

VIETNAM: MONITORING & EVALUATION OF THE COMPREHENSIVE POVERTY REDUCTION AND GROWTH STRATEGY (C-PRGS) AND THE NATIONAL TARGET PROGRAM ON POVERTY REDUCTION AND EMPLOYMENT (HEPR: PROGRAM 143)

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Background – the Policy Environment in Vietnam

The Comprehensive Poverty Reduction and Growth Strategy (C-PRGS), (Vietnam's Poverty Reduction Strategy (PRS)), was approved by the Prime Minister in May 2002, its development followed the production of an interim Poverty Reduction Strategy Paper (iPRSP), that was presented to the boards of the IMF and World Bank in March 2001. The aims of the C-PRGS are to boost economic growth and reduce poverty at a faster pace, with the main focus being poverty alleviation. To that end, the strategy focuses on measures to

- encourage economic sectors to do business and invest in a fair and competitive environment,
- ensure macroeconomic stability through fiscal, monetary and trade policies, and
- implement eight sectoral solutions to address poverty.

However, the C-PRGS does not exist in a policy vacuum – Vietnam's main social and economic planning mechanisms are its medium term plans, which pre-date the C-PRGS. The 10-year Socio-Economic Development Strategy (2001 – 10) (SDS), which, unlike the C-PRGS, was also debated by the ninth Communist Party Congress in May 2001, expresses a strong commitment to growth, poverty reduction and social equity and lays out a path of transition towards a "market economy with socialist orientation", that is pro-poor. The specific actions required in achieving this are included in the five-year plan (2001 – 05), and there are a number of sectoral strategies in the fields of health, rural water and sanitation, reproductive health, population, nutrition, children, public administrative reform, advancement of women, education, technology and environmental protection.

The World Bank and IMF's Joint Staff Assessment (JSA) of the C-PRGS identify that one of the main risks is that it will not be viewed by the government, ministries, or development partners as the central guiding document for all poverty reduction efforts. It highlights that the relationships between the various initiatives are the core linkages that will have to be strengthened over time.

However, as a way of allaying such concerns the government stresses that it considers the C-PRGS as part of these strategies. It is seen to have an important role in knitting together the components of the sectoral strategies by giving them a poverty focus, addressing cross-sectoral issues and identifying priorities. The C-PRGS is described in the Prime Minister's preface to the strategy as an

integrated part of the National, Sectoral and Provincial 10-Year Socio-Economic Development Strategy (2001- 2010), 5-Year Socio-Economic Development Plan (2001-2005) and Annual Socio- Economic Development Plan.

The Comprehensive Poverty Reduction and Growth Strategy is a document that elaborates all general objectives, institutional arrangements, policies and solutions of the 10-Year Strategy and 5-Year Plan into detailed specific action plans.

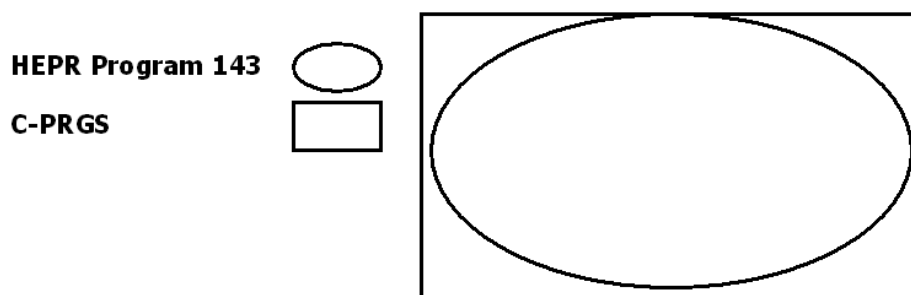
Despite the recent development of the C-PRGS, the **Ministry of Labor, Invalids and Social Affairs (MOLISA)** has the mandate to implement the national Hunger Eradication and Poverty Reduction (HEPR) program since 1998. The Prime Minister approved this originally for the period 1998-2000. In 2001, the issue of employment was included and the program was renamed National

Target Program for Poverty Reduction and Employment (Program 143), and covered the period 2001-2005.

The coverage of the program is nationwide with 18 specific policies and projects. The program has the following objectives, all of which are to be achieved by 2005:

- i. Chronic hunger is basically eliminated;
- ii. The national poverty incidence is reduced to below 10%;
- iii. Poor communes are adequately provided with basic infrastructure;
- iv. 1.4- 1.5 million jobs are created annually;
- v. The unemployment rate in urban areas is reduced to below 6%, while working time in rural areas increases to 80%.

In essence, the HEPR, with its focus on poverty reduction goals, is now one of the basic components of C-PRGS, which embraces a wider range of objectives and areas geared towards economic growth. This relationship is illustrated in the following figure.



This is particularly relevant, as MoLISA has developed a number of monitoring instruments independently from the C-PRGS, but which may be of value to the latter, particularly as they entail an outreach to commune level.

What is being Monitored

The C-PRGS states that the monitoring of the strategy will focus on three key areas

- (i) monitoring and evaluating the effectiveness of economic growth and poverty reduction;
- (ii) progress made in resource mobilization and implementation;
- (iii) assessment of impact of policies and programs on poverty reduction; and socio-economic impact of programs that affect the poor.

To achieve this, the C-PRGS has incorporated the development of a system of indicators that focuses on outputs of economic development and poverty reduction, inputs of resources and impacts of the individual programs and the strategy. The list of indicators is included as an annex to the document. However, the JSA points out that this list *lacks a clear distinction between impact, outcomes, outputs, and inputs and their corresponding monitoring frequency*. A similar shortcoming was also identified in earlier work carried out on localizing the Millennium Development Goals (MDGs).

However, the C-PRGS should be able to draw on the experiences of earlier strategies in terms of developing indicators. For instance, the HEPR has 24 groups of indicators focusing on the monitoring and evaluation of beneficiaries' access to and benefit from basic production and social services; and the impact of poverty reduction policies and measures on the poor themselves and the non-poor. The C-PRGS indicators include only a certain number of the key indicators of Program 143 (poverty incidence, social safety net, job training, and job creation). The difference between the two sets of indicators (C-PRGS versus Program 143) is that the former has a broader national scope, whereas the latter concentrates, in a more limited way on a number of indicators capable of assessing the poor's access to basic social and production services.

The Millennium Development Goals

The C-PRGS also builds on the MDGs, as set forth in a number of international conferences and UN resolutions. These have been turned into 24 objectives with 16 groups of specific targets (4 groups of economic targets, 12 groups of social and poverty reduction targets).

Attempts in Vietnam to localize the MDGs and adapt and expand them to reflect Vietnam's national challenges and the government's development plans have become known as the Vietnam Development Goals (VDGs). The selection of the goals was based on their strategic importance in terms of promoting economic growth, poverty reduction and social equity, and on selected analytical papers produced under the auspices of the Poverty Task Force (PTF). (The PTF is a Government – Donor – NGO amalgam originally founded to coordinate detailed analysis of poverty in Vietnam, and comprises equal parts of donor and NGO representatives on one side and Government representatives on the other.) In addition, the analytical papers were to identify process and intermediate indicators as well as the outcome targets and present a discussion of the key public actions needed to influence the intermediate indicators. However, this proved to be beyond the papers.

In certain instances, the VDGs have "raised the bar" where Vietnam's performance has been better than expected under the MDGs and included some challenges not included in the MDGs, such as empowerment, governance, vulnerability and ethnic minority development. The decision to localise the goals was also taken to try and align the cycle for achievement of the MDGs with the five- and ten-year cycles of the Vietnamese planning.

The National Poverty Line and other Poverty Lines

Related to the question of what to monitor, is the fact that, in recent years, Vietnam has witnessed the development of a number of different poverty lines (from different data recorded), which has at times led to confusion over which one to follow. The first of these is the ***national poverty line*** issued by MoLISA with the mandate of the Government. This has been adopted since 1993 and revised three times to adjust to the current socio-economic developments in the country, as well as to changes in income and expenditure of households.

In particular, this poverty line was adopted to identify the poor and which communes are poor¹. This was to provide specific numbers of poor people and a list of poor households at the hamlet and commune level, who would be eligible for support from the National Targeted Poverty Reduction Program and other policies.

This poverty line is used nationwide and referred to in official documents of the Government and the Vietnam Communist Party. It also serves as the basis for provinces to monitor and evaluate poverty developments and implement policies to support the poor².

The second poverty line, predominantly used by donors and international organizations is a ***food-based poverty line*** or a ***general poverty line*** and uses data from the Living Standards Measurement Surveys conducted by the General Statistics Office (GSO) in 1992-3 and 1997-8 and

¹ The "Old" poverty line, calculated in 1997 identified poor households based on different income levels set for different areas/regions. In rural mountainous and island areas this was consumption less than 15 kg per person per month (equivalent to VND 55,000); in rural plain and midland areas: less than 20 kg per person per month (equivalent to VND 70,000); and urban areas: less than 25 kg per person per month (equivalent to VND 90,000). *Poor communes*: were defined as communes with poverty incidence of 40 % and above that lack infrastructure (roads, schools, clinics, electricity and water for livelihood needs, small irrigation works and markets).

² Despite the fact that this is a national level poverty line, the Central Government allows provinces and cities to raise this poverty line to fit their respective circumstances, provided the local poverty incidence must be lower than the national level; the average income per capita at local level is higher than the national figure; and the local budget can cover any deficit. Meeting these three conditions, four provinces/cities (Ho Chi Minh, Binh Duong, Dong Nai, Can Tho) have raised their own poverty lines above the national line. That particular line, however, is applicable only in its respective area.

research materials produced by World Bank, UNDP, and others³. The accessibility of such data is explained by the fact that they are published in English or available through the Internet (which is not the case for the data prepared on the basis of the national poverty line). Being neither the standard adopted by the Vietnam government at local level, nor recognized as a legal basis for monitoring and evaluation, such poverty data remain however a reference guide for a number of agencies to facilitate comparative research and analysis between Vietnam and elsewhere.

The adoption of different poverty lines occasionally results in different interpretations of progress in poverty reduction. One example of this is differences in opinions concerning the pace of poverty reduction for the period 1998-2002. Based on the **general poverty line**, the level of poverty in Vietnam fell from 21 to eight per cent during the period 1993-1998, indicating that it may be leveling off. Yet based on the **national poverty line**, Vietnam still achieves an annual reduction of about 2 per cent, equivalent to that achieved during the period 1993-1998. Vietnam may be able to reduce its poverty incidence to less than 10% by 2004, one year earlier than planned in 2000.

Different poverty lines are adopted for different purposes. For the moment, the national poverty line is still in use to meet the requirements of the Vietnamese government. In the long term, however, the establishment of a standardized poverty line based on internationally accepted standards is recommended for purposes of uniformity.

What are the sources of information for monitoring

It is possible to identify a number of ways to collect the data deemed necessary for monitoring the C-PRGS. These include the implementation of a **Living Standards Measurement Survey** conducted on a biannual basis by the General Statistics Office (GSO). This will combine fixed and alternate modules to provide data for measuring household expenditures and monitoring some key social indicators (including brief sections on, amongst others, education, health, access to infrastructure services and employment).

The **Line Ministry Monitoring Systems**, though important sources of information, are seen to need streamlining and improvement before they become capable of tracking intermediate and input indicators. The existing system of using the administrative method of reporting by the lower level to the top is identified as inadequate in terms of monitoring from the national point of view, but appropriate at lower levels. In particular, the issue of capacity building for analytical purposes needs to be addressed.

The potential of using the **Participatory Poverty Assessments** that received so many plaudits in the formulation of the strategy is gaining more ground and acceptance⁴. There is however a need to streamline, adapt and simplify them for the local levels to use them without outside support. Notwithstanding, the C-PRGS does outline that independent research organizations (NGOs, universities, etc.) will organize the consultations with the people, collect and analyze data to assess the present situation and trends with respect to economic growth and poverty. It is reasonable to expect that with support from international NGOs and the donor community, especially in capacity-building, these will find their way back into the monitoring system.

Further, **Report Cards** or **Opinion Surveys** are being considered for introduction that would allow customers to report on the quality of the public services they receive.

³ The lower line is the food poverty line; the higher line is the total poverty line and includes both food and non-food commodities. The definition of the *food poverty line* is based on the standard used by most developing countries and WHO and as well as international organizations at present, i.e. average 2,100 Kcal daily calorie intake per capita. People whose expenditures are lower than the minimum level to meet this need are considered poor in terms of food. The method to define the *total poverty line* is to add the costs of non-food to the minimum expenditures. By adding this amount to the amount for the food poverty line, we have the total poverty line.

⁴ These had been carried out in 1999. More than 1,800 people were involved in this exercise, in which poor people and local officials prioritized policy measures and public actions to reduce poverty.

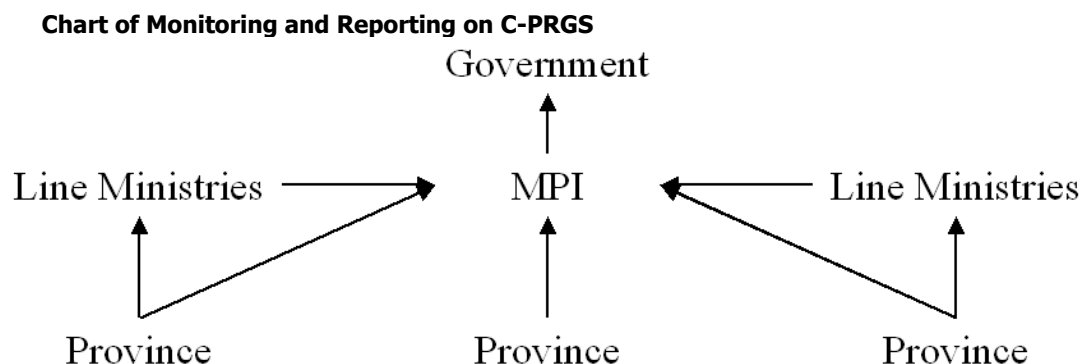
In addition to the plans for monitoring the C-PRGS, the government, through MoLISA, is collecting information on the indicators selected under the HEPR. To achieve this, there is a poverty survey questionnaire and a poverty development monitoring ledger at village and commune levels, and guidance is provided to provinces on the procedures for participatory monitoring of poverty developments.

MoLISA has also worked with GTZ in the limited establishment of Poverty Weather Stations (which allow a more accurate and timely evaluation of poverty developments) and the study of income and expenditure developments at household level. Drawing on initial results, MoLISA, in cooperation with GSO and GTZ plans to set up six pilot poverty weather stations in six economic zones with a total sample of 1,000 households. The selected households shall be observed on a daily basis with the participation of local staff and collaborators at communal level who have been trained on writing and consolidating weekly and monthly reports. The provinces and MoLISA will consolidate and process reports on a quarterly basis.

Who is to do the Monitoring?

The implementation of the C-PRGS is organized in a centralized manner with close coordination among governmental agencies. A Steering Committee for the C-PRGS is to be established to help the Prime Minister in providing guidance on implementation and to organize the monitoring and evaluation of progress.

Overall responsibility for coordination of monitoring activities within the C-PRGS lies with an inter-ministerial secretariat under the supervision of the Ministry of Planning and Investment (MPI). Using survey data and data collected through the administrative reporting systems, responsible for drafting annual reports on implementation. Line ministries, government agencies and provinces will annually organize the qualitative and quantitative monitoring at their level and will report on the results of the implementation of objectives and targets that fall under their responsibility. (See figure).



GSO, in cooperation with MoLISA and other concerned ministries, is responsible for planning surveys and collecting information, while - as mentioned previously - independent research organizations will organize the collection of comments from the people and collect and analyze data to assess the present condition and trends of growth and poverty reduction.

The JSA rightly states that attention must be given to involving all stakeholders in the implementation, monitoring, and evaluation of the strategy, including greater public access to data. This implies that attention will need to be paid to mechanisms by which poor households and local officials can be involved in monitoring.

In this regard, a 1998 "Grassroots Democracy Decree" should govern the direct participation of the people in C-PRGS monitoring. This established the legal framework for the participation of citizens in commune-level local decision making processes and their right to 'monitor' local government expenditures. Although the capacity of citizens to actively participate remains constrained, for example, by their lack of awareness on rights and entitlements, the Decree is viewed as a step

towards enhancing the transparency and accountability of local government officials and providing people with more information about local government activities and finances.

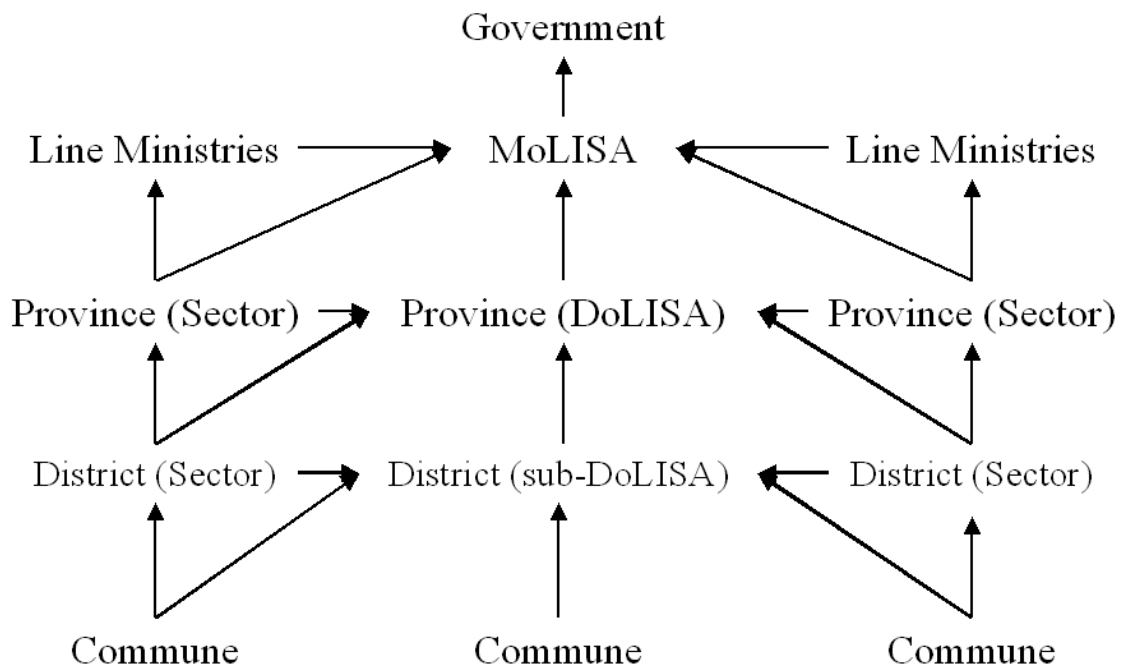
This is particularly necessary as there is no real Vietnamese NGO sector to fill this role as in other countries. There are, however, a series of state-sponsored "mass organizations" representing particular interests such as the National Committee for the Advancement of Women (NCFAW) and the Farmers' Union. These provide a forum for their members to articulate views and opinions about the ongoing political, social and economic processes in the country. Their representatives sit in national committees where policies relating to their constituents are discussed.

To design the HEPR system of specific indicators (124 indicators) and monitor the program, MoLISA worked in close cooperation and coordination with

- the Ministry of Agriculture and Rural Development (MARD),
- the Ministry of Finance (MOF),
- the Ministry of Health (MOH),
- the Ministry of Education and Training (MOET),
- the Commission on Ethnic Minorities Affairs (CEMA),
- the State Bank of Vietnam (SBVN),
- and various representative provinces

Using this system, provinces were expected to annually monitor and evaluate poverty developments at village and communal levels; grassroots reports were then to be consolidated and submitted to the district, then provincial levels. The reporting system continues up to central ministries, including MOLISA, and is finally submitted to the Government.

Chart of the Monitoring and Evaluation Process under Program 143⁵



As a means of developing this further, since June 2002, MoLISA has been working closely with a GTZ project on Institutional Capacity Building for the Vietnam Poverty Reduction Strategy⁶, the

⁵ The Government of Vietnam is the executive organ of the National Assembly, and is currently divided into four levels of administration: central; provincial (57) and urban authorities (4); urban precincts (30) and rural districts (490); and urban wards and rural communes (8,850), with each commune consisting of an average of 5 villages

⁶ This was formerly known as the Self-Help-Oriented Poverty Reduction Project

GSO, and five selected pilot provinces in an experiment to link key indicators of the C-PRGS and HEPR. This would create a new set of indicators for monitoring purposes at this level.

The five provinces, An Giang, Da Nang, Nghe An, Thai Nguyen, Yen Bai have each established a core team of experts (including representatives of various departments such as Labor, Invalids and Social Affairs, Statistics, Agriculture and Rural development, Health, Education, Planning and Investment, Finance and Banking) headed by the Provincial Department of Labor, Invalids and Social Affairs (DELISA). As an initial result, these provinces have been able to combine information collected from annual reports submitted by districts and sectors and data from the Vietnam Living Standards Survey (local data), using the STATA software to analyze the data gathered in order to come up with a more comprehensive and accurate poverty analysis report at provincial level.

At present, two provinces, An Giang and Danang, have substantially completed this exercise, while the other provinces are in their final leg. MoLISA has also cooperated with GSO and GTZ to hold workshops and training courses with the selected provinces on the collection and processing of data. The outcome is that the provinces can now handle this by themselves, as long as support in the form of training is provided to improve the quality of poverty reports.

Donor Involvement in C-PRGS Monitoring – Roles and Challenges

The C-PRGS highlights that the Government of Vietnam welcomes the participation of specialists, domestic and international organizations, which include donors, NGOs, social and professional organizations at the local and community level, etc. in the preparation and implementation of the Comprehensive Poverty Reduction and Growth Strategy.

In this regard, MoLISA is ready to cooperate with and receive support from donors, international organizations, ministries, and provinces in Vietnam in order to further improve the quality of PRS and poverty monitoring through innovative approaches and tools. In particular, the focus should be on

- Improving the quality of collected information at communal, district, provincial, and central levels;
- Participatory evaluation approaches;
- Topical and multi-purpose surveys;
- The establishment of Poverty Weather Stations to monitor poverty developments;
- The preparation of poverty monitoring reports at province level;
- The use of appropriate analysis methods and tools to evaluate the impact of C-PRGS and HEPR

Monitoring of poverty developments should take place not only at macro level but also at micro (household) level. This *is the actual requirement of government agencies*, as it helps design proactive measures to impact on program beneficiaries and improve the quality of their lives, including the poorest of the poor and the community in general.

From international organizations, any cooperation which addresses the real needs of government agencies in Vietnam in this field is highly appreciated.

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