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VIETNAM CENTRAL HIGHLANDS NEEDS ASSESSMENT

FINAL REPORT



29 DECEMBER 2008

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Cover photograph: A Bahnar communal house (*Nha rong*) in the central highlands of Vietnam. Photo courtesy of Abe Waldstein.

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DISCLAIMER

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AIDS	Autoimmune Deficiency Syndrome
CARITAS	Congregations Around Richmond Involved to Assure Shelter (and INGO)
CBR	Community Based Rehabilitation
CEDC	Children in Especially Difficult Circumstances
CHS	Commune Health Station
CP	Charoen Pokphand Group (Thailand)
CPC	Commune Peoples Committee
CSW	Community Support Worker
CT	Computerized Tomography
CwD	Children with Disabilities
DANIDA	Danish International Development Agency
DARD	Department of Agriculture and Rural Development
DfID	Department for International Development (United Kingdom)
DoET	Provincial Department of Education and Training
DoFA	Provincial Department of Foreign Affairs
DoH	Provincial Department of Health
DoLISA	Provincial Department of Labor, Invalids and Social Affairs
DoPI	Provincial Department of Planning and Investment
EU	European Union
EMW	East Meets West Foundation
FSQL	Fundamental School Quality Level
GDA	Global Development Alliance
GDO	General Development Office
GoV	Government of Vietnam
GTZ	German Technical Cooperation Agency
ha	hectare
HCFP	Health Care Funds for the Poor
HEPR	Hunger Eradication and Poverty Reduction
HIV	Human Immunodeficiency Virus
IEC	Information, Education, Communication
IFAD	International Fund for Agricultural Development
INGO	International Nongovernmental Organization
JBIC	Japanese Bank for International Cooperation
kg	kilograms
km	kilometers
m ³	cubic meters

MoET	Ministry of Education and Training
MoLISA	Ministry of Labor, Invalids and Social Affairs
MRI	Magnetic Resonance Imaging
NGO	Nongovernmental Organization
NPK	Nitrogen, Phosphorous, Potassium
NTHP	National Target Health Programs
NTPPR	National Targeted Programs for Poverty Reduction
ODA	Overseas Development Assistance
PACCOM	People's Assistance Coordinating Committee
POB	Project Operation Board
PPC	Provincial People's Committee
PSB	Project Steering Board
PwD	People with Disabilities
SIDA	Swedish International Development Agency
SPC	Social Protection Center
TA	Technical Assistance
TF	Training Facilitator
UN	United Nations
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States dollars
VBARD	Vietnam Bank for Agriculture and Rural Development
VBSP	Vietnam Bank for Social Policy
VHW	Village Health Workers
VND	Vietnamese dong (16,800 VND = \$1.00 USD [November 2008])
WB	World Bank
WCDO	World Concern Development Organization
WHO	World Health Organization

EXECUTIVE SUMMARY

The ARD assessment team conducted the Vietnam Central Highlands Needs Assessment from 27 October through 22 November 2008. Their objective was to review the situation of the Central Highland communities, focusing particularly on their access to health, social and education services and the potential for income-generating activities for the most vulnerable groups. Based on this review, field visits to USAID projects currently under implementation in the region and other information gathered in the field, the team was to provide USAID with recommendations for formulating a long-term assistance strategy for the Central Highlands—contained in this final report.

The assessment team focused on Gia Lai, Kon Tum and Dak Lak provinces. These provinces are sparsely populated relative to the Vietnam national average. The three provinces are divided into a total of 34 districts, which are themselves divided into communes. Each commune contains a commune center and a number of villages. Often, no formal administrative authority is present in these villages.

In 1975 (at the time of reunification), the overwhelming majority of the three provinces' population was made up of ethnic groups practicing a kind of shifting cultivation. After reunification, the Government of Vietnam (GoV) established state farms in the Central Highlands, and shifting cultivation was not technically possible on these plots. The GoV also launched a series of programs to transplant ethnic Kinh, mainly from the Mekong Delta, to work the state farms in the Central Highlands. Collectivization of land and government resettlement programs ended in the early 1990s; however, in-migration of Kinh settlers, attracted by the possibility of profitable cash cropping, has nonetheless continued on an informal basis. Thus, the ethnic groups indigenous to the Central Highlands have now become a minority population in their homeland.

Many minority farmers have drifted to marginal lands in the hope of resurrecting the shifting cultivation system. The poverty rate among ethnic minority families is significantly higher than the poverty rate among Kinh families in the three Central Highland provinces.

Since 1993, the law has permitted land transactions. The law does not recognize fee simple tenure but it protects tenure for registered occupants and allows the sale, purchase and rent of tenure rights. The collapse of shifting cultivation and the new property regime have had a particularly deleterious impact on minorities that followed matrilineal inheritance. The changes have undermined the authority of senior women as land managers and decision makers and have endowed men, for the first time, with the control of land resources.

The assessment team looked at five vulnerable groups in its survey of Central Highland conditions. They included (i) indigenous ethnic groups, (ii) poor migrant groups, (iii) children in especially difficult circumstances, (iv) people with disabilities, and (v) the abandoned elderly.

HEALTH CARE

The health system in Vietnam has undergone a radical change from subsidized services to “pay as you go”. The focus of health policy has shifted from running an effective health system at the grassroots level to managing a complex network of health care providers, ranging from hospitals to private practitioners.

Organization

The national health system is organized into four levels. The commune health station (CHS) is at the lowest level. District polyclinics are at the next level, followed by provincial hospitals, and central

hospitals at the highest level. CHSs are the basic technical unit in the public health system. Their main task is to provide primary health care to local populations, including preventive care, family planning, normal delivery, basic drugs and overall health promotion. CHSs also manage a local network of village health workers (VHWs).

Benefits

Health authorities in the three provinces asserted that all communes have a health station, and 80% of the stations are headed by doctors who have undergone six years of training. VHWs provide health service outreach to remote villages. Most VHWs are from ethnic minorities, and many have not received the required three-month training. VHWs also perform other jobs assigned by the village or commune. They are the main contact and liaison between local authorities and ethnic minority residents in remote villages.

A GoV program, Health Care Funds for the Poor (HCFP), directly pays the health insurance premium of the poor and targeted groups. The health insurance plan covers up to 20 million VND (\$1190 USD) in medical care costs per individual. Poor and local ethnic minority persons are issued free health insurance cards. The GoV's health care system has successfully implemented other special programs, such as a children's immunization program and an expectant mother immunization program.

Constraints

While HCFP coverage of health care premiums goes a considerable distance to relieve vulnerable groups of the burden of health care costs, it covers only hospitalization and medical procedures. It does not cover transport to and from a health care facility, meals or individualized nursing care.

The primary constraint in the health care system is a shortage of trained specialists, especially of ethnic minority background. None of the three provinces has a real rehabilitation center. Finally, the VHW level does not get the support it needs from the higher levels in the health care system.

EDUCATION

Education in Vietnam is centralized in the Ministry of Education and Training (MoET). The provinces have little latitude in deciding educational policy or curriculum.

Organization

The Vietnamese education system is essentially a four-tiered system:

- Preschool,
- General education from grade 1 to grade 12,
- Vocational training, and
- University.

All general education from grade 1 up must follow the GoV curriculum and other GoV requirements. The community is generally responsible for preschool. During the era of collectivization, state farms provided preschool for workers' children. Community organizations, religious organizations, civil society groups or private enterprises now run preschools, but coverage is incomplete.

Benefits

The student body at all levels is roughly evenly divided between males and females, although the percentage of female students gradually grows in the higher grades. At all levels, most teachers are female, but the percentage of female teachers gradually shrinks in the higher grades. Ethnic minority students are a large share of the student body in the lower grades but the percentage declines in the upper grades.

Each of the three provinces has prioritized building classrooms in remote, underserved villages. In all three provinces every village now has a primary school or a satellite where all children are within a convenient walk to a facility that offers primary education through grade 3.

Constraints

General education takes place in the Vietnamese language from grade 1. Many minority children do not, however, have the command they need of the language at grade 1 to be successful in school.

The main problem for many poor and ethnic minority students arises after grade 3 when they may have exhausted the resources in the village satellite school. At that point they may only complete primary school if they are able to make the daily trip to the core school in the communal center some distance from their home settlement or if their families can secure and pay for suitable lodging for them there. A large number of ethnic minority children consequently drop out of school after completing grade 3. The distance between school facilities and ethnic minority settlements becomes a more critical factor in determining how high ethnic minority students rise in the general education system.

SOCIAL PROTECTION

The social protection system that has evolved since decollectivization is comprised of numerous initiatives that are mandated centrally but implemented locally.

Organization

The GoV provides social assistance through programs such as:

- The Social Guarantee Fund for Regular Relief;
- The Social Guarantee Fund for Veterans and War Invalids;
- The Contingency Fund for Pre-Harvest Starvation and Natural Disasters; and
- The Hunger Eradication and Poverty Reduction program and other National Targeted Programs for Poverty Reduction (HEPR, NTPPR).

The GoV also funds social protection centers. These centers are governmental social institutions that care for orphans, the homeless and abandoned elderly people. They are funded and managed by the provincial Departments of Labor, Invalids and Social Affairs (DoLISA). Each province has at least one social protection center.

Benefits

The social protection centers are a government safety net for vulnerable groups: the homeless, orphans, severely disabled persons and abandoned elderly. Several civil society organizations also fund and manage their own independent social protection centers. Religious organizations have been prominent in running orphanages, leprosaria, etc. The pro-poor budget from the central government has allocated equalization grants of 2 million VND per person per year in the Central Highlands.¹

Constraints

Social assistance in Vietnam addresses needs in a localized manner, rather than systemically, which leads to insufficient coverage of the government safety net, and under- or misuse of program benefits. The Central Ethnic Minority Committee plays a strictly central role, detached from the Central Highlands and thus local indigenous minorities or civil society organizations are not fully consulted or included in implementation.

¹ International Bank for Reconstruction and Development, 2007, *Vulnerable Groups*, Hanoi, Vietnam.

ACCESS TO ECONOMIC OPPORTUNITY

Organization and Benefits

The GoV has several programs specifically targeted to help vulnerable groups. These include:

- Program 135, whose broad objective is to impact health, education and livelihood indicators through improved infrastructure at the commune and village levels;
- Program 134, which provides housing and small-scale irrigation infrastructure for minorities; and
- Program 139, which provides free health insurance to poor households, ethnic minorities and residents of Program 135 communes.

Constraints

In the Central Highlands where access to perennial cropland has meant the opportunity to participate in the coffee boom, Kinh farmers are almost 60% more likely to have perennial cropland than their minority counterparts. Although minorities often have more land than Kinh, the poor quality of the land has a significant impact on the costs and returns they receive as well as on opportunities to participate in new cropping options.

For minority populations, participation in agricultural development provides the primary opportunity for income growth. However, provincial agricultural planning is largely undertaken on the basis of achieving specific economic growth targets. Planners, who are evaluated based on the achievement of targets, often steer resources away from minority communities which have lower capacity and generally show lower return on investment than their Kinh counterparts.

Whether the issue is soil fertility, cropping options or cultural practice, the most important need for ethnic minority farmers, who have had to abandon their traditional shifting agricultural practices, is training. Although each province has an extension system that reaches down to the commune level, the quality, relevance and application of training and extension services to minority communities is poor. In practice, extension agents and extension resources are tied into the specific development targets of the provincial Department of Agriculture and Rural Development (DARD) and are not a general resource for farmers.

PROVINCIAL PRIORITIES

All three provinces place a high priority on education. In the education sector, the provinces all stressed the importance of school construction. All three provinces also stressed deficiencies in their vocational education systems. Finally all three provinces stressed the need for teacher training.

In the health sector, the provinces stressed the need for support in the area of rehabilitation. All three are proposing a community-based rehabilitation (CBR) strategy, but none of them have a rehabilitation center capable of supporting this strategy. All three provinces also expressed an interest in construction of medical health care centers, particularly in underserved rural areas. Finally, all three provinces recognized a need for further training of health professionals at all levels in the system.

All of the provinces expressed an interest in expanding agricultural production, particularly for cash crops such as coffee, cacao, rubber and cashews.

CURRENT USAID PROJECTS IN THE CENTRAL HIGHLANDS

The Success Alliance's objective is to improve rural livelihoods through the introduction of cacao in a multi-cropping system. Selected participants are given certified seedlings and organized into cocoa clubs. Cocoa club groups are led by a Training Facilitator (TF) who is a respected farmer in the community. These TFs receive more than 45 days of specialized training per year on the technical content of trainings as well as on training methods, then provide one training per month to club members at regular meetings.

The assessment team received only positive comments about the design, implementation and impact of the Success Alliance’s project on poor and ethnic minority households. The time and resources devoted to selecting and developing local expertise in the TFs, as well as the consistent monthly training schedule which allows for regular review and reinforcement of knowledge over time, has been key to achieving real results in particularly disadvantaged communities.

Construction at the Kon Ray Ethnic Minority Boarding School is finished. It is a campus facility with eight classrooms, a three-room administration building, a library, an information technology laboratory, a 25 room student dormitory, a two-room teacher dormitory, a cafeteria and two rooms for vocational training. Although the school is currently open and holding classes, the boarding facility is not yet operational. The principal estimates that 160 of the current 185 students will board at the school once the facilities are approved. The provincial administration has not yet recognized the school as a boarding school. Recognition as a provincial boarding school means inclusion in the Department of Education and Training (DoET) budget and, specifically, eligibility for government funding that will cover the cost of housing and feeding the students. The school cannot fund boarding operations until it gets provincial recognition.

Implementation of the Employment and Enterprise Development for Ethnic Minority Communities and People with Disabilities in the Central Highlands Project, the third project, got off to a late start because of delays in the provincial approval process. The project’s four objectives are to improve access to vocational training opportunities for target beneficiaries; income and economic status for disadvantaged communities; capacity of local leaders and authorities to promote economic and social inclusion for target beneficiaries; and the social inclusion and participation of ethnic minority and disabled youth.

The project has facilitated the training of a number of ethnic minority youth for entry into the job market. World Concern Development Organization (WCDO) needs to follow up with the trainees to monitor their work histories and ultimately to assess effectiveness of its programs. The project may be vulnerable to a high dropout rate. Absenteeism of male trainees is particularly high as the trainees return home to participate in agricultural labor during peak demand periods on their families’ farms. In addition, the long-term viability of employment opportunities for which the project is training its beneficiaries is not yet clear. In the meantime, WCDO needs to iron out some wrinkles in its relationship with local project operational boards and community social workers.

RECOMMENDATIONS

The team recommended several illustrative development activities that USAID might consider.

- An **upland agricultural improvement project** modeled on the Success Alliance. Its components might include extension training, a revolving agricultural credit fund and small grants;
- A **primary school readiness program** that would focus on preparing ethnic minority preschoolers for grade 1 by teaching them the Vietnamese language in preschool. The program should take a learning laboratory approach to developing its curriculum and training teachers from other preschools in the three provinces;
- An **eco-cultural tourism activity** which would focus on developing a group of ethnic minority villages as destinations for both local and international tourists. It would require guidance and planning for development of suitable accommodations, meals and activities to attract visitors; and
- A **community-based rehabilitation activity** that would focus on early identification of disability and development of appropriate treatment at the village level. The activity would help fill a major gap in the health care and social protection systems.

I.0 INTRODUCTION

The ARD assessment team conducted the Vietnam Central Highlands Needs Assessment from 27 October through 22 November 2008. Their objective was to review the situation of the Central Highland communities, focusing particularly on their access to health, social and education services and the potential for income-generating activities for the most vulnerable groups. Based on this review, field visits to USAID projects currently under implementation in the region and other information gathered in the field, the team was to provide USAID with recommendations for formulating a long-term assistance strategy for the Central Highlands—contained in this final report. The Statement of Work for the assessment is provided in Appendix B.

The assessment team spent the initial week of the assignment in Hanoi gathering information from various ministries and departments of the Government of Vietnam (GoV) and from donor agencies that have recently been funding development activities in the Central Highlands. The team spent the second and third weeks of the assignment visiting the provinces of Gia Lai, Kon Tum and Dak Lak—spending four days in each province.

During their visit to each province, the team interviewed a number of officials at the provincial government department level as well as at the district and communal government levels. In addition, the team interviewed several farmers in the field, and sites of three projects currently receiving USAID funding. Finally, the team visited several social service institutions, such as schools and social protection centers (SPCs). Staff from USAID/Vietnam’s General Development Office (GDO) accompanied the assessment team into field. Staff from the three provincial Departments of Foreign Affairs (DoFA) hosted the team, arranged meetings for them, accompanied the team on their field visits and served as a clearinghouse for requests for further information.

The team spent their final week back in Hanoi following up on their fieldwork with further discussions with GoV departments and international donors, and drafting this report. Appendix C to this report presents a list of the organizations and the staff members of the organizations with whom the assessment team was able to discuss development needs in the Central Highlands. The three provincial DoFAs had not been able to assemble responses to the team’s requests for statistical breakdowns on a number of issues by the time the team was required to draft the report. Owing to the limited time available, the team therefore had to write up without the benefit of some useful statistical information.

ARD’s assessment team consisted of three members. The Team Leader, Dr. Alfred Waldstein, is a social anthropologist with experience in social protection and agricultural improvement projects. Mr. Rob Turner was the team’s Rural Income Generation Specialist. He has five years of experience working in Vietnam on income generation projects. Ms. Ai My Tran, the Ethnic Minority and Vulnerable Group Specialist, is a teacher and trainer with considerable experience working on a broad range of issues with socially vulnerable groups in Vietnam, particularly in the domain of social protection.

2.0 BACKGROUND ON THE CENTRAL HIGHLANDS

2.1 AN OVERVIEW OF DEMOGRAPHY AND ADMINISTRATION

The Central Highland provinces of Dak Lak, Gia Lai and Kon Tum exhibit among the lowest populations and population densities of any of the provinces in Vietnam. Table 2.1 shows the population and population density of the three Central Highland provinces and compares them with national figures.

TABLE 2.1. CENTRAL HIGHLAND POPULATION AND POPULATION DENSITIES (2007 ESTIMATES)

	Dak Lak	Gia Lai	Kon Tum	Combined	National
population	1,759,100	1,165,800	389,900	3,314,800	85,154,900
- males	874,000	607,500	196,200	1,677,700	
- females	885,100	558,300	193,700	1,637,100	
Area (km ²)	13,139.2	15,536.9	9,690.5	38,366.6	331,211.6
Population density	134/km ²	75/km ²	40/km ²	86/km ²	257/km ²

Source: General Statistics Office

Table 2.1 shows that even Dak Lak, the most densely populated of the three provinces, has a population density little better than half the national average. The population density of Kon Tum is very low—less than one-sixth of the national average.

At reunification in 1975, Dak Lak included the area of what is now Dak Nong Province; and Kon Tum and Gia Lai were one province.² The population of these provinces was composed largely of local ethnic minorities. At that time, several dozen ethnic groups made their home in the Central Highlands. Table 2.2 profiles the most prominent ethnic minority groups in the Central Highlands with population figures from 1999, the date of the last national census.

TABLE 2.2. ETHNIC MINORITY GROUPS IN DAK LAK, GIA LAI AND KON TUM

Name of the group	Total national population (1999)	Provinces where concentrated
Jirai	317, 557	Gia Lai and Kon Tum
Bahnar	158,458	Gia Lai, Kon Tum, Binh Dinh and Phu Yen
Sedang	100, 658	Kon Tum
Rengao	16,000	Kon Tum
Halang	13,500	Kon Tum
Rhade/Ede	270, 348	Dak Lak
Hmong and other minorities from the northwest highlands	Over 10,000	Dak Lak

Source: General Statistics Office, 1999 National Census

² Gia Lai and Kon Tum split in 1991, while Dak Lak and Dak Nong split in 2005.

In 1975, only a relatively small group of Kinh lowlanders had settled in the region since the beginning of colonial times. They were concentrated in the cities and towns. The advent of reunification brought the collectivization of agricultural land and a series of government-sponsored projects to resettle Kinh—principally from the Mekong Delta—and members of ethnic minorities from the northwest to the Central Highlands to work state farms. Planned resettlement projects have dwindled in tandem with the reprivatization of most state farm land since the early 1990s. Spontaneous migration, however, continues to bring numbers of settlers from the lowlands and the northwest to the Central Highlands. Table 2.3 shows the current share of ethnic minorities in Dak Lak, Gia Lai and Kon Tum according to provincial government estimates.

TABLE 2.3. CURRENT SHARE OF ETHNIC MINORITIES IN THE CENTRAL HIGHLANDS POPULATION

	Dak Lak	Gia Lai	Kon Tum	Overall
% ethnic minority	31.4%	44.6%	54%	38.7%

Source: Interviews with provincial authorities

When provincial authorities provided the figures in Table 2.3 they were not, however, able to distinguish the share of local ethnic minorities from those ethnic minorities that had migrated from the northwest. In any case, local minorities have clearly become a minority in their own homeland. Ethnic minorities account for only 38.7% of the population of Dak Lak, Gia Lai and Kon Tum as a whole. Most of the rest of the population is made up of Kinh that have migrated from the lowlands and settled the Central Highland provinces in the last 35 years.

The poverty threshold in Vietnam is currently 200,000 VND (\$11.90) per person per month in rural areas. Despite a gradually rising threshold for poverty, Vietnam has nonetheless lowered the share of the population living below the poverty threshold from 58% in 1992-1993 to 39% in 1997-1998,³ to about 16% nationally at the present time. Poverty rates are higher in the Central Highlands than elsewhere, however. Table 2.4 shows the poverty rates for Dak Lak, Gia Lai and Kon Tum as estimated by provincial officials.

TABLE 2.4. POVERTY RATES IN THE CENTRAL HIGHLANDS

	Dak Lak	Gia Lai	Kon Tum
All households below the poverty line	18.7%	22.7%	24%
Ethnic minority households below the poverty line	31.4%	44.6%	54.0%

Source: Interviews with provincial authorities and General Statistics Office

The poverty rate for ethnic minority households is significantly higher than the poverty rate for the population overall. According to provincial authorities in Dak Lak ethnic minority households represent 70% of households below the poverty line; in Gia Lai ethnic minority households represent 84% of households below the poverty line.

The administrative organization of Dak Lak, Gia Lai and Kon Tum follows the national pattern. Each province is divided into a number of districts. Cities and towns have an administrative structure independent of the district structure. Districts are further divided into a number of communes, which are composed of a number of villages. Administrative authorities do not have a presence in all villages. Table

³ Luong, Hy V., 2003 “Postwar Vietnamese Society: An Overview of Transformational Dynamics,” in Hy. V. Luong, ed., *Postwar Vietnam; Dynamics of a Transforming Society*, Rowman and Littlefield, Lanham, Maryland, USA, p. 12.

2.5 profiles the administrative structure of Dak Lak, Gia Lai and Kon Tum. The information on Table 2.5 comes from official government figures at the end of 2007. During 2008, however, the Central Highland provinces—Dak Lak in particular—have reorganized to some degree. The Dak Lak provincial government has divided a number of communes in two, creating about 40 new communes.

TABLE 2.5. ADMINISTRATIVE UNITS IN THE CENTRAL HIGHLANDS (DECEMBER 2007)

	Cities	Towns	Rural Districts	Communes
Dak Lak	1	-	13	154
Gia Lai	1	2	13	179
Kon Tum	-	1	8	80

Source: General Statistics Office

2.2 RECENT TRENDS

Prior to reunification in 1975, the ethnic minorities of the Central Highlands primarily practiced swidden agriculture, a type of shifting cultivation. Swidden agriculture is technically sustainable only with a low density population such as prevailed in the Central Highlands prior to reunification. Under the swidden system, a household is a member of a kin group that claims rights to a large amount of land. Its claims may overlap with claims of neighboring kin groups. Although conflicts over land rights may exist between the groups in such a case, no group makes a claim to exclusive rights to a parcel. Overlapping claims can coexist.

In any one year the members of the kin group, under the direction of kin group leaders, cultivate only a small fraction of the lands over which the group has claims. When productivity of cultivated plots drops off, the group moves to other areas of their lands; they clear them and cultivate them until the soils become exhausted again, and then move on to other areas. By the end of about a 15 to 20-year cycle, the fertility of the first lands will have revived and the group is back to clearing and cultivating them again.

Reunification, collectivization of agricultural land and the planned migration of large number of Kinh undercut the swidden agricultural system in the Central Highlands. The government forced local minorities to cede control of their lands to state farms. According to Luong,⁴ by 1985, state plantations had absorbed 70% of the agricultural land in Dak Lak, Gia Lai and Kon Tum.

During decollectivization in the late 1980s, the state allocated the lands in its state farms to the households that had been providing labor on the farms. In principle, each household—whether Kinh, migrant minority from the north or local minority—received a share of state farm lands according to the size of the household. As individual units in a large multiethnic workforce that benefited from the redistribution of collectivized farms, ethnic minority households regained control of only a fraction of their former swidden lands. Kinh settlers who were members of collective farms got a considerable share of the collective lands that had previously been the exclusive domain of ethnic minority households.

The land law of 1993 introduced the possibility of purchasing and selling land. It expressly forbade however, any attempt by ethnic minorities to reclaim the lands that they had lost to the state farms beyond the shares that they received through distribution at the dissolution of the state farms. Migrants who had settled on collectivized lands received an equal and uncontestable share of the land at the expense of pre-1975 claimants.

Local minorities have thus had a choice since 1993. They can either undertake intensive agriculture on much smaller claims than their former swidden claims, or they can sell out their share of the distribution

⁴ Luong, *Ibid*, p. 19.

of collective lands and try to reestablish themselves on swidden lands that they carve out of the forest or some sloping land with marginal soils.

Many of the ethnic minorities have been choosing the latter strategy. They are implicitly concluding they would be better off to reconstruct the production system of the pre-reunification era. The decision is doubtless not purely a production decision. They are also trying to maintain the social and political autonomy that they exercised before the Kinh inundation of their homeland. The strategy, however, has become a recipe for marginalizing themselves economically and distancing themselves from social services. It presents a particular challenge to USAID development efforts since this primary USAID target group has gradually been retreating to the most remote and seasonally inaccessible communes in the three provinces, trying to eke out a living on an impoverished resource base.

The end of collectivization has meant the end of government planned schemes to resettle Kinh farmers in the Central Highlands. But resettlement of Kinh farmers in the Central Highlands is continuing at a rapid clip, albeit spontaneously. Settlers are attracted by the large area and low population density which leave scope for newcomers to stake claims to forestry and mineral resources or to buy land and launch themselves in lucrative cash cropping endeavors such as coffee, rubber, cashew, pepper and now cacao, which target international markets.

The redistribution of collective land has particularly undermined the position of women in several ethnic minority groups. Prior to collectivization, several of the groups recognized matrilineal inheritance and matrilocal marriage. That meant that, when a couple married, the husband would come to live with his wife's kin. The senior women in the group would make decisions regarding land allocations. A husband would work the lands assigned to his wife by the senior women in the group.

The most secure land rights that the government now allows are Red Book rights. Red Book rights are not as secure as fee simple rights in the US but they are secure enough to allow purchase, sale and rental arrangements. When the government redistributed collective land to households it assigned rights in household land as the common property of husband and wife. Households that hold Red Book rights to property hold the rights in the names of the husband and the wife. In principle, neither party can dispose of any of the Red Book rights without the agreement of the other. In many of the minority groups, the government's strategy has caused an erosion of women's economic and political power. It has admitted husbands into the resource allocation decision-making process where once they were excluded. On the other hand, the government strategy has, in principle, raised women's economic and political power among other ethnic minorities that hitherto recognized patrilineal inheritance.

One component of the comprehensive reforms that the government launched under the heading of *Doi Moi* in the late 1980s was the decentralization of administrative authority. The administrative authorities of each province now have considerable autonomy. They now raise their own taxes, plan their own development programs and carry out them out on their own. The central government, however, recognizes that the tax base of the Central Highland provinces is not able to bear the burden of their needs. The central government, therefore, passes varying amounts of central funds to each province in the form of subsidies. The People's Committee in Kon Tum, for example, told the assessment team that the province is collecting about 400 billion VND (\$23.8 million) in taxes per year. The provincial budget, however, is about 2,000 billion VND (\$119.0 million) per year. The central government makes up the difference.

In recent years the Central Highlands has seen a rapid efflorescence of civil society. People are creating and joining associations based on kinship, religious ties or communal ties. Many organizations are crosscutting. These include the Women's Union and the Youth Union, both of which seek to promote their members' issues by, among other things, providing access to credit for income-generating proposals of their members.

In particular, the Central Highlands has seen the rapid growth of evangelical Protestant churches since the early 1990s. The growth of these churches is significant for two reasons. In the first place, in evangelical Protestantism, the several dozen disparate ethnic minorities of the area have finally established a tie that facilitates exchanges among them that increasingly binds them together socially, economically and politically. In the second place, since evangelical Protestantism is an international movement led from outside Vietnam, the Vietnamese government fears that these several dozen disparate minority groups will be able to manipulate their international co-religionists to militate for a skewed version of narrow ethnic minority interests against the national interests of Vietnam. The recent history of the evangelical Protestant movement in the Central Highlands has thus been peppered with civil strife.

These organizations are not nongovernmental organizations (NGOs) in any conventional sense. Many, such as the Women's Union or the Youth Union, are officially sponsored. Those not officially sponsored are small in scale, and are generally locally based mutual aid societies with no formal corporate existence. The Success Alliance has been working thorough locally established cocoa clubs, whose model is a proven formula for working with ethnic minority farmers, for example. At the same time, the GoV is mistrustful of many of the church-based groups. All of these local civil society groups nonetheless provide avenues for USAID projects to contact and mobilize potential project beneficiaries.

3.0 OVERVIEW OF SPECIFIC SECTORS

The needs assessment team looked closely at four specific sectors in Dak Lak, Kon Tum and Gia Lai:

- Access to health care,
- Access to education,
- Availability of social protection, and
- Opportunities for income generation.

For each of these sectors, the team gathered current information, principally by interviewing key staff in pertinent departments of provincial government (See Appendix C) to gather information on current conditions, particularly as they relate to ethnic minorities and other vulnerable groups. The team's objective was to characterize the current situation and ultimately to identify and prioritize activities where USAID could strengthen sector performance.

3.1 VULNERABILITY AND THE VULNERABLE GROUPS IN CENTRAL HIGHLANDS

There is no unified or official concept of vulnerability and social security in Vietnam. However a working definition from a Ministry of Labor, Invalids and Social Affairs (MoLISA) 1998 survey described vulnerability as the “inability of an individual to exploit opportunities presented by society for their self-betterment.” Central Highland authorities speak of “disadvantaged groups” as groups of people who cannot take part in the development and transformation of the country, due to lack of health (people with disabilities), lack of knowledge and skills and lack of assets (poverty). For the assessment team, vulnerable groups are those exposed to risks of decline in their welfare and of loss of emotional and family support and marginalization.

The main vulnerable groups in the Central Highlands include (i) indigenous ethnic groups, (ii) poor migrant groups, (iii) children in especially difficult circumstances (CEDC), (iv) people with disabilities (PwD), and (v) abandoned elderly.

3.1.1 Indigenous Ethnic Groups

The Jarai, Sedang, Bahnar, Rhade/Ede, M’Nong, Rengao, Halang form 80% of the ethnic minority population in the Central Highlands. In some communes and in remote districts, they make up to more than 90% of the population (i.e., Tumorong district of Kon Tum has a 94.2% ethnic minority population of which 94% is Sedang). Villages with a high population of Jarai are found in Gia Lai province. Rhade/Ede mostly reside in Dak Lak. Bahnar are found in all three provinces. Each group speaks its own language, but communicates with others in Vietnamese.

The populations in these groups have among the lowest social indicators of any groups in the Central Highlands. They have high poverty rates. They have low rates of education, particularly in the upper grades. They tend to have larger land holdings than Kinh families but on poorer, less productive soils. They also tend to live in the most remote and least accessible communes in the three provinces. Health care in their villages is often rudimentary. The remoteness of their villages is a particular constraint on

their access to health care beyond routine measures. Interaction with government authorities in Vietnamese often presents a challenge for them.

3.1.2 Poor Migrant Groups

H'Mong, Meo, Tay, Nung, Thai, and Kinh have migrated from the northern and central coastal provinces. Since reunification of the country in 1975, migration from northern provinces to the Central Highlands has evolved from organized relocation in new economic zones to spontaneous migration (since the renovation period of the 1990s). Latecomers do not have the favorable conditions of participants in the earlier government-sponsored programs. Recent arrivals often have no social safety net in their new communes. They often live in difficult conditions on often marginal land. However, they can communicate in Vietnamese better than members of local ethnic groups.

3.1.3 Children in Especially Difficult Circumstances and in Need of Social Assistance

The difficult circumstances could include:

1. The death of one parent and inability of the remaining parent, especially the father (or another relative), to bring them up, resulting in their being orphans without family support suffering from malnutrition and joining the workforce prematurely;
2. Children with disabilities;
3. Children living with AIDS;
4. Sexually abused children; and
5. Children in conflict with the law.

Statistics from Gia Lai's DoLISA (2008) show that 0.7% of the 0-15 year old population is CEDC. Kon Tum's Department of Health (DoH) indicated 28% of the children under five years were underweight and malnourished. The share of malnourished children is, however, higher in remote districts: i.e., 66% and 48% in Kon Plong and Tumo Rong districts respectively (July 2007). Interviews with ethnic minority informants establish that their children or grandchildren usually do not continue in school after grade 3, and seemingly prefer to work with their parents at home or on the fields. Girls out of school take care of younger siblings. They often marry early (at 15-16 years old). Children from poor households are often left on their own when the parents are away. A Jarai informant, for example, related how he and his wife went deep into the forest to plant and care for their cassava and bean crops. They stayed there one week before returning home. Children left home alone are prone to accident and injury, subject to burns from cooking and falls from houses on stilts. They are easily disabled from such accidents.

A certain number of children in the towns run afoul of the law. Petty theft is the most widespread problem. Each of the major towns has a certain number of street children who survive by begging, petty theft and odd jobs. Since they are outside any social protection institution, they have no access to health care or education.

3.1.4 People with Disabilities

In 2007, Vietnam signed the United Nations (UN) convention on disability. Vietnam is currently preparing to enact legislation to apply the Convention to Vietnamese conditions.

According to Dak Lak authorities, PwD make up 1.0% of the total population in the province, and male PwD accounted for more than female PwD. These statistics are far below results of a national survey in

2006 that pegged people living with disabilities “any level of disability” at 15.3% and “severe disability” at 3.7%.⁵

A Kon Tum survey of PwD (2.1% of the population) in March 2008 showed a higher share of male PwD (56%) than females (44%). Table 3.1 shows the results of the survey for different disability groups in six types of disability.

TABLE 3.1. TYPES OF DISABILITY EXPERIENCED BY DIFFERENT DISABILITY GROUPS IN KON TUM

	CwD (up to 16 years)	PwD in workforce (16-60 years)	Elderly PwD	PwD overall
Movement disability	27.4%	37.7%	37.7%	35.1%
Inability to care for self	19.8%	14.1%	18.1%	16.1%
Impaired mental ability	17.3%	16.2%	8.4%	15.3%
Impaired communication/language	16.7%	13.3%	7.5%	13.2%
Visual impairment	9.1%	9.5%	14.5%	10.2%
Hearing impairment	9.5%	9.2%	13.8%	10.1%
Total	99.8%	100%	100%	100%

Source: Kon Tum Province Disability Survey (March 2008)

Cases of male PwD are higher than those of female PwD in the six types of disabilities in all age brackets, except the number of cases with impaired hearing and impaired vision of female elderly PwD. Disabilities in movement are prominent from childhood and rise in percentage as people advance through their life cycle.

The impact of disability varies according to the age group in which a PwD belongs. For all PwD provision of appropriate health care is a major problem. The health care system is not equipped to provide health care for many disabilities in rural areas, particularly in early intervention for children who could benefit. Many children and adults with disabilities in the rural areas find themselves simply at home with no opportunities for remedial measures or personal advancement.

For children with disabilities (CwD), provision of education is a problem. Few schools are equipped to provide educational services appropriate to CwD. Similarly, employment is a problem for PwD in the workforce. Few are able to find training for appropriate employment, or jobs once they are trained.

3.1.5 Abandoned Elderly

Elderly without family or community support are sheltered in social protection centers. Their offspring may have migrated in search of employment, or may simply be unable to care for them. Ethnic minority elders are infrequently housed in Dak Lak SPCs (16.0%) and Gia Lai SPCs (14.0%). Most of the elderly in government-sponsored SPCs are Kinh.

3.2 ACCESS TO HEALTH CARE

The health system in Vietnam has undergone a radical change from highly subsidized services to “pay as you go”. Contribution of health care consumers maintains facilities, restocks disposable items and adds remuneration to health care practitioners. With the devolution of the health system, private medical consultations and hospitals came into existence and are providing health services along with government

⁵ Vietnam Household Living Standard Survey, 2006.

health institutions. The focus of health policy has shifted from running an effective health system at the grassroots level to managing a complex network of health care providers, ranging from hospitals to private practitioners. The scale of the system, the heterogeneity of health care units and the overall decentralization of government decisions to local levels add to the complexity of the situation faced by health authorities.

The national health system is organized in four levels. The commune health station (CHS) is at the lowest level, followed by district polyclinics, then provincial hospitals and central hospitals are at the top level. CHSs are the basic technical unit in the public health system. Their main task is to provide primary health care to local populations, including preventive care, family planning, normal delivery, provision of basic drugs, and overall health promotion. CHSs also manage a local network of village health workers (VHWS). Table 3.2 presents a profile of health care units in Dak Lak, Gia Lai and Kon Tum.

TABLE 3.2. HEALTH CARE UNITS (2007)

	Hospitals	Regional Polyclinics	CHS
Dak Lak	17	1	175
Gia Lai	17	16	209
Kon Tum	9	9	96

Source: General Statistics Office

In 2008, each province added several CHSs to the 2007 roster presented above. The DoH in each province stressed deficiencies in trained staff. They all need to improve the skills of their doctors, who need training in medical specialties. Each DoH also independently brought up a need for a provincial rehabilitation center.

3.2.1 Commune Health Stations and Village Health Workers

The three province health authorities asserted that all communes have a health station, and 80% of the stations are headed by doctors who have undergone six years of training. Ethnic minority VHWs provide most of the health service outreach in remote villages. Many of these VHWs have not received the required three-month training. VHWs also perform other jobs assigned by the village or commune, as they are the main contact and liaison between ethnic minority residents in remote villages with local authorities. The Kon Tum DoH reported 876 VHWs; the Dak Lak DoH reported 2,300.

The grassroots level of the health system is fundamental for implementation of the National Target Health Programs (NTHP). There are 10 such programs at present, dealing with malaria, goiter, tuberculosis, leprosy, dengue fever, immunization, child malnutrition, mental health, food safety and HIV/AIDS. Several NTHP have gained positive results, especially the program of extended immunization. In Kon Tum and Dak Lak respectively, 90 and 95% of children under five years of age have been immunized against six preventable diseases. Vaccination against tetanus for pregnant women also achieved 90% coverage in Dak Lak. Gia Lai claimed that trained local midwives attend virtually all birth deliveries at the health stations or at home, in case of remote areas. NTHP has also helped to reduce morbidity and mortality of dangerous diseases and epidemics (polio in particular). It has also contributed to a reduction in malnutrition (down from 35% to 28% in Kon Tum).

The incidence of home birth delivery fatalities, however, is not reported in a timely way and no follow up action is taken. Diagnosis of congenital diseases is also poorly reported without any follow up. Moreover, services at the CHS level are either of poor quality or not available due to inefficient staffing or funding. This further deprives a CHS of learning opportunities. It leaves a CHS and its VHW network underutilized with inadequate resources to ensure preventive health and follow up treatment of tuberculosis, malaria, leprosy as well as monitoring rehabilitation and reintegration programs.

Since 2006, CHSs no longer report to district hospitals. District hospitals, however, retain responsibility for medical supervision. Now, preventive health bureaus are in charge of NTHP implementation, whereas the health office of the District's People's Committee handles organizational matters. This dispersal of responsibilities has substantially weakened the coordination of core CHS activities. This leaves a VHW, as before, as a kind of informal/volunteer health worker, without proper orientation or sustained support in his or her voluntary work.

This major structural change is fomenting a current trend for the rural poor to go to private health providers or directly to district hospitals instead of using the health facilities in proximity of their villages.

3.2.2 Health Access and Health Insurance for Vulnerable Groups

In 2003 the Vietnamese government passed Decision 139, which created a province-level Health Care Funds for the Poor (HCFP). More recently, in 2005, HCFP targeted ethnic minorities and the near poor as beneficiaries based on a new poverty threshold applied for the period 2006-2010. HCFP directly pays the health insurance premium of the poor and targeted groups, whereas a partial subsidy is offered to the near poor. The health insurance plan covers up to 20 million VND (\$1190 USD) in medical care costs per individual. Health insurance premiums are the equivalent of 3% of minimum salary (i.e., 3% x 6,300,000 VND [\$375 USD] = 189,000 VND [\$11.25 USD] in 2008 according to the Kon Tum DoH). Poor and local ethnic minority persons are issued free health insurance cards.

While the HCFP coverage of health care premiums goes a considerable distance to relieving local ethnic minority residents and other vulnerable groups of the burden of health care costs, it covers only hospitalization and medical procedures. It does not cover transport to and from a health care facility. It does not cover meals or individualized nursing care. Patients have to cover their own transportation costs and that of a family member who accompanies the patient to the health care facility to take care of him or her while there. The Asian Development Bank (ADB), under the Highlands Health Care Project for the Poor with funding from the Swedish International Development Agency (SIDA), is covering the cost of items not covered by health insurance, such as meals and transport.

Indigenous ethnic minority groups

Although the DoH in all three provinces affirmed that 100% of ethnic minority and poor persons have health insurance cards in 2008, it also appears that beneficiaries of Decision 139 are not fully aware of the benefits they are entitled to or do not understand the rights associated with health insurance cards. In fact, limitations on understanding extend beyond the intended beneficiaries to reach, at times, health staff at local levels. CHS is the primary health facility for most of the poor benefiting from health insurance. From there they can be referred to higher levels of the health care system. But patients and their families usually go to private providers or to district and provincial hospitals directly. Moreover, patients who are covered by health insurance often do not use their cards when accessing services.

Poor migrant groups

Meanwhile, recent poor migrants (newcomers) cannot benefit from free health insurance since the process of identifying beneficiaries is primarily based on local and permanent residency. Many spontaneous migrants retain their registration in their home communities and have difficulty engineering the change in registration to their new areas, which is required to qualify for social benefits there.

Children in especially difficult circumstances

As of January 2005, Resolution 46 of the Vietnam Communist Party provides for a free health insurance scheme for children under six years of age. It entitles all children under six to free checkups, treatment and medications. The scheme is currently implemented through user fee exemptions that in the past have not proved effective. They have not been supported with adequate funding for health facilities. The Dak Lak DoH claimed it was providing lump sum financial assistance of \$2,000 USD per case for children

who need high-tech surgery or treatment. Nevertheless, mass media, newspapers or magazines regularly publicize cases of children under six years old with acute and severe diseases (such as cancers, heart defects) in order to raise funds to cover costly treatment or surgery.

Children under 18 years, especially ethnic minority children in remote villages, receive health care in their schools or during medical checkup tours in their villages or communes. Visiting in-country doctors or foreign delegations provide surgery to children with disabilities, in particular physical deformities such as harelips, club feet or deformed arms. These operations are more a function of happenstance and outside benevolence than on active and informed initiatives that the families take. Knowledge of current Overseas Development Assistance (ODA) health programs in the Central Highlands seems not to have spread to ethnic minority communities nor been explained in remote villages.

Lower secondary schools include a personal health care program in their curriculum. Lessons on prevention of injury, accident and disease at home or on the road are only given by adults in the family or by civil society groups.

People with disabilities

The Kon Tum DoH wants to consolidate its community-based rehabilitation program in all the communes. The provincial sanatorium and rehabilitation hospital has a capacity of 50 beds to accommodate intensive care and treatment to PwD before their return and reintegration into the community. The Kon Tum People's Committee approved a DoH proposal on "Strengthening and consolidation of the network to assist the rehabilitation of PwD for the period 2008-2010 and Orientation towards 2015" on October 3, 2008. This project needs funding to support technical assistance for cost-effective CBR of PwD through the CHS network (see Appendix F).

The Gia Lai DoH focused on the lack of rehabilitation units in the government health system. Gia Lai refers PwD to sites in neighboring provinces, especially to Qui Nhon city, Binh Dinh province and to Da Nang city, Quang Nam province or even to Ho Chi Minh City or Hanoi City to get corrective surgery or rehabilitation treatment. Therefore, the Gia Lai DoH director stressed that the province's first priority in health matters is the establishment of a rehabilitation center at the province level with sub-units in the communes. Presently, some PwD without family support, whether adult or children, receive care and accommodation in a province SPC under DoLISA management.

The Dak Lak DoH was proud of its rehabilitation unit. It includes physiotherapy and acupuncture and is housed in the provincial hospital. It also has 14 rehabilitation rooms located in 14 district polyclinics. This rehabilitation system has been operational since 1997, with the sponsorship of the Netherlands Medical Committee. According to the doctor in charge of rehabilitation services, the CBR program has now reached 50% of the communes or 107 communities. The team could not visit and have a look at the rehabilitation unit. Dak Lak DoH has shared CBR organization and activities experiences not only to Kon Tum and Gia Lai but also to Cao Bang, a northern province. According to the Province People's Committee (PPC) chairman, more than 17,000 PwD live in Dak Lak province, of whom about 10,000 are male and about 7,000 female. Among them more than 6,000 are ethnic minority and more than 5,000 are CwD. Thien Hanh private hospital in Buon Ma Thuot city is interested in efficient rehabilitation techniques for PwD, especially for victims of work injuries or traffic accidents. Finally, the Dak Lak DoH is presently building a psychiatric hospital with 100 beds.

Abandoned elderly

Health care for the elderly was not a priority of health authorities in any of the three provinces. Minor diseases are treated at CHSs and district polyclinics. Provincial hospitals have no gerontology units yet. Problems of glaucoma were cited. Missions to Central Highlands by in-country and foreign delegations sometimes help to relieve vision problems of elderly people, and to check their health status.

3.2.3 Achievements and Constraints in the Provision of Health Services

Achievements

- One hundred percent of poor and local ethnic minority groups are issued health insurance cards. An ADB project component covers costs over the 20 million VND (\$1190 USD) policy coverage, with an allowance for medical care to poor patients (end of the project in 2009).
- Ninety to ninety-five percent of children under one year have received immunization of six preventable diseases (Kon Tum, Dak Lak). Poliomyelitis has been eradicated.
- Ninety percent of pregnant mothers in Dak Lak have received immunization against tetanus.
- Improved coordination of the health sector with local authorities is occurring under a UN Joint project in Kon Tum (2007-2010).
- Dak Lak hospital has a rehabilitation unit, and 14 of their district polyclinics district have rehabilitation rooms.

Constraints

- All three provinces report a shortage of specialist doctors, and ethnic minority generalist doctors.
- Overall, ethnic minorities in remote areas are not taking advantage of their free health insurance cards and current ADB project benefits.
- There are no real rehabilitation centers with appropriate instruments and individualized treatment.
- There is no sustained and efficient primary health care system through the network of VHWs.

3.3 ACCESS TO EDUCATION

The education system in Vietnam is centralized in the Ministry of Education and Training (MoET). The provinces have little latitude in deciding educational policy or curriculum. The Vietnamese system of education is essentially a four-tiered system:

- Preschool,
- General education from grade 1 to grade 12,
- Vocational training, and
- University.

Children ideally enter preschool at age 2. Preschoolers spend a year in kindergarten and then go up to three years in nursery school before they enter grade 1 in primary school at age 6. Children spend five years in primary school. After they graduate primary school they go on to four years of lower secondary school, grades 6 through 9. Graduates of lower secondary school can either follow an academic program that takes them through grade 12 in upper secondary school or they can follow a vocational program. Upon graduation from upper secondary school, students may either continue to university if they pass the university entrance exam or they may attend a two or three-year vocational college training program.

According to DoET authorities in the three provinces, all education in those provinces from grade 1 up takes place in government schools. Preschools are generally the responsibility of the community. During the era of collectivization, state farms provided preschool for their workers' children. Community organizations, religious organizations, civil society groups or private enterprises now run preschools; thus preschool coverage is incomplete. In Kon Tum, for example, only 79% of eligible children attend preschool. Dak Lak has set a goal of establishing preschools in all villages by 2015. In remote villages in Dak Lak, children are getting only a three-month preschool session before entering grade 1. In addition, Dak Lak recognizes a general inadequacy of preschool at the village level for disabled children. Table 3.3 profiles the preschool endowment in Dak Lak, Kon Tum and Gia Lai provinces at the end of 2007.

TABLE 3.3. PRESCHOOL IN DAK LAK, GIA LAI AND KON TUM PROVINCES (2007)

	No. of preschools	No. of classes	No. of teachers	No. of pupils
Dak Lak	192	2086	2399	54,900
Gia Lai	208	1942	2057	48,600
Kon Tum	99	1029	1082	22,000
Totals	499	5057	5538	125,500

Source: General Statistics Office

Table 3.3 shows the effort that Gia Lai has made to expand preschool coverage in the province. It has the largest number of preschools, although Dak Lak has a larger population. On the other hand, preschools in each province average only slightly more than one preschool per commune (See Table 2.5). Many village households have no easily accessible preschool for their children to attend.

General education takes place in Vietnamese from grade 1. Many minority children do not, however, have the command of Vietnamese that they need at grade 1 to be successful in school. Gia Lai introduced a program in 2003 to begin teaching the Vietnamese language to ethnic minority five year olds in preschool. The Gia Lai DoET claims that 90% of minority preschoolers in the province are now going through this program.

The student body at most schools is roughly evenly divided between males and females. The student body at the ethnic minority upper secondary boarding school in Gia Lai province, for example, contains 192 girls and 187 boys.

Tables 3.4, 3.5 and 3.6 present a profile of the student body in Dak Lak, Gia Lai and Kon Tum respectively. Table 3.7 presents a profile of the student body of all three provinces taken together. The tables show the number of students at each level of the general education system and then break the student body down to show the number of female students and the number of minority students at each level.

TABLE 3.4. PROFILE OF THE STUDENT BODY OF DAK LAK PROVINCE (2007)

	Total student body	Female students		Ethnic minority students	
		number	percentage	number	percentage
Primary school	201,291	96,461	47.9	88,283	43.9
Lower secondary	161,283	80,527	49.9	48,486	30.1
Upper secondary	79,709	43,770	54.9	15,197	19.1
Total students	442,283	220,758	49.9	151,966	34.4

Source: General Statistics Office

TABLE 3.5. PROFILE OF THE STUDENT BODY OF GIA LAI PROVINCE (2007)

	Total student body	Female students		Ethnic minority students	
		number	percentage	number	percentage
Primary school	147,738	71,814	48.6	75,421	51.1
Lower secondary	92,306	45,442	49.2	29,809	32.3
Upper secondary	37,399	20,003	53.6	5,605	15.0
Total students	277,443	137,259	49.5	110,835	39.9

Source: General Statistics Office

TABLE 3.6. PROFILE OF THE STUDENT BODY IN KON TUM PROVINCE (2007)

	Total student body	Female students		Ethnic minority students	
		number	percentage	number	percentage
Primary school	50,879	24,619	48.4	33,422	65.7
Lower secondary	36,192	18,284	50.5	19,862	54.9
Upper secondary	12,632	6,873	54.4	3,279	26.0
Total students	99,703	49,776	49.9	56,563	56.7

Source: General Statistics Office

TABLE 3.7. PROFILE OF THE OVERALL STUDENT BODY IN ALL THREE PROVINCES (2007)

	Total student body	Female students		Ethnic minority students	
		number	percentage	number	percentage
Primary school	399,908	192,894	48.2	167,046	41.7
Lower secondary	289,781	144,253	49.8	99,157	34.2
Upper secondary	129,740	70,646	54.5	24,081	18.6
Total students	819,429	407,793	49.8	290,284	35.4

Source: General Statistics Office

Tables 3.4, 3.5 and 3.6 show a general pattern of female students constituting slightly under half the student body in primary schools in the three provinces. Their presence as a share of the student body increases gradually so that by upper secondary school females are slightly over half the student body. Many males are probably leaving school to join the workforce at that point, leaving females in the majority.

The share of ethnic minority students in the student body drops considerably from primary school to upper secondary. Table 3.7 shows that ethnic minority students comprise two-fifths of the primary school student body if all three provinces are taken together. By upper secondary school, they constitute less than one-fifth of the student body.

Many ethnic minority children live in remote villages that are chronically underserved by social services, including schools. Table 3.12 indicates the number of general education schools in the three provinces. It shows that each province has many fewer upper-level schools than primary schools. Tables 3.4 through 3.7 then suggest the difficulties ethnic minority students have in maintaining attendance in centralized upper-level schools when their families live in remote areas. The remoteness of their villages discourages ethnic minority children from persisting in school for several reasons. Most ethnic minority children have to leave their families to attend boarding school in the upper grades. Their preparation in and familiarity with Vietnamese is deficient. Advanced schooling does not prepare them for any occupation that they will return to in their home villages. Finally, their families' need for their labor in the field may conflict with the academic schedule.

Tables 3.8, 3.9 and 3.10 mirror the previous tables by profiling the teaching staff in the general education schools of Dak Lak, Gia Lai and Kon Tum. They show the number of teachers at each level of the general education system and then break the staff down to show the number of female and minority teachers at each level.

TABLE 3.8. PROFILE OF DAK LAK TEACHING STAFF (2007)

	Total teaching staff	Female teachers		Ethnic minority teachers	
		number	percentage	number	percentage
Primary school	9,357	8,098	85.5	1,555	16.6
Lower secondary	7,553	4,704	62.3	1,043	13.8
Upper secondary	3,152	1,466	46.5	370	11.7
Total teachers	20,062	14,268	71.1	2,968	14.8

Source: General Statistics Office

TABLE 3.9. PROFILE OF GIA LAI TEACHING STAFF (2007)

	Total teaching staff	Female teachers		Ethnic minority teachers	
		number	percentage	number	percentage
Primary school	6,151	4,726	76.7	1,503	24.4
Lower secondary	4,590	2,964	64.6	1,181	25.7
Upper secondary	1,834	1,041	56.7	253	13.8
Total teachers	12,575	8,731	69.4	2,937	23.4

Source: General Statistics Office

TABLE 3.10. PROFILE OF KON TUM TEACHING STAFF (2007)

	Total teaching staff	Female teachers		Ethnic minority teachers	
		number	percentage	number	percentage
Primary school	2,965	2,340	78.9	772	26.0
Lower secondary	2,174	1,504	69.2	640	29.4
Upper secondary	838	535	63.8	69	8.3
Total teachers	5,977	4,379	73.3	1481	24.8

Source: General Statistics Office

TABLE 3.11. PROFILE OF THE OVERALL TEACHING STAFF IN ALL THREE PROVINCES (2007)

	Total teaching staff	Female teachers		Ethnic minority teachers	
		number	percentage	number	percentage
Primary school	18,473	15,164	82.1	3,830	20.7
Lower secondary	14,317	9,172	64.1	2,864	20.0
Upper secondary	5,824	3,042	52.2	692	11.9
Total teachers	38,614	27,378	70.9	7,386	19.1

Source: General Statistics Office

Most of the teachers at all levels are female. As Table 3.11 shows, the female share of the teaching staff overall drops somewhat from primary to upper secondary but, for the most part, remains over 50%. On the other hand, the share of ethnic minority teachers hovers around 20%. Minority teachers are concentrated in preschools and primary schools, and have been particularly effective in remote areas. All of the school administrators that the team met were male and Kinh.

Table 3.12 shows the distribution of schools for general education in Dak Lak, Gia Lai and Kon Tum provinces in September 2007. Each province has inaugurated new schools at each level since then. Despite the continuing development of new school facilities, many are deteriorating due lack of proper maintenance. Many facilities also lack the equipment to operate as effective educational institutions.

TABLE 3.12. SCHOOLS FOR GENERAL EDUCATION IN THE CENTRAL HIGHLANDS (2007)

	Primary schools	Lower secondary school	Upper secondary school	Primary and lower secondary combined	Lower and upper secondary combined
Dak Lak	382	203	40	7	4
Gia Lai	213	147	31	70	
Kon Tum	115	81	6	8	10

Source: General Statistics Office

The data on the number of primary schools in Table 3.12 does not, however, accurately reflect the situation. Many communal primary schools have village satellites. In Kon Tum province, for example, the 115 primary schools have around 300 satellites. Every village has at least a satellite where all children are within a convenient walk to a facility that offers primary education through grade 3. The same is true for Gia Lai and Dak Lak. Each of the provinces has been using Program 135 funds to build classrooms in remote, underserved villages⁶. In all three every village now has a primary school or a satellite. Table 3.13 shows the percentage of 6 year olds in primary school in each province.

TABLE 3.13. SIX YEAR OLDS IN PRIMARY SCHOOL BY PROVINCE

	Dak Lak	Gia Lai	Kon Tum
Percentage in school	96%	95%	97-99%

Source: Provincial DoET officials

The problem for many students arises after grade 3 when they may have exhausted the resources in the village satellite. At that point they may only complete primary school if they are able to make the daily trip to the core school which may be in the communal center some distance from their home settlement or if their families can secure and pay for suitable lodging for them there. A large number of ethnic minority children consequently drop out of school after completing grade 3.

The distance between school facilities and ethnic minority settlements becomes more and more critical the higher a student rises in the general education system. Lower secondary schools exist in each commune in each of the three provinces. The location is usually convenient for students living near the commune center. Attendance presents more of a challenge for ethnic minority students living in more distant and remote settlements. Even though many of these lower secondary schools are boarding schools, minority students from remote areas are reluctant to move away from their homes and families.

Each district in the three provinces has at least one upper secondary school. The upper secondary school is often centrally located in the district town or on the grounds of a government enterprise. The problems of distance to upper secondary facilities are most acute for ethnic minority students. The distance has a negative impact on their ability to pursue their studies.

The composition of the student body at each education level shows the impact of distance on the attendance of ethnic minority students. In Kon Tum province for the 2008-2009 school year, ethnic minority students reportedly make up 63% of the preschool student body. At the same time, ethnic minority students reportedly make up 66.7% of the primary school student body. From then, the share of minority students drops. Minority students reportedly make up 58% of the lower secondary student body and only 30% of the upper secondary student body in Kon Tum for the 2008-2009 school year. In Dak Lak, ethnic minority students comprise 34% of preschool students and nearly 42% of primary school

⁶ Chapter 4 discusses National Targeted Programs for Poverty Reduction such as Program 135.

students. Their share of the student body then drops to 31% of lower secondary school students and 17% of upper secondary students.

Each province has a number of boarding schools to accommodate students whose residence is too remote to permit them to pursue their studies. Many district-level upper secondary schools have boarding facilities. In addition, each province has one boarding school devoted exclusively to ethnic minority students. The government, through Program 168, provides considerable support to students in the ethnic minority boarding schools.⁷ It covers their tuition, room and board, textbooks and pens and paper. It furnishes each minority boarding student a school uniform, and it covers, as a student's presumptive share of electricity and water consumption, the cost of 25 Kw of electricity and 40 m³ of water.

Dak Lak's DoET claims that 89.15% of ethnic minority students graduate from grade 9 but only 34.74% graduate from upper secondary school. The DoET claims that 68.15% of students overall graduate from upper secondary. Part of the reason for the difference in graduation rate is that the provinces consciously try to channel 15 to 20% of ethnic minority students into vocational educational programs after they complete lower secondary school.

The vocational education system specifically targets ethnic minority and disabled students. Administratively, DoLISA administers government-sponsored vocational education institutions. In all three provinces, both DoLISAs and DoETs expressed dissatisfaction with the vocational training that the vocational centers can provide. Each district in Dak Lak and Gia Lai has its own vocational secondary school. Kon Tum Province has only three vocational secondary schools for the province.

Vocational centers typically provide both long- and short-term training. They, however, lack adequate facilities and equipment. Training at vocational centers typically focuses on tailoring, motorcycle maintenance and repair, carpentry and woodworking and agricultural extension. In addition to these basic skills, some centers teach auto mechanics. Informants question how well the vocational secondary schools are preparing students for actual jobs. They would like to update the range of skills taught and staff qualifications.

3.3.1 Achievements and Constraints in the Provision of Education

Achievements

- The student body at all levels is roughly evenly divided between males and females, although the percentage of female students gradually grows in the higher grades.
- At all levels, most teachers are female (although the percentage of female teachers gradually shrinks in the higher grades).
- Ethnic minority students are a large share of the student body in the lower grades. Vocational schools are primarily targeted to ethnic minority and disabled students.
- Each of the three provinces has prioritized building classrooms in remote, underserved villages.
- In all three provinces every village now has a primary school or a satellite where all children are within a convenient walk to a facility that offers primary education through grade 3.

Constraints

- General education takes place in the Vietnamese language from grade 1. Many minority children do not, however, have the command they need of the language at grade 1 to be successful in school.
- The main problem for many poor and ethnic minority students arises after grade 3 when they may have exhausted the resources in the village satellite school. At that point they may only complete primary school if they are able to make the daily trip to the core school in the communal center some

⁷ Chapter 4 discusses National Targeted Programs for Poverty Reduction such as Program 168.

distance from their home settlement or if their families can secure and pay for suitable lodging for them there. A large number of ethnic minority children consequently drop out of school after completing grade 3. The distance between school facilities and ethnic minority settlements becomes a more critical factor in determining how high ethnic minority students rise in the general education system.

- Vocational centers lack adequate facilities and equipment, and the curriculum is limited.

3.4 SOCIAL PROTECTION

Social protection in Vietnam has changed substantially since the introduction of the *Doi Moi* reform movement. Historically, Vietnam has had a strong commitment to combating inequality and raising the living standards of all its regions and people. Effectuation of *Doi Moi* in the 1990s, however, profoundly changed the way social services were delivered. Cooperatives that had financed and supported health and education services for their members, as well as insurance against shocks, were disbanded in 1988, leaving the rural population more vulnerable. The social protection system that has evolved since decollectivization is comprised of numerous initiatives that are mandated centrally but implemented locally.

3.4.1 Formal Social Assistance

Social assistance is provided through different programs, including:

- **The Social Guarantee Fund for Regular Relief** which targets those unable to support themselves (i.e., the disabled, orphans, elderly). Monthly benefits are paid from this fund to the homeless, elderly, orphans, and the seriously disabled poor, among others. However, coverage is very limited; benefit levels are inadequate due to limited funding from the central government and provincial budgets. For example, among 8,173 PwD in Kon Tum, only 31% received monthly financial assistance.
- **The Social Guarantee Fund for Veterans and War Invalids**, which extends compensation and assistance through social subsidy transfers to those who contributed to and suffered from the war efforts; among PwD in Kon Tum, 1.5% or 127 persons are recognized as disabled veterans or war invalids (91 men, 36 women) and receive monthly allowances.
- **The Contingency Fund for Pre-Harvest Starvation and Natural Disasters**, which provides disaster relief to minimize consequences of natural calamities and other emergencies; this program provides aid to disaster-struck areas and food and cash-for-food aid during the pre-harvest season.
- **The Hunger Eradication and Poverty Reduction program⁸ and other National Targeted Programs for Poverty Reduction** (HEPR, NTPPR) that aim to reduce poverty and are often targeted at “poor and remote” communes. These interventions include employment generation, reforestation efforts, school and health fee exemptions, micro-credit schemes and physical infrastructure investments. Programs 135 and 134 are especially designed to mitigate obstacles to ethnic minority community progress toward development and seize opportunities to improve themselves. Dak Lak,

⁸ Poor households are those under a poverty line that was originally conceived in terms of a certain amount of rice. According to the 1993 standard, people were considered poor if they could not afford 20 kg of rice per person per month in urban areas, and 15 kg in rural areas. These amounts were increased to 25 and 20 kg respectively in 1995. A threshold of 15 kg was introduced in 1997 for mountainous areas. In 2001 these amounts were converted to money terms, at 150, 100 and 80 thousand VND per person per month, respectively. A major update took place in 2006, when the poverty line was set at 260,000 VND for urban areas and 200,000 VND for all rural areas.

Gia Lai and Kon Tum are beneficiary provinces for Program 135 in its second phase from 2005 to 2010, and for Program 134 for housing, water supply and legal aid to ethnic minorities.

3.4.2 Social Protection Centers

SPCs are governmental social institutions that care for orphans, homeless, disabled and elderly people. DoLISA manages the centers. Each province has at least one SPC. Dak Lak and Kon Tum have two SPCs each, one located in the provincial capital and the other on the outskirts.

The Gia Lai SPC, established in 1996, houses orphans and elderly in a single compound with a 120-person capacity. Two-thirds of the orphans are ethnic minorities and three-fourths of the elderly are Kinh. PwD account for 17.5% of SPC residents. The Kon Tum SPC in Kon Tum town is reserved for orphans and elderly (85% orphans, 15% elders), while the downtown Dak Lak SPC takes care of infants and children from nursery school to grade 4. The institutional capacities are 80 and 55, respectively. Located in the suburbs, Kon Tum's second SPC is totally reserved for children with disabilities (38 boys, 37 girls) while Dak Lak's second SPC covers 5.4 ha with four main buildings: (i) an orphanage with 83 children; (ii) an old age home with 62 elderly; (iii) a homeless shelter with seven persons; and (iv) a mental hospital with 65 "severely mentally ill" persons. SPC staff are mainly Kinh, with a ratio is 4.5 to 5 residents per staff member. Although the infirmary is handled by a trained doctor or medical practitioner, qualified staff in rehabilitation practice or in psychiatric studies are nonexistent in SPCs.

Children in SPCs study in mainstream schools, and learn some extracurricular skills in vocational centers, except CwD in the second Kon Tum SPC who learn sewing, weaving and basket weaving on the center's premises. The rehabilitation room in the second Kon Tum SPC is equipped with simple devices for physical exercise. Medical visits are performed on a regular basis at the centers. Emergency cases are transferred to district polyclinics or straight to the provincial hospital.

Elderly people without family support live separated from the orphans. There was little interaction or mutual help between children and the elderly since the children have their school responsibilities. They have play schedules and do physical exercise. Most of the elderly (over 55 years) are weak and sick. When they die, the SPC assures a decent funeral ceremony and keeps a memory of them on a collective altar.

The central and provincial governments' budget was just enough to cover the cost of SPC operations and to feed residents. Financial assistance from philanthropic individuals and organizations is welcome. Regular funding from a German humanitarian organization has been transferred to three SPCs annually.

3.4.3 Family and Communal Social Support

In pre-colonial times, when mothers of infants from ethnic minorities that practice matrilineal inheritance (i.e., Ede, Rhade, Raglai, Jarai, M' nong, Rengao or Halang) died, the infants were often buried with their mothers since no one else could bring them up. During the colonial period, these orphans could be saved if placed with foreign missionaries (at that time, French nuns). At the death of one of the parents, children from the Brahma and Sedang minorities who recognize bilateral inheritance were also often placed with foreign missionaries for their survival since the meager and precarious livelihood of a single parent could not assure adequate conditions to bring up the infants.

Currently, ethnic minority infants and orphans are, with communal approval, often brought to government SPCs or to humanitarian shelters by the family. The children can then be fed properly and have the opportunity to go to school. During their first years at the SPC, ethnic minority children seem not to have much contact with their families and communities. But by age 10 or 11, family members tend to appear at SPCs and shelters to enquire and follow up with the child's growth and development. On the other hand, Kinh infants or infants from migrant minorities from the northern provinces who are mainly from groups that recognize patrilineal inheritance, are often found simply abandoned at SPCs or shelter doors. These children, when they become adults, usually experienced distress and often have problems reintegrating

into their communities. However, according to the director of the Gia Lai SPC, adoptive parents for Kinh children are found more easily than for ethnic minority children.

In their villages, ethnic minority adolescents are attached to their families and communities. Their studies often end at primary or lower secondary school due to unfavorable learning conditions (such as lack of proximity to school facilities) as well as lack of potential practice and employment in the villages. Many young ethnic minority adults participate in agricultural work and or try to find casual work in the cities.

3.4.4 Nongovernmental Social Protection

Religious organizations have regularly been actively supporting local institutions in the communities, such as Pagoda in Thong Nhat ward and Sao Mai orphanage in Pleiku city and two shelters for ethnic minority orphans in Kon Tum. Duc An church (Gia Lai) and Ea Kar district (Dak Lak) have daycare schools for disabled children. Dak Lak province also has a special school for hearing impaired students. Catholic nuns in Gia Lai and Kon Tum provinces manage leprosaria in the communities which provided food and care to more than 1,700 patients in 2007.

Services from civil society are numerous in the Central Highlands, with the Women's Union network for savings and credit groups in Dak Lak, farmers' clubs and women's support groups between Kinh and Sedang.

Nongovernmental social protection in the Central Highlands operates on a charitable and humanitarian basis. Dispensing organizations receive their funding from local philanthropic persons (*manh thuong quan*), Vietnamese expatriate (*viet kieu*) NGOs and community development units of international business companies and from overseas religious organizations.

3.4.5 Achievements and Constraints in Access to Social Protection

Achievements

- The government provides safety net for vulnerable groups.
- Many target programs are in place for poverty reduction.
- The pro-poor budget from central government has allocated equalization grants of 2 million VND per person per year in the Central Highlands.⁹
- SPCs serve the most vulnerable persons: homeless, orphans, severely disabled persons and abandoned elderly.
- Participation of various civil society organizations provides additional support to vulnerable persons.

Constraints

- Social assistance in Vietnam consists of a variety of targeted programs that address certain needs of specific groups in a localized rather than a systemic way.¹⁰
- The government safety net has insufficient coverage.
- Program benefits are underused or misused, mainly due to lack of information, concise targeting, coordination and management skills.¹¹
- The ethnic minority target group was not fully consulted. The Central Ethnic Minority Committee seems to play a strictly central role, detached from the indigenous ethnic minorities in the Central Highlands.

⁹ International Bank for Reconstruction and Development, 2007, *Vulnerable Groups*, Hanoi, Vietnam.

¹⁰ Ibid.

¹¹ Ibid.

- Local resource persons at the grassroots level are sidetracked and play little role in administration of local social protection programs due to lack of opportunities prescribed in the programs or attention to their abilities.
- Civil society organizations are not fully aware of government efforts since they are not included in the implementation process.

3.5 ACCESS TO ECONOMIC OPPORTUNITY

Among material improvements in a wide range of development indicators over the past 15 years, Vietnam's record of rural economic growth and poverty reduction stands out. Since 1993, the poverty rate in Vietnam has fallen from 58 to 16% of the population. Much of this is due to land and market reforms which allowed farmers to benefit economically from their production. These reforms have brought Vietnam from starvation conditions in the late 1980s to world leadership in a number of agricultural exports. The effectiveness of agricultural development in Vietnam has meant that poverty reduction has been widespread, rather than focused in developed urban areas.

However, in the midst of this broad economic improvement, ethnic minorities have consistently underperformed economically, and despite the fact that they represent only 13% of the national population, some government agencies forecast that they may account for 50% of poverty in the country by 2010. Because ethnic minority populations are largely centered in highland areas, most explanations for their underperformance have focused on issues of geographic isolation and access to markets and services. Recent research, however, suggests that, "less than half of the ethnic gap can be attributed to minorities' poorer endowments and their living in remote mountainous areas."¹²

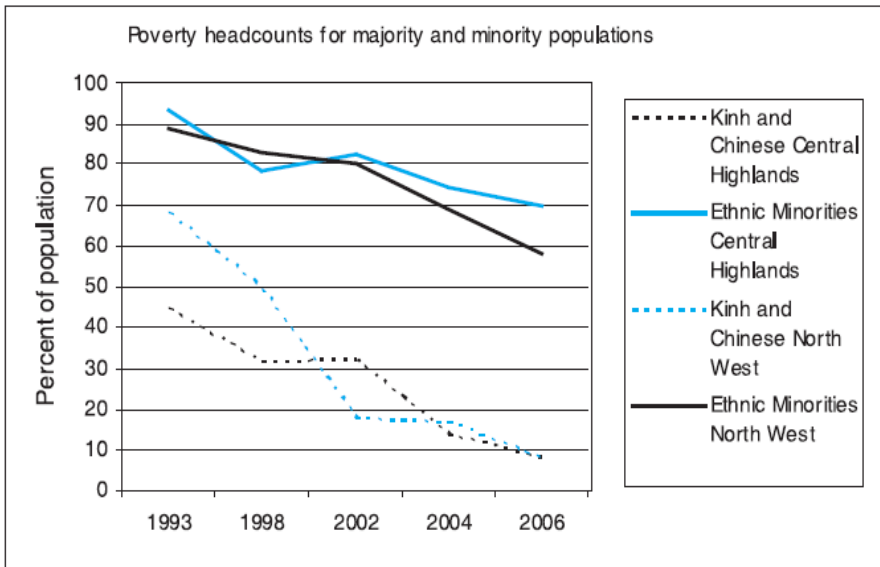
The majority of the gap not explained by the poorer endowments themselves can be attributed to the lower returns which ethnic minorities receive from their endowments. The World Bank Poverty Report explains that, "Regional and ethnic patterns of poverty show that prosperity is possible in all regions of the country. Kinh and Chinese people have seen extremely rapid reductions in poverty regardless of which region they live in."¹³ Even within the same remote areas, Kinh people consistently outperform minorities despite the range of special governmental support programs designed specifically for the minorities (see Figure 3.1 below). The remainder of this section will be devoted to the specific insights gained into what conditions underlie this observed gap in economic development among Central Highland minorities.

In the Central Highlands, the vast majority of household income and employment for ethnic minorities comes from agricultural activities. Agriculture and forest products formed the basis of the traditional ethnic minority economy and remains so, despite significant upheaval in the manner of agricultural production caused by the imposition of fixed-land cultivation and the "settling" of minorities in permanent communities.

¹² Baulch, B., Truong, K.C., Houghton, D. and Houghton, J., 2007, 'Ethnic minority development in Vietnam', *Journal of Development Studies*, 43(7): 1151-1171

¹³ International Bank for Reconstruction and Development, *Ibid.*

FIGURE 3.1. SAME REMOTE AREAS, DIFFERENT RESULTS



Source: International Bank for Reconstruction and Development, 2007, *Vulnerable Groups, Hanoi, Vietnam*, p. 18.

3.5.1 Agricultural Land

Recognizing that there are significant cultural, linguistic, educational and financial obstacles to ethnic minority integration into other sectors of the economy, the government has been at pains to ensure that ethnic minorities have at least minimum access to productive land to secure a livelihood. One recurrent problem has been an ethnic minority strategy of selling their share from the distribution of land formerly held in collective farms to Kinh migrants. Many minority farmers, despite their experience as laborers on the state farms, have not mastered intensive agricultural techniques. They have seen no reason to frustrate themselves on the relatively small plots that reverted to them when the state farms were dismantled and the state farm lands distributed to the workers. After selling these plots, many minority farmers have then relocated to forested and/or hillside land and attempted to reestablish slash and burn techniques with which they are more at home. Some remain in their home areas and then try to eke out a living as seasonal agricultural labor. Others abandon agriculture altogether, relocate to the towns and try to survive as laborers for public or private enterprises. This selling of productive plots and shifting residence to marginal lands notwithstanding, Luong maintains that “the percentage of landless households in the Central Highlands remained at less than 3 per cent in 1997-1998 due to the low population density.”¹⁴

As forested land area has dwindled and central government attention has focused on the problems of deforestation, enforcement has improved. This strategy of relocating to marginal land to reestablish the swidden system has become less and less viable. To address the problem of ethnic minorities selling land but then finding themselves unable to secure sufficient productive land to reestablish the swidden system, several provinces reportedly have adopted measures that prohibit recognition of changes in legal title of agricultural land between ethnic minorities and Kinh. There is now a growing recognition in ethnic

¹⁴ Luong, Hy. V., 2003, “Wealth, Power and Inequality: Global Market, the State and Local Sociocultural Dynamics,” in Hy. V. Luong, ed., *Postwar Vietnam: Dynamics of a Transforming Society*, Rowman and Littlefield, Lanham, Maryland, USA, p.87.

minority communities throughout the three visited provinces that land resources are limited and that selling land can leave the family without a means of securing a livelihood.

Luong goes on to point out that in “the Central Highlands with their marked differentiations in land ownership, the main basis for socioeconomic differentiation today lies in the initial amount of land owned by each family, in particular the amount and quality of farm acreage.”¹⁵ Figure 3.2 illustrates Luong’s observation. It shows that minority populations, across the board, have greater access to agricultural land in highland areas than the Kinh majority. However, it also shows that minority populations lag behind Kinh populations in access to perennial cropland.

FIGURE 3.2. LAND OWNERSHIP BY ETHNICITY AND REGION

		Northeast		Northwest		Central Highlands	
		Kinh and Chinese	Ethnic minorities	Kinh and Chinese	Ethnic minorities	Kinh and Chinese	Ethnic minorities
Annual cropland	Have land (%)	88	98	75	99	48	90
	Size (m ²)	2457	4995	5436	11855	7745	11399
Perennial cropland	Have land (%)	33	25	30	20	66	38
	Size (m ²)	2471	3617	3561	3582	12193	10782
Forest land	Have land (%)	17	50	-	22	2	4
	Size (m ²)	13487	17645	-	22199	-	-

Source: Based on data from GSO for 2006. Data for 2006 are preliminary. Size is computed over households that have at least one piece of that land; "-" means that the sample is too small to provide a reliable estimate

In the Central Highlands, where access to relatively richer perennial cropland means the opportunity to benefit from the boom in cash cropping, Kinh farmers are almost 60% more likely to have perennial cropland than their minority counterparts. The disparity in cropland types between ethnic minority and Kinh holdings is in large part due to the ethnic minority tendency to sell perennial cropland received through a state farm land distribution and then clearing usually less fertile sloping forest land areas for cultivation. This process has pushed minority communities that wanted to continue swidden agriculture into more and more marginal land.

Minority communities generally rely heavily on agriculture for their livelihoods, but have poorer, more sloping annual cropland. Although minorities often have more land than Kinh, the quality of the land has a significant impact on the costs and returns they receive as well as on opportunities to participate in the introduction of new cropping options. This problem of land quality is exacerbated by the fact that traditional shifting agriculture relied on long fallow periods to rejuvenate soils after intensive cultivation. Many minority communities, therefore, have no knowledge of how to improve soil structure or fertility beyond application of increasingly expensive fertilizers. In fact, many indigenous minority groups do not even use cattle manure.

At a DoLISA-sponsored poverty alleviation composting project site in Cu Ni commune in the Ea Kar district of Dak Lak province, the assessment team found the soils to be exceedingly poor; essentially sandy scrub land. This commune was predominantly settled by ethnic Tay who migrated from Thanh Hoa province in 1993. The team visited three households and found that, for the 15 years prior to the introduction of the composting model, households had made no long-term amendments to their cropland

¹⁵ Ibid.

to improve water retention or fertility. Even with policy loans for the purchase of NPK fertilizer, yields were very poor, and some crops reportedly netted only over \$100 USD per ha.

The households in Cu Ni said that in the previous 15 years, they had never received a single training on any agricultural topic. The plight of the people in Cu Ni is indicative of many minority communities who farm poor land in an unfamiliar system without the benefit of information on simple, inexpensive investments which could substantially improve the fertility and structure of their land over time. For lack of information and techniques, the farmers of Cu Ni are still battling with essentially the same poor soil they encountered 15 years ago. Although small and inexpensive, the composting program visited by the team offers farmers the opportunity to meaningfully change the quality of their soils over time, improving their yields and widening their range of cropping options. Table 3.14 gives an indication of the losses to yields that minority farmers face without fertility improving technology or the financial ability to purchase costly fertilizers.

TABLE 3.14. CROP YIELDS AFTER THE THIRD YEAR OF SHIFTING CULTIVATION (KG PER HA)

Crop	First Year	Second Year	Third Year
Upland Rice	1,300	700	400
Corn	2,500	1,500	600
Cassava	12,000	8,000	5,000

Source: DARD officials, Dak Lak Province

3.5.2 Agricultural Planning

The inferior quality of agricultural land held by ethnic minorities explains some of the difference in returns on endowments, but it is certainly not the only explanation. When statistical evidence suggests that populations display significantly different returns on similar endowments one possible explanation is discrimination. In the case of ethnic minorities in the Central Highlands, bias and discrimination may play some role in agricultural opportunities afforded to minorities as well as in the way that scarce governmental development resources are allocated.

In all sectors of the Vietnamese economy, the government plays a huge role in development through planning, land allocation and approval. In the agricultural sector, where foreign and private investment is limited and relatively poor rural populations are involved, government influence is even greater. For minority populations participation in agricultural development provides their primary opportunity for income growth. However, provincial agricultural planning is largely undertaken on the basis of achieving specific economic growth targets. Planners, who are evaluated based on the achievement of targets, often steer resources away from minority communities which have lower capacity and generally show lower return on investment than their Kinh counterparts.

The effect of this goal-seeking focus was evident even in the approval process for the Success Alliance activity in Dak Lak. Dak Lak already had a plan to develop 6,000 ha of cacao by 2010. Success Alliance, a USAID-funded project that promotes cacao production by ethnic minority farmers, readily fit into the plan by offering a direct contribution to the achievement of planning targets. However, the Dak Lak Department of Agriculture and Rural Development (DARD) strenuously objected to the original objective of focusing almost entirely on ethnic minority communities, as they were concerned that minorities would not be successful in reaching planned targets. Although an effective compromise was reached to balance project and DARD priorities (currently approximately 60% of participants in Success Alliance farmer

field schools are minorities¹⁶) it is clear that, in the implementation of strictly government development projects, minorities are often simply bypassed.

Another aspect of government agricultural planning which often disfavors poor or ethnic minority farmers is the tendency to plan and support production based on supply needs of state-owned processing enterprises rather than the most profitable or sustainable choices for the farmers themselves. Sometimes the government strategy of developing state-owned processing to provide a market for local farmers is successful. Often times, however, the strategy flounders due to marketing problems or insufficient attention to the needs of farmers. The assessment team is concerned, for example, with the suitability of rubber for poor farmers and also with the environmental impact of some of the cassava processing that the team observed. Given government investment in improved infrastructure development for the poorest communes, the team had expected to see a diversified range of crops impelled by improved market access, but the team saw no evidence of any crops being grown beyond those promoted by DARD for local industrial supply or those with subsistence value.

3.5.3 Extension and Training

Whether the issue is soil fertility, cropping options or cultural practice, the most important need for ethnic minority farmers, who have had to abandon their traditional shifting agricultural practices, is for training. Although each province has an extension system that reaches down to the commune level, the quality, relevance and application of training and extension services to minority communities is poor. For the most part, provincial DARD offices use extension services to develop and test new agricultural models rather than to provide a knowledgeable, local source of contact for a wide range of farming information, as is the case in the US. In essence, the extension service is the implementation arm for the execution of agricultural development plans.

In practice this means that extension agents and extension resources are also largely tied into specific DARD development targets and are not a general resource for farmers. Even if DARD intended extension to provide a point of contact for farming information, current staffing and resources are not sufficient. In Kon Tum, the extension service consisted of 13 officers (including administration) at the provincial level, three to five staff in each district and one to three part-time coordinators in each commune. It is important to note however, that, in all provinces, these commune-level coordinators generally hold other commune positions (e.g., member of the Commune People's Committee [CPC]) and are not trained agriculturalists. In fact, these commune coordinators generally receive no special training for their roles. DARD pays a small stipend (approximately 400,000 VND per month [\$23.80 USD]) to these coordinators. DARD invites them to participate in trainings it organizes on different topics with the expectation that coordinators will pass the information on to farmers back in their communes.

This formula has had almost no impact at all to relay limited training resources to reach down to poor and isolated farmers. Many DARD trainings last only one-half or one day and often cover huge amounts of material. One commune staff member in Dak Lak joked that DARD provided a one-day training on rubber which started at transplanting and ended with harvesting—activities which farmers would face only after six years of intervening care and growth. In Gia Lai, the team interviewed a successful Jarai farmer who owns village land, a “suburban” residence plot, a wedding services business and is also the director of the village Youth Union. As the local director of a mass organization, he is regularly invited to agricultural trainings and expected to then pass this information on to community members. In theory this seems like a good way to ensure that information reaches the village level and is presented in the local language so that it can have the best effect. However, the informant had no formal agricultural training

¹⁶ Success Alliance, 2008 “Vietnam Quarterly Report to USAID 2nd Quarter FY 2008,” ACDI/VOCA, Ho Chi Minh City, Vietnam, p. 5-6; Success Alliance, 2008 “Vietnam Quarterly Report to USAID 3rd Quarter FY 2008,” ACDI/VOCA, Ho Chi Minh City, Vietnam, p. 6.

and does not receive any specialized materials or follow up after training. Not only had he not presented any later trainings on the basis of the DARD trainings he had attended, he said that even he relies on input suppliers to provide advice on any plant protection concerns he has.

There is some evidence from discussions with DoLISA officials that they recognize that DARD activities do not effectively reach the poor, and so they are including agricultural training and support in their activities for poverty alleviation. DoLISA, for example, includes agricultural training as one option in its vocational training centers. While this strategy may make the national targeted programs somewhat more beneficial to ethnic minorities in the short term, it does not address the problems of institutional segregation and discrimination that are often exacerbated by reliance on targeted programs for the poor.

3.5.4 National Targeted Programs and Economic Planning

In discussing issues of planning discrimination and training resources, DARD officials consistently came back to the national targeted projects; saying that ethnic minority groups were already covered by these projects, and therefore it was not necessary to take special consideration for them in DARD planning. This attitude seems to be a pervasive unintended consequence of the targeted programs. It ghettoizes minority issues within the government and excludes minority communities from larger development activities. An example of this is the irrigation budget of Dak Lak province. Dak Lak has an ambitious goal to achieve 70% irrigation coverage by the end of the current PPC Chairman's term in 2010. To achieve this, last year Dak Lak budgeted 500 billion VND (\$29.8 million USD) and so far this year DARD has spent more than 400 billion VND (\$23.8 million USD). When asked about provision for the poor and ethnic minorities in this plan, the team was told that Project 134 was established to meet their needs in terms of irrigation support. The entire budget for Project 134 in Dak Lak for the period 2006–2015 is 150 billion VND (\$8.9 million USD). However, to date 20 billion VND (\$1.2 million USD) has been expended. In other words, the 10-year budget for irrigation in poor areas represents 15% of only two years of spending on the Provincial Plan. To date, three years of implementation of Project 134 has amounted to only 4% of one year of DARD's irrigation expenses.

National targeted projects have had great impact on improving infrastructure and access to services for a large number of ethnic minorities. However, the Kon Tum Department of Planning and Investment (DoPI) reported that total allocations for all activities of Projects 134 and 135 in the 51 poorest communes amounts to 700 million VND (\$42,000 USD) per year per commune for 2006-2010. Of that total, only 150 million VND (\$8,900 USD) is allocated for agricultural production support. This money must cover planning, training and any inputs provided to farmers. It is simply not sufficient to meet the needs of these communes.

3.5.5 Credit

In any survey of farmers or small enterprises conducted in the developing world, access to credit will likely be listed as among the most important constraints to growth. In ethnic minority areas, the GoV has addressed this issue through development of the Vietnam Bank for Social Policy (VBSP). VBSP provides credit based on policy goals of the government rather than on a strictly economic analysis of project feasibility and the borrower's ability to pay. Most importantly, interest rates for policy loans are lower than rates at other credit providers (0.65% per month at VBSP vs. ~ 1.5% per month at the Vietnam Bank for Agriculture and Rural Development [VBARD]). VBSP provides unsecured (non-collateralized) loans for the poor. These conditions are obviously important for poor households whose returns on agriculture might not cover higher interest rates and who have very limited amounts of real property for collateral.

However, VBSP compensates for added risk caused by these conditions in ways which limit the effectiveness and overall utilization of credit by ethnic minorities. First and foremost, policy lending is a political rather than an economic activity in Central Highland areas. Without recourse to collateral to secure loans, policy lending is based on subjective criteria of trustworthiness, usually determined by local

authorities and the management of mass organizations such as the Youth Union, Women’s Union, Farmer’s Union, etc. In an atmosphere where authorities are generally Kinh and potential borrowers are usually minorities, there is great potential for bias in the process. Additionally, policy loans are capped at 20 million VND per household (\$1,200 USD), which is often insufficient for buying inputs such as fertilizer for areas larger than home garden plots. Therefore, if households are not able to access additional credit from other, more expensive sources, then the policy loan is of limited value. These factors contribute to the fact, detailed in Table 3.15, that despite low rates and no collateral requirement, only 18% of minority households access credit from VBSP sources.

TABLE 3.15. ETHNIC MINORITY USE OF CREDIT RESOURCES

Lenders	Percent of households borrowing from the different lenders		Percent of resources borrowed from the different lenders			
	2006		2004		2006	
	Kinh and Chinese	Ethnic minorities	Kinh and Chinese	Ethnic minorities	Kinh and Chinese	Ethnic minorities
Formal	25	36	61	68	70	69
VBSP	7	18	3	16	5	30
VBARD	17	18	42	51	47	38
Other banks	2	0	17	1	18	0
Informal	21	23	39	31	30	31
Employment support fund	1	1	1		0	1
Credit organization	2	1	4	2	4	6
Mass organization	3	3	1	3	2	4
Money lenders	4	5	6	5	4	5
Friends and relatives	12	13	25	19	19	13
Others	1	2	2	3	1	2
Total	41	54	100	100	100	100

Source: Based on data from GSO. Data for 2006 are preliminary. The total is not sum of formal and informal borrowing because a household can borrow from more than one lender.

While, in practice, this certainly indicates that there is a need, borne out in interviews, for credit among minorities, the team does not advocate development of a dedicated micro-finance institution, or system. The lack of a true market and the presence of political interference in credit decisions in poor areas means that the long-term sustainability of any interventions would be questionable. Instead, a prudent course would be to integrate into project design a revolving fund or short-term credit mechanism in the form of provision of an input advance to be paid back after harvest without using significant resources to develop lending and management capacity.

3.5.6 Implementation at the Village Level

Minority farmers in remote areas have generally not benefited from GoV-sponsored agricultural development programs. The GoV has not seen them as a likely target group for the DARD programs that have fostered a rapid growth in cash crop production during the last 10 to 15 years. Minorities are often established on marginal soils in inaccessible areas and are not really conversant with techniques and considerations they would have to master to cultivate cash crops successfully.

Owing, if nothing else, to limitations in available resources, the DARDs in the three provinces have husbanded their resources for the most cost-effective programs. Ethnic minority farmers on marginal lands have fallen by the wayside as a consequence.

From the ethnic minority farmers' point of view, the most supportive measure that the DARDs could adopt would be extension of the effective agricultural extension systems all villages. Ethnic minority farmers need training in technical packages better adapted to their current conditions. Swidden agriculture on relatively good soils is no longer possible. Ethnic minority farmers hold only a fraction of the good soils they held before reunification. Swidden agriculture is now only possible on marginal and sloping soils that ethnic minorities have cleared from forest land in recent years. Whether doing intensive agriculture on relatively small plots or reconstituted swidden agriculture on marginal soils, ethnic minority farmers need considerable extension support to reach optimal returns.

4.0 THE GOV'S NATIONAL TARGETED PROGRAMS FOR POVERTY REDUCTION AND PRIORITIES IN THE CENTRAL HIGHLANDS

4.1 NATIONALLY TARGETED PROGRAMS FOR POVERTY REDUCTION

Due largely to GoV political sensitivities towards foreign presence and activities in many of the ethnic minority areas of the Central Highlands, nongovernmental implementation of poverty alleviation and development activities is severely limited in the region. The development landscape is therefore dominated by government “targeted” programs which provide resources for specific administrative units (districts or communes), people below the poverty line and/or members of ethnic minority groups based on predetermined criteria.

In particular, a large number of policies and programs are specifically designed to assist ethnic minority development. These programs and policies address a wide range of poverty alleviation and social welfare objectives related to the conditions of poor ethnic minority communities.

4.1.1 Program 135

Program 135 has broad objectives to impact on health, education and livelihood indicators through improved infrastructure at the commune and village levels. The Committee for Ethnic Minorities administers the funds at the provincial level but the CPC decides how to use the funds at the local level. Specifically, the program supports:

1. **Production development:** improve skills and train ethnic minorities in new production practices, accelerate the agro-economic structural shift, increase income, and sustainably reduce poverty. According to the objectives of the program, by 2010 over 70% of households will attain an average income per capita of over 3.5 million VND (\$208 USD) per year.
2. **Infrastructure development:** essential infrastructure facilities shall be provided to villages in line with population and production planning for improvement of living conditions of the people, production development and income generation.

Program objectives

- Eighty percent of communes to have motor road connection to every member village's center;
- Over 80% of communes to have small-sized irrigation works to water 85% of the total acreage of paddy fields;
- One hundred percent of villages to have enough schools, classrooms and semi-boarding schools where necessary;
- Eighty percent of communes to provided with electricity in residential areas;
- Demand for communal housing to be basically met; and
- One hundred percent of villages to have health clinics with adequate facilities.

3. Improvement of the socio-cultural life of the people in extremely difficult villages

Program objectives

- Over 80% of households to use clean water;
 - Eighty percent of households to have electricity;
 - Fatal diseases to be prevented and put under control;
 - Over 50% of households to use hygienic latrines;
 - Over 95% of school age children to be enrolled at primary school and 75% enrolled at secondary school; and
 - Over 95% of people in need of legal assistance to receive legal assistance free of charge.
4. ***Capacity strengthening***: since establishment of Program 135 in 1998 there have been significant improvements in access to infrastructure in many of the poorest areas of the country. However, access is not the only issue. Quality, culture and other obstacles often conspire to prevent these endowments from having real impact on poor and ethnic minority households.

In a recent renewal of Program 135, the government shifted program focus to include training, extension and participation as well as legal assistance. Program 135 now increasingly provides village cadres and commune heads with skills and knowledge in professional and administrative management, poverty reduction, and raising of legal awareness as well as enhanced knowledge of investment management and skills in operations management to help them fulfill their assigned tasks. Building capacity also includes strengthening the capacity of the community, and promoting the community's effective participation in supervision of investments and other development activities implemented in the areas.

Program 135 also addresses the lack of a significant number of minority residents and their children of the papers they need to establish their civil status. These people thus do not qualify for GoV national targeted program benefits including, in the case of children without a proper birth certificate, schooling. The objective of the legal assistance component of the current Program 135 is to help potential national targeted program beneficiaries establish their legal eligibility to participate in government programs.

DoPI Kon Tum and Dak Lak provided indicative levels for Program 135 expenditures in 2007. In Kon Tum, 51 poor communes each currently received 700 million VND (\$41,700 USD) in total Program 135 support, with 150 million VND (\$8,900 USD) to be used for agricultural production assistance. In Dak Lak 38 communes are eligible for Program 135 fund. In 2007, each commune received 800 million VND per year (\$47,600 USD). Communes generally have populations of more than 3,000 people. Even if Program 135 activities are relevant and well implemented, their funding is not sufficient to meet development needs in the poorest communes.

4.1.2 Other Programs

In addition to Program 135, Dak Lak, Gia Lai and/or Kon Tum are participating in several other national programs:

- Program 134 provides clean water, land for resettlement, housing with improved living conditions and land for agricultural production including small-scale irrigation infrastructure for low-income minority beneficiaries. Program 134 will end on 31 December 2008.
- Program 139 was signed in 2002 to provide free health insurance to poor households, ethnic minorities and residents of Program 135 communes. Only recently has the mandate of 139 been realized. Program 139, in turn, covers participants in three programs:
 - Program 117— targeting people below the poverty line,
 - Program 135— targeting ethnic minorities, and
 - Program 168— targeting people living in especially difficult areas.
- Program 159 provides funds to strengthen school conditions. The European Union (EU) is supporting the program.
- Program 168 provides textbooks and school supplies for students, particularly ethnic minority students, living in especially difficult areas. Students participating in Program 168 are also exempt from school fees. The Program 168 annual budget in Dak Lak province is 20 billion VND (\$1.2 million USD).
- Program 178 is a forest protection program. Households receive no Red Book title to the lands they manage. Their rights are established and controlled under contract. The government pays each participating household 100,000 VND (\$6 USD) per ha per year to manage its assignment. Dak Lak has 30,000 ha of government forest land under management of 3,000 households under Program 178.
- Project 304 provides money for minority families that have relocated to forested areas to manage forest land. Households typically get Red Book title to 30 ha of forestland and manage implementation of forest protection plans in exchange for an annual payment of 50,000 VND per hectare (\$3 USD). In Gia Lai province, 3,050 households are participating in the program. Dak Lak currently has a pilot program of 702 ha.

In general, the team found that these programs were well understood by government authorities and seemed to be more or less fully implemented even if they do not always achieve the expected impact in the lives of beneficiaries.

4.2 PRIORITIES ARTICULATED BY THE PROVINCIAL GOVERNMENTS

To a large degree, government departments in Dak Lak, Gia Lai and Kon Tum provinces echo each other's development priorities.

4.2.1 Education

All three provinces place a high priority on education. The PPC Chairman in Dak Lak identified education as the number one development priority in the province. In the education sector, the provinces all stressed the importance of school construction. They all agreed that the biggest problems in the education sector are deficiencies in existing school facilities or outright lack of facilities. They have all been building classrooms rapidly in recent years and are looking for further support to continue the construction program. Both Gia Lai and Kon Tum particularly focused on the need to construct boarding

schools and overnight schools to accommodate minority students who live in areas too remote to attend conventional schools.

Beyond the development of classroom infrastructure, all three provinces stressed the need to equip the classrooms. Computers and laboratories are needed for science education.

All three provinces also stressed deficiencies in their vocational education systems. They are all trying to channel about 20% of minority students who complete lower secondary school into vocational education. They each feel that their vocational education programs are poorly equipped, poorly targeted and inadequately staffed. Gia Lai pointed out that training for village agricultural extension agents takes place in a vocational education framework. Under present conditions, therefore, agricultural extension is a creature of the vocational training system.

For Dak Lak, the two biggest priorities in the education sector were development of the vocational education system and the preschools. Gia Lai wants to expand and improve its program of introducing Vietnamese language into the preschool program as a means of enhancing the primary school readiness of minority preschool students. Preschools in Dak Lak and Kon Tum need playground equipment as well as educational materials. To combat a high incidence of malnutrition among five year olds in the province, Kon Tum would like to fund a milk drinking program in its preschools.

Finally all three provinces stressed the need for teacher training.

4.2.2 Health Care

In the health sector, all three provinces stressed the need for support in the area of rehabilitation. All three are implementing a CBR strategy. None of the provinces has a rehabilitation center capable of supporting this strategy. Kon Tum would like to recruit and train a staff of social workers that it could assign to commune centers to identify disability cases for referral to a new rehabilitation center.

All three provinces also expressed an interest in construction of medical health care centers, particularly in underserved rural areas. In Dak Lak, the PPC Chairman cited construction of health care facilities as second only to education in the province's development priorities. In addition, the provinces expressed a need for improved medical equipment. Dak Lak specifically expressed a need for high tech medical equipment such as a Magnetic Resonance Imaging (MRI). Dak Lak also expressed a need for ambulances. Gia Lai stressed a need for equipment for preventive care such as equipment for food testing. Kon Tum asked for help in addressing a growing tuberculosis problem.

Finally, all three provinces recognized a need for further training of health professionals at all levels in the system.

4.2.3 Economic Opportunity

All three provinces expressed an interest in expanding agricultural production, particularly for cash crops such as coffee, cacao, rubber and cashews. In Gia Lai, the provincial DARD is proposing a project of planting cacao under the shade of rubber trees on an experimental basis. In Kon Tum, the DARD is trying to introduce a new variety of coffee, *catama*, in the hope that it will wed the hardiness and productivity of *robusta* coffee with the flavor of *arabica* coffee.

In both Kon Tum and Dak Lak, the DARD is investing in small-scale irrigation. For now the funding is coming from the Kuwait Fund. Kon Tum is also putting an effort into development of aquaculture. Development of the road transport infrastructure is also a high priority in all three provinces.

5.0 EXISTING DONORS' PROGRAMS IN THE CENTRAL HIGHLANDS

Several large ODA projects funded by loan packages from the Asian Development Bank and the International Bank for Reconstruction and Development are the primary donor-funded activities in the Central Highlands. These projects focus on areas of specific interest to USAID and the assessment team, namely health, education and rural livelihoods.

5.1 HEALTH SECTOR

5.1.1 Health Care in the Central Highlands: ADB with funding from the Swedish International Development Agency (SIDA), 2004 – 2009 (no extension)

Value ~ 20 million USD

1. **Component A: Upgrading Facilities and Equipment.** Under this component, the project is funding the construction of district hospitals, secondary medical colleges and various specialist centers. No construction projects are programmed for facilities below the district level. Additionally, the project is purchasing administrative and medical equipment as well as ambulances and other vehicles for preventative health outreach.
2. **Component B: Human Resource Development.** Under this component, the project provides long-term training for postgraduate specialization training for doctors, as well as short courses for retraining. Long-term training is progressing well, but retraining efforts are poor. ADB is not satisfied with the number of ethnic minority and female health care workers enrolled in training and staffing in general. Training in the remaining year will be focused on primary healthcare and information, education and communication (IEC) for district and commune health workers.
3. **Component C: Strengthening Finance and Management.** This component has provided management training and assistance to commune-level clinics, and has also implemented a subsidy program to pay ancillary costs associated with accessing health care for poor patients. These costs include transportation, food for in-patient care and high tech services which are not covered by insurance (e.g., CT scans)

5.1.2 Health Care in Ethnic Minority Areas: European Union, 2008-2010

Value ~ 11.45 million Euros

This project aims to improve the health status of the poor and ethnic minorities by supporting delivery of priority health care packages, such as maternal health care, community-based malnutrition prevention and treatment, integrated management of childhood illnesses, child immunization, reproductive health, etc. The project also aims to support district health departments to better plan for the delivery of health care services.

It is being implemented in five provinces in all, but only in Gia Lai and Kon Tum in the Central Highlands. The original project design called for quality-based incentive pay for commune-level health care workers, but the government removed this component over concerns about implementation.

Because of approval delays, the project is just opening offices in the provinces, although international technical advisors have been in the country for two years. There is some concern about implementation because funding for technical assistance (TA) has been depleted during the approval delays and the government is reportedly not in favor of raising the TA level of effort.

5.2 EDUCATION SECTOR

5.2.1 Primary Education for Disadvantaged Children Project: IBRD, 2003-2009 (negotiation underway for next project in secondary education)

Value: 250 million USD across 189 districts

The objective of the Primary Education for Disadvantaged Children Project for Vietnam is to improve access to primary school and the quality of education for disadvantaged girls and boys. There are three primary project components:

1. Raising all schools in the 189 most disadvantaged targeted districts to a fundamental school quality level (FSQL). Specifically, the component strengthens district school data collection systems; supports the development of a district-wide FSQL action plan; procures a teacher's guide, materials, and training modules; provides workshops; places teacher assistants; upgrades infrastructure; and strengthens parents' associations, among other activities.
2. Presenting interventions that address the educational needs of disabled children; and addressing the educational needs of vulnerable groups, such as street and working children, children living in fishing communities, and others.
3. Assisting the MoET to lay down a pathway for reaching national school standards by using FSQL as a first step. It will propose FSQL criteria and raise awareness at all levels of the education system about how to bring every school up to FSQL levels

5.3 LIVELIHOODS

5.3.1 Forests for Livelihoods Improvement in the Central Highlands: ADB, 2008 – 2016

Value: ~ 90 million USD

Primary objectives of the project include:

1. Building capacity and upgrading forest sector governance, management and incentive regimes in the provinces of Dak Lak, Dak Nong, Gia Lai, Kon Tum, Lam Dong and Phu Yen;
2. Increasing forestry-based livelihood opportunities and reducing poverty in 60 communes by involving over 80,000 of the country's poorest households in sustainable forestry covering 144,000 ha of commune and village forestlands, which will include over 30,000 ha of livelihood plantations established on bare lands;
3. Creating an enabling business environment;
4. Strengthening supply and market chains; and

5. Satisfying participation requirements for the use of credit enhancements that may be requested by investors and lenders that wish to invest in the forestry sector in Vietnam.

Although field-level activities have not yet begun, it is expected that the primary impact on poor ethnic minority populations in the Central Highlands will be through contracted forest protection and plantation of economic agro-forestry species on contracted land. The government sees this activity as an important strategy for poverty alleviation in extremely poor forest-dependent minority communities, as well as a needed reform of the state-dominated forestry sector.

5.3.2 Central Region Livelihood Improvement Project: ADB loan and TA grant from the UK's Department for International Development (DfID), 2002 – 2009

Value: ~ 60 million USD

This project is being implemented in four provinces. Kon Tum is the only one of the three assessment provinces concerned by the project. The project has several components and subcomponents:

- Household food security;
- Income generation:
 - Microfinance services subcomponent,
 - Agricultural technical services subcomponent, and
 - Rural infrastructure development subcomponent;
- Community development; and
- Institutional strengthening.

The executing agency for most components and subcomponents in Kon Tum is the PPC. VBARD is the executing agency for the microfinance services subcomponent. The agricultural technical services subcomponent in Kon Tum has focused on demonstration activities, training in agricultural production and replication of successful efforts. The community development component focuses on community workshops to execute a community development plan.

5.4 OTHER BILATERAL OR MULTILATERAL PROJECTS

UN agencies have been carrying out a number of efforts in the Central Highlands. The United Nations Development Program (UNDP) in particular is prioritizing the Central Highlands. UN efforts include:

- The UN Population Fund (UNFPA) has been carrying out a reproductive health program in the Central Highlands for seven years;
- The UNDP has an environmental program in Gia Lai province.
- The UN Children's Fund (UNICEF) is implementing a children's rights project in Kon Tum province.
- The UNDP is involved in capacity-building efforts for provincial administration.
- The World Health Organization (WHO) has been working in Gia Lai.

UNICEF is implementing its Provincial Child Friendly Program in Kon Tum, the only Central Highland province where UNICEF is working. The objective of the program is to raise awareness about reproductive rights and child protection, health and nutrition. UNICEF has about \$1 million USD per year for Kon Tum plus eight other provinces. They are currently in the process, however, of shifting focus from the provinces toward supporting central ministries in policymaking and research.

The Japanese Bank for International Cooperation (JBIC) recently invested 50 billion VND (\$2.98 million USD) in water supply and sanitation development in Gia Lai province. JBIC also contributed 16 billion VND (\$950,000 USD) toward construction of a new hospital in a rural district in Kon Tum province.

The Danish International Development Agency (DANIDA) is heavily involved in Dak Lak province. DANIDA is providing 57% of the ODA funds coming into Dak Lak for rural agriculture. They are implementing a water supply and sanitation activity as well as an activity targeting administrative renovation. Finally, DANIDA has a project to improve the quality of the digital television station in Buon Ma Thuot.

Other international donor efforts include:

- The International Fund for Agricultural Development (IFAD) is preparing to implement a poverty alleviation program in one poverty stressed district in Gia Lai province.
- The German Technical Cooperation Agency (GTZ) is implementing a rural development and poverty reduction project in Dak Lak.
- The Kuwait Fund is underwriting improvement of community-level irrigation in the three provinces.

5.5 NGO PROJECTS

The team was not able to get exact figures from the provinces or from the People's Assistance Coordinating Committee (PACCOM) on the number or value of international NGO (INGO) projects in the Central Highlands. PACCOM, however, reported that out of more than 700 INGOs that are registered in Vietnam, fewer than 20 are approved for activities in the region. Congregations Around Richmond Involved to Assure Shelter (CARITAS) and GTZ, for example, have been providing support to SPCs in Gia Lai and Kon Tum.

In Dak Lak, the PPC Chairman said 44 INGOs have some 50 projects in his province. They are focusing primarily on health issues but they also deal with poverty, education and disability. He placed the total annual INGO budget in Dak Lak at \$5 million. He said that national NGOs have been focusing almost exclusively on disaster relief. In all three provinces, authorities reported that there were a few small INGO activities at the commune level. They did not have (and have not subsequently provided) details.

Given the size of the provinces, the depth of poverty and range of needs of ethnic minorities there, the team does not believe that there is significant concern about duplication or overlap with INGO projects. However, USAID should follow up with authorities during any subsequent project design to get more detailed information.

6.0 CURRENT USAID PROGRAM ASSISTANCE

The assessment team visited three USAID-funded projects in the Central Highland provinces. All three are being implemented by US-based NGOs. The Success Alliance project is being implemented in Dak Lak province by ACDI/VOCA. The East Meets West Foundation (EMW) is implementing construction of the Kon Ray Ethnic Minority Boarding School in Kon Tum province. The World Concern Development Organization (WCDO), likewise in Kon Tum province, is implementing the Employment and Enterprise Development for Ethnic Minority Communities and People with Disabilities in the Central Highlands project. USAID currently has no project activities in Gia Lai province. The purpose of visiting the three projects was to identify lessons that USAID should apply when it designs and implements any forthcoming projects in the Central Highlands.

6.1 SUCCESS ALLIANCE

In Dak Lak, the team met with two cocoa-growing communities organized under the Success Alliance as well as DARD partners at the provincial level. The team received only positive comments about the design, implementation and impact on poor and ethnic minority households.

The objective of the Success Alliance is to improve rural livelihoods through the introduction of cacao in a multi-cropping system. Selection of participants is made on the basis of interest, capacity (labor availability) and the suitability of household land for growing cacao. Selected participants are given certified seedlings (amounts vary by the size of suitable land) and organized into cocoa clubs. Cocoa club groups are led by a Training Facilitator who is a respected farmer in the community. These TFs receive more than 45 days of specialized training per year on the technical content of trainings as well as on training methods. These TFs then provide one training per month to club members at regular meetings. Generally two meetings per month per club are organized so that training classes do not have more than 20 members at a time.

Achievements

From observation at the two visited sites in Ea Kar and Lak districts, cacao seems to be growing well, with some fruiting already on 18 month-old trees. From interviews with TFs at both sites, the level of knowledge and confidence in technical issues was impressive. Given the low level of education and modern agricultural knowledge in minority communities, as well as the poor resources and capacity of government extension, development of local capacity is absolutely necessary for sustained agricultural improvement.

Because development of agricultural knowledge, in the face of poor general educational level, is so vital to sustained economic development in minority communities, the team feels that it is important to further study the achievement of the Success Alliance and to apply the lessons to any new activity. What seems certain, is that the time and resources devoted to selecting and developing local expertise in the TFs, as well as the consistent monthly training schedule which allows for regular review and reinforcement of knowledge over time, is key to achieving real results in particularly disadvantaged communities. In difficult areas and communities, USAID should expect that achieving results will require more time and resources than in relatively more developed areas.

Recommendations

The community-level organization created through the cocoa clubs has potential to support development goals outside of growing cacao and increasing incomes. These clubs already represent a voluntary community mobilization around the goal of improving livelihoods, and because of this initial success on a tangible but limited field, USAID has an opportunity to interest communities and authorities in strengthening minority community capacity across a wider range of issues by broadening support and activities. The team feels that broader community development would serve a number of goals, not least of which would be to address widespread denigration (from both within and outside of minority communities) of minority capacity to achieve development without “charity”.

Although it appears that DARD and the Success Alliance have an excellent working relationship, the team is concerned that objectives of minority inclusion and capacity building are not understood and shared equally. The team recommends that the Success Alliance and DARD develop indicators and schedules which make it explicit that hectares planted, growth rates and absolute income are not the only measures of success. In particular, the team suggests that the partners develop a set of indicators that look at success in bringing families out of poverty, rather than simply the absolute amount of money earned. Introduction of “pro-poor” planning concepts to the DARD could have potential long-term benefits to poverty alleviation across the province.

6.2 EAST MEETS WEST FOUNDATION

EMW, with funding from USAID, recently completed construction of a lower secondary boarding school for minority children in Kon Ray district, Kon Tum province. The new facility, officially named the Kon Ray Ethnic Minority Boarding School, officially opened in August 2008. EMW built a campus school on land that seven families contributed to the project. The families had been using the land to grow cassava and maize. The commune administration chose this land because it is in the center of the commune. In exchange for the contribution of the land, the commune administration has agreed to support the education of the landowners’ children whether within the commune or elsewhere.

Achievements

The facility includes eight classrooms, a three-room administration building, a library, an information technology laboratory, a 2-room student dormitory, a two-room teacher dormitory, a cafeteria and two rooms for vocational training. The campus also includes a pond for aquaculture, a pigsty and a gardening plot. The principal recognized that this is a far better facility than the government could generally provide with Program 135 and Program 159 funding.

The school is currently functioning, and following the national curriculum at each grade level and using national textbooks. It has 185 students in six classes: one class each for grades 6-8, two grade 9 classes and a special class for children over age 15 who have returned to school. Twenty-eight students are in this latter class. The other 157 students are distributed in the conventional grades. One hundred and eighty-three of the 185 students are ethnic minority students; most are Sedang. Two of the students are Kinh. The faculty is composed of 26 teachers—specifically selected for the school, about half with long-term contracts. The government pays teachers a 40% premium for teaching in a boarding school. The school has two full-time administrators. The faculty and administration are all Kinh.

Kon Ray district has seven communes, each with its own lower secondary day school. Distance alone often excludes students from remote villages from day school in their communes. A centrally located commune day school is, in practical terms, simply inaccessible to many students. The Kon Ray Ethnic Minority Boarding School draws its students from three communes in Kon Ray district. Criteria for admission are:

- Membership in an ethnic minority (children of landowners who ceded land to the campus are an exception),
- Successful completion of primary education,
- Provenance from a poor family, and
- A record of good academic achievement.

Constraints

Although the school is currently open and holding classes, the boarding facility is not yet operational. The principal of the school estimates that 160 of the current 185 students will board at the school once the boarding facilities open up. Unfortunately, during the project preparatory phase, neither EMW nor the local authorities made overtures to the provincial DoET to assure integration of the school into the provincial education system as a boarding school once it was built. The provincial administration has not yet recognized the school as a boarding school. Recognition as a provincial boarding school means inclusion of the school in the DoET budget, and specifically, eligibility for government funding that will cover the cost of housing and feeding the students. The school cannot fund boarding operations until it gets provincial recognition.

When the boarding facility becomes operational, the government will contribute 432,000 VND (\$25.70 USD) per month directly into the school's account for each minority boarding student and 140,000 VND per month (\$8.30 USD) for each minority day student. In addition, the government will provide minority students with free textbooks, notebooks and school supplies. It will provide each student with a school uniform annually. The government will cover 25 Kw of school electric consumption and 40 m³ of school water consumption for each boarding student. Finally, the government will offer each boarding student a medical checkup every year.

When the boarding facility opens up, the school will hire a boarding director, a health staff and a kitchen staff. The principal expects teachers to start learning Sedang when the boarding facility opens and the teachers accumulate substantial afterschool supervisory responsibilities. The principal also expects to increase enrollment at the school to 250 students after it becomes operational as a boarding school.

Objective 2 of the EMW project was “to develop students’ vocational skills.” Under the project, EMW constructed two rooms for vocational activities. The project envisions vocational training as a key afterschool activity. The rooms are not, however, properly equipped to train students in applicable vocational skills. Consequently, at the present time, no vocational training is taking place.

The school is suffering from a general shortage of educational supplies and equipment. The library, laboratories and computer center are not functional. EMW made no provision in its project for maintenance of the facility during an initial operational period. When questioned directly, the principal acknowledged that he has no fund for maintenance and is uncertain how he will keep the facility in good repair. He estimated that the total budget for the school when the boarding facility becomes operational will be in the order of 1.2 billion VND (\$71,400 USD) per year. It is unclear whether this projection covers the cost of routine and periodic maintenance.

6.3 WORLD CONCERN DEVELOPMENT ORGANIZATION

WCDO is implementing the Employment and Enterprise Development for Ethnic Minority Communities and People with Disabilities in the Central Highlands Project. Its goal is “Improved social and economic status for poor and disadvantaged Central Highland communities in Vietnam”. It has four distinctive objectives:

- (i) Improving access to vocational training opportunities for target beneficiaries;
- (ii) Improving income and economic status for disadvantaged communities;

- (iii) Improving the capacity of local leaders and authorities to promote economic and social inclusion for target beneficiaries; and,
- (iv) Improving the social inclusion and participation of ethnic minority and disabled youth.

Due to late approval of its partnership with the Kon Tum DoLISA, the project started in August 2007. It has a highly structured management body composed of one project steering board (PSB) at the provincial level and three project operational boards (POB) at district and commune levels. Only an 18-month life of project remained after its August 2007 approval. The project covered activities targeting several types of beneficiaries:

- One hundred and forty PwD and poor ethnic minority youth (thus reaching 600 family members);
- Fifty local enterprises and their 240 family dependents;
- Fifty local government authorities in three districts and three district vocational training centers; and
- Nearly 50 other community support workers including 30 agriculture extension workers and 16 local community facilitators.¹⁷

In November 2008, when the project was approaching the last quarter of its life, the assessment team conducted its fieldwork in Kon Tum. The team visited:

- The Duc Nhan furniture factory which trains and provides employment to disadvantaged ethnic minority youth;
- Local small businesses whose owners have taken ethnic minority and disabled trainees as apprentices in their shops; and
- One recipient of a cow at his house.

The team also attended a POB meeting in one of the nine project communes and reviewed available project documents.¹⁸

Strengths

- The project is a unique, pioneering effort in the Central Highlands, promoting training and employment access to disadvantaged and vulnerable members of ethnic minority communities.
- The project draws experiences from WCDO work in other provinces, such as Ninh Binh, Hai Duong in North Vietnam and Quang Nam on central coast of Vietnam.
- The project has a list of expatriate advisors who support project implementation.
- The project has received favorable commitment from the PPC and DoLISA and DoFA.
- District and commune authorities are eager to make the project a successful one.

Achievements

1. Service to disadvantaged and disabled youths:

- The project has nearly reached its targeted number of beneficiaries—131 of a targeted 140, or 94%.
- A variety of training and employment opportunities have been identified and presented to the beneficiaries.
- Vocational advice has been given to match the available supply of job training with beneficiary capacities, age and family responsibilities.
- Hands-on training and practical skill learning has taken place.

¹⁷ From project document.

¹⁸ Semi-annual reports of WCDO, period Oct. 1, 2006 to Mar. 31, 2007 and period Apr 1 to Sep 30, 2007; Kontum DoLISA report on project activities dated Nov. 3, 2008.

- Jobs in the factory are providing stable income.
2. *Capacity building to local leaders and authorities:*
 - Workshops and trainings have been conducted, followed by actual action for project implementation such as surveys to assess needs and capacities of the target groups, to look for local enterprises or household businesses for job placement.
 - Study tours have been provided to PSB and POB members to learn from other projects.
 - Beneficiaries are selected accordingly to set criteria.

Results thus far

1. Access to vocational training and job employment:

Trainees at the furniture factory are quite satisfied with support from the project and the factory administration. After three months in apprenticeship, the new workers are paid at the same rate as other workers, depending on their skills. The factory administration also was satisfied with the ethnic minority youth and found their work aptitude and attitude comparable to those of Kinh youth from rural areas. However, it seems that ethnic minority females can tolerate the required discipline and “boredom” of factory work better than ethnic minority males. At the beginning of the training period, there were 20% females and 80% males. A month after their graduation into worker status, more ethnic minority young women were working in the factory than ethnic minority young men. A number of the latter had returned to their villages to participate in the coffee harvest.

The training began with 72 trainees. The factory ultimately inducted 56 of the trainees into employment. Twenty-five of the inductees, however, immediately took leave of their new jobs to return to their villages to help their families bring in the harvest. Only 31 of the original 72 trainees were on the job when the assessment team visited the factory.

Trainees in local business are placed in traditional jobs according to their capacities and “dreams”: blacksmith work for men; tailoring, seamstress work for women. Learning new skills in animal husbandry was provided to beneficiaries who could not embark on off-farm business due to their disability levels and family responsibilities. Learning skills in running a small shop (petty trade) was also offered to self-employed beneficiaries.

2. Improvement of local business and enterprises:

The furniture factory on its own could extend production and investment activities in furniture making not only for domestic consumption but also for export to Europe and the US with satellite factories and a network in Binh Dinh, Binh Duong provinces and Ho Chi Minh City. Through the project, the factory administration is confident about future employment of ethnic minority workers who need to be trained and given opportunities for trial work in a factory setting.

The project favored the enhancement of local business that committed to training ethnic minority and disadvantaged youth through provision of additional equipment that was of better quality than the owner’s (i.e., sewing machine).

Agricultural extension workers should keep contact with the recipients of livestock in order to follow up on the animal’s health status. Transferring agricultural technology seems to be on individual and household basis.

3. *Capacity of local leaders to promote economic and social inclusion of ethnic minority and disabled youth:*¹⁹
 - The PSB pointed out that the CSW did not work closely with target beneficiaries.
 - Financial management in Year 1 needed to be timely for adequate follow-on activities.
 - Selection of beneficiaries by the POB should be based on beneficiaries' willingness and active involvement in their job training and employment.
 - Lack of interactive communication, and of frequent monitoring in the field can impede or slow down the social inclusion of ethnic minorities although they are present, visible and willing to act upon request.
4. *Social inclusion and participation of ethnic minority and disabled youth:* this impact will be assessed at the end of the project— when outputs from the three other components are evaluated.

Recommendations

- Skills for project management in administrative and financial matters, and in participatory monitoring of the indicators of success of beneficiaries, should be included in capacity building of PSB, POB and CSW.
- Greater interaction and support to the beneficiaries should be provided whether learning and doing their new business at home, in the workshops or factories far from home.
- Ethnic minority members in POB and CSW should be given more voice, listening to their ideas/initiatives rather than asking them merely to do the activities designed for them.
- More frequent and “friendly” communication should take place between WCDO and the local management and implementation bodies.

¹⁹ Based on assessment of project results from DoLISA report dated Nov 3, 2008.

7.0 RECOMMENDATIONS FOR FORMULATING USAID/VIETNAM'S LONG-TERM ASSISTANCE STRATEGY FOR THE CENTRAL HIGHLANDS

7.1 INCOME AND ECONOMIC GROWTH

From the standpoint of income and economic development for ethnic minorities, agriculture offers the greatest opportunities to achieve impact on a meaningful scale. Most ethnic minority households in the Central Highlands, particularly those living in remote villages, have some agricultural land. Agriculture remains the primary source of productive employment for most ethnic minority households. Given the isolation of many minority communities and the educational, cultural and financial difficulties they face in participating in economic sectors outside of agricultural production, the team recommends that USAID focus economic assistance to Central Highland ethnic minorities in the agriculture sector.

The team feels that further NGO and USAID involvement in development activities aimed at minority poverty alleviation will be an important step in improving the general quality of service and implementation, and will increase minority estimation and utilization of available services. Central to achieving this will be a focus on extension training and community-based activities where minority communities are given a greater part in implementation (as in local training facilitators for cocoa clubs in the Success Alliance) and hence, ownership. To the extent possible, private sector partners should also be enlisted to “commercialize” economic development activities and move away from the charity orientation of government programs.

7.2 ILLUSTRATIVE DEVELOPMENT ACTIVITIES

7.2.1 Upland Agricultural Improvement Project

The majority of ethnic minorities in the Central Highlands rely on poor sloping annual croplands for the predominant portion of their livelihoods. Their pre-reunification era agricultural knowledge and practices are no longer applicable on perennial agricultural cropland, and they suffer high costs, poor yields and constantly decreasing soil quality as a result.

Government-sponsored agricultural research and training generally focus on large-scale or high-value activities such as wet rice cultivation, coffee and rubber which are not relevant to ethnic minorities

practicing upland agriculture. Low understanding of general agricultural practice also means that ethnic minorities often cannot make use of short course trainings even if they are on relevant topics.

The Success Alliance has had good results to date in developing knowledge and capacity among ethnic minority farmers through a club-based, community approach which provides consistent training over an extended period with strong mutual support. Clubs meet once per month over the course of the project to cover a comprehensive range of topics on cacao care, management and marketing.

This consistent, community-based model seems to be working well with ethnic minority communities, and the team recommends that this model be adapted to broaden its application and address a wider range of minority community challenges.

One particular constraint of cacao cultivation in ethnic minority areas is that due to the need for dry season irrigation and the high requirements for care, cacao is often only suitable for planting on residential garden plots. Ethnic minority households often have small residential plots in villages, while their larger agricultural lands are some distance away on hillsides where access to water, soil fertility and distance make cacao unsuitable. This one crop focus therefore leaves the majority of the household's productive land resource unimproved.

To address this potential, and to ensure a more diversified income stream (most important for poor households) the team recommends that the Success Alliance club-based model be expanded to include basic training on upland agriculture including soil conservation, soil fertility and improved practice with crops such as corn, cassava, beans, et al. The team believes that there is significant opportunity to partner with buying/processing firms located in the area to leverage limited project resources and to ensure that project activities support commercially viable products and methods. Buyer participation will also be key in building farmer interest and trust. Depending on the location of the project, the range of products and potential Global Development Alliance (GDA) partners might vary somewhat.

Suggested Components

Agricultural Training:

- Development of an uplands training curriculum to cover long-term issues of soil conservation and fertility, as well as short-term issues of varieties, plant protection, post-harvest handling, marketing, etc., for a range of suitable upland crops; and
- Demonstration plots for different crops and conditions.

Small Grants:

- Small club-level grants available on request to address issues of common concern to club members (e.g., pump for irrigation, safe store for grain to allow for holding and market timing, etc.); and
- Training and support in democratic decision making, project development and management of shared assets.

Credit:

- A small revolving credit fund or informal group savings system, or support to the development of lending groups for accessing VBSP production loans; although
- Support for a sustainable micro-credit component is not recommended in the non-market environment of rural finance.

Expected Impact

Income: given the low technical knowledge and poor soil conditions on many ethnic minority farms, there is enormous room for gains in yield and income to be made through improved cultural practices, variety selection and good soil management. Production in many areas could be increased substantially on a number of crops.

Community stability: unrest in the Central Highlands is in large part due to minority dissatisfaction with land issues. Contributing to this dissatisfaction is the poor productivity and high production costs associated with the marginal lands that minority communities now have. Improving the long-term structure, fertility and conservation of minority community land could have a positive impact on stability in the area.

Civil society/community mobilization: the community-based club model allows for the development of democratic decision-making processes and the capacity to plan and undertake community action. In minority communities, with their atmosphere of vulnerability in relation to the dominant culture, successful community-led action to improve livelihoods could have impact far beyond improved incomes.

Environmental improvement: low returns on marginal lands are a prime driver of deforestation, as poor households without knowledge of settled agriculture continue to slash and burn. This process—though slowed—is by no means ended, and continued deforestation exacerbates environmental degradation further impoverishing minority communities. Improved returns and intensification of agriculture on existing land holdings could reduce economic pressure on forests and improve the environmental sustainability of minority communities.

Location

Locating the project in existing Success Alliance communities offers a number of potential benefits:

- Building on already developed community capacity and organization,
- Using identified community leaders and potential champions of change,
- Easing approval from provincial authorities, and
- Helping direct improved household income from cacao toward further productive investments in their land.

These benefits must be weighed against the loss of additional beneficiaries that could be gained if the program were sited in a different location. Although Dak Lak seems to offer the greatest opportunity for Global Development Alliance (GDA) development, the team believes that the program could be successful across the visited area.

7.2.2 Primary School Readiness Program

The universal use of Vietnamese language in the state education system presents an obstacle for many ethnic minority children. Many of them are simply not competent in Vietnamese when they enter grade 1. They are not ready for the challenges of primary school. Lack of competence in Vietnamese is doubtless one of the factors contributing to waning attendance and ultimately cessation of schooling for large numbers of minority children before they graduate from primary school.

A primary school readiness program should target ethnic minority preschoolers. The objective of the primary school readiness program would be give ethnic minority preschoolers sufficient grounding in Vietnamese to embark on a successful grade 1 experience in primary school. Since 2003, Gia Lai province has been running a primary school readiness program for ethnic minority preschoolers focused on attaining Vietnamese language competence before grade 1. The primary school readiness program contributes to helping ethnic minority children overcome a major barrier to their educational advancement.

At the present time, general education is the exclusive responsibility of the state in Dak Lak, Gia Lai and Kon Tum. Preschools, however, are not part of the general educational system. The state permits considerable latitude in program, management and funding of preschools. Many preschools are organized, funded and managed by the communities in which they are located. Others are organized, funded and managed by NGOs, church groups or other civil society organizations. By focusing its support in the

education sector on the preschools, USAID could make a positive contribution without having to confront entrenched education bureaucracy.

The primary school readiness program should adopt a learning laboratory approach. The objective of the learning laboratory would be to develop a viable and effective preschool Vietnamese language learning program supported by teaching materials to prepare nursery school students to enter grade 1 with a minimal level of competence in Vietnamese. Each preschool learning laboratory would then serve as a venue to train preschool teachers from other villages and communes to apply lessons learned in the learning laboratory to other preschools.

USAID should work through an INGO who would initially be responsible for enlisting a small group of established preschools in majority ethnic minority communities in the program. The activity should prioritize already established preschools to minimize the problems of organizing a community around a preschool development project and to minimize the investment in facility construction and improvement. Once a community and the NGO come to an understanding, the community should give the NGO control over the preschool program. The NGO should then organize the program around activities appropriate to three to five year olds that would revolve around Vietnamese language learning. NGO staff would experiment with different activities, different scheduling requirements and different approaches and develop educational materials accordingly.

After two years of experimentation, the NGO should be ready to start extending the lessons learned to other preschool teachers in the three provinces. It will invite other preschool teachers to demonstration workshops and seminars. NGO project staff will follow up by visits to the preschools where workshop and seminar participants are teaching, give them feedback on their application of the approach developed in the learning laboratories and gather feedback from them on the applicability of the approach to their circumstances.

USAID funding should pay the costs of development of the primary school readiness program. The community or local civil society group that operates the preschool should continue to be responsible for operation and upkeep of the facility and for paying existing school staff and administration. USAID funding should cover the costs of using the preschool as a training venue for staff and administration from other preschools who come to learn from the learning laboratories.

Other Possible Components

- Malnutrition is high among five year olds in the ethnic minority communities. USAID could experiment with school feeding programs in the learning laboratories. School feeding programs would not only reduce malnutrition but also create a positive learning environment that would encourage children to learn.
- Disabilities in young ethnic minority children often go undetected. A primary school readiness activity could include medical screening of preschool children to identify disabilities.
- Unsanitary home and school conditions can have a negative impact on children's health. USAID funding should include money for preschool facility improvements leading to construction of sanitary toilet facilities. The preschool administration would be responsible for maintenance of the new facilities. The learning laboratory would then include a component of training preschoolers in personal hygiene and use of sanitary toilet facilities.

7.2.3 Eco-Cultural Tourism Development Activity

In all three of the provinces visited, there is a nascent eco-cultural tourism sector which facilitates international and domestic tourists to visit and in some cases stay overnight in ethnic minority villages. However, villagers, guides and tour operators maintain that village residents capture little of the potential value which this traffic offers, and that existing tourism products are all the poorer and less attractive because of this lack of villager participation. An integrated project to support development of minority-

owned tourism services (home stay/accommodation, entertainment, concessions, handicraft/souvenirs, guiding, etc.) would not only improve and diversify villager income, but would also improve tourism products (potentially improving demand) by bringing tourists a richer cultural experience.

Development of off-farm income and employment options for ethnic minority populations faces a number of constraints. One aspect of an eco-cultural tourism-based approach is that some of the issues that are obstacles to minority success in other sectors are actually advantages in terms of tourism product development. For example:

- Village-based tourism allows minorities to establish businesses and diversify income in their own communities, obviating problems associated with reluctance/financial inability to relocate to urban areas where most jobs are located.
- Unique cultural behaviors and attitudes create a distinctive and valuable tourism product rather than a barrier to understanding, trust and integration in the majority economy.

In addition to direct income benefit, there are also indirect benefits from village-level tourism development:

- Tourist valuation would militate against messages of cultural inferiority (both through communicated personal interest and through concrete purchases of cultural products and services) of local minority groups.
- The whole community would benefit from improvements in infrastructure (hygiene, community buildings, etc.), access to international people and ideas and improved village aesthetics

Suggested Components

Enterprise/employment promotion: training and provision of credit for development of local enterprises to meet tourism demand, e.g.:

- Conversion/upgrading of homes for homestay accommodation;
- Expansion/improvement of traditional crafts for sale;
- Development of retail for concessions, souvenirs, etc.;
- Design/development of entertainment products (traditional dancing, music, dramatizations, etc.); and
- Design/development of programs/guidance (e.g., village agriculture, traditional forest products / medicines, etc.).

Community development:

- Development of collective income sources (e.g., fees, revenue sharing); and
- Training on democratic decision making for allocation of collective income.

Marketing support: support to authorities and private sector tour operators on marketing of eco-cultural tourism products and expansion of regional tourism in general.

Expected Impact

Income: Development of micro-enterprises around tourism products and services offers the potential of significant income growth for a number of households. Tourism businesses offer the additional benefit of employment opportunities in the villages—suiing minority desires to improve livelihoods while maintaining community bonds. Development of collective income from usage/entrance fees offers the opportunity to expand beneficiaries and impact.

Community empowerment/pride: prejudice against minority capacity and cultural value is widespread and contributes to consistently lower levels of economic development and poor self-assessment. Increased participation in tourism and improved products which teach about the unique values of minority cultures

can improve understanding of minority cultures on the part of domestic Kinh tourists and also increase minority pride in their culture, arts and self-worth.

Civil society/community mobilization: development of collective income in the form of fees or shared revenues from communal assets (e.g., *rong* house) offers a concrete benefit to organization and the wider participation of the entire community in improving the aesthetics and general tourism appeal of the village. This is vital both for improved tourism development, as well as community mobilization to meet community-wide challenges and opportunities.

Location

Although village-level tourism exists in all three visited provinces, in Kon Tum and Gia Lai the number of approved tourism villages is severely limited, while in Dak Lak, as many as 10 villages are approved for homestay tourism. For this reason, as well as the fact that the general tourism market appears to be much bigger in Dak Lak, the team recommends that initial activities in pro-poor village-level tourism promotion be undertaken in Dak Lak.

Concerns

Tourism was not originally a focus of the team, and information was collected on an ad hoc basis. USAID should undertake direct discussions with tourism officials to verify information prior to any project design. Additionally, recent upheavals in international financial markets suggest that both international and domestic tourism in Vietnam will be adversely affected. Given the already underdeveloped state of tourism in the Central Highlands relative to other better known destinations in Vietnam, USAID should carefully consider whether tourism offers significant growth potential for the period of the project.

7.2.4 Community-Based Rehabilitation Activity

The evolution of the health care system since the decollectivization of the 1990s has deprived many residents of remote villages of effective access to health care. Agents of the health care system at the village level—the VHWs—are often poorly trained and poorly equipped. Thus, they are not always well prepared to recognize health conditions that require immediate follow up; nor indeed give the appropriate follow up. This is particularly the case for disabling conditions that could benefit from early remedial measures.

USAID should consider developing a health care activity that would focus on preparing VHWs to recognize a range of disabling conditions. The activity would focus on training ethnic minority VHWs in remote villages, particularly on neonatal care. The responsibility of the VHWs would then become to identify newborns, visit households with newborns, conduct well-baby clinics, identify disabling conditions, follow up with community-based rehabilitation where possible. Many people with disabling conditions can benefit from early intervention if the right information is fed to the right authorities in a timely way. In addition, VHWs, with the proper training, equipment and support from district- and provincial-level doctors, should be able to carry out rehabilitative programs at the village level for many conditions.

The activity should also create a database in the provincial hospital that identifies people with disabling conditions by location and condition so that provincial health authorities can make appropriate follow up and referrals. Also, even with complete health insurance coverage ethnic minority patients find traveling to find health care a challenge, the emphasis of the activity should be preparation for village-based care and rehabilitation.

The objective of the activity will be improvement of the effective delivery of health care at the village level, particularly for people suffering from disabling conditions. The primary beneficiaries of this activity will be children with disabilities, accident victims and the elderly.

Kon Tum province has already approved a proposal for a project to strengthen and consolidate a network to assist the rehabilitation of PwD. A translation of the Kon Tum proposal is attached as Appendix F to this report. The Kon Tum proposal could provide a useful point of departure for USAID to develop a CBR project for Kon Tum province.

7.3 GDA POTENTIAL

Because of limited USAID funding, and also to support the closer integration of ethnic minority communities in the transactional economy, the team recommends that USAID explore opportunities to develop public-private partnerships around ethnic minority agricultural production. The Success Alliance has already demonstrated the ability to leverage private sector participation and investment in the agricultural sector in the Central Highlands (including Mars/Masterfoods, Cargill and Teuton), and the team has identified a number of other potential partners. The team recommends that USAID or implementing partners explore potential partnership with:

- **The Charoen Pokphand (CP) Group (Thailand)** is an international integrated animal feed, livestock production and commodity trading conglomerate with 2006 sales of \$14 billion USD), and one of the largest animal feed producers in Vietnam. It has located a large corn drying and storage facility in Dak Lak province to process the large volumes of corn produced in the Central Highlands. In recent years, the international corn market has changed dramatically, with prices rising under pressure from biofuel demand and former exporters (like China) changing to net importers due to increased demand for meat (and by association, animal feed) in developing economies. These changes mean greater demand and reliance on domestic corn production for feed millers, and create incentives for private sector investment to improve smallholder corn yields and quality.
- **Thai private and Vietnamese state enterprise cassava starch processors** exist in all three provinces and are potential partners in the improvement of cassava quality (starch content) and volume. Like corn, cassava is an important cash crop for poor ethnic minority farmers, but lack of inputs, poor varieties and depleted soils mean that productivity and quality are low. Because cassava is primarily a smallholder crop and large processors may buy from hundreds or even thousands of individual farmers, it is very costly for them to reach a meaningful number of their suppliers with training or improved varieties. Public-private partnerships could offer them a chance to cost-effectively reach a meaningful number of producers.
- Team members met with **ED&F Man** (one of the world's largest sugar and coffee traders [United Kingdom]) representatives in Dak Lak to discuss the company's existing support activities for ethnic minority coffee producers. ED&F Man is paying for certification costs associated with Rainforest Alliance and Fair Trade certifications for approximately 700 ethnic minority coffee farmers in Dak Lak. This production will be branded by ED&F Man and the expectation is that farmers will receive a premium of approximately \$100 USD per ton if they can produce according to certification standards. Company representatives expressed an interest in learning more about the potential for GDA partnership.
- There are reportedly four pending applications for **renewable energy (jatropha planting and processing) investments by Australian, German, Vietnamese and US invested companies** in Kon Tum province. Any successful application for land allocation and an investment license will certainly contain a requirement to train and employ a significant number of poor households. Biofuel production may have the potential to improve and diversify income as well as reduce environmental impact and should be carefully considered as a cropping option depending on project location.

7.4 SOME PROJECT IMPLEMENTATION CONSIDERATIONS

Provincial authorities in this largely decentralized administrative system exercise considerable latitude in determining which projects to welcome to their province. USAID and organizations implementing USAID projects in the Central Highlands will find that relations with provincial authorities may even be more important than relations with central authorities in determining the outcomes of their projects.

At the same time, provincial authorities are largely unfamiliar with USAID. They are more accustomed to working directly with ODA money. They are more comfortable with, more knowledgeable of, and feel more capable of implementing direct government and ODA assistance programs. In particular, they do not understand the process USAID uses to design projects and procure a third party organization such as an NGO for implementation. For that reason any projects that propose working with ethnic minorities in the Central Highlands could face long lead times and delays in the approval process.

In practical terms, this means that USAID and INGO implementers must make special efforts to explain the theory and practice of USAID assistance delivery. Authorities in Central Highland provinces are relatively unfamiliar with working with INGOs. Of approximately 700 international NGOs registered in Vietnam, less than 20 are approved for activities in the Central Highlands. In both Kon Tum and Gia Lai, people expressed a fear that a large piece of any project grant would go to cover overhead of the project implementer rather than get to the beneficiaries in the field. The best way for USAID to cure this problem will be through frequent visits to key provincial officials and lots of cups of tea. USAID and INGOs must be ready to explain why it is beneficial for everyone to channel assistance through nongovernmental implementers.

A member of the USAID/GDO team accompanied the assessment team for most of its field work. The GDO Director was present at every PPC meeting the team attended. In two of the three provinces, the Chairman of the PPC received the team (in Kon Tum the Chairman was traveling internationally). These meetings played an important role in cementing the mutual understanding and trust that will be required for larger-scale cooperation in the future. USAID should engage provincial leaders in thinking strategically about how best to plan for and use the specific strengths of USAID and INGO assistance as opposed to traditional, inflexible governmental and ODA funding. The PACCOM Director, moreover, offered PACCOM assistance in organizing and participating in communication meetings of this type.

In the Central Highlands, USAID will generally implement its projects in close coordination with local government partners. Local authorities will demand to be heard on many aspects of the project including the designation of the implementing organization. To the extent possible under procurement regulations, USAID should consult provincial governments closely in the design phase of potential projects to establish at least a broad consensus about objectives, government participation and long-term sustainability. While specific negotiation of activities, areas, methods, etc. should be left up to the implementer, early consultation with provincial partners could significantly improve a costly time lag between USAID award and GoV approval.

USAID should strongly consider political support when considering the location of any project in the Central Highlands. Government cooperation is a requirement in the implementation of any project in Vietnam, and that is even more the case in the Central Highlands. The team noted a clear difference in the level of openness, candor, trust and cooperation of provincial authorities in Kon Tum and Dak Lak where USAID already has some projects compared with Gia Lai where USAID has none. Although authorities in Gia Lai were generally cordial and respectful, managers of line agencies were less forthcoming in meetings and organized field trips that were generally not responsive to team requests to meet with truly disadvantaged groups. In Kon Tum and Dak Lak, meetings were more productive and organized field trips were far more representative of the conditions the team requested to see. In Kon Tum and Dak Lak provinces, the PPCs and DoFAs generously allowed for last minute changes to the schedule to visit sites of interest which were not previously scheduled. In Gia Lai, the team was twice refused approval to make

unplanned visits—even to sites which provincial authorities held up as successful models suitable for donor funding. The conclusion is that without a sustained public relations effort with Gia Lai authorities, USAID-funded projects in Gia Lai risk encountering delays and controversy.

Project implementation capacity is low in the rural areas of the Central Highlands. Current government-sponsored training programs (in a variety of sectors) are nearly uniformly too short and not basic enough to be relevant to the needs of the trainees. For partner capacity building as well as beneficiary training, USAID should expect that real impact will require greater lengths of time and basic, consistent training. The most promising projects will, therefore, be long-term projects where capacity building—particularly through on-the-job training—plays an important role. Implementation capacity will thus improve gradually over time.

Given the depth of poverty and the simmering unrest in the area, there is a clear preference, from the provincial level down to communes and households, for concrete activities which have a tangible benefit in the short term. This desire is often expressed in terms of project activities with which people are familiar: infrastructure construction, direct donation of livestock, etc. The team does not recommend these activities, but does strongly suggest that project impacts and indicators be simple, clear and visible to households and local authorities. One consequence of government concern over ethnic minority unrest is that local authorities will want to avoid raising and then dashing expectations. Local authorities would prefer to do nothing than to raise subsequently unfulfilled expectations. They may therefore look very critically at any activity that USAID proposes.

8.0 CONCLUSIONS

The Central Highlands present a unique cultural and historical environment. It is a complex multi-cultural environment where, in the last generation, the original population of the area has become a minority in its own homeland. Vulnerable groups, particularly local ethnic minorities in Dak Lak, Gia Lai and Kon Tum provinces, are in a precarious position owing to historic changes in Vietnamese society at large. This has produced a certain amount of social tension and periodic social unrest.

The process of consolidation of ethnic minority lands into state farms, the relocation of Kinh labor from the lowlands to the state farms and the subsequent dissolution of the state farms and distribution of state farm lands to all workers on an equitable basis, have left ethnic minority farmers with insufficient land resources to reconstruct their pre-reunification-era swidden agricultural system. Ethnic minority households have been faced with adopting a more intensive production system with which they have no background and for which they have received no training or other support. Many minority families have opted to pioneer marginal lands in remote areas in the hope of being able to revive the swidden system of the earlier era.

The agricultural extension system is not equipped to ease either the minority households that have stayed locally or the minority households that have sold their shares and moved to marginal lands through a transition to a viable agricultural production system under prevailing conditions. The agricultural extension system focuses on promotion of industrial crops rather than targeting ethnic minority household needs to adapt their agricultural production systems to new circumstances and optimize their returns on relatively small plots or on marginal or sloping lands.

During the period of collective agriculture, state farms managed not only agricultural production but also preschool education, health care delivery and social protection for their labor force. The demise of the state farm system has led to major changes in social programs. The burden has shifted to the village community to provide the social services that the state farms formerly provided. Poor village communities, particularly those in remote areas, are hard pressed to provide the services. Village communities have found no source of funding to replace the resources of the state farms.

In the meantime, the GoV has changed its approach to funding province budgets. It has invested the provinces with considerable autonomy in raising and allocating funds. Provincial priorities have been focusing on higher administrative levels. Provincial governments have opted to invest in developing social services at the commune, district and provincial levels. Services in the main towns are good. They are, however, inaccessible to residents of many villages.

Deficiencies in education, in health care delivery and in social protection are most acute at the village level—again, particularly in remote and inaccessible villages. Village-level health care staff or agricultural extension staff, for example, are generally few in number, undertrained, underequipped and overburdened with other responsibilities. Educational facilities beyond grade 3 are often lacking in the villages. In light of changing land holding patterns, ethnic minority households tend disproportionately to occupy the remote and inaccessible villages with deficient social services.

In an environment such as this where needs are greatest in remote and inaccessible villages, the challenge to USAID is to devise programs that will be effective on the village level and that will lend themselves to widespread replication within a relatively short period of time. Central to achieving this will be a focus on community-based activities where minority communities are given a substantial part in implementation (as in local training facilitators for cocoa clubs in the Success Alliance).

APPENDICES

APPENDIX A. BIBLIOGRAPHY

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APPENDIX B. STATEMENT OF WORK

1. TITLE

Vietnam Central Highlands Needs Assessment

2. INTRODUCTION

Recent years have seen heightened attention on the Central Highlands Provinces with growing concern over the social and economic disparities which stand out in a country that overall is achieving stunningly high rates of growth and dramatic reductions in poverty levels. There is unanimity that many of the problems in the CH result from poor and inconsistent access to social services and productive resources, particularly land, as well as reduced access to technical expertise and support services comparable to other parts of the country.

Currently there are 4.2 million people living in the Central Highlands Provinces with ethnic minorities accounting for less than one-third of the population. As a result of resettlement policies, Kinh (Vietnamese) make up nearly 70 percent of the population of these provinces today. The thirteen ethnic minority groups that were indigenous to the region now comprise about one fourth of the total population. Unlimited migration of ethnic minorities from other regions since 1954 introduced many new groups to the region so that the Central Highlands Provinces now has over 40 of Vietnam's 53 ethnic minority groups, giving it the greatest multiethnic concentration in Vietnam. This highly multiethnic composition, along with the region's relative remoteness and poor infrastructure has contributed to the difficulties in improving access to social services and implementing socioeconomic policies in the Central Highlands.

Limited access to essential social services has resulted in lower literacy in the Central Highlands Provinces among the ethnic minorities than elsewhere in Vietnam. Among the Gia Rai, Xe Dang and Bana populations, about 60% of the children attend primary school compared to 90% of the majority Kinh children in the CH and nation-wide. Life expectancy is 60 compared to the Vietnamese average of 71 (ADS, 2002) with poor health infrastructure and preventable diseases cited as the main cause of death.

Given these unique challenges, the U.S. Government has demonstrated its commitment to helping the Central Highlands communities reduce poverty and strengthen civil society. The expansion of U.S-funded assistance in the region will engender economic and political stability, while Improving the well-being of Vietnam's most threatened and vulnerable groups.

Since 2006, USAID has forged partnerships with two implementing NGOs - the East Meets West Foundation (EMW) and World Concern Development Organization (WCDO) to implement the Social and Economic Improvement Program in the Central Highlands. USAID's over-arching objective is to reduce the poverty incidence in the Central Highlands through improving access to quality education, health, social, and economic services, and fostering citizens' participation in local decision making process.

The private-public partnership with EMW has resulted in construction of an eight classroom boarding school and thirty-two bed dormitory for 250 ethnic minority students. In addition, the program supports income generating training activities for parents in the lowest income households.

The WCDO implements vocational training and identifies job placement opportunities for the most vulnerable ethnic groups and the physically disabled. The program also assists small local enterprises to adapt to the workplace environment by responding to the Challenges and opportunities of the disabled and ethnic minorities.

Since 2005, USAID/Vietnam has funded a project on Sustainable Cocoa Enterprise Solutions for Smallholders (SUCCESS) Alliance in the CH. The project aims to improve the economic well-being of smallholder cocoa farmers, through the development of a cocoa industry in Vietnam. The Alliance works with underserved indigenous ethnic minority communities with access to land in agro-ecological areas well-suited for cocoa production.

USAID/Vietnam is currently expanding program support for the Central Highlands and anticipates that funding will be made available to sustain the increased level of effort through FY 2010. A comprehensive needs assessment is planned to identify and elaborate on development challenges and identify new opportunities for a strategic response. It is expected that the newly formulated strategy will be well coordinated with ongoing and planned activities of other prominent donors and local government.

3. OBJECTIVE

The objectives of the assessment are to:

- Review the situation of communities of the Central Highlands, with particular focus on the access to health, social and education services for the most vulnerable groups. USAID/Vietnam considers gender as a cross-cutting theme, and it should be addressed with respect to each element of the assessment.
- Construct the map of existing donor/NGO/government programs which address these needs in the Central Highlands.
- Visit to USAID/Vietnam's three on-going programs in the Central Highlands to identify program impact, gaps, and opportunities for achieving greater impact.
- Provide recommendations for formulating USAID/Vietnam's long-term assistance strategy for the Central Highlands.
- Draft the outline for a five-year program responding to the critical development issues in the Central Highlands and recommend areas of focus for USAID's program based on the U.S. foreign assistance framework for promoting transformational development.

Recommendations should:

- Essentially focus on the needs of the most vulnerable groups in the Central Highlands in Vietnam, including those of ethnic minorities and persons with disabilities.
- Address gaps in USAID's existing assistance program in the Central Highlands;
- Support the Government of Vietnam's priorities and program focus areas for the Central Highlands;
- Compliment existing donors' programs in the Central Highlands;
- Minimize USAID's management burden;
- Maximize opportunities to Institutionalize best practices and policies;
- Apply a results-based approach;
- Ensure sustainability;
- Ensure cost-effectiveness.

4. METHODS AND RESOURCES

- a. The Contractor shall meet with primary local stakeholders, including ethnic minorities, persons with disabilities, women groups, children and other vulnerable groups of the Central Highlands to determine existing gaps in essential services.
- b. The Contractor shall hold discussions with the Provincial, District and Commune's People's Committees of the Central Highlands provinces; Vietnamese Ministries such as the Ministry of Labor, Invalids and Social Affairs (MOLISA) and the Provincial Departments of Labor, Invalids and Social Affairs, Health, and Education; the People's Aid Coordinating Committee (PACCOM) and other government officials to discuss current Central Highlands assistance efforts and identify opportunities for future programs.
- c. The Contractor is expected to arrange meetings with key donors who provide assistance in the Central Highlands such as UN agencies (UNFPA, UNDP, UNICEF, UNESCO, and etc.), the World Bank, SIDA, JICA, ADS, the Spanish Agency for International Development, and other NGOs currently operating in the Central Highlands, i.e. the Red Cross, Plan International and Handicap International, to assess their activities and lessons learned and identify opportunities for future cooperation and coordination.
- d. The Contractor is responsible for gathering all available literature, development lessons and reading references required for the assessment.

5. DELIVERABLES

The following sub-sections describe the nature and content of plans and reports required for planning, implementation and monitoring of the Task Order. Most of these deliverables are interrelated. The format of all of the different plans and reports should be designed to allow analysis among the completed activities, expenditures, and results for each year of the program.

1. Draft Needs-Assessment Work Plan. The evaluation team leader will develop a draft work plan prior to their departure from the U.S.
2. Oral Presentation. The evaluation team will provide an oral briefing of its findings and recommended strategy to the USAID/Vietnam Representative, USAID/Vietnam's Director of General Development Office and USAID/Vietnam Health Office.
3. Draft Report. The evaluation team will present a draft report in English of its findings and recommended strategy to the USAID/Vietnam Representative, USAID/Vietnam's Director of General Development Office and the USAID/Vietnam Health Office before departing from Hanoi.
4. Final Assessment. Ten paper copies of the Final Report as well as an electronic Word version shall be submitted within 15 days following receipt of comments for USAID. Ten copies will be provided to Director of General Development Officer, USAID/RDMA. The final report should include an executive summary, a copy of this scope of work, evaluation questionnaires, lists of persons and organizations contacted, etc.

All of the evaluation findings, conclusions, and recommendations shall be documented In the Final Report. All written deliverables shall also be submitted electronically to the CTO. Bound/color printed deliverables may also be required, as directed by the USAID/Vietnam CTO. The contractor shall also submit the final assessment report to USAID at docsuubmit@dec.cdie.org. For information on what is required and how to send it, see the web page at <http://lwww.dec.org/submit.cfm>.

APPENDIX C. LIST OF PERSONS MET

Hanoi and Ho Chi Minh City

Date	Persons	Place/Office	Note
Oct. 27, 2008	Mr. Harold H. Handler Ms. Le Ha Van Mr. Roger Carlson Mr. Christian Marchant	USAID/Hanoi	General Development Office Acting Director Political section
Oct. 28	Mr. Tran Phi Tuoc Ms. Cao Thi Thanh Thuy Ms. Pham Thi Minh	MoLISA International Cooperation Department	Director General Deputy director Staff
	Mr. Vu Ngoc Anh Ms. Vo Hoang Nga	UNDP	Governance Cluster Poverty & Social dev't
Oct. 29	Mr. Dang Van Thuc	UNICEF	Provincial Child Friendly Programme
	Ms. Liza J. Studdert Mr. Ho Le Phong	ADB	Head Health Unit FLITCH Livelihood Improvement Program
Oct. 30	Ms. Angela R. Dickey Ms. Katia Bennett Mr. Tim Swanson Mr. Doug Sonnek	US Consulate Ho Chi Minh City	Dep. Consul General Political Officer Resettlement Economic Officer

Gia Lai Province

Date	Persons	Place/Office	Note
Oct. 31 Morning	Mr. Do Le Nam Ms. Tran Thi Lap Mr. Truong	GL DoFA	GL escort group in all visits to the provincial departments and field visits
	<u>Mr. Nguyen Thanh Binh</u> Mr. Le Quang Dat Mr. Vo Van Thanh Mr. Truong To Ms. Nguyen Thi Thoa Mr. Le Thien Loc	DoPI	Vice director
	<u>Mr. Thuyen</u> Mr. Tuan Mr. Luyen	DARD	Director Head Statistics bureau Assistant
Oct. 31 Afternoon	<u>Mr. Pham Ngoc Thach</u> Mr. Nong	DoLISA	Director Vice director

Date	Persons	Place/Office	Note
	Mr. Lich Ms. My Mrs. Tam Mr. Loc		Job training Child Protection & Care Admin. +Finance Social Protection
	<u>Mr. Chien</u>	DoET	Vice director
	<u>Mr. Phung Xuan Quynh</u> Mr. Nguyen Cong Nhan Mr. Phong	DoH	Director Vice director
Nov. 1 Morning	<u>Mr. Le Van Thanh</u> Mr. Doan Xuan Mui Ms. Doan Thi Huong Ms. My (DoLISA)	Social Protection Centre	Director Administration Accountant Child Protection & Care
	<u>Mr. Buoc</u> Ms. Hanh <u>Mr. Chien (MoET)</u>	Pleiku Boarding school	Vice principal English teacher Vice director
Nov. 1 Afternoon	<u>Mr. Pham Dinh Luyen</u>	Chu Pah Rubber Company	Vice director
	Visit to a Gia Rai family		Ia Mo Nong commune Chu Pah District
Nov. 2 Sunday	Visit to Gia Rai village interview village chief Visit Kon Tum orphanage/shelter Vinh Son 1 – Sister Imelda	Gia Lai Tourist Joint- stock Company	Chu Pah district Kon Tum town
Nov. 3 Morning	Mr. Ksor Hien	A better-off household	Phu Yen ward of Pleiku city
Nov. 3 Afternoon	<u>Mr. Pham The Dung</u> Mr. Ngo Ngoc Sinh	Gia Lai People's Committee	Chairperson Vice chairperson
Nov. 3 late afternoon	Ms. Phan Thi Hong	Duc An Church School for Children With Disabilities	Principal

Kon Tum Province

Date	Persons	Place/Office	Note
Nov. 3 Morning	<u>Mr. Dao Xuan Quy</u> Ms. Y Ly Trang Mr. Pham Huu Kiem Mr. Nguyen Kim Cuong Mr. Nguyen Hoa Mr. Vo Thanh Dong Mr. Nguyen Dinh Cau Mr. Le Thon	People's Committee	PPC Vice chairman DoFA Vice director DoLISA Vice director DARD Director DoET Vice director DoH Director PPC Deputy head Admin. World Concern Development Organization coordinator
	<u>Mr. Nguyen Thanh Duoc</u> <u>Mrs. Y Ly Trang</u>	DoFA	Director Vice director

Date	Persons	Place/Office	Note
	Ms. Ngo Thanh Thuy Mr. Nguyen Lam Vien Mr. Le Thon		DoFA officer PPC officer WCDO coordinator
Nov. 3 Afternoon	<u>Mr. Nguyen Dinh Bac</u> <u>Mr. Truong Quoc Viet</u> Mr. Tran An Ninh <u>Mr. Nguyen Van Sy</u> Ms. Nhat	DoPI	Vice Director Specialist Economics section Prog. 135, 134 Specialist
	Mr. Pham Huu Kiem <u>Ms. Dang Thi Luong</u> Mr. Ho	DoLISA	Vice director Head Social Protection PPC officer
	Visit to Bahna village,	Talk to an elder at his house	Kon K'Tu village
Nov. 5 Morning	<u>Mr. Nguyen Kim Phuong</u> Mr. Nguyen Huu Thap Ms. Lam Thi Minh Thuy Ms. Y Thi Thu Hang	DARD	Vice director Vice director DARD officer DARD officer
	<u>Mr. Nguyen Hoa</u> Mr. Hoang Xuan Cam Mr. Vo Xuan Thuy Mr. Ho Than Em Ms. Mai Phuong	DoET	Vice director Chief Pre-school and Elementary Education Chief Administration Chief General Education Academic exam. unit
Nov. 5 Afternoon	<u>Dr. Vo Thanh Dong</u> Dr. Thanh Dr. Binh Mr. Qui Mr. Le Tien Khai	DoH	Director Vice-director Chief Medical service Chief Pharmacist Chief Financial section
	<u>Mr. Nguyen Thanh Duoc</u> Ms. Y Ly Trang	DoFA (debriefing)	Director Vice Director
Dinner	Ms. Caroline Knepper (Health Economist)	HEMA project	Consultant
Nov. 6 Morning	<u>Mr. Nguyen Thien</u> <u>Mr. Doan Van Thoai</u> Mr. Nguyen Duc Kiem Mr. D'Jin	Dak To Lung Secondary School (Kon Ray Minority Boarding School)	Head of District Kon Ray Education office School Principal Deputy principal Dak To Lung Commune P.C Chairman
Nov. 6 Afternoon	Mr. Pham Van Tong Mr. Pham Van Thanh <u>Mr. Nguyen Van Son</u> <u>Mr. Robin Shell</u> Ms. Hoang <u>Ms. Minh</u> Mr. Thon	Duc Nhan Furniture Company WCDO	Vice director Vice director Chief Administration Country representative Staff from Hanoi Staff from Quang Nam Kon Tum coordinator

Date	Persons	Place/Office	Note
	Ms. Han	DoLISA	SP staff, Community Support Worker
	<u>Mr. Pham Chau Tue</u> Ms. Cao Thi Phu Ms. Han	Kon Tum Social Protection Centre II	Director Chief Administration DoLISA SP staff
Nov. 7 Morning	<u>Mr. Nguyen Thanh Trung</u> Mr. Nguyen Trung Kien Mr. Dang The Quyet Mr. Hai	Dak Ha District People's Committee	Vice chairperson Head of LISA office Admin. specialist Admin. officer , escort
	<u>Mr. Nguyen Tong Lang</u> Ms. Pham Thi Thu Ha Mr. Nguyen Trung Kien Mr. Hai	Dak Ha Town People Credit Fund	Director Comptroller LISA district officer District escort
		Visit to Dak Uy Park	
Nov. 7 Afternoon	<u>Mr. A Bang</u> Mr. A Diem <u>Ms. Pham Thi Nhung</u> Mr. Nguyen Cao Hien Mr. Vuong Que Ha Ms. Hoang Thi Minh Ms. Nguyen Thi Nhung Mr. Hai <u>Ms. Dang Thi Luong</u> Ms. Trinh Thi Hieu Mr. Robin Shell Ms. Hoang Ms. Minh <u>Mr. Thon</u>	Dak Hring Commune PC & WCDO Implementation committee ward level (IC) District Dak Ha Kon Tum DoLISA & WCDO Management Committee (MC) WCDO	Vice chair + Head IC Village head + Community-based Support Worker; LISA worker + CSW PC Chairman YU + IC member WU + IC member Deputy head LISA District escort Head of SP unit + Deputy head of MC; Kon Tum Social Protection officer Country representative Staff from Hanoi Staff from Quang Nam Kon Tum coordinator
	<u>Ms. Huong</u> , PwD (polio) <u>Ms. Le</u> , dress maker	Visit trainee at trainer's shop; WCDO project	
	Mr. A Duc, Mr. A Ha Mr. A Lip, Mr. Quang	Visit 4 trainees at blacksmith WCDO project	
	Ward Quang Trung in Kontum town	Visit to a recipient of cow WCDO project	

Dak Lak

Date	Persons	Place/Office	Note
Nov. 10 Morning	Mr. Tran Van Son Ms. Thom Ms. Trang	DoFA	
	<u>Mr. Ho Vinh Chu</u>	DoPI	Vice director
	<u>Mr. Lu Ngoc Cu</u> Ms. Tran Thi Thu Ha Mr. Ho Vinh Chu Mr. Nguyen van Binh Mr. Tran Ngoc Son Mr. Nguyen Phi Tien Mr. Nguyen Van Sinh Mr. Nguyen Van Dam Ms. Vo Thi Ly Mr. Le Van Minh Mr. Le Van Hien Mr. Yan	Provincial People's Committee	PPC Chairperson Dep.head Admin. unit Vice-director DoFA Vice-director DoFA Director DoET Director DoH Vice director DARD Vice director DoLISA Head Religion Board Head Ethnic Board Chair Business Assoc. Vice chair Lak dist. PC
Nov. 10 Afternoon	Dr. Nguyen Phi Tien Dr. Huyen Dr. Tri Dr. Viet Ms. Minh, Ms. Xuan (camera)	DoH	Director, Rehabilitation
Nov. 11 Morning	Mr. Nguyen Van Sinh Mr. Dinh Hai Lam Mr. Ng. Tuan Thanh	DARD Success Alliance	Vice director Rural extension, Crop unit, Planning unit Chief of Party Provincial coordinator
Nov. 11 Afternoon	Mr. Tuoi Mr. Hai Mr. Thanh	Prov. Extension: Success Alliance	District Ea Kar: visit to 3 participants of Cocoa tree planting
	Mr. Nghiep, farmer Demonstration plot		Commune Ea So
	Mr. Ve, farmer		Commune Ea So
	Mr. Tuyen, farmer and training facilitator		Commune Ea So
Nov. 12 Morning	<u>Mr. Nguyen Tan Hung</u> <u>Mr. Nguyen Van Dat</u> Ms. Nguyet Mr. Dan + Mr. Thong Mr. Thai	DoLISA	Director Vice director Vice director Social Protection Unit Administration
	<u>Mr. Nguyen Quang Tue</u> Mr. Nguyen Van Dat	Social Protection Centre II	SPC Director DoLISA Vice director
Nov. 12 Afternoon	3 farming households	Ea Kar District	Cu Ni Commune Village 6

Date	Persons	Place/Office	Note
Nov.13 Morning	Mr. Le Van Hien <u>Mr. Le Hoang Co</u> Ms. Bui Thi Lan Mrs. Au Cam Tu Mr. Dinh Ngoc Truc Mr. Le Dinh Hien <u>Dr. Le Dang Trung</u> + 1 <u>Lu Hanh Co.</u> + 1 <u>Garment</u> <u>factory</u> + 1 Ind. & Com. Bank + 2 <u>Vocational Training</u> sch.	Dak Lak Business Association	Chairperson Dam San Tourist Co. MacVi Design & Adv. ThienPhuc Pharmaceut. Truc Tam Coffee HoangVietConstruction Thien Hanh Hospital Vinatex group
	<u>Mr. Tran Ngoc Son</u> Mr. Bien Van Minh Mr. Nguyen Huu Quat Mr. Pham Van Nham Mr. Nguyen Vinh Trinh Mr. Nguyen Hoac Mr. Truong That Mr. Pham That Khoa	DoET	Director Finance Unit Continuing Education Pre-school, Elementary Administration Education inspector Lower Secondary High School
	Mr. Hoang Huy Dao Mr. Vu Mr. Tu	Nguyen Du High School for Gifted students	Principal Vice principal Vice principal

APPENDIX D. OFFICIAL INVESTMENT PROSPECTUS OF GIA LAI PROVINCE

(as translated from the original Vietnamese)

OVERALL INTRODUCTION

Gia Lai is a mountainous province which sits in the north of the Central Highlands. The total area is 15,536.9 km², population of 1.2 million including 34 minority groups. It borders Cambodia in the west, Dak Lak province in the south, Quang Ngai, Binh Dinh, and Phu Yen provinces in the east and Kon Tum province in the north.

Gia Lai sits at the junction of Route 14 which goes from Da Nang-Quang Nam to Kon Tum, Gia Lai to Dak Lak and Ho Chi Minh City; and Route 19 which goes from Qui Nhon Port to Gia Lai, Ratanakiri Province –Cambodia, and southern provinces of Laos and Thai Lan; Route 25 goes to Tuy Hoa-Phu Yen; moreover, it contains Pleiku airport with daily flights to and from Ho Chi Minh City, Da Nang and Hanoi.

The weather is monsoon tropical with two distinct seasons in which the rainy season starts in May and ends in October, and the rest of the year is dry. The weather here is very appropriate for growing short-term and long-term cash crops, fruit production, raising livestock and doing forest and agricultural business.

Gia Lai Province has a great natural resource potential where the forest area and forests are 871,645 ha (683,190.4 ha of natural forest); the forest coverage is over 49% (proximately 59% if long-term industrial tree plantations are included), new forest area is 5000-6000 ha/year. The land area suitable for agricultural production is nearly 450,000 ha. At present, in the province as a whole, the area in major long-term cash crops includes: coffee 76,000 ha, rubber 63,000 ha, cashew over 20,000 ha, pepper 4,380, tea 1,284 ha, fruit trees over 2,634 ha; some short-term cash crops include: sugar cane 18,460 ha, corn 57,560 ha, cassava 51,130 ha, cotton 5,720 ha, tobacco 2,500 ha, etc.

With the above-mentioned potential land of agricultural production, Gia Lai can increase its area in long- and short-term cash crops up to several thousand ha in the years to come. We can develop various types of operations such as agricultural and forest processing, feed processing, leather production, a tobacco factory, rubber factories, coffee processing plants, beverage production, alcoholic production,...etc. Rich natural sources of bauxite, da voi rock, granite, bazan rock, and gold....can be used to develop cement production, construction materials, indoor furniture production at medium size. Besides, there are many other natural resources that can be used as adjuncts in producing cement, paint, roofing, fisheries, etc.

Gia Lai has great hydro electricity potential. Operational hydro-electric plants so far are Ia Ly, Se San 3, Se San 3A, Se San 4 and An Khe-Ka Nak. The number of small and medium scale hydro electric plants currently planned for operation in the whole province is 113 with a total productivity of 535.45 MW; specifically 20 hydro electric plants are in operation with total productivity of 50.6 MW; 46 others have investment plans with total productivity of 420.1 MW (10 out of them have started construction with a total productivity of 156.1 MW); 10 hydro electric plants with a total productivity of 13.8 MW have been

planned but haven't found investment funds; 37 areas suitable for hydro electricity production with a total productivity of 47.2 MW are being studied for building in the next stage.

Gia Lai has a long historical development with numerous sightseeing, historical heritages which can be used for tourism especially ecological tourism....Moreover, Gia Lai was a place where UNESCO has recognized a verbal cultural heritage.

LIST OF PROJECTS CALLING FOR INVESTMENT

- I. Construction
- II. Agriculture and forest
- III. Tourism – commerce and services
- IV. Culture and sport

INVESTMENT IN THE PROVINCE

In recent years, Gia Lai has paid great attention to improving the investment environment, adding new policies to attract national and overseas investment; developing a private economic sector; speeding up stock/share holder participation in state owned enterprises; at present there are 2,079 enterprises with total regulated capital of 64,586 billion dong (specific 1,090 private enterprises, 208 share holder limited liability companies, 485 two member limited liability companies, 238 one member limited liability companies, 3 enterprises with 100% foreign capital). Some commercial brands from Gia Lai have become well-known in the country and overseas like Hoang Anh Gia Lai, Duc Long, Gia Lai Electricity Company, and several rubber companies like Chu Se, Chu Prong, Chu Pah, Mang Yang, MDF wood company.

From 2003 till now, Gia Lai has organized 3 seminars to call for and speed up investment which has attracted 120 new projects with a total regulated capital of over 24,000 billion dong (specific 58 projects have become operational, 37 are in process of development, 25 are completing investment procedures). Since the beginning of 2008, 9 large scale projects have started with a total capital of 3,310 billion dong (namely the Nguyen Van Linh high school project with investment from Pho Nui Star Share Holder Company with total capital of 80 billion dong; 3 investment projects by VK Highlands Company with a total capital of 1,470 billion dong; 5 investment projects by Hoang Anh Gia Lai share holder company with a total capital 1,760 billion dong.) All the project investments in agricultural and forest processing, tourist services, electricity and refining of mining ore, construction materials, are located in Tra Da industrial zone with an area of 109 ha, 90% of which has been covered by seventeen enterprises. Gia Lai has now planned and set up West Pleiku industrial zone, a 600 ha area, which is in the stage of infrastructure development; the economic zone of the Le Thanh International Border Crossing along Route 19 with an area of 1,000 ha includes 4 communes and Chu Ly town in Duc Co district which is hoped to be one of most attractive economic border crossings in Viet Nam – Laos - Cambodia development triangle.

Many other industrial zones have been set up in different communes and towns with hundreds of ha namely the 600 ha West Pleiku industrial area, currently in its infrastructure development stage; the 1,000 ha Le Thanh Border Crossing economic area on Route 19 which includes 4 communes and Chu Ly town in Duc Co district, etc.

POLICIES TO ATTRACT INVESTMENT BY GIA LAI PROVINCE

1. Priority

- In terms of investment areas: Gia Lai province including all its districts and communes are eligible for the criteria of especially difficult socio-economic areas (Appendix II – Government Ordinance 108/2006/ND-CP of 22 Sep 2006)
- List of investment priorities: following Appendix III – Government Ordinance 108/2006/ND-CP of 22 Sep 2006)

2. Support

- Support for costs of vocational training for investment projects done in the province area depending on types of training.
- Support for technology transfer: the province through its program budgets will support study of technology transfer that the investment enterprises operating in the province area are using through the form of technology applications.
- Support to improve infrastructure in especially difficult socio-economic areas in order to create favorable conditions for investment, production and trade in the areas.
- Support to clear lands and population resettlement in order to hand over clean land for investors.
- Support for fees for use of infrastructure in industrial zones: any project investing in an industrial zone will not be charged any fees for using infrastructure in the first five years that the project is in operation and will enjoy a 50% discount for the next five years. The Provincial People's Committee has clearly established fees for use of infrastructure in each industrial zone.
- Some other supportive services for investment

3. Investment fields that enjoy special priorities

- Forest growth with industrial methods on uncultivated and poor forest land and mountains to generate materials for processing industries.
- Producing refined industrial products and feed which use local materials; cloth production, leather products, alcohol, beverage.
- Building, improving socio-economic infrastructure including:
 - Building stations, roads, bus systems; clean water supply and drainage; urban garbage and waste water treatment;
 - Private investment in education, vocational training, health care, culture and sport.
 - Investment in building up centers for experiment, application and transfer of technology; studies to apply biological technologies in producing seed and seedlings, biological products, bio fertilizers according to national and international standards; electronics production and assembly.
 - Investment in ecological tourism
 - Investment in building up slaughter houses with large scale and industrialized operations.

Along with the investment priorities and support by the government, Gia Lai People's Committee provides investors with most favorable policies.

PLAN OF SOCIOECONOMIC DEVELOPMENT TILL 2010

1. Rural industrialization and modernization

- Speed up development of agricultural production; transform the rural agricultural economy into a modernized and industrialized one; develop large scale production zones with proper seed and seedling promotion; try to achieve an annual GDP growth rate of 7.7% for forests and agriculture.
- By 2010, food production is projected to reach 59.5 thousand tons, or 466 kg/person; 5 thousand ha of new rubber plantation will be planted so that by 2010 it will reach 100,000 ha; coffee plants will remain at 76,000 ha and, due to decreasing prices, focus on caring for existing areas; 22,500

ha of new cashew trees will be planted; pepper of 4,500 ha, tea 1,500 ha, cotton 8,000-10,000 ha, sugar cane 20,000 ha.

- Increase husbandry work and quantity of livestock and poultry; set up farms in order to develop slaughter houses and leather processors. By 2010, the quantity of mixed race cows will be increased 40-45%, mixed race pigs 75-80%; fish farms will cover 5,500-6,000 ha.
- Forest: protect the existing forest area; plant new forest of 30,000 ha in the five coming years; grow recycled forest area of 66,000 ha to ensure material provided to MDF factory; harvest the natural forest area for 15,000-20,000 m³/year (included planted and natural forests of 150,000 m³), reorganize state owned agricultural and forest farms.

2. Develop industries with the objective of industrialization and modernization

Investment priorities are maintained for the following fields: hydro electricity, agricultural and forest processing, construction materials production; development of industrial zones; increase of yearly industrial productivity of 22.5%.

3. Development of tourist services

In order to increase GDP growth in service deliveries to 14.5% in the next 5 years (2006-2010), the following services will be strengthened:

- Development of a commercial system on the ground for a diversified sectoral economy, expanded cooperation, development of goods distribution, increase in demand and expansion of markets.
- Development of a commercial center in Pleiku which will have an impact on the whole province's economy.
- Development of varied types of commercial services including services available in An Khe town, Ayun Pa town and others.
- Increase in retail goods distribution up to 20% or a total value of 10,000 billion dong in 2010.
- increase in annual export level by 26% by 2010 to an export level of 180 million USD.
- Develop Le Thanh-Duc Co International Border Crossing as a center of economic exchange in the Central Highlands, Central coastal areas; expand further cooperation with Cambodia, Laos, Thailand and Myanmar.
- Increase transportation and financial services like banking, insurance, post and telecommunication, technology transfer and consultant services; highlight tourism in order to generate diversified and unique services like festivals, resorts, recreation, study tours,...; develop ecological tourism which makes the best use of ASEAN Kon Ka King heritage national forest; maintain the protected area of Kon Chu Rang and Eastern Truong Son which runs crossing Gia Lai; invest in building tourist development projects in Pleiku, Chu Se, Duc Co, Ayun Pa; Increase tourist dissemination and outreach; increase tourist income by 20%/year,..

4. Culture and information

- Invest in building up material conditions and increase quality of cultural activities, stage performance and mass media; increase facilities of recreation in which special attention is paid to rural and remote areas.
- Increase public stage performance and trends; build up a strong cultural life in which special attention will be paid to the cultural environment, and preservation. Improve historical sites and national cultural heritage. Expand newspaper, radio and television broadcasting to meet the local residents' demands; timely prevention of disinformation and pornography; develop a healthy cultural environment; improve the appreciation of performance arts in the local residents especially in the young.
- Increase budgets for cultural activities, build up new cultural and sport centers. Issue policies to encourage organizations, individuals, enterprises in terms of cultural investment and protection.

APPENDIX E. KON TUM PROVINCIAL PEOPLE'S COMMITTEE AND DEPARTMENT OF EDUCATION AND TRAINING: MEETING WITH USAID'S NEEDS ASSESSMENT TEAM

(as translated from the original Vietnamese)

Time: 10.00-11.00 on Nov 5th 2008

Location: Meeting hall, Department of Education and Training

Participants: Representatives from PoET management board and its offices including Regular Education, Elementary Education, Early Childhood Education, Finance and Planning.

Contents:

Part 1: General introduction of currently education practices in Kon Tum Province

As a mountainous area, Kon Tum has an area of 9,645 km² and a population of 389,745 of which the minority takes account for 54%. The province has various difficulties such large area with complicated geography, unevenly distributed population, and limited transportation. The province is divided into eight districts and one town, ninety seven communes, wards and town (876 villages); of which 51 communes are classified as especially difficult. The minority people living in the province suffer lots of difficulties. The education of the local people in general is low specifically that of the minority ones.

There are 342 preschools, elementary, middle and high schools, boarding middle and high schools for minority students, centers, vocational centers, vocational secondary schools and colleges in the whole province. At present, 100% of the villages have kindergartens or preschool classes; every commune has at least one elementary and one middle school. All districts have high schools and boarding high schools for minority students.

The average ratio of education access is 1 student at preschool, middle school or high school level per 3.2 persons in the general population. Specifically:

- Early childhood: 101 preschools and 24,692 kids of whom 2,460 at nursery (16.8% minority students); 22,232 at preschool (63% minority students).
 - The numbers of children who have access to educational services include 13.2% at nursery age, 79% preschool; the number of 5 year old children who have received educational services is 99.7%. So far, 778/814 villages operate a preschool. 100% of the communes and wards have kindergartens or preschool classes.
- Elementary: 123 elementary schools and 50,115 kids (66.7% minority students). In recent years, the proportion of 6 year old children who attend school has been 97-99%.
- Middle: 93 middle schools and 35,840 kids (56.8% minority students). In recent years, the number of children who have completed grade 5 and continued to grade 6 has been 97-98%.
- High and boarding high: 20 schools and 13,050 kids (30% minority students)
- Colleges and vocational secondary schools: 3.
- Centers and Vocational Centers: 2

Part 2: Current constraints that the education system of Kon Tum Province is facing

1. The fact that the provincial area is large and the population geographically scattered in various villages has caused numerous difficulties for the education system in setting up more centralized schools at all levels (488 schools of which 380 are satellites); many satellite schools are 5-7 km away from a central school, some even 18 km; consequently, students suffer lots of transportation difficulties and also monitoring by educational authorities isn't convenient especially in rainy season.
2. In recent years, educational equipment has improved but much remains in poor condition; there is a shortage of laboratories and libraries. The number of children accessing educational services has increased remarkably, however, and the educational system and teaching aids haven't been able to keep up with the increasing demand.
3. Due to the shortage of rooms and educational equipment, the application of IT in terms of management and teaching has been limited.
4. Most of the minority students are good; many have overcome their own difficulties to achieve a better development and study. In term of academic ability, many students especially those who live in remote and particularly difficult areas are slow learners and haven't mastered basic knowledge; their listening skills are poor. In particular, their listening, speaking, reading and calculating skills are so limited that they cannot meet the academic demands at their grade level.
5. Many causes have led to the above mentioned situation, we can mention some of the possibly main reasons such as: minority students' command of Vietnamese and their self-esteem are pretty low; many live far away from their schools, the daily travel to and from school isn't convenient; additionally they do not study really hard which might be leading to their low academic achievement, upset feeling and dropping out. Their families' economic circumstances are poor; parents pay little attentions to their children's education. They do not have additional educational facilities and, importantly, they do not have the self-discipline to study and do not spend time on learning by themselves at home.
6. The educational and living conditions of the children who live in the remote and especially difficult areas and learn in day care classes are very poor.
7. Malnutrition is very widespread which has impacted the children's learning ability (24.3% at nursery age; 21.6% preschool).

8. Education of the minority people hasn't developed fully; the public awareness of the population and especially the minority is still low.

Part 3: Suggestions to the USAID's Needs Assessment Team

Support the five year program of daily milk for preschool aged children who live in remote and especially difficult areas (2009-2013); specifically every nursery child who is 1-2 years old and every preschool one who is 3-5 years old to be provided a milk box/day/6 days x 24 days/month x 9 months/year.

Option 1:

There are now 13,900 minority children at nursery and preschool age: 13,900 kids x 4,500 dong/box/day x 6 days/week x 24 days/month x 9months/year = 81,064,800,000 dong.

Total budget proposal of option 1:

- 81,064,000,000 dong
- 5,868,000,000 dong
- 10,770,000,000 dong

Total: 97,702,800,000 dong

Option 2:

If support is given to only minority children who live in 14 especially difficult communes and are at nursery and preschools: 2,000 kids x 4,500 dong/box/day x 6 days/week x 24 days/month x 9months/year = 11,664,000,000 dong.

- 2.1 Support toys and teaching aids used for preschool aged children who live in remote areas: outdoor equipment, toys and teaching aids for preschools and satellite preschools. In school year 2008-2009: 50 preschools and 30 satellite schools and 1014 classes. Support toys and teaching aids: 1014 classes x 1 box/class x 2,000,000 dong/box = 2,028,000,000 dong.
- 2.2 Support outdoor equipment—outdoor equipment given to preschools: 50 preschools x 60,000,000 dong/preschool = 3,000,000,000 dong; outdoor equipment given to satellite schools: 30 satellite schools x 28,000,000 dong/box = 840,000,000 dong

Total 2.1 and 2.2: 5,868,000,000 dong

Support accommodation and daily living expenses for students who are at day care elementary and middle schools in 14 especially difficult communes in 4 districts. In 2008-2009, 3000 students at elementary and middle level in 14 especially difficult communes are estimated to have boarding needs.

- 2.3 Support daily living expenses: 150,000 dong/student/month x 9 month/year x 3000 students = 4,050,000,000 dong.
- 2.4 Support to build level 4 dormitories: 10 rooms/commune x 14 communes = 140 rooms x 48,000,000/room = 6,720,000,000 dong.

Total 2.3 and 2.4: 10,770,000,000 dong

Total budget proposal of option 2:

- 11,664,000,000 dong
- 5,868,000,000 dong
- 10,770,000,000 dong

Total: 28,302,000,000 dong

APPENDIX F. KON TUM PROPOSAL TO ASSIST PEOPLE WITH DISABILITIES

Decision

Approving the project proposal of “Strengthening and consolidation of the network to assist the rehabilitation of People with Disabilities for the period 2008-2010 and Orientation towards 2015”

(as translated from the original in Vietnamese)

Kon Tum Province People’s Committee

- Pursuant to the Law of Organization of People’s Council and People’s Committee dated November 26, 2008.
- Pursuant to Decision N^o 239/2006/QD-TTg dated October 24, 2006 by the Prime Minister relating to the approval of the project proposal to support the disabled for the period 2006-2010.
- Pursuant to Decision 46/2007/TTLT/BTC-BLDTB dated May 11, 2007 by MoLISA giving guidance to the budgets mentioned in the Decision N^o 239/2006/QD-TTg dated October 24, 2006 by the Prime Minister which regulated approved budgets to support the disabled for the period 2006-2010.
- Pursuant to Decision N^o 963/1000/QD-BYT dated April 2, 1999 by the Minister of Health relating to the issue of “The regulation of Functions, Responsibilities and Organizational Structures of a Treatment and Rehabilitation Hospital under the control of the Provincial Department of Health and/or city under the control of the central government”;
- Pursuant to Ordinance N^o 03/2007/CT-BYT dated June 28, 2007 by the Minister of Health which aims to strengthen rehabilitation practices;
- Pursuant to Program N^o 94-Ctr/TU dated August 2, 2005 relating to implementation of Decision N^o 46-NQ/TW by the Ministry of Politics (Term IX) on protection, care and health improvement in new social circumstances; and
- Following the proposal by the Director of the Department of Health, Kon Tum Province.

Decides

Article 1. To approve the project proposal “Strengthen and develop a rehabilitation network for disabled people, period 2008-2010 and orientation to 2015”, specifically

I. Project objectives

1. Goal

To strengthen and develop a rehabilitation network for the disabled living in the province so that they will be able to access health care and rehabilitation services which aim to increase their quality of life and to help them gradually participate with equality in economic, cultural, and social activities.

2. Objectives to 2010

- 2.1. 70% of the disabled living in the province will have access to rehabilitative services, at least 60 physically disabled persons will be provided with plastic surgery.
- 2.2. Develop a rehabilitation network at all levels
 - Commune level: 100% of Health Stations will employ a health staff specialized in rehabilitation who will be basically trained in rehabilitation.
 - District level: 100% of Health Centers (Hospitals) will employ at least two health staff specialized in rehabilitation who will be trained in rehabilitation.
 - Provincial level: Strengthen and develop a Treatment and Rehabilitation Hospital and a physiotherapy department placed in the provincial hospital.
- 2.3. Implement Community Based Rehabilitation (CBR) in 50% of districts and 50% of communes, wards and towns.
- 2.4. A treatment and rehabilitation hospital will be provided with fundamental equipment and tools for rehabilitation.
- 2.5. Service delivery: A Treatment and Rehabilitation Hospital and a Department of Physiotherapy in the Provincial General Hospital will carry out rehabilitative services; rehabilitative staff at district and commune levels will be capable of assisting and giving instructions in terms of rehabilitation.
- 2.6. Increase public awareness of rehabilitation in health protection, care and improvement, especially in terms of prevention, early detection, early intervention and rehabilitation for the disabled.

3. Orientation till 2015

- 3.1. 100% of the disabled living in the province will have access to rehabilitative services and be provided with plastic surgery.
- 3.2. Develop a rehabilitative network at all levels
 - Commune level: 100% of rehabilitative staff working for Health Stations will be capable of providing rehabilitative services to the disabled in the local areas.
 - District level: 100% of Health Centers (Hospitals) will employ trained rehabilitative staff.
 - Provincial level: The Treatment and Rehabilitation Hospital will set up all departments regulated by Ministry of Health; all clinical and close-clinical departments will employ health staff who have been trained at PG level (specialization level 1, master) or attended advanced training on rehabilitation; the Physiotherapy Department in the Provincial General Hospital will employ health staff who have been trained at PG level (specialization level 1, master) or attended advanced training on rehabilitation.
- 3.3. Carry out CBR in 100% districts and 100% communes, wards and towns.
- 3.4. Rehabilitative services delivery: The Treatment and Rehabilitation Hospital will be capable of carrying out all the roles and functions regulated by the Ministry of Health; Departments and/or units of physiotherapy/rehabilitation located in district general hospitals or health centers (hospitals) will be capable of providing rehabilitation services for the disabled; 100% of rehabilitative staff at commune level will have knowledge of rehabilitation, skills of management, early detection, and giving guidance to the local disabled in terms of rehabilitation; 100% of coordinators in CBR project sites will be able

to detect, classify and instruct the disabled and their family members in rehabilitative skills so that they will be able to conduct rehabilitation at home.

- 3.5. Increase public awareness of rehabilitation in health protection, care and improvement, especially in disability prevention, early detection, early intervention and rehabilitation for the disabled.

II. Specific contents and activities

1. Public information and increased public awareness of rehabilitation

- Carry out programs to increase public awareness and introduce the State, the Party and the Province's policies of care, protection and support for disabled people; change public attitudes toward disabled people; consider them as equal members in society; increase public awareness of CBR.
- Introduce different methods of disability prevention; prevent and resist discrimination towards disabled people (especially to women and children) which will facilitate inclusion of the disabled; introduce good models of disabled persons who are included and/or have overcome their difficulties successfully.
- Carry out rehabilitation seminars and/or workshops for other professions, social and political organizations.

2. Develop a delivery network of rehabilitative services

- Develop a rehabilitation network within the health system
 - Each health station will employ a staff specialized in rehabilitation
 - Each District General Hospital will set up a physiotherapy unit.
 - The Provincial/Regional General Hospital will set up a Department of Physiotherapy
 - Develop a Treatment and Rehabilitation Hospital whose functions and roles were mentioned in the *Regulation of Function, Roles and Organization Structures of a Treatment and Rehabilitation Hospital under control of the Provincial Department of Health, or city under control of the central Government* and Decision N^o 963/QD/BYT dated April 24, 1999 by Minister of Health.
- Develop a rehabilitation network in communities
- Build up a network of rehabilitative workers in communes and districts which have been selected for CBR programs according to the timelines of the program. Those workers will be capable of detecting, making profiles and giving guidance to the disabled in their communities.

3. Identify and make profiles of the disabled

- Carry out a survey and baseline assessment to identify and classify the disabled and then develop plans to support them.
- Increase performance of the rehabilitative network for early identification and early intervention purposes, particularly at the grass roots level (commune and village).

4. Capacity building

- Encourage, facilitate and send provincial/district staff to advanced training on rehabilitation.
- Carry out training for district/commune staff who are specialized in rehabilitation
- Carry out training to introduce skills to district/commune staff on how to detect and support the disabled.

5. Invest in equipment and tools; upgrade facilities for rehabilitation

- Invest in purchasing equipment and tools for rehabilitative services provided by treatment and rehabilitative hospitals run by the Ministry of health.
- Invest in repairing, upgrading and extending facilities of the treatment and rehabilitative hospitals so that they will be able to function as required.

6. Policies for the handicapped people

Support disabled people financially as mentioned in Cross-sectoral Decision N^o 46/TTLT-BTC-BLDTBXH dated May 11, 2007 by the Ministry of Finance and MoLISA which provides guidelines on how to use budgets covered in Decision N^o 239/QD-TTg on 24 October 2006 issued by the Prime Minister relating to approval of the Project Proposal to Support Handicapped People (2006-2010).

III. Schedule

1. 2008-2010

2008

- Develop documents and instructions
- Build up a body of staff specialized in rehabilitation at the district/commune level.

2009

- Establish a body of rehabilitative workers in CBR project sites
- Carry out public awareness seminars at province/district level
- Carry out training for rehabilitative staff and coordinators of rehabilitation at province/district/commune levels.
- Carry out survey, classification and profiles of disabled

2010

- Carry out seminars to increase public awareness at commune level
- Continue to provide further rehabilitation training for district/commune level staff and workers.
- Purchase and provide treatment and rehabilitative hospitals with basic equipment
- Provide rehabilitative services in health centers/stations and communities at CBR project sites.
- Provide plastic surgery for 60 physically handicapped people
- Evaluate implementation of the project in the first period.

2. 2011-2015

- Continue to increase public awareness
- Send province/district staff for advanced rehabilitation training
- Continue to train and build capacity for rehabilitative staff at district/commune levels and coordinators
- Repair, upgrade and extend facilities of the treatment and rehabilitation hospital; provide it with necessary equipment and tools.
- Carry out CBR programs throughout the province
- Evaluate implementation of the project in the second stage

IV. Budget

1. Budget for implementation of the project will be taken from the provincial budget and other resources.
2. The Department of Health will mobilize contributions from organizations and individuals for the implementation of the project. It will cooperate with the Development of Planning and Investment and the Department of Finance to consult the Provincial People's Committee and submit to the People's Council a budget proposal which will draw on the provincial budget to implement the project in each year.

Article 2. Responsibilities of local professions and organizations

1. The Provincial Department of Health as the project implementer will in cooperation with other cooperating departments and district/commune people's committees carry out the project; develop a yearly implementation plan and a development plan of rehabilitation, submit it to cooperating authorities for approval; start implementing the plan as soon as it is approved; regularly follow, investigate and evaluate the project's implementation; send report which reviews the project's implementation at a six month interval to Ministry of Health and Provincial People's Committee.
2. The Department of Planning and Investment and Department of Finance make a budget estimate for project implementation based on the Department of Health's suggestion and balancing of the provincial budget; consult the People's Committee then submit the budget estimate to the People's Council for approval.
3. DoLISA and other cooperating departments will cooperate with Department of Health to carry out the project.
4. The district/commune people's committees will cooperate with health and cooperating counterparts to carry out activities mentioned in the project.

Article 3. Chief of Staff of the Provincial People's Committee, Director of Department of Health, heads of cooperating organizations and presidents of district/commune people's committees are responsible for implementing this Decision.

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