is inconsistent with the current context, where people frequently fall back into poor situation.

3. Recommendations for future actions:

3.1 Some short-term recommendations to the end of the Programme by 2010

3.1.1 The NTPPR should improve its planning of activities and budget plans through results-based management methods;

3.1.2 Enhancing cooperation among poverty reduction program by removing all possible overlap;

3.1.3 Improved efficiency in order to identifying the right targeted persons;

3.1.4 Improved agricultural production support from the NTPPR towards more appropriate and accessible manner;

3.1.5 Promulgate more appropriate guidelines and training methods to enhance the participation and empowerment in the process of program implementation; improve and enhance the quality of communication activities;

3.1.6 Expanding the scope and quality of monitoring and evaluation systems, and linking it with the reward system;

3.1.7 In the future, the goal of poverty alleviation programs should focus mainly on the poorest regions and build their own support package based on local needs and collaborate among projects supporting conditions-based money transferring.

3.2 Long-term Recommendations

3.2.1 The formation of so many poverty reduction programs and policies has caused much overlaps, waste and inefficiency in the implementation. In the future, it is necessary to develop a comprehensive poverty reduction program towards management of the targets and better decentralization to the localities in order to improve performance;

3.2.2 In the future, it is necessary to clarify the relationship between poverty reduction and social security under one strategic framework, assigning the management responsibilities of the regular policies such as health and education to the sectoral ministry to increase transparency and build solutions that directly support the poor toward development rather than assistance associated with the integration into the regular policy;

3.2.3 The targeted social support in the future should become an integral part of the comprehensive social security strategy in order to protect people from the risks, shock which is an important challenge in future;

3.2.4 It is necessary to improve the efficiency of the method of determining the targeted groups for supporting in poverty reduction which will bring about a greater impact on the lives of the poor. Classification and identification systems of poor households need to be adjusted, with clearer guidance to commune officials so that they can identify the poor in a transparent and objective manner but still require a simple performance;

3.2.5 Applying new methods to support poverty reduction and support package for the district and building village development funds; conditions-based money transfer.