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Independence - Freedom - Happiness

Poverty alleviation Strategy
2001 - 2010

By:
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Poverty alleviation strategy

2001-2010

Poverty alleviation is one of the basic social policies of the Government towards human developments, especially development of the poor, to create opportunities for them to take part in the socio-economic development, and to contribute to implementation of the objective of "Wealthy population, powerful country, fair, democratic and civilized society"

Poverty alleviation gets the first priority in the planning and implementation of the socio-economic strategies in each period. The economic development should go with poverty alleviation activities; but if poverty alleviation is not sustainable, no objectives in economic development, life improvement, society stability, implementation of the human rights ... will be reached; poverty alleviation is to help narrow the gap between the living standards of rural and urban areas; between different population classes; poverty alleviation is to help promote integration processes in the globalization tendency; poverty alleviation is also to help maintain and develop the national identity, the cultural traditions and help preserve the ecological environment.

The poverty alleviation strategy of the period 2001-2010 aims at investing, and facilitating the poor in production development and income improvement; to help them approach social services, firstly the basic social service and the social security network, in order to ensure sustainable poverty alleviation.

Part I

Practical situation and result of implementation of the national target program on poverty alleviation in 10 years (1991-2000)

I. Poverty and hunger situations in Vietnam

- Vietnam is a poor country, with the lowest level of average income per capita in the world (about 400USD in the year 2000). The poverty rate is still high. The rate of poor households was over 30% in 1992 based on the national poverty line, 13% in 1999, and 10% in the year 2000. According to the World Bank assessments after surveys on the population's living standard in Vietnam, the poverty rate was over 58% in 1993, 37% in 1998 and about 30% in the year 2000.

- Poverty and hungry mainly exist in rural areas (accounting for about 90% of the total poor households in the whole country). The poverty rate is very high in some areas and regions, especially in the ethnic minority areas. In urban areas, the poverty rate is lower, mainly exist among new immigrants. The Northern mountainous area, the Northern Central area and the Central Highland area are the ones having the highest poverty rates.

- The gap between the poor and the rich areas tends to be widened. The conducted surveys proved that: the income level of the 20% households with the highest incomes was 7.3 times as high as the one of the 20% households with the lowest incomes in rural areas (in 1996), and 8.9 times (in 1999). The living standard difference between urban and rural population is 5-7 times. The average income per capita in rural areas is equal to 50% of the one in urban areas.

- Some targets gained in life improvement were still unsatisfying compared to the planned ones, especially the target of approaching basic social services. In the year 2000, the number of malnourished children accounted for 33%, most of them were from poor families; the population growth rate of poor groups was 1.7% (compared to the national average rate of 1.4%); The number of literate people in remote and mountainous areas reached the rate of over 50%; only 40% of rural households used fresh water and had standard toilets.

- Every year the number of people in need of emergent assistance due to natural calamities was 1-1.2 million, mainly in the Central and Northern mountainous provinces; about 20,000-25,000 households fell back to poverty and hunger annually.

- The reasons for poverty and hunger were very specific in some areas: in

mountainous areas and areas of ethnic minorities, the main reason was unfavorable geographical conditions, insufficient and inadequate infrastructure system, low educational level of the population, high birth rate; backward cultivation habits and living customs, difficult accesses to information resources and markets; the cause of poverty in the Red River Delta areas was big population and lack of land; the cause of poverty in the Mekong Delta areas was the mistakes made during land transfers which resulted in loss of land of 10-12% of the poor households; the cause of poverty in the Central coastal areas was regular natural calamities, (floods, storms...)

II. Policy of the Communist Party and the Government on Poverty Alleviation

- In 1945 President Ho Chi Minh considered poverty and hunger a kind of "enemy", just as illiteracy "enemy", and invaders. He pointed out: "Socialism is firstly to help laborers get out of poverty, find jobs, enjoy prosperity and happiness" and encouraged people to make money with an objective "to make the poor have sufficient food, make the ones with enough food become well-off, make the well-off become richer". This ideology influenced most of policies of the Communist Party and the Government on poverty alleviation in different periods.

- Poverty alleviation is one of the basic social policies, which get special concerns from the Communist Party and the Government. That is why, beside creating motive forces to push up the economic growth, the Communist Party and the Government has a policy to encourage the population to make a fortune legally combined with sustainable poverty alleviation.

It was stated in the Resolution of the VII Communist Party Congress that beside the economic reforms and economic development, it is necessary to implement poverty alleviation activities, ensure fairness in the society, narrow the gap between population classes, and between areas. The VIII Communist Party Congress identified poverty alleviation one of the urgent, as well as permanent basic socio-economic development programs, and stressed that "it is necessary to successfully implement the poverty alleviation program, especially in the former revolutionary areas, and areas with ethnic minorities...; Set up and develop poverty alleviation funds with domestic and international capital resources; Ensure effective management and investment. The Congress also set out an objective "to reduce the poverty rate to below 10% in the year 2000 (300,000 households to get out of poverty annually). In the first 2-3 years of the 5-year plan, the main focus is to eliminate chronic hunger". The Resolution of the 9th Communist Party Congress set out the objectives: to increase investments in infrastructure construction, provide loans, assist with vocational trainings and product

consumption ... to help the poor areas, communes and poor population groups.

The above stated viewpoints were realized with concrete policies, mechanisms, programs, projects and plans aiming at rural and agricultural development, construction of irrigation works to serve production and lives of the people, food security, to push up the changes in economic mechanisms, as well as the plant and animal structures; implement the credit policy; assist the people in goods consumption for production development, increasing incomes and improving people's lives, especially lives of the poor. Together with the economic development policies, the Government also promulgated and implemented other support policies in the education, health, cultural and information fields ..., in order to improve and increase the living standards of the population, especially in the areas facing especially difficult circumstances, to help in sustainable poverty alleviation.

- Together with investments in economic development, the Government approved and carried out the National Target Program on Poverty Alleviation for the period 1998-2000 with 9 projects (support in infrastructure construction in poor communes; support of ethnic minorities having especially difficult circumstances; program on sedentarization and migration to new economic zones; trainings of the poor on business skills and extension services; credit for the poor; support of the poor in health care; support of the poor in education; support in production and vocational development; training of poverty alleviation staff and staff in poor communes), and other socio-economic development programs in the communes having especially difficult circumstances, the National Target Program on Employment.

All the above programs met the population's expectations, and were warmly welcomed and actively implemented by the whole population.

III. Results of poverty alleviation in the past 10 years

1. Major achievements

- The policy of socio-economic stabilization and development in the period 1991-2000 achieved substantial achievements. The economic growth reached the highest rate of 7% annually; the GDP was nearly doubled after 10 years; agriculture was developed in all fields; food production gained high productivity in continuous 12 years. The rice production in 2000 was 34.5-35 million tons; the average food output per capita was increased from 330 kg in 1990 to 455 kg in 2000. Having been a country lacking food, Vietnam became the second biggest rice exporter in the world. The outstanding socio-economic achievements brought considerable improvements in lives of the population, and created favorable conditions

and premises for implementation of the poverty alleviation objectives.

- In the past 10 years 2 million poor households got out of poverty. The poverty rate was reduced rapidly, from over 30% in 1992 down to 10% in 2000. About 250,000 households got out of poverty annually; in the period 1996-2000 the number was 300,000. The objectives of the 8th Communist Party Congress were reached, and Vietnam was considered by the international community one of the countries having the fastest poverty alleviation process.

- The infrastructure systems in the poor communes were improved; 1,200 communes having especially difficult circumstances in 1999 and 1,870 communes in 2000 received investments for infrastructure construction. By the end of 2000, investments were put on nearly 6,000 infrastructure works, including over 4,000 works already in use.

- A system of policies, mechanisms of assisting the poor, poor households and communes in health care, education, credit, cultural activities, information and infrastructure construction ... was established.

- Since the issuance of the poverty alleviation policy in 1992, the Government has been putting investments through national poverty alleviation programs with about 21,000 billion VN Dong. The direct investment sources have been reinforced. In 1999 and 2000 alone the Government budgets spent on infrastructure construction in the especially difficult communes were about 2,000 billion dong; investment amounts on sedentarization, migration to new economic zones, support of ethnic minorities with especially difficult circumstances and compensation for the low credit interest rates applied on the poor were about 700 billion dong; investment capitals from local budgets were about 300 billion dong; support amounts from different Ministries, mass organizations, big Corporations and localities were about 200 billion dong. The credit capital sources of the Bank for the Poor were increased quickly, reaching the amount of over 5,000 billion dong in the end of 2000 to be lent to nearly 5 million poor households (the average loan for a household was 1.82 million). Supports were also received from over 40 international organizations (multilateral, bilateral, NGOs) in many fields (experience, technology and finance). These were important factors for stepping up the poverty alleviation process.

2. Constraints

- The achievements gained in poverty alleviation were not sustainable; the rate of households falling back to poverty was still high, especially in the ethnic minority areas, remote areas and areas suffering from regular natural calamities and bad harvests...

- Low awareness on responsibility to poverty alleviation activities of some agencies and localities; there still existed the spirit of relying on support from the Government; lack of sense of initiative and self-help of the localities, organizations, communities, and of the poor themselves.
- Lack of staff, and limited capacities of poverty alleviation staff, especially at the local level.
- The poverty alleviation policies were not synchronous; some Government policies and supports did not reach part of the poor; there was much confusion in management and monitoring of poverty alleviation activities; lack of concrete task assignments within the organizations; ineffective integration of poverty alleviation activities into other socio-economic programs.
- Limited resources for reaching the objectives of the program.

IV. Some Lessons drawn

1. The practices of 10 years implementing the poverty alleviation program show that the most important factor is the awareness and sense of responsibility of different Ministries and agencies, clear identification of management tasks of the Communist Party Committee, the role of the Fatherland Frontier and other mass organizations (the Women's Union, Farmers' Union, Youth Union, Veteran's Association) to promote sense of responsibility of the community and the poor with specific activities in all communes; implementation of democratic rights and transparency of resources; assignment of concrete tasks for different Ministries, agencies, mass organizations, corporations, well-off localities to support poor communes.
2. Diversify the resource creation (by the Government, the population, support from different organizations, enterprises and international cooperation) for poverty alleviation, firstly and mainly bring into play the local internal forces; at the same time focus on the key targets including elimination of chronic hunger, infrastructure construction, supports in credit, health care, education ..., especially in the areas with high poverty rates and the communes having especially difficult circumstances.
3. Successfully conduct surveys, analyze the right causes of poverty, make a list of poor household; build up concrete plans and approaches; regularly check, supervise and assess the implementation results; increase the number of qualified and dedicated poverty alleviation staff, especially in the communes with especially difficult circumstances; Keep two-way communications between the central and local levels and with international

organizations; Attach much importance to learning experience for building up effective poverty alleviation models in the village, or commune; Give timely commendation and encouragement to successful organizations or individuals in the poverty alleviation field.

4. Establish a system of policies and mechanisms to support the poor and poor communes, suitable to different population groups, areas and in different periods based on the principle "it is better to give a fishing rod than to offer some fish"; create conditions for the people to try to help themselves; focus on integration of different programs and projects for resource enforcement and effective implementation of the poverty alleviation objectives.

5. Expand international cooperation for poverty alleviation in different fields of technology, expertise, and resources. The achievements made in poverty alleviation in Vietnam helped expand the international cooperation in this field and promote the policy of external relationships of the Communist Party and the Government (Conference 20/20 in Hanoi in 1998; Conference of Donors for Vietnam held in Paris in December 1998, in Hanoi in December 1999 and December 2000); hundreds of million dollars were attracted, hundreds of international projects (GOs and NGOs) were started out.

Part II

orientation of Poverty alleviation strategy for period 2001-2010

I. General circumstance, favorable conditions and challenges

Entering the 21st century, in the circumstance of rapid leaps of science and technology, especially of IT, which form an economy of intelligence, the developed countries have even more favorable conditions, making the gap between the developed countries and the developing ones wider and wider.

Poverty alleviation has become a global issue, an urgent and challenging issue for developing countries, including Vietnam. That is why poverty alleviation is a social revolutionary cause with high humanity, a long-term policy, a decisive policy and a significant activity program.

1. Favorable conditions

- The most favorable conditions is the socio-economic stability, the economic growth in the country, and consistent policies of the Communist Party and the Government, with concrete poverty alleviation programs and plans; poverty alleviation has become an effervescent movement in the whole country.

- After 15 years of renovation, the material and technical bases, as well as the economic potentials in the country have been increased, especially in the rural and agricultural areas; food security is maintained, rural infrastructure is regularly enhanced. Those are important material premises for further poverty alleviation in the coming period.

- The achievements made in the 10 years, especially in the 3 years implementing the National target Program on Poverty Alleviation provide valuable lessons and create a solid premise for further developments; A system of policies and mechanisms and a target program were formulated; resources for poverty alleviation have been reinforced; the management mechanism and the team of poverty alleviation staff have been enhanced and have been continuously developing.

- Active supports from International organizations (multilateral, bilateral, NGOs) in the poverty alleviation field (technology, experience and finance) have been expanding too.

2. Difficulties and challenges

- High poverty rate: 17% in the beginning of 2001 (based on the national poverty line, which is already lower than the ones in other regional countries); The poverty rate in some mountainous areas is 30%, even 50% in some districts.
- Vietnam is still a poor country; the achievements gained in the poverty alleviation field are not sustainable; the poverty rate is still high, especially in mountainous, remote border and island areas, the areas suffering from regular natural calamities, and ethnic minority areas...
- Inadequate infrastructure systems in the communes having especially difficult circumstances; low quality of social services, especially the basic social services.
- With imbalanced developments, together with the negative side of the market economy, the gaps between the population classes, between rural and urban areas, between economic zones tend to be widened, making the poverty alleviation task even more pressing.
- In the current development process, the populations in mountainous areas and ethnic minorities still have low knowledge levels, backward cultivation habits and living customs, limited awareness, difficulties in accessing to information, lack of effective solutions to social evils.

II. Orientation of strategy

1. Requirements

- The poverty alleviation objectives should be more comprehensive, not only to meet the basic demands for foods, but also demands for accommodation, clothes, health care, education, vocational training, culture and information, transportation, communications...
- Ensure sustainable poverty alleviation; prevent from falling back to poverty.
- Concentrate all resources in improving the poverty situations in key areas, especially in the communes having especially difficult circumstances; improve the population's lives.

- Approach and flexibly apply the international poverty line.

2. General orientation and viewpoint

- Poverty alleviation is a revolutionary cause of socialism, a basic social policy of the country, having immense significance in the social, economic, political and national defense fields, reflecting high humanity and promoting the national character. Poverty alleviation should be put in the national socio-economic development strategy, and considered a key socio-economic task of the Communist Party and the whole population.

- Industrialization, modernization of the country should firstly mean industrialization and modernization in rural areas and in agriculture; economic growth should go together with poverty alleviation for sustainable poverty alleviation. It is necessary to combine the poverty alleviation program with other socio-economic programs and plans; build and replan residence areas; encourage legal money making; speed up poverty alleviation; increase the living standards of poor groups, of the population in poor communes and poor areas; gradually narrow the gap of living standards between different areas, different ethnic groups, different population classes; improve life quality.

- Enhance and diversify the resources for poverty alleviation; combine internal forces (including the Government budgets, local resources, and supports from economic organizations and units, the society, and individuals) with resources from international cooperation for speedy poverty alleviation.

- Develop the potentials of the poor and poor communes for self-help in poverty alleviation, combined with supports from the Government and the community for sustainable poverty alleviation.

- Start firstly with the most difficult areas (communes with especially difficult circumstances, former war revolutionary areas, mountainous and borderline areas, islands, ethnic minority areas...); give priority to women, children and the poor disabled.

3. Strategic task

- Focus on helping the poor communes in economic development through changing the economic structure, plant and animal structures which bring high economic values, and in goods production development; Support the poor by helping to consume their products.

- Increase investments in construction of infrastructure works in poor

communes with the Government resources: including micro irrigation work, school, health clinic, transportation road, electric power, fresh water, cultural activities , information, communal center.

- Issue special policies to encourage application of technical advances and technological transfer in poor communes, to help the poor in economic development, create employment and increase their incomes.

- Provide social services, especially the basic social services (education, health care, family planning, fresh water) with high quality directly to the poor, especially the ethnic minority people and women.

- Successfully implement the social assistance policy, to prevent inferior groups from natural calamities, and limit risks...

III. Objectives

1. General objective

Reduce the number of poor households, eliminate falling back to poverty, in order to implement the objective of "Prosperous population, powerful country, fair, democratic and civilized society"; to help the majority of the poor reach the basic social services; basically implement the objectives of helping the communes with especially difficult circumstances; expand opportunities for the poor to enjoy special support policies and social welfare.

2. Concrete objectives

- By 2005

- + Eliminate chronic hunger and falling back to hunger

- + Reduce the rate of poor households to below 10% based on the new poverty line and to 5% based on the old one; reduce the poverty rate by 2% annually (equal to 280,000-300,000 households)

- + Ensure essential infrastructure works in poor communes (micro irrigation work, school, clinic, transportation road, electric power, fresh water, market)

- By 2010

- + Reduce the rate of poor households to below 5% based on the new poverty line

+ Maintain and upgrade the essential infrastructure works (small irrigation work, school, clinic, transportation road, electric power, fresh water, market) in poor communes.

+ Help poor communes approach the basic social services.

IV. Strategic approaches

A. MACRO POLICY TO SPEED UP THE ECONOMIC GROWTH, AND CREATE RESOURCES FOR POVERTY ALLEVIATION

1. Create a fair and effective business environment, to promote competition and enhance trust so that the enterprise and the population invest their own money in long-term production and business development.

1.1. Create a fair and competitive business environment.

Implement the basic contents of the Business Law; cross out unnecessary business procedures; add more legal documents into the law system to ensure equality in enjoying public services and investment opportunities, in approaching the capital resources, credit, land, technology, employment, information and other existing special favorable policies of the Government. Formulate and complete a legal framework, in order to ensure publicity, transparency of the regime and investment encouragement policies. Apply the revised Land Law to create favorable conditions for enterprises' activities.

1.2. Continue reforms in the Government enterprise system

Revise, amend the existing policies and mechanisms to help Government enterprises take self-control, self-responsibility and take initiative in their production and business activities. Build up a mechanism to clarify and publicize the financial situations of Government enterprises, firstly of the big ones, to make solutions to the debts of ineffective enterprises; Replace the administrative way of the Government capital management with business way; Gradually turn the Government enterprises into one-member companies limited based on the Labor Law; Assign Government enterprises to contribute their labor force to public purposes. The Government should apply a general favorable policy for the products and services provided for public purposes, no matter what economic component the products or services come from. Reform the management mechanism and model of Government enterprises in the agricultural and forestry fields, with an aim to promote supports toward the household economy and cooperation economy in production, technological transfer and goods

consumption.

Continue to step up equitization of Government enterprises; expand the capital market and stock market; readjust special policies to encourage good managers; apply the form of auction in enterprise assessments; Transfer, sell, apply the form of piece-work, rent out, or close down the small Government enterprises facing long term losses; Apply policy of supporting unemployed laborers during reorganization and ownership transfer of Government enterprises.

1.3. Create favorable conditions by providing land and other support for production and business activities; offering assistance to all kinds of enterprises, small and medium enterprises, cooperatives, agricultural farms.

Provide capacity building to staff of State-owned organizations and support small and medium enterprises (SMEs); enhance capacity of the organizations which support the SMEs; Formulate policies on credit, market information, production technology, land.. to effectively support enterprises in some fields and in poor areas, poor communes.

Encourage the development of cooperatives based on the Law of Cooperatives and business cooperation forms; Encourage development and long term protection of farming economy; create input and output services to encourage farmers to invest capital in business and production in accordance to their own abilities; Formulate policy of encouraging household businesses to turn into enterprises.

1.4. Encourage foreign investment; consider it a long-term economic component of Vietnam.

Revise some policies to create more favorable conditions for attracting foreign investments; Regularly abrogate the system of two price levels in using services regulated by the Government in business activities; Improve the flexibility and effectiveness of the Government management of direct foreign investments; Apply clear regulations in some issues like land, infrastructure, electric power, water, social security ... for foreign invested enterprises.

2. Maintain stability of the macro economy

2.1. Complete the financial policy, enforce the tax system, and increase the number of taxpayers, in order to ensure stable budget balance.

Continue to carry out reforms in the tax policy system to maintain income resources; Ensure publicity and transparency of business activities and incomes in the society; stimulate production development and ensure

fairness between different economic components and different enterprise forms; Gradually apply the policy of self-declare, self-calculation of tax based on the regulated rules, and paying taxes to the Government Treasury, which promote the self-consciousness, self-responsibility of the enterprises.

Increase the investment amounts for important socio-economic works, key service activities, especially in primary education and basic health care service, to assist poverty alleviation activities; publicize incomes and expenditures of the Government budget.

2.2. Implement policies of monetary stability, inflation control, to support the economic development.

Develop capital and monetary markets with diversified and suitable activities, including development of the banking system, non-banking financial regulations, insurance companies, investment funds and investment bail funds ... in order to attract capital resources in the society; abrogate capital and credit subsidization; build up and speed up activities of the stock market in order to attract capitals from the population and create more capital sources for investment in development.

Reform the system of Government Commercial Banks; separate policy credit activities from the Government commercial banks; reorganize the financial structure and improve the operation quality of the Government Commercial Banks to improve their competitive capacity; attach the management task to the business effectiveness of the bank; reorganize and reinforce the stock banks; apply the basic interest policy for future liberalization of interests.

Establish companies of debt management and asset exploitation to deal with debt problems; build up methods to deal with overdue debts with mortgage in accordance with the market mechanism.

2.3. Commercial policy

Get ready to take part in the committed mechanism of multilateral and bilateral cooperation; every branch, every enterprise should improve its own competitive capacity in the domestic and international market.

The enterprises are free to have foreign trade activities, excluding the illegal ones, including export, import and some services.

Gradually break down the non-tariff barrier and eliminate quantity limits for import goods; abrogate the restraints on rice exporting and fertilizer importing enterprises.

Do auctions in export quota for garment products to facilitate exporters (including the private sector) to approach the market.

Create all conditions to help the poor, especially in rural and remote mountainous areas to approach the market.

3. Administrative reforms

Build up a clear Government administration with effective activities. Administrative reforms can be implemented in the 4 following fields: administrative institution, mechanism structure, building up teams of staff and officers, and public finance. With an aim to identify the structure of the Government mechanism, it is necessary to concentrate management tasks in the Ministries and Government agencies, implement the principle of multi-sectoral and multi-branch management of the Ministries.

Step up the decentralization process at the Central and local levels, combined with capacity building and simplification of the local administrative mechanism; Simplify the administrative procedures, business registering procedures, reduce transaction fees of import-export activities.

Improve the effectiveness of the administrative mechanism, sense of responsibility and transparency in activities of civil and legal agencies, as well as transparency of budget management; effectively implement regulations on democratic rights at the local level.

The population should be provided with full information about the development program in the locality; have the right to contribute ideas to build up a development plan, participate in operation, maintenance and contribute labor force to construction of infrastructure works, to improve the people's sense of responsibility in use and management of the works; Enforce the two-way communications system and get feedback from the population with various methods.

B. DIRECT METHODS TO SUPPORT THE POOR, POOR HOUSEHOLDS AND POOR COMMUNES

1. Credit for the poor

- Diversify the capital sources and increase the credit loan amounts, combined with trainings on business skills of poor households for production development and income improvement.

- Ensure mobilization of sufficient capital sources to be lent to poor households and households in danger of falling back to poverty.

- Create all necessary conditions for the poor to access credit sources, for their convenient loan borrowing and effective loan use.
- Encourage development of savings-credit forms in favor of the poor, especially the savings-credit form of mass organizations.

2. Policy on health care, population and family planning

- Help the poor get easy access to health care, population-family planning services.
- Increase the investment amounts, send more health staff and standard medicine cabinets to villages; improve the quality of health care services in poor communes; send medical doctors, physicians to poor communes and areas.
- Diversify the forms of free-of-charge health care service for the poor; encourage local and international organizations, individuals to carry out charitable health care activities and buy health insurance cards for the poor, especially for women and children; apply special policies on health staff in mountainous, border, island areas.
- Malnourished children below 5 years old, poor pregnant women should enjoy supports from "anti-malnutrition" programs, programs of maternity health care.
- Do free-of-charge family planning services for the poor.
- Disseminate ideas to change the awareness of the poor, poor areas, especially of ethnic minority people on significance of family planning; those families, which implement the family planning program well, shall receive both material and spiritual supports.

3. Policy on education, vocational training

- Eliminate illiteracy in villages; continue the anti-illiteracy campaign, and program of compulsory primary education, try to reach the objective of compulsory secondary education; Organize vocational trainings for children of poor households, especially the ethnic minority children, schoolgirls, the disabled.
- Increase the investment rate and give priority to the primary education system, to ensure sufficient classrooms for primary and secondary education; reorganize the network of schools, classrooms to make it more convenient for school children in mountainous, border, island areas.

- Renovate vocational centers, especially the ones training on the occupations serving agricultural production and rural areas (cultivation, animal husbandry, and plant protection...)
- Diversify teaching and learning forms; upgrade material facilities of existing boarding schools and open new ones in some key areas for ethnic minority children; pay attention to establishment of special boarding schools for ethnic minority children, where students live with local people, as well as illiteracy elimination classes, with contributions from the students and community; encourage local and international organizations and individuals to take part in free-of-charge educational activities for poor children; Implement compulsory primary education for ethnic minority children (in ethnic language as well as Vietnamese language); reopen regular educational units, community educational units, supplementary educational classes.
- Improve teaching quality of the primary educational system in mountainous, border, and island areas; ensure a sufficiency of teachers.
- The pupils from poor households are given textbooks for free, get tuition and school fee reduction or exemption (including vocational training schools)
- Create conditions for all poor pupils in urban areas to go to regular primary schools.

4. Policy on support of ethnic minorities having especially difficult circumstances

- Give support in production and in accessing new business skills and techniques.
- Give support in lives; increase the people's knowledge level; eliminate backward customs and habits.
- Based on their own characteristics, the localities should have concrete plans on investment in production development, gradually improve the material and spiritual lives of the ethnic minorities having especially difficult circumstances.

5. Policy on social security

- Together with the above policies, it is necessary to build up and gradually

complete a system of policies on the social security network for the poor, the unfortunate, especially poor women and children.

- Issue some supplementary policies on emergent assistance: the poor people and households which have bad luck (natural calamity, fire, bad harvest...) shall get a subsidy (material assistance for hunger relief, funeral expenses, expenses of disease treatment, reconstruction of the collapsed house, arrangement of a new house...); successfully implement the program of prevention of natural calamities; focus to help the poor, limit risks and danger of falling back to poverty; Formulate methods of effective social assistance for the poor; Prepare equipment for timely assistance to limit human and material losses when a natural calamity happens; help the poor overcome consequences of natural calamities and come back to the normal life and production activities.

- Enforce the social protection and social security network through funds; reform the fund establishment mechanism and regulate the emergent assistance fund; give regular humanity assistance to the poor; Implement activities of these funds in a public, transparent and effective way right in the village, and commune.

6. Legal assistance for the poor

- Give the poor popular knowledge on the legal aspects related to their daily lives.

- Give answers to their queries about Government policies, especially the ones related to their rights and responsibilities.

- Give guidance to the poor on legal sides of the civil relations.

- Provide knowledge on law to staff in poor communes; provide trainings on legal consultation skills to legal staff and cooperators.

7. Support of the poor in housing and production land

- Give land to the households lacking land for building a house.

- Expand the campaign of "houses of mercy for the poor"; Gradually break down the slums, and the houses in badly polluted urban areas with contributions from the local and international communities and individuals, and with extraction from the Government budgets.

- Create conditions for the poor in need of production land and water surface to have land and water surface to carry out production activities in

the following ways:

+ Give a piece of production land or water surface to the poor to carry out farming activities by: reclaiming wild land, mobilizing leases of land and water surface for the poor for production.

+ Where there is no land left, the people should be moved to newly planned economic zones; At the same time, enhance management activities to ensure sufficient area of land or water surface for production activities of the poor and ethnic minority people.

- The households lacking production land or water surface shall enjoy special support policies on loans, production equipment, vocational trainings... to move to off-farm occupations.

8. Support in construction of basic infrastructure works in poor communes, and the communes having especially difficult circumstances

- The objective is to ensure by 2010 a sufficiency of essential infrastructure works in poor communes, mountainous communes and the communes having especially difficult circumstances.

- Focus investments in construction of essential infrastructure works in about 2,300 communes having especially difficult circumstances, border and island communes, former revolutionary areas, coastal areas...Every commune shall get at least one project every year.

- Implement the decision of replacing bamboo bridges with concrete bridges in villages in the Mekong Delta areas.

- The average investment amount for each commune having especially difficult circumstances shall be about 1 billion dong per year (including 500 million from the Government budget and 500 million from other support sources).

- Continue to implement the policy "a project for the commune, employment for the people"; the construction works should be invested for the rights beneficiaries, effectively, publicly, with transparency and without material losses.

9. Training of the poor on business skills, extension services (agricultural-forestry-aquacultural), technological transfer, occupation development

- Equip the poor with new knowledge, train them on applying technical advances, and other suitable training methods ...
- Build up and develop an extension service system (agricultural-forestry-aquacultural) suitable to poor people and poor communes.
- Build up models of application of new technological advances, models of sedentarization, migration to new economic zones, models of rearing aquatic products, trainings of the poor on business skills, extension services.
- Support the development of rural occupations, especially of processing industry, craft industry, other services for production and lives, handicraft, and traditional occupations.
- Provide vocational trainings, trainings on after-harvest technology transfer (maintenance, processing of agricultural, forestry and aquatic products), and off-farm occupations.

10. Effectively implement the policy on sedentarization, migration to new economic zones

- Provide sedentarization techniques; plan and invest in new residence areas for ethnic minority people to settle down and continue production activities.
- Invest in new economic zones (border, island, remote areas...), reallocate residence areas, especially in the areas lacking land, in combination with social security and national defense.
- The objective by 2010 is to help about 500,000 households in sedentarization, move 250,000 households to new economic zones; help 100,000 free migrant households to settle down, reclaim about 450,000 hectares of waste land.

11. Support of the poor in culture and information, to increase the people's knowledge level.

- Continue radio and TV broadcasting in ethnic minority areas, border and island areas.
- Provide the communes having especially difficult circumstances, poor communes and poor communities, households with some essential books, newspapers and other publications, audio equipment, and other

dissemination documents suitable to different beneficiaries.

- Promote the use of the media, publications, in order to disseminate new knowledge and increase the knowledge level of the poor.
- Build up a team of cultural staff in poor communes; open short-term and long-term training courses on cultural issues, information for the communal cultural staff; equip and promote the use of cultural-information means in order to disseminate new knowledge and increase the knowledge level of the poor.

C. IMPLEMENTATION APPROACHES

The poverty alleviation strategy shall be implemented in an inter-ministerial collaborative mechanism. According to the contents of the strategy, each Ministry shall take responsibility to formulate policies or projects and guide the localities in implementation; The implementation requires close collaboration of the Fatherland Frontier and other mass organizations.

1. Widely disseminate poverty alleviation policies and effective poverty alleviation models

- Set up multi-channel systems of communications, information dissemination and distribution suitable to the practical conditions of different localities on poverty alleviation policies and the poverty alleviation program; generalize and update information in communes, villages, especially in mountainous and ethnic minority areas.
- Set up a system of publicized information and reports on implementation of the poverty alleviation program; generalize effective poverty alleviation models on the media.

2. Resource mobilization

- Mobilize the masses to use internal forces; encourage mass organizations to do contribution to help the poor; successfully organize the "Day for the poor" movement.
- Assign Ministries, Corporations, well-off localities, enterprises to support poor communes.
- Mobilize international organizations to reinforce support resources for poverty alleviation.
- Allocate yearly budgets for the national target program on poverty

alleviation.

- Successfully integrate other programs, projects into the poverty alleviation program.

3. Provide training on capacity building and create favorable conditions for poverty alleviation staff

- Set up and provide trainings to poverty alleviation staff from the Central to the communal level, especially focus on capacity building of local staff.
- Apply satisfying treatment policies on local poverty alleviation staff, firstly in mountainous and remote areas (staff in remote communes, mountainous villages...)
- Encourage and create favorable conditions for mobilized staff and young volunteers to go and help the localities in poverty alleviation activities.
- Set up teams of young volunteers to go to poor communes, areas to help the local people in poverty alleviation; especially focus on the voluntary teams providing free-of-charge social services (team of doctors doing free-of-charge health care services; team of voluntary teachers who help illiterate people, or give consultation on technology transfer...)

4. Implement the regulation of democracy at the local level in implementation of the poverty alleviation strategy and program

- Attach implementation of poverty alleviation tasks to implementation of the regulation of democracy for the poor to get directly involved with formulation and implementation of poverty alleviation plans, programs, projects, which helps to reflect expectations, practical demands of the people and to ensure fairness for the poor.
- Publicize investment programs and projects, especially the financial resources, policies regarding the interests of the poor, so that the local people can take part in monitoring activities.

5. Formulate and replicate poverty alleviation models

Formulate, draw experience and replicate effective poverty alleviation models in the localities, especially the poverty alleviation model for ethnic minority areas, coastal areas, remote and mountainous areas, model of rearing and catching aquatic products..

6. Implement mechanism of integration to create more resources for effective activities.

- Clearly identify contents, objectives of the poverty alleviation program as one of the socio-economic development programs.
- Implementation of poverty alleviation programs and projects requires close collaboration in each locality.
- It is necessary to integrate other programs, projects into the poverty alleviation task, in plan formulation, resource mobilization, implementation, supervision, assessment...

7. Enhance monitoring and assessment activities

- Carry out supervision activities at all levels; Promote participation of the community and the local people in monitoring of program activities.
- Set up a system of criteria for annual and periodic monitoring and assessment, which is a basis for policy completion, policy formulation and implementation management.

8. Task division and decentralized task assignment for implementation

- The Government will assign the authorized Ministries and agencies to formulate and manage the implementation of macro policies to speed up the economic growth and create resources for poverty alleviation.
- The Ministries, agencies shall be assigned to implement direct support policies on the poor, poor households, poor communes:

a) Central Ministries, agencies

- The Ministry of Planning and Investment: Guide the localities integrate other programs, projects into the poverty alleviation task; collaborate with the Ministry of Finance to identify the annual resources for strategy implementation.
- Ministry of Finance: collaborate with the MPI to identify capital resources, annual Government budget for implementation of the poverty alleviation strategy for the period 2001-2010; lead the formulation, guide the financial management mechanism, and organize the budget allocation based on the approved objective.
- Ministry of Agriculture and Rural Development: Formulate policies,

mechanisms and plans on sedentarization, migration to new economic zones, rural infrastructure, support in production development and occupation development, extension services..

- Ministry of Aquaculture: Provide guidance in business skills, aquacultural extension service, formulate models of rearing and catching aquatic products combined with poverty alleviation activities.

- National Committee on Ethnic and Mountainous Areas: Formulate policies, mechanisms and plans to support ethnic minorities having especially difficult circumstances, and other policies regarding ethnic and mountainous areas...

- Vietnam State Bank: Formulate mechanisms and plans to implement the policy on credit for the poor.

- Ministry of Trade: Formulate policies, mechanisms and plans to assist poor areas, poor communes and poor households in product consumption.

- Ministry of Justice: Formulate policies, mechanisms and plans to provide free-of-charge judiciary consultations to the poor.

- Ministry of Health: Formulate policies and mechanisms of assisting the poor in medical treatment and health care

- Ministry of Education and Training: Formulate policies and mechanisms of assisting the poor in education and training.

- Ministry of Culture and Information: Formulate policies, mechanisms and plans of assisting the poor in cultural and information issues.

- Ministry of Science, Technology and Environment: Collaborate with the National Center of Natural Science and Technology to formulate policies, mechanisms and plans of technological transfer suitable to poor areas, poor households.

- Government Personnel Department: Formulate plans of completing the network of poverty alleviation staff and mobilization of staff for poor communes; complete the system of policies and treatment regimes for poverty alleviation staff at different levels.

- National Committee on Population and Family Planning: Formulate policies, mechanisms of implementation of the Population-Family Planning Program integrated into the poverty alleviation program, credit program for family economic development, program of improving life quality, population quality ... and other policies of assisting poor households, poor

areas in Population-Family Planning activities.

- Ministry of Transportation: Preside and collaborate with the Central Youth Union to formulate and implement the policy of replacing bamboo bridges with concrete bridges in the Mekong Delta areas.
- Ministry of Labor, Invalids and Social Affairs, as the standing agency: collaborate with other Ministries, mass organizations and localities to formulate and organize the strategy implementation; identify prioritized beneficiaries and localities, demands for resources; train poverty alleviation staff; formulate policies and mechanisms on the social security system.
- Nhan Dan (The People) Newspaper, Vietnam Television, Voice of Vietnam Radio Station: Collaborate with other Ministries, mass organizations and localities in dissemination of policies of the Communist Party and the Government on poverty alleviation; Find and disseminate effective poverty alleviation models in the localities; Build features, special columns on poverty alleviation; Organize dissemination campaigns based on the tasks of the Program.

b. The People's Council in the localities

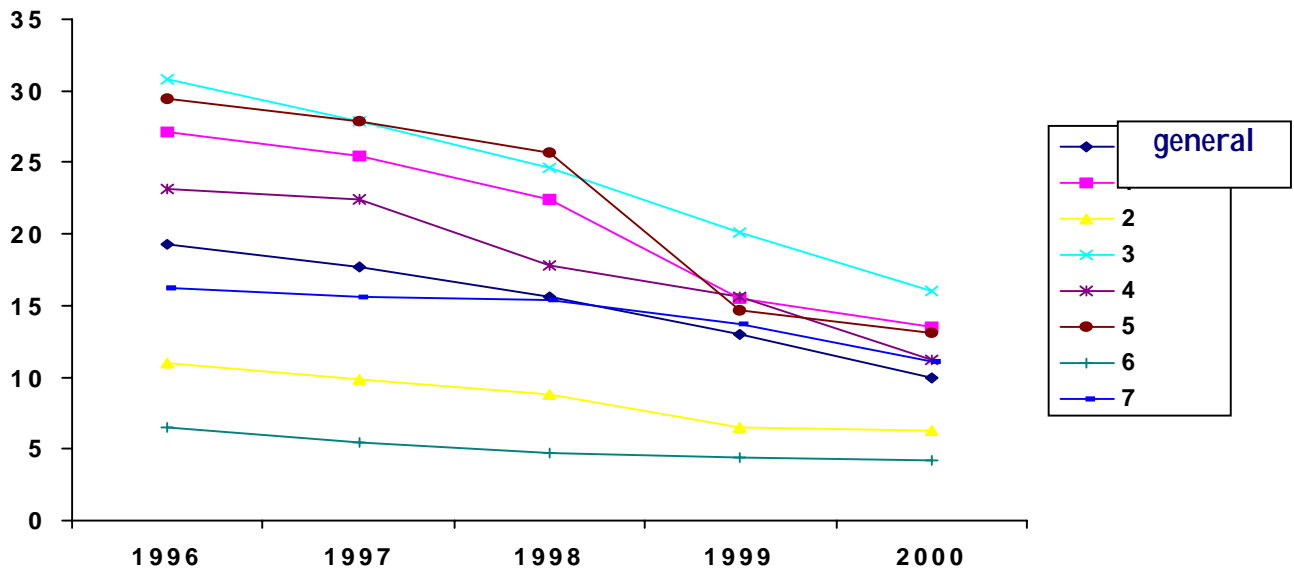
- The local People's Councils (at the provincial, district, communal level) are responsible to build up plans of implementation of poverty alleviation policies, programs and projects; Strengthen the poverty alleviation machine, increase the capacity and qualification of the local staff, for their better implementation of the tasks.
- Receive and effectively use support resources for poverty alleviation from outside.

c. Social and economic organizations

- Encourage, mobilize and assign mass organizations (the Women's Union, Farmers' Union, Youth Union, Veterans' Association) to participate in formulation and implementation of the poverty alleviation strategy in accordance with their own functions.
- Ensure participation of economic units, enterprises, social organizations and NGOs in implementation of the strategic objectives of the poverty alleviation program, in accordance with their functions and assigned duties; encourage the members to take part in the implementation, to start up a large patriotic movement on poverty alleviation in the whole society.

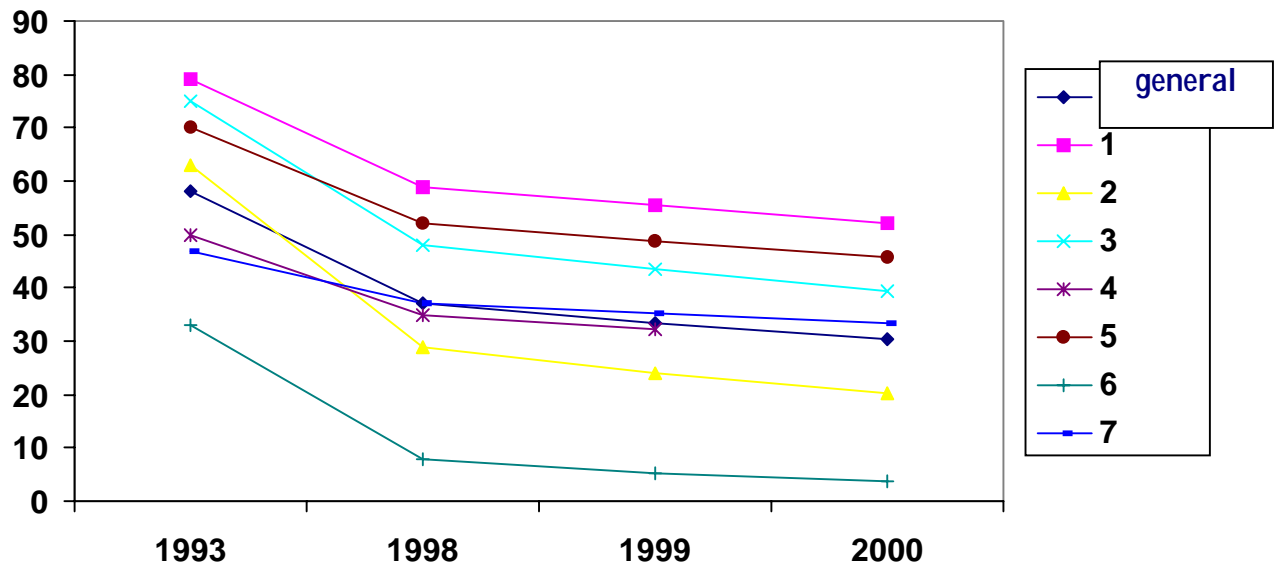
ANNEX 1: RATE OF POOR HOUSEHOLDS 1996-2000
(based on the national poverty line)

Area	Rate of poor households (%)				
	1996	1997	1998	1999	2000
1. Northern midland, mountainous areas	27.24	25.42	22.39	15.5	13.5
2. Red River Delta	11.01	9.84	8.38	6.53	5.25
3. Northern area of Central Vietnam	30.80	27.84	24.62	20.17	16.05
4. Central Coastal Area	23.14	22.44	17.80	15.89	11.17
5. Central Highlands	29.45	27.84	25.65	15.69	13.1
6. Eastern area of Southern Vietnam	6.47	5.50	4.75	4.01	3.50
7. Mekong Delta	16.25	15.65	15.37	13.73	11.14
The whole country	19.23	17.70	15.66	13.0	10.0



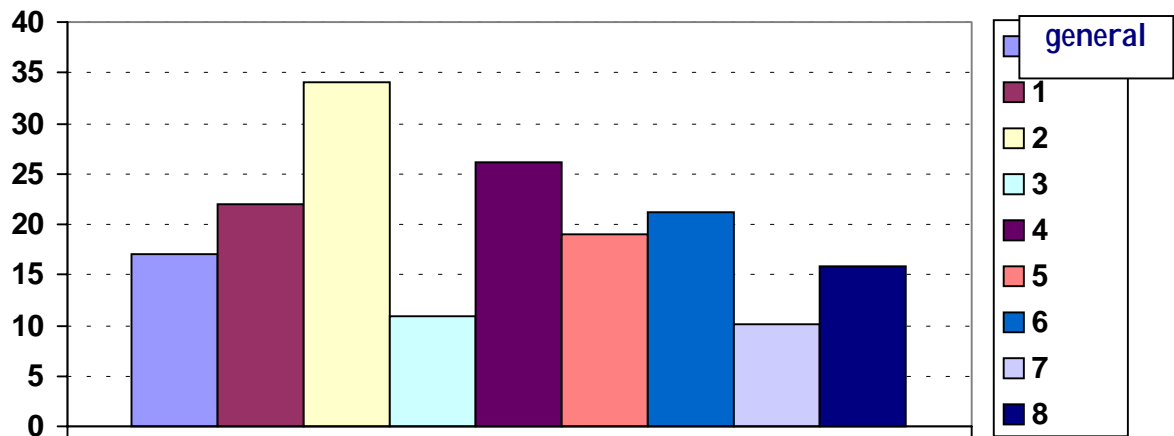
ANNEX 2: RATE OF POOR HOUSEHOLDS 1996-2000
(based on assessment of the World Bank)

Area	Rate of poor households (%)			
	1993	1998	1999	2000
1. Northern midland, mountainous areas	79	59	55.5	52.1
2. Red River Delta	63	29	24.1	20.1
3. Northern area of Central Vietnam	75	48	43.5	39.5
4. Central coastal area	50	35	32.4	30.0
5. Central highlands	70	52	48.8	45.8
6. Eastern area of Southern Vietnam	33	8	5.4	3.6
7. Mekong Delta	47	37	35.2	33.5
The whole country	58	37	35.5	30.5



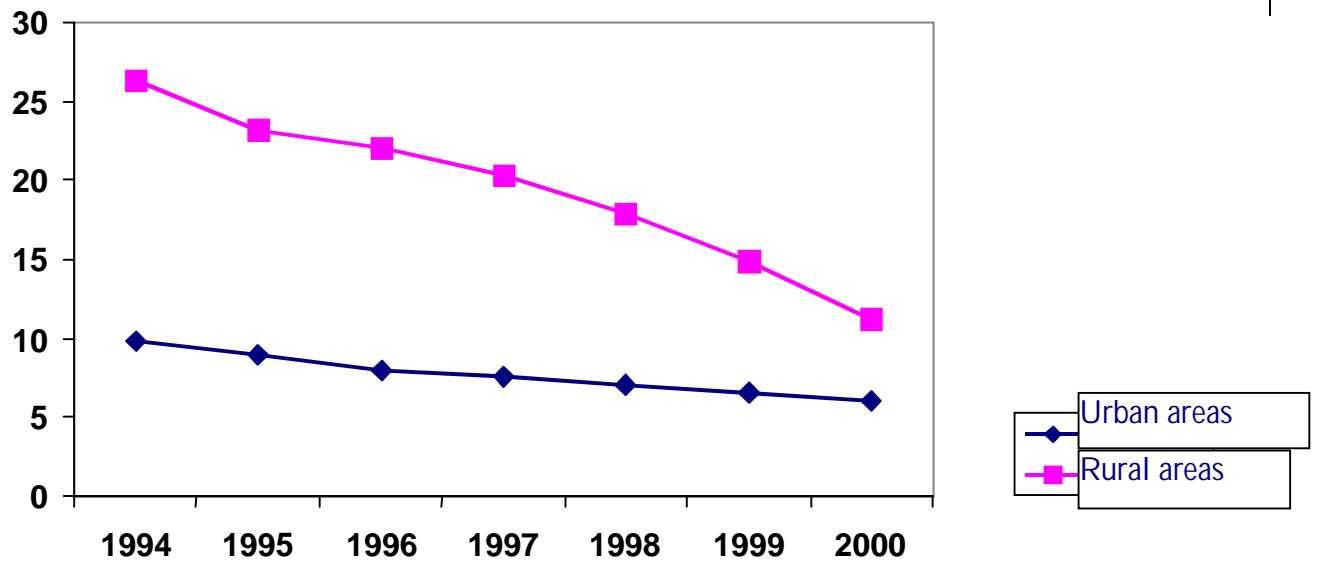
ANNEX 3: RATE OF POOR HOUSEHOLDS AS OF BEGINNING OF 2001
(based on the poverty line of 2001-2005)

Area	Rate of poor households (%)
1. North-Eastern mountainous area	22.35
2. North-Western mountainous area	33.95
3. Red River Delta	9.76
4. Northern area of Central Vietnam	25.64
5. Central coastal area	22.24
6. Central highlands	24.90
7. Eastern area of Southern Vietnam	8.04
8. Mekong Delta	14.18
The whole country	17.18%

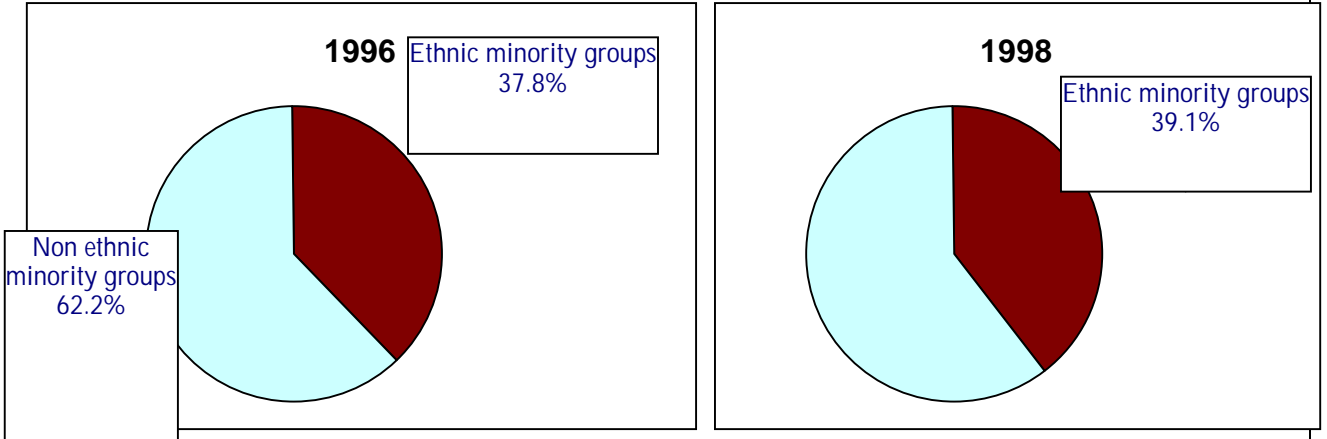


ANNEX 4: RATE OF POOR HOUSEHOLDS IN RURAL AND URBAN AREAS
(based on the national poverty line)

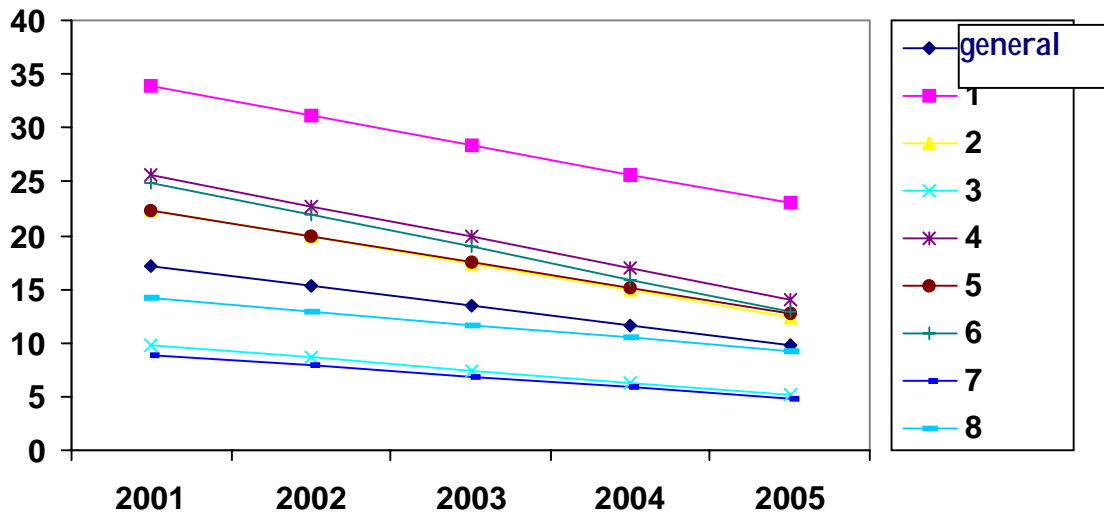
Area	Rate of poor households (%)						
	1994	1995	1996	1997	1998	1999	2000
Urban areas	9.8	8.9	8.0	7.6	7.1	6.5	6.0
Rural areas	26.4	23.2	22.1	20.3	17.9	14.9	11.2



**ANNEX 5: RATE OF POOR HOUSEHOLDS OF ETHNIC MINORITY GROUPS OUT OF THE TOTAL POOR HOUSEHOLDS
(based on the national poverty line)**



ANNEX 5: PREDICTED RATE OF POOR HOUSEHOLDS 2001-2005 ¹



	Rate of poor households (%)				
	2001	2002	2003	2004	2005
General	17.18	15.33	13.48	11.63	9.78
1. North-Western area	33.95	31.20	28.45	25.7	22.95
2. North-Eastern area	22.35	19.85	17.35	14.85	12.35
3. Mekong Delta	9.76	8.61	7.46	6.31	5.16
4. Northern area of Central Vietnam	25.64	22.74	19.84	16.94	14.04
5. Central coastal area	22.24	19.85	17.46	15.07	12.68
6. Central high lands	24.90	21.90	18.90	15.90	12.90
7. Eastern area of Southern Vietnam	8.88	7.88	6.88	5.88	4.88
8. Mekong Delta	14.18	12.93	11.68	10.43	9.18