Localizing the Millennium Development Goals: 
Vietnam case study

1. Introduction and the objectives of goals-setting in Viet Nam

Vietnam has articulated its development vision for the coming decade in the Socio-Economic Development Strategy (SDS), which expresses a strong commitment to growth, poverty reduction and social equity (ADB, UNDP and the World Bank, 2000). The specific actions, needed to translate this vision into reality, are described in the draft five year plan for 2001-2005 and in a number of sectoral ten year strategies and five year plans. These sectoral plans and strategies are approved by the Prime Minister and contain a wide range of goals and targets for the coming period. The targets included in these strategies are generally not prioritised and are not costed.

The Comprehensive Poverty Reduction and Growth Strategy (CPRGS, as the PRSP is known in Vietnam), which is being drafted by an inter-ministerial committee under the leadership of the Ministry of Planning and Investment (MPI), will look across these strategies and identify the priority areas for action in promoting growth, social equity and poverty reduction over the medium term. Central to this task is the identification of clear outcome targets which explain the changes the Government of Vietnam seeks to generate over five and ten-year timeframes and intermediate indicators which can be tracked and monitored regularly (annually or biannually) to assess progress towards the targets. This brief case study describes work carried out in Vietnam to identify a core set of development indicators for Vietnam which are consistent with the national challenges set out in the various strategies and the international commitments of Vietnam.

2. Institutional Context: key actors

The Poverty Task Force

The identification of a core set of “Vietnam Development Targets” from the many strategies and plans was collectively organized by the ‘Poverty Task Force’ (PTF). The PTF is a Government-donor-NGO task force comprising 16 Government ministries, 6 donors, 4 international NGOs and 4 local NGOs. The 6 donors include the 3 multilateral agencies (UNDP, Asian Development Bank and the World Bank) and 3 bilateral donors (on a rotating basis). The 4 international NGOs also rotate regularly. Members are expected to provide active support in the form of resources or ideas.

The PTF was initially established to coordinate detailed analysis of poverty in Vietnam through Participatory Poverty Assessments (PPAs) and household surveys. But it then –

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at the request of the Government of Vietnam - continued as a mechanism for coordinating support to the development of the CPRGS. This has included support to six village level consultations on the draft document, four regional and two national consultations, the hiring of local and international consultants, as well as logistical support.

A considerable number of government representatives in the PTF were also members of the CPRGS Drafting Committee. This allowed the drafting committee to present its work plans and resource requirements and obtain immediate feedback on what support could be provided and in what form. It is therefore a requirement for the donors and NGOs representatives in the PTF that they would have the authority to make decisions and provide immediate commitment to the provision of support.

The development of goals and outcome targets for poverty reduction was done through commissioning a series of papers on the Vietnam Development Targets. Through the PTF, responsibility for the preparation of these papers was divided among a number of key organizations: the UNDP, Asian Development Bank, World Bank, the World Health Organization, the Department for International development of the UK, and the Japanese Bank for International Cooperation (JBIC).

**Poverty Working Group**

During the process, many donors showed keen interest in joining the Poverty Task Force. However, it was agreed that the PTF would be more effective if it remained small, and also that it should not be dominated by donors. However, to meet the interest of the donors not in the PTF a Poverty Working Group (PWG) was established. This served as a mechanism for information sharing of progress made and decisions taken by the PTF.

**Steering Committee**

The CPRGS is likely to suggest the establishment of an inter-ministerial steering committee at a senior (e.g. vice-ministerial) level, that can coordinate the implementation and monitoring of the CPRGS. The Steering committee could consist of representatives of the 16 agencies that have been involved in the drafting of the CPRGS. The committee is likely to be chaired by a senior leader of the government such as Prime Minister or the Deputy Prime Minister.

**Poverty Unit**

The steering committee will be supported by a ‘poverty unit’, to be established at the Ministry of Planning and Investment (MPI), that does the day-to-day coordination work. This unit will be staffed with technical people who are strong in data collection, poverty analysis, policy-making and monitoring and evaluation of the CPRGS. This would make a sensible institutional home for much of the analytical work associated with monitoring the progress towards meeting stated outcome targets.
3. Processes

In early 2001, the Government of Vietnam began setting out the steps necessary to develop their interim PRSP into a more comprehensive document. Key to this was the need to prioritize across the wide range of goals and targets in the overall strategic planning framework to identify those which would most effectively capture progress in reducing poverty and promoting social equity. In this context, the Government of Vietnam asked the PTF to support some background analysis in eight thematic areas. These eight themes were chosen by the Government of Vietnam as representing the heart of their strategy to fight poverty. Several of the themes had a direct link with the Millennium Development Goals. Others lay outside the territory defined by the MDGs but were chosen on the basis of their strategic importance in terms of economic growth, poverty reduction and social equity. Through this work, the Government hoped to establish a clear monitoring framework for their CPRGS and other Government strategies.

The goals and targets were presented and discussed in a series of eight papers that were commissioned to various agencies, each covering one thematic areas:

1. Eradicating poverty and hunger;
2. Reducing vulnerability and providing social protection;
3. Providing quality basic education for all;
4. Improving health status and reducing inequalities;
5. Ensuring environmental sustainability;
6. Promoting ethnic minority development;
7. Enhancing access to basic infrastructure; and,
8. Ensuring good governance for poverty reduction.

No paper was devoted specifically to gender issues, given that Vietnam already had a good gender action plan (the ‘National Plan of Action for the Advancement of Women’) from which gender indicators could be taken. And it was already agreed that all indicators identified in the other eight papers would be broken down by gender (and region and ethnicity).

The eight papers all took national strategies as a starting point and explored the links with the MDGS. In particular, analysis concentrated on:

- Making the MDGs consistent with Government targets set in the 10 Year Socio-Economic Development Strategy for 2001-2010 and other sector strategies;
- Identifying process indicators and intermediate indicators as well as the outcome indicators and presenting a discussion of the key public actions needed to influence the intermediate indicators;
- Including the quality dimension where necessary (such as in primary education);
• Raising the bar where the original MDG has already been met in Vietnam (as in halving extreme poverty); and,

• Making the set of indicators more comprehensive by including indicators on empowerment/governance, vulnerability – where currently indicators are ill-defined in Government documents and absent from the MDGs.

Work on each of these papers was led by a nominated agency from the PTF. The lead agency was then responsible for coordinating the interaction with relevant Government agencies and civil society organizations while the analysis was taking place. This was usually coordinated through small working groups. Key issues for discussion within these groups included:

• What does the target mean in Vietnam? How is it measured and where do they stand today? How does Vietnam performance compare internationally? What are the trends – cross-country and time trends in Vietnam?

• Is this MDG (and its sub-indicators) right for Vietnam? Is it capturing all it needs to capture? How can it be supplemented? Is it consistent with GoVN targets, or how could it be brought into line with GoVN targets?

• How can the localized MDGs (or VDTs), which are very aggregate outcome measures, be disaggregated into intermediate indicators that can be used to measure progress on a more short-term and regular basis?

• How can the localized indicators be measured? By whom? What are the data limitations and how can they be addressed? How can equity issues – ethnic, gender, locational - be explored in a meaningful way?

• What are the main policy, investment and institutional development issues influencing achievement of the localized IDTs and the intermediate indicators? What are the main challenges and priority strategic responses?

Government agencies, NGOs and donors have all participated in the working groups established to oversee the production of these documents. First drafts of the papers were discussed at a 3-day workshop held in September 2001 attended by nearly 100 policymakers and practitioners. In some areas there was immediate agreement that a goal was needed, but also that more work and discussion was necessary to assess what is realistic and attainable. Very tangibly, the workshop resulted in a tentative list of draft Vietnam Development Targets to serve as a basis for further consultation across Government.

The work in progress was discussed by delegates at the Consultative Group meeting in December and there was strong support for the proposal that these localized goals should form the backbone of the CPRGS. Further consultations on these drafts took place with sectoral ministries and agencies over the following months. By April 2002 final versions
of these reports were released, which presented consensus views of core development goals and targets for Vietnam.

4. Constraints/weaknesses/challenges

Equity issues

Strong Government commitment to poverty reduction and human development over recent decades has allowed Vietnam to make striking improvements in poverty and social outcomes. The poverty headcount for the population as a whole has halved over the 1990s and Vietnam outperforms other countries of comparable per capita expenditures in most of the social and human development indicators.

There are, however, marked differences in performance between regions and between ethnic majority and minority populations. The poverty headcount ranges between 8 per cent in the south east to 59 per cent in the northern uplands. The poverty gap index is only 1.3 in the south east but 19.1 in the central highlands. One third of the majority Kinh population lives in poverty, but three quarters of the ethnic minority population is below the poverty line. The thematic paper which explored the task of localizing the MDG on halving poverty and eradicating hunger examined the implications of different growth patterns (both more and less equitable than past patterns) for the achievement of declared national objectives.

The poorest areas also lag behind in health (especially mortality) outcomes and education outcomes (especially at post-primary levels). Some national strategies – such as health – identify separate targets for lowland and upland areas and the emphasis here needs to be on aiming for greater equity in outcomes over the long term. Progress in this respect is clearly unmeasurable unless data is available disaggregated by different sub-groups of the population. The thematic papers and discussions around setting targets recognized that while national level monitoring is adequate for the broadly-phrased MDGs, outcomes will have to be tracked at sub-national levels if priorities of social equity and inclusion are to be reflected. The household survey strategy will allow analysis which is representative when broken down by province, sex and ethnicity.

The Government of Vietnam sets out its serious commitment to narrowing ethnic and gender gaps in performance the interim PRSP (Government of Vietnam, 2001) and this has been elaborated in the drafts of the CPRGS. The Government would like strategic goals, particularly in areas where needs are basic and universal, to apply equally to ethnic minorities and the majority population, regardless of sex. The needs of special groups were identified and discussed in each of the thematic papers – most clearly so in the papers which explored target-setting in the health and educations sectors. Ensuring that this mainstreaming of the needs of the less advantaged does result in greater equity of outcomes, however, will be a major challenge for Government and has implications for policy measures, public actions and public expenditure (World Bank et al 2000; UNDP, 2001a). This is particularly true in sectors such as education where the absolute target –
that of universalisation - will require much more rapid progress for minority groups because the baseline is much lower.

In addition to looking at needs of particular groups within the individual thematic areas, specific targets have been set for improving gender and ethnic equity. A separate paper was prepared to look at the imperative to promote economic and social development in ethnic minority areas if national targets are to be reached and a number of targets have been identified which address some of the most pressing challenges. The Government of Vietnam, in the latest draft of their CPRGS, has also proposed national targets for promoting gender equity (aligned to the second National Plan of Action for the Advancement of Women) which go well beyond those included in the MDGs.

**Governance**

The quality of governance at the central and local level is often the crucial link to make poverty reduction effective, and empowerment of the poor is important for changing governance structures that create poverty. Governance was therefore the topic of one of the eight background papers on the Vietnam Development Targets. The paper explores linkages between governance and poverty reduction in Vietnam. It identifies possible governance/public management indicators for the tracking of progress towards improving the capability and performance of the public sector for achieving the poverty reduction targets. The drafting of the paper was coordinated by the Asian Development Bank (ADB).

The discussion paper focuses on identifying governance indicators that might best be used to determine what the outcomes are on poor people’s lives, rather than, say, whether a particular reform has been implemented. The following four criteria have been used for the development of governance indicators in Vietnam:

- Is the indicator relevant for helping address concerns regarding governance identified in each of the other sectoral papers?
- Do the indicators measure key issues identified in the Vietnam 2010 report (WB, 2000)? (These are: more efficient public service delivery, better public financial management, wider access to justice, more responsive government particularly at the local level, and fighting corruption).
- Are the indicators specific enough to be meaningful for policy-makers and the policy process?
- Are the indicators measurable?

A number of ‘outcome’ indicators were identified, each with one ‘output’ (or ‘process’) indicator (Table 1). For each indicator, both quantitative and qualitative data collection methods are proposed. These include a new approach: client surveys of citizens collecting their feedback on availability and quality of services.
The government has recently adopted a Public Administration Reform (PAR) Master plan and a Legal Needs Assessment (LNA). The CPRGS confirms the government’s commitment to implementing the PAR and the actions identified in the LNA.

However, the implementation of the PAR will be very challenging. It will be a long-term process, and it will require careful planning, and considerable guidance in implementation and careful sequencing of action. Capacity is a major constraint. Some resistance to change can be expected, and building stakeholder support is needed through information dissemination and consultation.

However, evidence from other countries has shown that the risks are clear: if decentralization measures are not well designed and carefully managed in implementation they will be counterproductive in their impact on the poor. These risks suggest that the reform process needs to be managed pragmatically and flexibly depending on the different contexts (ADB, 2001).

**Table 1: Proposed governance outcome and output indicators for Vietnam**

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<tr>
<th>Outcome Indicator</th>
<th>Output Indicator</th>
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<tr>
<td>1. Level of information available to civil society on services, policies and planning arrangements</td>
<td>Percentage of communes providing sheets on services</td>
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<tr>
<td>2. Extent of access of the poor to basic government services (health education, water, electricity, other infrastructure)</td>
<td>Percentage of poor with access to such services</td>
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<td>3. Level of budget transparency, regarding provincial and local taxation, budgeting and spending</td>
<td>National budget enables identification of expenditure and revenue by sector and by province</td>
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<tr>
<td>4. Extent to which expenditure is pro-poor and is incurred along budget allocations and plans</td>
<td>Percentage of expenditure of national budget identified as pro-poor</td>
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<td>5. The law is applied by all institutions fairly and predictably</td>
<td>Increased independence of legal institutions is provided for in the law</td>
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<tr>
<td>6. Extent to which the local government is responsive to problems in service delivery raised by the poor</td>
<td>Increased number of simplified and transparent govt procedures for accessing services.</td>
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<tr>
<td>7. Implementation of Grassroots Democracy Decree on the involvement of people in local government</td>
<td>Percentage of communes that provide arrangements for local participation in local government.</td>
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<td>8. Extent to which laws for combating corruption are effective</td>
<td>Effectiveness of mechanisms provided by law</td>
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Source: ADB, 2001

It will be important to be realistic about what the constraints are likely to be. In Vietnam these are: inadequate resources, lack of institutional capacity and effective leadership, unclear organizational mandates, weaknesses in coordination between different levels of government, inadequate incentive systems, corrupt practices, and uneven enforcement of laws and decrees. The Government is now engaged in developing a more detailed action
programs that provide a realistic path forward. The CPRGS specifically includes some of these actions.

Addressing vulnerability and reducing risk

One of the thematic papers explored the need to develop a more consistent set of actions to reduce vulnerability if other targets – particularly the poverty targets – were to be met. This was undertaken in response to national strategies, which explicitly recognize that gains in poverty reduction should be sustainable and that non-poor households should be prevented from falling back into poverty and hunger. Many recent quantitative and qualitative studies have emphasized the high levels of vulnerability which even non-poor households face to individual, household and community-level shocks. The proximity of non-poor households to the poverty line means that just one episode of ill health for an economically active member of a near-poor household is sufficient to push households into poverty, or even hunger (World Bank et al 1999; World Bank 2001b).

It was proposed in the paper that Vietnam adopt a more specific target for addressing vulnerability which can supplement the other targets included in the poverty goal. The policy measures needed to address vulnerability overlap to some extent with those needed to address poverty, but emphasize the imperative of fostering for the kind of economic growth which builds the assets of poor households. Measures could be taken to strengthen the existing safety net and make it more efficient and better targeted. But work recently conducted suggested that addressing vulnerability to material poverty will require a broad range of measures in addition to the narrow focus of providing social assistance to defined vulnerable groups (World Bank 2001b). These measures would address the abilities of poor and near-poor households to manage risk and could include improving access to facilities for cash savings; improved disaster mitigation and response mechanisms; agricultural extension which provides a basis for diversification of farm incomes; improving access to affordable health care; relaxing restrictions associated with being a migrant with temporary residential status; and, investigating the potential for public works programs in providing more stable sources of incomes.

The current draft of the CPRGS incorporates some of this work – for example, monitoring the numbers of people falling into poverty. Actions currently proposed to reduce vulnerability still tend to emphasize the provision of social assistance and post-disaster relief rather than articulating a strategy to build the assets of the poor and develop the capacity of the poor to manage risk better.

Aligning resources to strategic targets

The thematic papers were expected to include some indications of the resource needs associated with meeting the proposed targets. This – with the exception of the infrastructure paper – was more challenging than foreseen and generally glossed over in the analysis. A supplementary costing exercise was organized after the first draft of the CPRGS was released. This took five priority sectors – health, education, transport, agriculture and rural development, and urban development – and attempted to cost some
of the priority actions identified by the Government of Vietnam as fundamental to achieving stated poverty objectives.

In conjunction with MPI, the ministries responsible for these sectors have identified the priority CPRGS outputs which need to be produced over the remaining three years of the current five-year plan (2003–2005). These outputs do not represent the whole of the investment programme within these sectors. Nor do they represent the complete set of activities pursued by Government in support of growth and poverty reduction. Nevertheless, they provide a first estimation of the core programme of public spending actions necessary for the CPRGS. As the CPRGS is developed and refined over 2003 and 2004, this core programme will be reviewed and updated.

There are three reasons for identifying this core programme explicitly:

- Firstly, by separating out these actions and identifying their funding implications, it will be possible to give them greater priority in implementation. It should also be possible to protect their funding in the event of any fiscal crisis.
- Secondly, the process will assist Government to implement the core programme in a co-coordinated and consistent manner, both within and between the Central Government, Provinces, Districts and Communes.
- Finally, it will make it possible to identify short-term funding gaps so that these can be filled without compromising essential poverty-reducing activities.

The idea behind this exercise was less to determine affordability in any precise sense and more to begin to establish processes whereby, in the longer term, resource allocation decisions could be more closely tied to national strategic objectives.

### 5. Role of Bank staff and partners more generally

The initial inspiration for analytical work which has underpinned the discussions on the Vietnam Development Targets came from a presentation by DFID at a PTF meeting. DFID presented their Target Strategy Papers, which examine the global challenges associated with making progress with the Millennium Development Goals. The Government of Vietnam’s enthusiastic response to the suggestion that a Vietnam-specific series of reports be developed as background papers for the CPRGS was then taken up by the Poverty Task Force.

The World Bank used DFID Trust Fund resources and DFID-financed poverty specialists within the World Bank to lead the analytical work on two of the Papers (halving poverty and reducing vulnerability) and to provide more general and facilitating support to the process. The DFID TF also funded the workshop in Haiphong where the targets and the papers were debated. DFID led the analysis for the paper which explores the target of providing quality basic education for all. World Bank sectoral staff put considerable time into this document.
The ADB led work on two papers: health (in partnership with WHO) and governance. UNDP worked with WWF on environmental sustainability and led the study on promoting ethnic equality. JBIC supported the work on linking infrastructure development to poverty outcome targets.

Agencies leading the work supported the costs associated with the analysis and publication of the reports. Other agencies – particularly a number of NGOs – were engaged in the preparation of the reports and the analysis, but did not contribute financial resources. Some of the papers were prepared in collaboration with pre-existing sectoral “partnership groups” which bring together interested players in various sectors.

6. Prospects for harmonization

The work on localizing the MDGs has been fully embedded in the preparation of the CPRGS. There is strong support in the donor community for the CPRGS process in Vietnam and, within the CPRGS process, specific support for the work on developing the Vietnam Development Targets. The work was described in the first chapter of the Vietnam Development Report 2002 (World Bank, 2001) which was the key report presented to the 2001 CG meeting. There was considerable discussion at the CG meeting around this work and its achievement in giving an outcome focus to the CPRGS. There was also a good degree of consensus in the donor community as to the role and importance that the Government’s CPRGS could play in improving the quality of donor support.

A number of donors have expressed their eagerness to use the final CPRGS as a basis for their own assistance strategies. Several harmonization initiatives are currently ongoing, including one led by eight bi-laterals (including the Netherlands and DFID) which is directly linking with the DAC’s global efforts, and a new, global, World Bank led harmonization initiative that is being piloted in Vietnam, with an initial focus on harmonization between the multilateral banks. While sector-wide approaches are by no means an immediate prospect in all sectors, the existence of a strong, outcome-driven CPRGS is an important instrument for a number of bilateral donors considering giving aid in the form of general budget support.

7. Conclusions and lessons learnt

The work on localizing the MDGs in Vietnam was, by design, embedded in the process of developing the CPRGS. The conceptual territory of the MDGs and the CPRGSs overlaps in many ways and the Vietnam context suggests that the CPRGS is a strong instrument for giving the MDGs a greater sense of local reality. Sectoral strategies only deal with certain elements of the MDGs while the broader, visionary documents – which have the scope to deal with important cross-cutting issues – lack the prioritization and detail needed to make firm commitments. In providing the opportunity to look across a broad range of sectoral strategies and to prioritise those objectives central to achieving broad poverty and social goals, the CPRGS has filled an important gap in the strategic
planning framework. Some of the important lessons from the work over the last year include:

- **The strength of starting with national strategies and goals** and working to combine them with international commitments in generating ownership by national government;
- **The need to use the MDGs flexibly**: reworking timeframes and align them to national planning cycles; balancing realism with ambition; adding new goals where national challenges make it appropriate; analyzing where key constraints lie and modifying intermediate indicators to track progress in these areas (for example, emphasizing quality of service provision over access, where access is already good);
- **The opportunity for broadening public discourse on poverty reduction**: many sensitive and political issues underlie the choice of targets and strategies to achieve them and it is important to ensure careful consultations with all key agencies, and to allow time for extensive debate to take place;
- **Pay attention to cross-government linkages**: While the CPRGS process may be led by a central government agency, line ministries have a strong interest in how the goals may be set. Communication between the central and line agencies may not happen automatically – or well - and may need to be facilitated and strongly supported. This is particularly important when resource allocation issues are tackled.
- **Linking partnership with practical workability**: while it is essential to have good partnerships (among donors and NGOs, among government agencies, and between donors/NGOs and the government), it is important to ensure operational effectiveness of them. The Poverty Task Force and the Poverty Working Group ensured partnerships were highly effective and efficient in terms of taking joint decisions and allocating resources for supporting the process.
- **Ensuring a minimum amount of people in each of the key organizations that can work on MDGs and the PRSP process on a day-to-day basis**: localizing the MDGs is a labor-intensive effort and it is essential that the key organisations (ADB, UNDP, WB) have at least one poverty specialist that can spend sufficient time on facilitating the process both within their own organizations and with some of the government line ministries they are closely engaged with.
- **The need to provide continuous encouragement to all line ministries**: continuous support to key line ministries in the form of providing ideas, facilitating discussions or financial means is essential for them to engage in the effort of localizing the MDGs within the context of the PRSP process.
- **The importance of starting off with high-quality and detailed poverty analysis**: Localising MDGs is only possible when detailed country data are available on poverty in all its dimensions, and its causes and trends, generated through both quantitative and qualitative studies. In Vietnam the availability of such data allowed fairly quick consensus building on the main issues surrounding the localization of the MDGs.