

SOCIALIST REPUBLIC OF VIETNAM



**MILLENNIUM DEVELOPMENT GOALS 2010
NATIONAL REPORT**

VIETNAM
2/3 OF THE WAY ACHIEVING
THE MILLENNIUM DEVELOPMENT GOALS
AND TOWARDS 2015

HANOI, AUGUST 2010

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FOREWORD

The Millennium Development Goals, set to be accomplished by 2015, are one of the most significant items to come out of the Millennium Declaration, signed by 189 Heads of State at the United Nations Summit in September 2000. Since then, the commitments made in the Declaration have been consistently upheld by Viet Nam. In fact, realizing the Development Goals by 2015 has become one of the country's highest priorities.

Over the past ten years, Viet Nam has made encouraging progress in its efforts to achieve the Goals, despite all the hardships and difficulties it faces. Having successfully executed its ten-year Strategy for Socio-Economic Development 2001-2010, the country has not only escaped poverty and lifted itself to middle-income status but also demonstrated the success of its policy approach. Viet Nam has weathered the global economic crisis while maintaining its performance in socio-economic development, poverty reduction and environmental protection.

Well ahead of schedule, Viet Nam has halved its poor, ensured gender equality with even higher targets and made primary education available to all. Promising results are also forthcoming from the healthcare sector, with people's health being better protected. Viet Nam is making strenuous efforts to meet the goals of reducing child mortality and improving maternal health. The fight against HIV/AIDS, malaria and other dangerous diseases has also generated encouraging early results, although obstacles remain. Viet Nam also fosters international integration and hopes to expand cooperation and partnerships for development, while trying to improve environmental protection and sustainability.

It is crucial to review what we have delivered after ten years working on the Millennium Development Goals, as we will not only draw lessons from this but also identify the challenges and difficulties that could affect the accomplishment of the Goals by 2015. Dealing with the impacts of the financial crisis, volatile global food and energy prices, as well as adapting to climate change and sea level rises remain the biggest challenges facing Viet Nam and many other countries. However, it is also important to share the successes of the Millennium Development Goals with everyone in order to help achieve them.

Viet Nam is now moving to the lower middle income group. However, the challenges and difficulties facing such a still developing economy necessitate its continued cooperation with other countries and assistance from the international community, especially developed nations. Such partners will help Viet Nam succeed in its Strategy for Socio-Economic Development 2011-2020 and Socio-Economic Development Plan 2011-2015 and also meet all the Millennium Development Goals in a sustainable manner by 2015.

PRESIDENT OF
THE SOCIALIST REPUBLIC OF VIET NAM



Nguyen Minh Triet

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ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ARV	Antiretroviral therapy or treatment
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CSO	Civil social organization
CSSKSS	Reproductive Healthcare
FDI	Foreign Direct Investment
FSW	Female sex worker
GDI	Gender - related Development Index
GDP	Gross Domestic Product
GEM	Gender Empowerment Measure
HIV	Human Immunodeficiency Virus
IDU	Injecting drug user
IMR	Infant Mortality Rate
MDG	Millennium Development Goal
NTP	National Target Programme
ODA	Official Development Assistance
PPP	Purchasing Power Parity
SOE	State-owned enterprises
STI	Sexual Transmitted Infection
U5MR	Under-Five Mortality Rate
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VDG	Viet Nam Development Goal
VHLSS	Viet Nam Household Living Standards Survey
WHO	World Health Organization

KEY TARGETS FOR ASSESSING VIET NAM'S MDG PROGRESS

Targets	Year 1990	Year 2005	MDGs 2010 Report	Prospects for achievement in 2015
Goal 1: Eradicate extreme poverty and hunger				Achieved
1 Poverty rate	58% <i>(1992)</i>	19.5% <i>(2004)</i>	14.5% <i>(2008)</i>	
2 Poverty gap ratio	18.4% <i>(1993)</i>	4.7% <i>(2004)</i>	3.5% <i>(2008)</i>	
3 Under-five malnutrition rate	41%	25.3%	18.9 <i>(2009)</i>	
Goal 2: Achieve universal primary education				Achieved
1 Net enrolment rate in primary education	87%	95%	97% <i>(2009)</i>	
2 Primary school completion rate		85.6%	88.5% <i>(2009)</i>	
3 Net enrolment rate in lower secondary education		81%	83.1% <i>(2009)</i>	
Goal 3: Promote gender equality and empower women				Achieved
1 Percentage of school girls at primary school level	47.7% <i>(1998)</i>	47.7%	47.9% <i>(2009)</i>	
2 Percentage of school girls at lower secondary school level	47% <i>(1998)</i>	47.9%	48.5% <i>(2009)</i>	
3 Percentage of school girls at upper secondary school level	46.4% <i>(1998)</i>	48.9%	52.6% <i>(2009)</i>	
4 Percentage of women deputies in the National Assembly	18.48% <i>(IXth session, 1992-1997 term)</i>		25.76% <i>(XIIth session, 2007-2011 term)</i>	
5 Percentage of women's representation in provincial People's Councils	21.1% <i>(1999-2004 term)</i>		23.9% <i>(2004-2009 term)</i>	
6 Percentage of women's representation in district People's Councils	21 % <i>(1999-2004 term)</i>		23% <i>(2004-2009 term)</i>	
7 Percentage of women's representation in commune People's Councils	16.1% <i>(1999-2004 term)</i>		19.5% <i>(2004-2009 term)</i>	
Goal 4: Reduce child mortality				Achievable
1 Under-five mortality rate	58‰	27.3‰	24.4‰ <i>(2009)</i>	
2 Infant mortality rate	44.4‰	26.0‰	16‰ <i>(2009)</i>	

Targets	Year 1990	Year 2005	MDGs 2010 Report	Prospects for achievement in 2015
Goal 5: Improve maternal health				Strive to achieve
1 Maternal mortality rate per 100,000 live births	233	80	69 (<i>năm 2009</i>)	
2 Births attended by trained health workers		92.71% (2006)	94.8% (2009)	
3 Contraceptive use among women aged from 15 to 49	73.9% (2001)		80% (2008)	
4 Pregnant women receiving more than three pre-natal checks		84.3%	86.4% (2008)	
Goal 6: Combat HIV/AIDS, malaria and other diseases				Difficult but strive to achieve
1 HIV Prevalence			0.28% (<i>Estimated</i>)	
2 HIV prevalence per 100,000 people			187 (2009)	
3 Number of adults receiving ARV		7,812 (2006)	36,008 (2009)	
4 Number of children receiving ARV		428 (2006)	1,987 (2009)	
5 Number of malaria patients	293,000 (2000)		60,867 (2009)	
6 Number of deaths by malaria	71 (2000)		27 (2009)	
7 Number of tuberculosis (AFB) positives over 100,000 people		65 (2007)	46 (2009)	
8 Percentage of new tuberculosis patients recovering after treatment		89.9% (2007)	89.8% (2009)	
Goal 7: Ensure environmental sustainability				Difficult to achieve
1 Forest coverage	27.8%	37%	40% (<i>2010 estimated</i>)	
2 Proportion of rural population with access to safe drinking water	30%		79% (2009)	
3 Rural households with sanitary latrines	20%		43% (2009)	
4 Households with temporary shelters	22.7% (1999)		7.8% (2009)	
Goal 8: Develop a Global Partnership for Development				Achievable to some extent
1 Total trade volume (million USD)		69,206	127,045	
2 ODA commitments (million USD)	2,400 (2000)	3,748	8,064 (2009)	

INTRODUCTION

Viet Nam, like many other countries throughout the world, is more than two-thirds of the way to fulfilling the Millennium Declaration and the Millennium Development Goals (MDGs), and is putting a lot of effort into achieving the MDGs by 2015. For Viet Nam, 2010 is an important year, marking the achievement of the socio-economic development tasks and targets set out in the 10-year Socio-economic Development Strategy from 2001 to 2010, and the 5-year Socio-economic Development Plan from 2006 to 2010, ending a significant phase implementing the major programmes and policies of the Government.

Viet Nam's 2010 Report on the Millennium Development Goals has been developed to review the remarkable results in fulfilling the MDGs and to offer an insight into the lessons learned and the challenges which have emerged during the process of achieving the MDGs. This Report also reflects on Viet Nam's commitment to successfully achieve the MDGs, as stated in the United Nations' Millennium Declaration, which was committed to action by 189 Heads of State and Heads of Government at the UN Summit in September 2000.

The 2010 Report on the Millennium Development Goals has been prepared in the context of Viet Nam's fast and steadily growing economy with the greatest and most important achievements over the last ten years. Gross Domestic Product (GDP) growth per annum during the period 2001-2010 has averaged 7.2 percent; the average GDP per capita in 2010 is expected to reach USD 1,200. This means Viet Nam will move from being one of the poorest countries to lower middle income status. Together with economic development, Viet Nam has paid special attention and directed resources to poverty reduction and social development. For Viet Nam, working hard to fulfill the MDGs also means making strenuous efforts to achieve the national targets of promoting economic growth, poverty reduction and social development.

With all the efforts to achieve the national targets of socio-economic development, including the fulfillment of the MDGs, Viet Nam has made some remarkable achievements: having achieved the goal of reducing poverty by half in 2002; having achieved universal primary education according to Vietnamese standards in 2000; having made encouraging results in promoting gender equality and empowering women; child health continues to be addressed and improved considerably, with Viet Nam almost achieving the MDG on the mortality ratios among children under five years and one year of age; maternal mortality has also reduced steadily since 1990; the HIV epidemic in Viet Nam has begun to stabilize; Viet Nam has been actively implementing Agenda 21, pursuing the goal of ensuring environmental sustainability and has made significant achievements in this; and Viet Nam

These remarkable achievements result from a combination of various elements, the majority of which have become valuable lessons. The most important lesson has been Viet Nam's strong commitment and determination to realize the MDGs. This has been put into action through mainstreaming the MDGs into the socio-economic development goals and by developing Viet Nam's own Development Goals (VDGs) to support the fulfillment of the MDGs; changing policies to specifically resolve MDG-related issues through the implementation of the National Target Programmes (NTPs), targeted programmes, and projects; changing methods of mobilizing resources for development; and prioritizing under-developed regions and the vulnerable poor.

Nonetheless, the biggest challenge facing Viet Nam in the future is to ensure that the MDGs are fulfilled in both the urban and the rural areas, among different geographical regions, and among all citizens, especially among the ethnic minorities. In addition, the unfavorable fluctuations of the world economy also pose a big challenge to Viet Nam in ensuring the sustainability of the poverty reduction achievements. Furthermore, Viet Nam is one of the countries most vulnerable to climate change, with the majority of the country's poor depending on nature and natural resource exploitation for their living. Therefore, Viet Nam is facing grave challenges in realizing the goal of ensuring a sustainable environment and sustaining the achievements of the MDGs in light of the increasingly noticeable impacts of global climate change.

This Report is the result of a continual and effective consultation process between Government ministries, agencies and UN organizations, the international donor community, NGOs, and national and international researchers. Through this Report, Viet Nam would like to share with the international community its experiences in realizing the MDGs. Viet Nam also hopes to receive further cooperation and assistance from the international community in order to achieve the MDGs by 2015.

**PART I: OVERVIEW OF 10-YEAR IMPLEMENTATION OF
THE MILLENNIUM DEVELOPMENT GOALS IN VIET NAM**

Economic growth and international integration create favourable conditions for the fulfillment of the MDGs

Viet Nam is regarded by the international community as one of the developing countries which has made outstanding achievements in economic reform targeting growth and poverty reduction. During the past ten years, Viet Nam's economy has been growing fast yet steadily. The average GDP growth rate per annum reached 7.2 percent during the period 2001-2010. The average GDP per capita in 2010 is expected to reach USD 1,200; three times what it was in 2000. As a result, Viet Nam is now moving from being one of the poorest countries to lower middle income status.

Together with the fast and steady economic growth, there has been a considerable shift in the economic structure. The proportion of GDP from agriculture, forestry and fisheries has reduced from 23.2 percent in 2000 to 17 percent in 2010; the proportion from industry and construction has increased from 35.4 percent to 41.6 percent, while the proportion from the service sector has remained at 41.3 percent throughout the same period. This shift in the economic structure has brought about important changes in the labour structure. During this period, the proportion of labour in the agriculture, forestry and fisheries sector declined from 65 percent to about 50 percent, while the proportion in the industry and construction sector increased from 13 percent to 23 percent, and in the service sector from 15 percent to about 27 percent.

Economic growth and the shift in the economic structure are the result of a comprehensive policy reform aimed at establishing and developing market institutions. To date, the economic sectors have been established and are being developed consistently throughout the country, with linkages to the world market. Prices of the majority of commodities and services are decided by supply and demand interactions. The business and investment environment has been greatly improved, moving toward an “equal playing field” for all economic sectors. Viet Nam is in the process of equitizing state-owned enterprises (SOEs). As a result, the number of SOEs has declined from 12,000 in the early 1990s to

about 2,000 in 2010. The improved investment environment has attracted an increasing amount of foreign direct investment (FDI). The domestic private sector has witnessed considerable development, especially since the issuance (and later amendment) of the Enterprise Law, which assures the right of all to do business. After 25 years of *Doi Moi* (Renovation), Viet Nam has changed from an economy strongly dependent on the public sector and cooperatives; the private sector now contributes more than 60 percent of the country's GDP, provides employment to 90 percent of the labour force, and accounts for over 70 percent of the total export value.

During the process of promoting market reform and economic growth, Viet Nam has also integrated into the global economy by attracting foreign investment and exploiting market opportunities to promote export growth. From being dependent on the former socialist bloc's markets in Eastern Europe and the former Soviet Union, after 20 years of *Doi Moi*, Viet Nam has established trade relations with nearly 200 countries and territories, and signed more than 90 bilateral trade agreements; while 84 countries and territories have initiated investment projects in Viet Nam. Having joined ASEAN in 1995, Viet Nam has fulfilled its commitments to trade liberalization within the framework of the ASEAN Free Trade Area (AFTA); Viet Nam also acceded to the World Trade Organization (WTO) in 2007 and is an active member in the Asia Pacific Economic Cooperation (APEC) forum. Trade and investment liberalization has turned Viet Nam into an open economy with the total export value equaling 150 percent of the country's GDP; the annual registered foreign investment capital during recent years has reached over 60 percent of GDP (implemented capital equivalent to about 17 percent).

Nonetheless, the new global situation has led to numerous challenges: i.e. to overcome the financial crisis and sustain the speed of recovery; and to ensure proper assistance to those negatively affected by the financial crisis, and global food and fuel price fluctuations. In the long run, global climate change also poses grave challenges to the continuation of economic growth, poverty reduction and the fulfillment of other socio-economic development goals.

Viet Nam's strong commitment and priority policies are elements determining the success of the MDGs implementation.

Viet Nam pays special attention to and places a high priority on fulfilling its commitments toward the international community with regard to the Millennium Declaration and the MDGs. They have been nationalized in accordance to Viet Nam's conditions and been mainstreamed into the country's most important socio-economic strategies and plans. The Socio-economic Development Strategy from 2001 to 2010 sets out the goal of “fast, efficient and sustainable development; economic growth must go in parallel with social advancement and equality, and environmental protection”; the 5-year Socio-economic Development Plans from 2001 to 2005, and consequently from 2006 to 2010 elaborate further on this attitude toward development, setting out a specific roadmap and policies to implement successfully the tasks and targets for socio-economic development in Viet Nam, in line with the process of fulfilling the MDGs by 2015.

These strategic documents have established the groundwork for the development of a system of strategies and development plans covering different sectors. The Comprehensive Poverty Reduction and Growth Strategy (CPRGS), approved in 2002, closely combined the targets for economic growth and poverty reduction, ensuring social equality and sustainable development. The CPRGS also emphasizes that “poverty reduction is not only one of the fundamental social policies receiving special attention from the Government of Viet Nam, but it also forms an indispensable part of the overall development goal”; CPRGS also emphasizes the goal of “pursuit of reforms and promotion of fast economic growth coupled with implementation of poverty reduction and hunger eradication efforts and social equality in order to limit the gap between the rich and the poor in different population groups and regions”. In particular, this Strategy puts forward development goals specific for Viet Nam (referred to as the Viet Nam Development Goals – VDGs), which support the promotion and enhancement of the MDGs implementation.

Viet Nam has been able to mobilize considerable resources from domestic sources and international donors to support the implementation of the MDGs and VDGs. A number of National Target Programmes (NTPs) have been carried out to balance

resource distribution and involve the public in poverty reduction, job creation, universal education, vaccination and combat against malnutrition among children, control HIV/AIDS and dangerous diseases, improve sanitation, clean water supplies, cultural development and expand information networks for the public, etc. In addition, the Government of Viet Nam has also made important strides in realizing MDGs for certain population groups, such as ethnic minorities and the poor in remote and difficult areas.

Many important achievements in poverty reduction, social development and environmental protection have created a momentum for realizing the MDGs.

Viet Nam has secured important achievements in poverty reduction, employment creation, health-care services for the public, especially for women and children, and continued to make significant progress in gender equality. Annual income per capita has increased three times within ten years. The social security system has been gradually expanded. The proportion of the budget expenditure for social welfare in education, healthcare, retirement pensions and social insurance has increased markedly. Other aspects of the public's material and spiritual life have also experienced major improvements.

Viet Nam has achieved or even exceeded many of the goals set for 2010. The country, however, still needs to make considerable efforts in order to achieve other goals such as reducing the maternal mortality rate, ensuring environmental sustainability and controlling the transmission of HIV/AIDS.

POVERTY REDUCTION:

By the end of 2002, Viet Nam had managed to halve the poverty rate from 58.1 percent in 1993 to 28.9 percent in 2002. The poverty rate continued to drop to 14.5 percent in 2008. The proportion of extreme poor (hunger), measured by the food poverty line, decreased from 24.9 percent in 1993 to 10.9 percent in 2002 and to 6.9 percent in 2008. Poverty has been alleviated among all demographic groups, in urban and rural areas, and across geographical regions.

Nonetheless, the poverty rate is still high in certain places, especially in rural areas and remote and difficult regions like mountainous and coastal areas, islands or areas prone to the effects of climate change, especially some districts and communes in the

Northwest, the Central Highlands; and among certain groups, particularly ethnic minorities, children, women and immigrants. Poverty is prevalent in those specific areas and among those specific groups, which in turn makes it more difficult to deal with and will require more creative approaches in the future. Urban poverty is also emerging as an issue that needs proper attention, with challenges in accessing basic social services, social security network, employment opportunities, involvement in social activities, etc.

EDUCATION AND TRAINING:

Viet Nam basically achieved universal primary education in 2000. Ever since, Viet Nam has continued to improve the quality of universal primary education with a view to achieving universal primary education at the right age; promoting universal lower secondary education, with a target to achieve universal lower secondary education by the end of 2010; and by establishing the goal of universal secondary education.

To achieve these goals, the Government budget for education has continually increased from 15.5 percent of the total government budget expenditure in 2001 to 20 percent in 2007 and has remained at this level ever since. ODA resources have played an important role in education investments and account for a considerable proportion in the total spending for education and training. In addition, further resources have also been mobilized from the public, businesses, socio-political organizations and foreign investors to support education and training.

However, there are still challenges and obstacles on the road to realizing the education-related MDG, such as low education quality, poor educational facilities, shortage of teaching staff and curriculum materials, especially in difficult and remote areas, and among ethnic minority groups. There is still a gap in education accessibility among different regions, between the urban and rural areas, and between the ethnic majority and minority groups.

GENDER EQUALITY:

Viet Nam has achieved significant results with promoting gender equality and empowering women. Compared with other countries at the same level of development and income, Viet Nam has considerably higher gender equality indicators. Viet Nam has successfully restricted gender inequality in education access at all levels of education: the percentage of female students during the 2008-2009 academic year were 47.9 percent in primary, 48.5 percent in lower secondary, 52.6 percent in secondary, and 48.5 percent in higher education. Equality in employment and income has also seen marked progress; among the newly created jobs per year, women account for about 49 percent. Women have also been more actively involved in management and leadership roles, as members of the National Assembly, in the People's Councils, or as leaders of many socio-political and professional organizations.

Despite the above achievements, some aspects of gender inequality still exist, especially in the rural and mountainous areas. More women than men are employed to do simple jobs. Gender-based prejudice in favour of men to women still prevails, and men are often more respected and given more privileges than women when it comes to the family and social affairs.

CHILD HEALTHCARE:

Child healthcare continues to receive high attention and has improved considerably. Viet Nam has tackled the MDG for reducing the under-five and infant mortality rates. Although the pace of reduction has slowed down in recent years, it is expected that this MDG can be realized by 2015. Viet Nam has been actively implementing many programmes, schemes and policies to improve child healthcare. The national immunization programme has been widely implemented and produced promising results. The malnutrition rate among children under-five has sharply declined.

In the near future, despite the challenge posed by the recent drop in pace, Viet Nam will continue its efforts to strengthen the pace of reduction of both the under-five child and infant mortality rates. At the same time, it is necessary to narrow the gap both

among the regions and between the urban and rural areas, in order to ensure these targets realized are in the most difficult regions and among ethnic minority groups.

MATERNAL HEALTHCARE:

Maternal mortality rates have reduced sharply during the last two decades, from 233 incidences per one hundred thousand live births in 1990 to 69 incidences per one hundred thousand live births in 2009. Antenatal care coverage and the number of pregnant women receiving vaccinations against tetanus have increased remarkably. The network of local medical facilities for maternal health care has been strengthened and upgraded. The proportion of births attended by skilled health personnel has also increased. The contraceptive prevalence rate among women of child-bearing age (15-49) has also risen considerably; agreement between husbands and wives on birth-control measures, especially use of condoms and contraceptive oral pills, has also risen.

The target of reducing the maternal mortality rate to 58.3 incidences per one hundred thousand live births by 2015 is a huge challenge. Particularly, since the pace of reduction has slowed down considerably over the past five years. At the same time, the gap among different regions, between the urban and rural areas and among different ethnic groups also needs to be narrowed to achieve sustainable results for reducing maternal mortality. In addition, the incidence of abortions among teenagers poses an alarming threat to future maternal health.

HIV/AIDS AND DANGEROUS DISEASES:

The National Strategy against HIV/AIDS during period 2004-2010 has been implemented comprehensively from the central to the local level, with nine Action Plans. During the recent years, Viet Nam has made remarkable achievements in improving the quality and enhancing access to the prevention, treatment and care services. The HIV epidemic may have begun to stabilize, as reflected by stable trends in HIV prevalence among injecting drug users (IDUs) and female sex workers (FSWs) in many places. Malaria has been controlled and eliminated in many areas. The program for tuberculosis control has produced encouraging results

and is receiving high compliments from the international community.

The Viet Nam HIV epidemic comprises many sub-epidemics across the country and the timing of the sub-epidemics have varied greatly, thus HIV prevalence is increasing in some of the provinces in the northwest like Dien Bien and Son La. People living with HIV are still facing stigma and discrimination; the key populations at higher risk (IDUs, sex workers, men who have sex with men) have not had access to prevention, treatment and care services, especially in the detention centers as well as the social rehabilitation centers. Therefore, it is necessary to enhance the accessibility of services in order to realize this MDG by 2015, and to ensure the sustainability of the HIV control programs.

ENVIRONMENTAL SUSTAINABILITY:

Viet Nam is actively implementing Agenda 21 (directing a sustainable development strategy) to realize the goal of ensuring environmental sustainability. The country has made certain achievements in sustainable development: promoting new forestation (annual increase of 200 to 300 new hectares of forest); enhancing the quality of forest coverage; better utilizing and effectively exploiting natural resources; preventing environmental pollution and degradation and dealing with environmental incidents; restoring and improving the ecological environment; and reversing the trend of declining environmental resources.

Nonetheless, environmental protection still faces limitations. Natural resources are still being over-exploited and ineffectively utilized. Many resources are not properly protected and are facing degradation or destruction. Several environmental protection targets set out in the 5-year and annual plans have not been achieved. Furthermore, Viet Nam is among the countries most likely to be adversely affected by global climate change and sea-level rises and frequently suffers from natural disasters. Therefore, ensuring environmental sustainability is one of Viet Nam's biggest challenges, which will require even greater efforts in the future.

DEVELOPMENT PARTNERSHIPS:

Viet Nam has made great strides in developing a global partnership for development. It successfully carried out its role as a non-permanent member of the United Nations Security Council (2008-2009) and is currently acting as Chair of ASEAN in 2010. It has implemented its World Trade Organization (WTO) accession commitments as well as other trade liberalization and investment protection commitments. Efforts to develop a global partnership have helped Viet Nam to mobilize foreign investment capital (FDI) and Official Development Assistance (ODA), enabling the opportunities presented by trade liberalization and international markets to further promote economic growth and poverty reduction.

Some three years after WTO accession, Viet Nam's competitiveness has improved but progress has been slow. There have been no significant changes in export structure, while the trade deficit is becoming more of a concern. The future challenge for Viet Nam may be the shifting trend of ODA, where long-term and preferential loans will be replaced by an increasing number of less preferential loans, which requires the country to utilize ODA in a more efficient manner. In addition, keeping medicine prices affordable is also another big challenge facing Viet Nam and its public in the near future.

Remarkable results have also been made for VDGs, helping to facilitate and to push up the realization of MDGs

Viet Nam has achieved significant results in implementing the VDGs. Essential infrastructure for the poor and poor communes have been provided. Housing conditions for ethnic minorities have also been improved. The policy of land and forest allocation and elimination of nomadic practices has also seen some important results. Regarding the spiritual life and cultural characteristics, spoken and written languages of ethnic minorities have been promoted by providing ethnic language training, broadcasting frequent, high quality ethnic minority-related television and radio programmes. Many ethnic minority groups' cultural festivals have also been restored and promoted.

The level of public participation has significant implications for the success of the MDGs implementation. The regulation on grassroots democracy has actively contributed to mobilizing public participation in the processes of decision-making and management at all levels of government. Grassroots democracy, the “one-stop shop” mechanism, and interaction between the Government and the public requires that the public fully understands the law. Therefore, legal assistance and legal knowledge dissemination to the poor have been actively carried out.

PART II: VIET NAM, RESULT OF 2/3 THE WAY TO ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

Major achievements:

- The poverty rate in Viet Nam has been reduced by more than half, from 58.1 percent in 1993 to 14.5 percent in 2008. On average, the number taken out of poverty is 1.8 million each year. The poverty gap has also been reduced year after year.
- The food poverty rate and has reduced by more than two thirds, from 24.9 percent in 1993 to 6.9 percent in 2008.
- Viet Nam has been implementing various mechanisms and policies to create more favourable conditions for workers and to create more employment. During the 5-year period between 2006 and 2010, about 8.1 million new jobs have been created, and in 2010 the urban unemployment rate has been reduced to 4.6 percent. Special attention is being paid to young and women workers.

ACHIEVEMENTS

At the national level, the goal of halving poverty has been realized, affirming the result of extraordinary efforts to reduce poverty in Viet Nam.

Viet Nam is one of the most successful countries in eradicating hunger and reducing poverty. In the last two decades, Viet Nam's poverty rate has been in constant decline, from 58.1 percent in 1993 to 28.9 percent in 2002, 16 percent in 2006, and 14.5 percent in 2008. On average, the number taken out of poverty is 1.8 million each year, from more than 40 million people living in poverty in 1993 down to 12.5 million in 2008.

The proportion of undernourished people, measured by the food poverty line, decreased from 24.9 percent in 1993 to 10.9 percent in 2002 and 6.9 percent in 2008. Compared to the poverty line of One Dollar (PPP), Viet Nam has far exceeded the Millennium Development Goal of “halving, between 1990 and 2015, the proportion of people whose income is less than 1 dollar (PPP) a day”. This proportion declined from 39.9 percent in 1993 to 4.1 percent in 2008.

Poverty reduction has taken place in all population groups, both in urban and rural areas, among the Kinh majority and the ethnic minorities and in all geographical regions (see Table 1.1). The urban poverty rate reduced from 25.1 percent to 3.3 percent between 1993 and 2008, and the rural poverty rate reduced from 66.4 percent to 18.7 percent during the same period¹. Among the ethnic minorities, remarkable achievements regarding poverty reduction can also be seen, with the poverty rate being reduced from 86.4 percent in 1993 to 50.3 percent in 2008. However the pace of poverty reduction among the ethnic minorities is much slower than that among the majority Kinh group. The main reason for this is that the ethnic minorities often live in unfavourable geographical regions, such as the mountains or highlands, with poor infrastructure and socio-economic conditions.

Table 1.1: Poverty rate from 1993-2008

Unit: percent

	1993	1998	2002	2004	2006	2008
WHOLE COUNTRY	58.1	37.4	28.9	19.5	16.0	14.5
Urban - Rural:						
Urban areas	25.1	9.2	6.6	3.6	3.9	3.3
Rural areas	66.4	45.5	35.6	25.0	20.4	18.7
Ethnic groups:						
Kinh majority	53.9	31.1	23.1	13.5	10.3	8.9
Other ethnic groups	86.4	75.2	69.3	60.7	52.3	50.3
By gender of household owners:						
Male	60.8	39.9	31.1	21.2	17.2	15.5
Female	47.9	28.2	19.9	13.2	11.8	10.8
By geographical regions:						
Red River Delta	62.7	29.3	22.4	12.1	8.8	8.1
Northeast	81.6	62.0	38.4	29.4	25.0	24.3
Northwest	81.0	73.4	68.0	58.6	49.0	45.7
North Central Coast	74.5	48.1	43.9	31.9	29.1	22.6
South Central Coast	47.2	34.5	25.2	19.0	12.6	13.7
Central Highlands	70.0	52.4	51.8	33.1	28.6	24.1
Southeast	37.0	12.2	10.6	5.4	5.8	3.5
Mekong River Delta	47.1	36.9	23.4	19.5	10.3	12.3

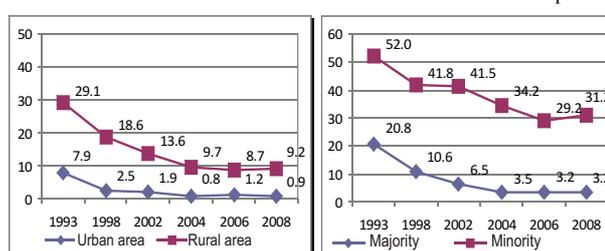
(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

¹The poverty rate as used in this report is the proportion of the population whose per capita expenditure is below the poverty line (by international standards). The food poverty lines applied in 1993, 1998, 2002, 2004, 2006 and 2008 were 750, 1,287, 1,382, 1,500, 1,915 and 2,607 thousand Viet Nam Dong per capita per year respectively, which are the equivalent sufficient expenditure for 2,100 Kcal/person/day of food. The poverty lines applied for 1993, 1998, 2002, 2004, 2006 and 2008 were 1,160, 1,790, 1,917, 2,077, 2,560, and 3,358 thousand Viet Nam Dong per capita per year respectively, which are the equivalent sufficient expenditure for 2,100 Kcal/person/day of food plus certain basic non-food expenditure like housing and clothing.

The food poverty rate also declined constantly in both urban and rural areas and among different ethnic groups. In 1993, up to 29.1 percent of rural inhabitants and 7.9 percent of urban residents were classified as living under the food poverty line, whereas in 2008, only 9.2 percent of rural inhabitants and 0.9 percent of urban inhabitants were classified as living under this line.

Chart 1.1: Food poverty rate

Unit: percent



(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

Not only the number of poor people but also the depth of poverty, measured by the poverty gap index, declined significantly (see Table 1.2)². The poverty gap index for the whole country fell dramatically from 18.4 percent in 1993 to 3.5 percent in 2008. The index fell in both urban and rural areas, among all ethnic groups, and across geographical regions.

Table 1.2: Poverty gap indexes from 1993-2008

Unit: percent

	1993	1998	2002	2004	2006	2008
WHOLE COUNTRY	18.4	9.5	7.0	4.7	3.8	3.5
Urban - Rural:						
Urban areas	6.4	1.7	1.3	0.7	0.8	0.5
Rural areas	21.5	11.6	8.7	6.1	4.9	4.6
Ethnic groups:						
Kinh majority	16.0	7.1	4.7	2.6	2.0	1.7
Other ethnic groups	34.7	24.1	22.8	19.2	15.4	15.1
By gender of household owners:						
Male	19.3	10.2	7.6	5.2	4.2	3.8
Female	15.2	6.9	4.4	2.9	2.6	2.3
By geographical regions:						
Red River Delta	18.2	5.7	4.3	2.1	1.5	1.4
Northeast	27.1	15.8	9.7	7.0	5.6	6.5
Northwest	26.2	22.2	24.1	19.1	15.7	13.7
North Central Coast	24.7	11.8	10.6	8.1	7.7	5.3
South Central Coast	17.2	10.2	6.0	5.1	2.6	3.4
Central Highlands	23.6	22.9	16.7	10.6	8.8	7.5
Southeast	11.4	3.2	2.2	1.2	1.4	0.8
Mekong River Delta	13.8	8.1	4.7	3.0	1.8	2.3

(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

²The higher the poverty gap index the greater the difference between the poverty line and the average consumption rate of the poor.

People's living standards have been constantly improving. The average consumption rate doubled from 1,935 thousand to 4,546 thousand VND/person/year (measured by actual prices converted to the level at January 1998) (see Table 1.3). In general, the increase in the average consumption rate among demographic groups is fairly equal.

Table 1.3: Average consumption in 1993-2008

Unit: 1,000 VND/person/year

	1993	1998	2002	2004	2006	2008
WHOLE COUNTRY	1,935	2,768	3,181	3,786	4,025	4,546
Urban - Rural:						
Urban areas	3,121	4,838	5,698	6,426	6,370	6,857
Rural areas	1,601	2,169	2,419	2,868	3,170	3,664
Ethnic groups:						
Kinh majority	2,049	2,973	3,400	4,060	4,334	4,882
Other ethnic groups	1,176	1,524	1,646	1,887	2,047	2,356
By gender of household owners:						
Male	1,835	2,608	2,939	3,518	3,807	4,287
Female	2,277	3,350	4,116	4,752	4,792	5,465
By geographical regions:						
Red River Delta	1,868	2,876	3,368	3,975	4,365	4,974
Northeast	1,389	1,846	2,571	3,017	3,249	3,607
Northwest	1,355	1,569	1,821	2,104	2,374	2,842
North Central Coast	1,447	2,197	2,316	2,686	2,866	3,474
South Central Coast	2,128	2,647	2,992	3,502	3,784	4,325
Central Highlands	1,639	1,936	2,232	2,875	3,373	3,959
Southeast	2,640	4,678	5,215	6,155	5,949	6,487
Mekong River Delta	2,137	2,537	2,984	3,482	3,896	4,206

(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

The increase in the distribution gap of benefits from the overall economic growth of Viet Nam has been marginal. The Gini coefficient for the consumption rate rose slightly from 0.33 in 1993 to 0.36 in 2008 (see Table 1.4). The Gini coefficient among different demographic groups rose slightly but remained low.

Table 1.4: Gini coefficient in 1993-2008

	1993	1998	2002	2004	2006	2008
WHOLE COUNTRY	0.329	0.350	0.370	0.370	0.358	0.356
Urban - Rural:						
Urban areas	0.337	0.340	0.353	0.332	0.329	0.347
Rural areas	0.278	0.270	0.281	0.295	0.302	0.305
Ethnic groups:						
Kinh majority	0.324	0.343	0.360	0.354	0.342	0.340
Other ethnic groups	0.252	0.240	0.279	0.310	0.301	0.307
By geographical regions:						
Red river Delta	0.312	0.321	0.362	0.346	0.346	0.348
Northeast	0.243	0.279	0.325	0.342	0.336	0.337
Northwest	0.224	0.223	0.346	0.363	0.366	0.378
North Central Coast	0.243	0.287	0.300	0.307	0.323	0.310
South Central Coast	0.339	0.329	0.326	0.343	0.318	0.315
Central Highlands	0.325	0.337	0.359	0.356	0.363	0.353
Southeast	0.361	0.363	0.384	0.347	0.353	0.363
Mekong River Delta	0.314	0.296	0.301	0.317	0.302	0.311

(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

The urban-rural income gap has narrowed noticeably between 1999 and 2008. In 1999 the rural average income equaled 43.5 percent of the urban average income, and increased to 44.2 percent and 46.4 percent in 2002 and 2004 respectively. The rural income increase rate was higher than the urban rate between 1999 and 2008. The rural income increase rate in 2008 was 3.4 times that in 1999, while the urban income increase rate was 3.1 times. The highest per capita income increase between 1999 and 2008 was seen in the Red River Delta (3.8 times). The Central Highlands and the Mekong River Delta were lower (2.3 and 2.8 times respectively).

Apart from the increase in income and consumption rates, people's living standards have also improved (see Table 1.5). In the 2002-2008 period, the proportion of households possessing permanent houses went up from 16 percent to 28 percent. The proportion of households possessing at least one motorcycle also increased from 40 percent to 70 percent in the same period (and rose to 72.3 percent in 2009). Possession of other assets also increased in the same period.

Table 1.5: Household possession of durable goods

Unit: percent

	2002	2004	2006	2008
Percentage of households with possession of:				
- Permanent houses	15.7	17.2	21.1	23.8
- Motorcycles	40.9	51.1	60.3	69.5
- Telephones (including mobile phones)	13.6	23.7	35.5	63.7
- Television sets	67.9	78.4	84.4	89.8
- Stereo systems	6.3	9.9	13.1	16.1
- Computers	2.6	6.2	8.1	11.5
- Electric fans	68.4	79.4	81.6	85.6
- Refrigerators	12.6	17.9	23.5	33.0
- Electric rice cookers	37.4	52.4	61.0	71.6

(Source: General Statistics Office VHLSS 2002, 2004, 2006 and 2008)

The achievements in poverty reduction have resulted from an integrated combination of several elements: more equal distribution of economic growth benefits; employment creation and income generation; support policies; social security; infrastructure development in poor communes; and perhaps most importantly, efforts by the poor themselves to overcome poverty

During the past two decades, Viet Nam has always had high economic growth rates. The Gross Domestic Product (GDP) per capita measured by actual prices increased continuously from US\$ 402 in 2000 to US\$ 1,052 and US\$ 1,064 in 2008 and 2009 respectively, and is expected to reach about US\$ 1,200 in 2010.

The National Target Programme (NTP) for Employment and the Vocational Training Programme has successfully created more jobs, an important goal of the VDGs. The NTP has helped to create a further 1.6 million new jobs annually. Besides undertaking projects for job creation from the National Fund for Employment with preferential interest rates, the Programme also aims to develop labour markets through capacity building and modernization of 30 to 40 job centres, strengthening labour market information systems, increasing the number of people receiving consultations and being introduced to jobs to 4 million over five years.

The programme for vocational training of the poor provided free vocational training courses to about 100,000 poor people between 2007 and 2009, of whom some 60 percent have subsequently been employed or self-employed, helping to generate income and reduce poverty. This programme has been highly regarded by various localities and is considered a sustainable approach to poverty reduction.

The country's work force also increased from 37.6 million people in 2000 to 47.7 million in 2009 (12.6 million in the urban areas and 35.1 million in the rural areas) (see Table 1.6). The employment rate among people over 15 years of age for the whole country increased from 68.3 percent in 2000 to 74.2 percent in 2009. The unemployment rate in urban areas also decreased from 6.42 percent in 2002 to 4.65 percent in 2008 (it is expected that the urban unemployment rate will fall to 4.6 percent in 2010).

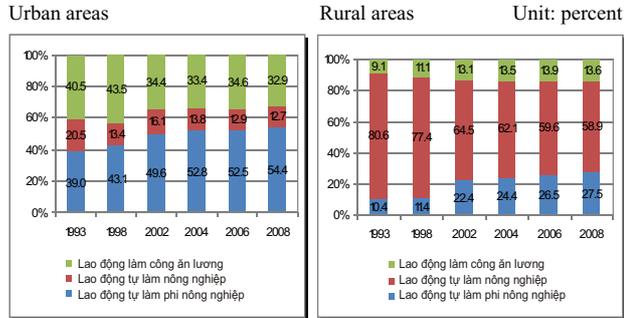
Table 1.6: Number of working population over 15 years of age and the employment rate among people over 15 years of age

Year	Number of working population over 15 years of age (1,000 people)			Employment rate among people over 15 years of age (percent)		
	Whole country	Urban areas	Rural areas	Whole country	Urban areas	Rural areas
2000	37,075	8,383	28,693	68.3	60.6	70.9
2001	38,180	8,835	29,345	69.5	61.4	72.4
2002	39,276	8,987	30,289	69.4	58.9	73.2
2003	40,404	9,438	30,966	69.1	59.6	72.6
2004	41,579	9,813	31,766	68.7	58.8	72.4
2005	42,775	10,669	32,106	68.5	61.3	71.3
2006	43,980	11,171	32,809	67.8	60.6	70.7
2007	45,208	11,149	34,059	71.4	62.1	75.1
2008	46,461	12,008	34,453	72.6	64.3	76.0
2009	47,744	12,625	35,119	74.2	63.9	78.8

(Source: General Statistics Office)

The employment structure is also increasingly shifting towards employed and paid jobs and away from self-employed jobs (See Chart 1.2). Among self-employed jobs, the number of agriculture-related jobs has tended to decrease while non-agricultural jobs are increasing. However, there remains a huge difference between employment structures in urban and rural areas. In 2008, the employment rates in urban and rural areas were 54.4 percent and 27.5 percent respectively. In rural areas, agricultural labour also accounts for the majority of self-employed jobs.

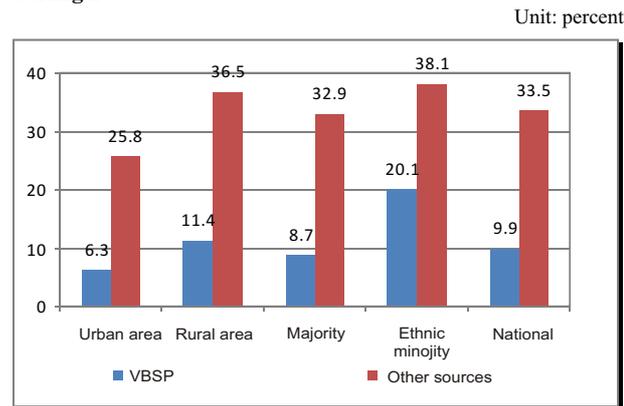
Chart 1.2: Employment structure in urban and rural areas



(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

The policy of providing soft loans to poor households has also helped to create jobs and alleviate poverty. During 2006-2009, about 5 million poor households were provided with soft credit, averaging 6 to 7 million VND/loan contract/household. In 2008, about 10 percent of households received loans from the Viet Nam Bank for Social Policies (VBSP) and up to 33.5 percent received loans from other sources. The rate of loans provided by the VBSP to rural households and ethnic minorities is significantly higher than that to urban households and the Kinh majority group. Generally, the loans were appropriately and effectively utilized. Access to loans has also been made more convenient and has helped to reduce the number of poor households.

Chart 1.3: Proportion of households receiving soft loans during 2008



Viet Nam's social security system is an effective tool in supporting the disadvantaged and vulnerable in society. In 2009, about 1.5 million individuals who had previously made contributions to the country received preferential loans. About 1.26 million people received regular social benefits, an increase of 720,000 people compared with 2005. The amount of benefits increased by nearly 50 percent compared to the level in the old regulations. Wealthier cities and provinces are providing benefits higher than the Government's minimum required level. Poorer provinces have been provided with increased budget allocations to ensure the provision of adequate social security benefits as required.

In addition to the MDGs, Viet Nam has also set out its own development goals, including the provision of basic services and infrastructure for particularly difficult communes. To date, scores of power grids, medical clinics, schools, and running water facilities have been built in poor communes. Agricultural infrastructure such as small-scale irrigation systems has also been built to facilitate production. By 2009, up to 94 percent of poor communes had vehicular-access roads leading to the centre of the communes. All communes have their own medical centres. The percentage of communes with primary and secondary schools is 84 percent and 70 percent respectively.

The poverty rate is still high among ethnic minority groups and in difficult regions (e.g. mountainous and remote areas); the risk of falling back into poverty is high; the problem of urban poverty, especially among urban immigrants is growing; poverty reduction still requires further effort and funds.

DIFFICULTIES AND CHALLENGES IN POVERTY REDUCTION

Poverty is currently viewed as a problem of the rural areas, especially in the difficult regions like the mountains or islands. More than 95 percent of the poor live in rural areas. The food poverty rate in the rural areas is 10 times higher than in urban areas. The depth of poverty is still considerably high in the Northwest and Central Highlands, and the poverty reduction rate in these regions has seen a noticeable slowdown in recent years.

The poverty rate among the ethnic minorities is still considerably high. As of 2008, 50 percent of the ethnic minorities were still poor, and up to 31 percent suffer from food poverty. Chronic poverty reduction in a number of ethnic minority groups usually faces a number of difficulties and requires long-term measures. Despite accounting for only 14.5 percent of the total

population, the ethnic minority groups make up more than half of the total poor in Viet Nam. This indicates that poverty will continue to be a problem among the ethnic minorities in the future.

The poverty reduction rate has shown trends of slowing down. The risk of falling back into poverty (poverty recurrence) is high in the event of economic shocks such as crises, unemployment or epidemics, illnesses, extreme and uncommon natural disasters caused by climate change. To sustainably reduce poverty, Viet Nam needs not only poverty alleviation policies but also policies or strategies to protect non-poor households from falling back into poverty.

It should be noted that in order to reduce the poverty rate in Vietnam by just one percent in the future will require significantly more effort than was required in the past. The change in the recent expenditure allocation shows that the proportion of people with consumption rate per capita of ± 10 percent (± 20 percent) compared to the poverty line has consistently fallen, from 15 percent (29 percent) in 1993 to 6 percent (13.5 percent) in 2008. In addition, the poor are still concentrated in areas with particularly difficult socio-economic conditions. The pattern of unbalanced development between the different regions has existed for a long time, with the rural, mountainous, remote and ethnic minority areas developing much slower than other areas. Therefore, efforts to further reduce poverty will cost more, and approaches to poverty reduction will have to be more creative than previous efforts, especially to balance development between the regions. Therefore, more attention should be paid to the goal of social equality, both in the short term and in the long term.

In addition to the challenges of poverty alleviation among the ethnic minorities and the most difficult regions, the rapid pace of urbanization and the boom in immigration from the rural areas to the big cities has also increased the pressure for poverty reduction in the urban areas. Urban poverty can not only be seen through low income but also in the lack of access to healthcare services, education, clean water and sanitation, accommodation, social security networks, employment opportunities and other

community activities. In particular, the characteristics of unstable accommodation and the high mobility of temporary immigrants, or those without any housing registration, makes it all the more difficult for them to get assistance and access to public services.

**GOAL 2:
ACHIEVE UNIVERSAL PRIMARY EDUCATION**

Major achievements:

- By 2000, 100 percent of the cities and provinces in Viet Nam had achieved the national standard for universal primary education. In the academic year 2008-2009, the net enrolment rate in primary education had reached 97 percent.
- Universalizing lower secondary education is a higher goal set out by Viet Nam. It is expected that by 2010, 100 percent of the cities and provinces in Viet Nam will have achieved universal lower secondary education, with further efforts being made to gradually universalize upper secondary education.

ACHIEVEMENTS

Viet Nam has achieved universal primary education, and there is no longer a gap between girls and boys concerning access to primary education. Literacy and schooling proportions continue to increase

By 2000, Viet Nam had achieved the goal of universal primary education according to national standards³. Over the past decade, Viet Nam has continued to promote universal primary education. All the country's provinces and cities have achieved illiteracy eradication and universal primary education, according to national standards, and are currently striving for universal secondary education. The quality of primary education continues to improve. The target is not only for children to complete primary education but also to complete it at the right age. By 2009, the national net enrolment rate in primary education was 97 percent. This rate reaches almost 100 percent in big cities such as Ha Noi, Ho Chi Minh City, Da Nang, Hai Phong, and Thai Nguyen.

The literacy rate among people over 10 years of age has increased dramatically in the past decade. In 2008, the national literacy rate among those over ten years of age was 93.9 percent, of which the rate in urban areas was 96 percent, and in rural areas 92 percent (see Table 2.1). The literacy rate in the 10-40 age group is 96 percent and equal for both men and women.

³ According to Viet Nam's national standards, communes, wards and towns can be recognized as achieving universal primary education if more than 80 percent of 14-year-old children have completed the primary curriculum. For mountainous and difficult areas, the standard is over 70 percent. Districts and provinces must have more than 90 percent of local facilities and institutions recognized as reaching the standards of universal primary education. For mountainous and difficult areas, the standard is over 80 percent.

Table 2.1: Literacy rate among those over 10 years of age

Unit: percent

	1993	1998	2002	2004	2006	2008
WHOLE COUNTRY	86.6	89.5	92.1	93.0	93.1	93.1
Urban - Rural:						
Urban areas	93.3	94.1	96.0	96.3	96.0	96.1
Rural areas	84.8	88.0	90.9	91.9	92.1	92.0
Ethnic groups:						
Kinh majority	91.4	93.7	95.1	95.9	96.0	95.9
Other ethnic groups	82.3	85.6	89.3	90.2	90.5	90.5
By gender of household owners:						
Male	91.5	91.9	94.9	95.3	95.3	95.3
Female	70.5	72.5	80.6	81.8	80.6	81.7
By geographical regions:						
Red River Delta	91.5	93.7	95.8	96.2	96.4	96.7
Northeast	85.9	88.5	90.8	93.1	92.9	92.4
Northwest	NA.	NA.	79.9	80.0	81.4	80.3
North Central Coast	91.0	93.7	94.2	94.1	94.1	94.4
South Central Coast	84.7	86.5	93.1	93.4	94.0	93.5
Central Highlands	64.0	76.9	86.0	87.7	88.6	88.7
Southeast	90.4	92.4	94.0	94.5	94.5	94.6
Mekong River Delta	82.0	89.0	94.5	90.6	90.8	90.8

(Source: General Statistics Office VHLSS 1993, 1998, 2002, 2004, 2006 and 2008)

(Note: NA No answer)

Many policies have brought about remarkable effects on education development and equality in education

In the academic year 2008-2009, the country had almost 2.8 million kindergarten children, 15.1 million primary and secondary school pupils and 1.68 million university and college students. The rate of enrollment for primary school children increased considerably in the 1990s, from 90.3 percent in 1993 to 97 percent in 2008.

Social equality in education has largely improved, demonstrated by the increasing educational opportunities available to girls and ethnic minority children. Cutting or reducing school fees, granting scholarships and other supporting policies facilitate basic education to the majority of children from poor families and those receiving preferential treatment policies. Since the academic year 2002-2003, ethnic minority students have been provided with textbooks, notebooks and other stationery to study. Bilingual books have been written to help teach children from several ethnic minorities that have their own script. Some localities have organized extra-classes in Vietnamese to help ethnic minority students in their learning of other subjects.

Due to the policy of support for poor ethnic minority students, in the 4 years from 2006 to 2009, about 8 million poor students enjoyed free education and 2.8 million poor ethnic minority students were provided with free textbooks. It is estimated that in the 2006-2010 period about 10 million poor students will have benefited from free education. Since the academic year 2007-2008, vocational trainees, college and university students from difficult backgrounds have been able to access soft loans to study (752,000 soft loans have been granted at the maximum amount of 800,000 VND per month).

The gap in the schooling rate between regions is almost negligible (see Table 2.2). The Red River Delta has the highest rate, at 98.6 percent, while the North Central Coast has the lowest rate, at 94.8 percent.

Table 2.2: Net enrolment rate in primary education

	Unit: percent		
	2006-2007	2007-2008	2008-2009
WHOLE COUNTRY	96.0	96.1	97.0
By geographical regions:			
Red River Delta	98.0	97.4	98.6
Northeast	94.7	95.3	96.7
Northwest	95.9	97.2	97.5
North Central Coast	94.3	94.9	94.8
South Central Coast	95.1	94.4	95.3
Central Highlands	93.8	93.9	95.2
Southeast	97.4	97.7	98.2
Mekong River Delta	96.1	96.2	96.8

(Source: Ministry of Education and Training)

Another achievement in Viet Nam's primary education was the rapid increase in the enrollment rate of children with disabilities. In the academic year 2007-2008, this rate was 42.7 percent, five times higher than in the academic year 2003-2004. Nowadays, there are integration classes for children with disabilities in almost all cities and provinces. Thousands of primary school teachers have been trained in the pedagogical knowledge and skills required to teaching children with disabilities.

With the target of universalizing lower and upper secondary education, many encouraging achievements have been made in recent years.

Advances in children's education are being clearly demonstrated in secondary education (see Table 2.3). The net enrolment rate in Lower Secondary education increased from 81 percent in the academic year 2006-2007 to 83.1 percent in 2008-2009. It is expected that by 2010, 100 percent of the cities and provinces throughout the country will have achieved the national standard for universal Lower Secondary education. The schooling rate has increased among all rural and urban areas, between Kinh and ethnic minority children, and between boys and girls.

The net enrolment rate in Upper Secondary school increased from 26.9 percent in 1993 to 68.1 percent in 2008. This rate increased three-fold in rural areas and among ethnic minority groups. Besides primary and secondary education, kindergartens and higher education (colleges and universities) also recorded many achievements. The number of college and university students increased from 1.4 to 1.7 million.

Table 2.3: Net enrolment rate in lower secondary education

	Unit: percent		
	2006-2007	2007-2008	2008-2009
WHOLE COUNTRY	81.0	82.7	83.1
By geographical regions:			
Red River Delta	87.8	89.3	79.9
Northeast	81.5	82.9	84.5
Northwest	68.5	72.9	78.3
North Central Coast	89.5	89.3	90.6
South Central Coast	85.4	87.0	89.5
Central Highlands	74.4	76.1	78.7
Southeast	79.9	83.7	87.2
Mekong River Delta	70.4	72.2	76.4

(Source: Ministry of Education and Training)

Education quality has received significant attention and been further improved; investment in education facilities continues to increase.

The Government has continuously increased investment in education. The Government budget for education has increased from 15.5 percent in 2001 to 20 percent in 2007. In addition, the Government has mobilized support from businesses, institutions and socio-political organizations and foreign investors. Thanks to these efforts, a nationwide network of schooling institutions has been developed.

Basically, we have eliminated “barren communes” those without any pre-school. Primary schools are available in all communes, lower secondary schools at the commune or inter-communal cluster level, and upper secondary schools in all districts. Vocational training institutions, colleges and universities have been established in most major population centres, regions and localities, especially in underdeveloped regions such as the Northwest, Central Highlands, and Mekong River Delta. Many mountainous provinces and districts have boarding and half-day boarding schools for children of ethnic minorities (see Table 2.4).

Table 2.4: Number of schools at all levels

Unit: schools

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010 (Preliminary)
Pre-school	10,927	11,582	11,696	12,071	12,357
Primary	14,688	14,834	14,933	15,051	15,172
Lower Secondary	9,383	9,635	9,781	9,902	10,060
Upper Secondary	1,952	2,044	2,149	2,192	2,236
Higher education	255	298	346	369	376

(Source: Ministry of Education and Training)

In addition to the school system for basic education and higher education, there are over 9,000 community learning centres, almost 700 continuing education centres at provincial and district levels, 1,300 computer centres, plus many universities implement distance learning programmes. Furthermore, many foreign language and professional training institutions operate in Viet Nam. Education among ethnic minorities and in remote areas has made great progress. By the academic year 2007-2008, there were 278 ethnic boarding schools at the central, provincial, district and commune cluster levels.

Although the number of schools has increased in recent years, it has yet to meet the increasing demand of students, particularly at lower secondary level. The average number of students increased from 24 a class in academic year 2005-2006 to 36 students by 2008-2009. However, the number of teachers has continued to grow, partly contributing to lowering the student-teacher ratio, especially at lower secondary level (see Table 2.5).

Table 2.5: Basic indicators of primary and lower secondary education

Unit: percent

	2005-2006	2006-2007	2007-2008	2008-2009
Primary education				
Proportion entering school at the right age	95.0	96.0	96.1	97.0
Proportion completing school	92.4	85.6	87.9	88.5
Students/Teacher ratio	20.5	20.1	19.5	19.1
Teachers/class ratio	1.28	1.29	1.30	1.31
Students/Class ratio	26.4	26.0	25.5	25.3
Lower secondary education				
Proportion entering school at the right age	78.7	81.0	82.7	83.1
Proportion completing school	81.9	76.6	76.4	77.6
Students/Teacher ratio	20.6	19.7	18.3	17.4
Teachers/class ratio	1.2	1.9	1.3	2.1
Students/Class ratio	23.9	37.9	36.6	35.6

(Source: Ministry of Education and Training)

DIFFICULTIES AND CHALLENGES IN EDUCATION

While the national goal has been achieved, the need to improve education quality, ensure equality, narrow the gap and universalize education in poor and difficult areas remains and poses some big challenges.

Education quality remains low in comparison to the development demand of the country in the new era. While the scale of education development at all levels (educational, professional and vocational training) has better met the public need in recent years, educational quality is still limited. For example, in the academic year 2008-2009, about three percent of primary school-age children, roughly 200,000 children, do not attend school. Furthermore, it might be impossible to successfully increase the net enrolment rate in primary education to 99 percent by 2010, as in many localities such as Quang Nam, Quang Tri and Cao Bang, the rate of about 92 percent remains very low.

The primary school completion rate remains alarmingly low and differs significantly from region to region (see Table 2.6). Certain regions, such as the Northwest, Central Highlands and Mekong River Delta, had primary school completion rates barely reaching 80 percent, while other regions, including the North Central Coast, South Central Coast and Southeast, witnessed rates well over 90 percent.

Table 2.6: Primary school completion rate

Unit: percent

	2006-2007	2007-2008	2008-2009
WHOLE COUNTRY	85.6	87.9	88.5
By geographical regions:			
Red River Delta	97.0	97.3	84.4
Northeast	82.3	84.8	87.8
Northwest	78.4	79.9	80.3
North Central Coast	90.5	92.9	92.8
South Central Coast	91.1	92.7	93.3
Central Highlands	78.4	79.6	80.4
Southeast	90.3	91.8	93.9
Mekong River Delta	75.0	79.7	80.8

(Source: Ministry of Education and Training)

In some provinces, such as Cao Bang, Soc Trang, Bac Lieu, Ha Giang, the primary education completion rate was even below 70 percent. This means that many school children had to retake classes or dropped out of school at a young age. The drop-out trend has become a worrying educational problem. By December 2007, the total number of drop-outs among lower secondary school students across the country was 63,729 equivalent to 1.1 percent of the total number of students at this level; the total number of drop-outs among upper secondary school students was 50,309 (a drop-out rate of 1.66 percent).

The proportion of children entering lower secondary schools at the right age has increased rather slowly in recent years, from 81 percent in the academic year 2006-2007 to 83 percent in 2008-2009. In particular, the rate in several provinces such as Ca Mau, Ha Giang, Lai Chau and Soc Trang was below 70 percent in 2008-2009. As a result, the target of increasing the proportion of children entering secondary school to 90 percent by 2010 is a real challenge, for the quality of education and students' standards are not easy to improve in the short term.

Even though universal primary education has met national, regional and provincial standards, several extremely disadvantaged communes still face problems⁴. By December 30th

⁴ According to the criteria set out in Decision No.164/2006/QĐ-TTg dated 11th July 2006 by the Prime Minister approving the list of the extremely disadvantaged communes, borderline communes to be included in the investment priority list of Programme 135 phase II; and Decision No.113/2007/QĐ-TTg dated 20th July 2007 by the Prime Minister including more communes, hamlets and villages in the investment list of Programme 135 phase II, and the coastal, tidal and island communes to be included in the investment list of the NTP for Poverty Reduction period 2006-2010.

2007, 29 percent of 1,808 extremely disadvantaged communes had yet to meet the national standards for universal primary education. By regions, no province in the Central Highlands has achieved universal primary education for communes with difficulties while of the 11 provinces in the Northwest, only Lao Cai and Tuyen Quang have met this goal.

Illiteracy eradication for women and men under-40 by 2010 is also a hard-to-achieve target as the literacy rate for this age group was only 96 percent in 2008. Although this rate has gradually increased, it has been rather slow in recent years.

School facilities are insufficient and outdated. Although they have improved considerably in recent years, as of 2007, 11 percent of classrooms were in poor condition, especially those in remote areas. Libraries, laboratories, classrooms for specific subjects and teaching equipment are still inadequate and out of date, especially in universities.

The disparity in access to education among regions, between rural and urban areas, and between ethnic minorities and the majority population still exists. The rate of children entering school at the right age is still low in provinces such as Soc Trang and Bac Lieu. The literacy rate in the Northern mountainous areas and in ethnic minority regions is much lower than in the plains and among the majority Kinh ethnic group. The expenditure rate of households on their children is also lower in rural and mountainous areas.

**GOAL 3:
PROMOTE GENDER EQUALITY AND EMPOWER WOMEN**

Major achievements:

- Viet Nam has been recognized as having no gender gap in education access. In the academic year 2005-2006, the percentage of female students at primary level was 48.2 percent, at lower secondary level 48.1 percent, and at upper secondary level 49.1 percent. The percentage of children aged 6-14 enrolled in school reached 94 percent for both boys and girls.
- Gender equality has witnessed remarkable progress in other areas such as employment, leadership and management, and land accessibility.
- The status of women has been constantly improved. The proportion of women involved in economic activities is expected to reach 83 percent (85 percent for men) in 2010. The National Assembly ranks 31st amongst all countries in the world for the percentage of its female members, and ranks first among the eight ASEAN member states that have a parliamentary system.

ACHIEVEMENTS

Viet Nam has made significant achievements in promoting gender equality and empowering women compared with countries at a similar level in terms of development and income.

Viet Nam has comparatively high indicators of gender equality when compared with countries at a similar level in terms of development and income. According to the 2009 Human Development Report of the United Nations, Viet Nam's Gender-related Development Index (GDI) ranked 94th among 155 countries. The absolute value of the GDI has increased continuously during recent years: 0.668 in 1998, 0.689 in 2004, and 0.723 in 2009. Also in this Report, Viet Nam ranked 62nd among 109 countries in terms of Gender Empowerment Measure (GEM).⁵

Viet Nam is closing the gender gap at a faster rate than almost any other country in Southeast Asia. Access to education is similar for both boys and girls. Women participate actively in socio-economic activities. Viet Nam ranked first among ASEAN

⁵The GEM indicator for 2007 was 0.561, ranking 52nd among 93 countries.

countries in terms of female representation in the National Assembly. Viet Nam's attainment of gender equality in general education has been recognized by the United Nations Development Fund for Women (UNIFEM).⁶

GENDER EQUALITY IN EDUCATION AND TRAINING:

Viet Nam has eliminated the gender gap in education. The percentage of female students has been rising continuously across all educational levels (see Table 3.1), especially at secondary and higher education levels.

Table 3.1: Percentage of female students at all educational levels

	97-98	01-02	03-04	04-05	05-06	06-07	07-08	08-09
Primary	47.7	47.5	47.6	47.7	48.2	48.5	46.2	47.9
Lower Secondary	47.0	47.5	47.8	47.9	48.1	48.3	48.8	48.5
Upper Secondary	46.4	46.8	48.5	48.9	49.4	49.3	51.7	52.6
College	51.9	50.9	46.8	51.0	53.1	53.8	50.8	51.2
University	39.1	44.3	49.5	47.0	47.2	48.4	48.4	48.5

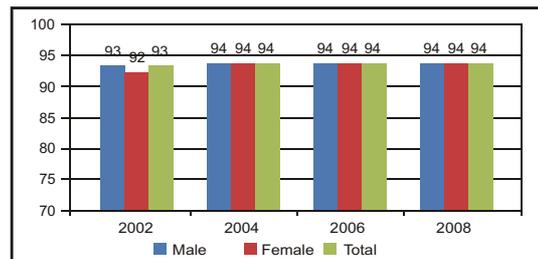
Unit: percent

(Source: Ministry of Education and Training)

The percentages of boys and girls from 6 to 14 years old enrolled in school (i.e. primary and secondary education) are similar (at around 94 percent) and have remained quite stable during recent years; any disparities between enrolment of boys and girls are virtually negligible (see Chart 3.1).

Chart 3.1: Percentage of enrolment among 6-14 year olds

Unit: percent



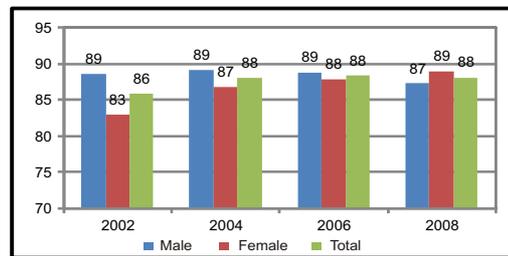
(Source: General Statistics Office VHLSS 2002, 2004, 2006 and 2008)

⁶ At the 2008 Global Summit of Women, international delegates recognized Viet Nam's achievements in promoting gender equality and acknowledged Viet Nam as a country with a high rate of female participation in socio-economic activities. In the 2007 Global Monitoring Report of the World Bank (WB) and the International Monetary Fund (IMF), Viet Nam was noted for its remarkable achievements in gender equality in recent years.

Another gender equality achievement in access to education is the reduction of the gender gap in education among ethnic minorities. The rate of enrolment at primary and secondary school among ethnic minorities was the same for both boys and girls in 2008; the girls' enrolment rate was even slightly higher than that of the boys (see Chart 3.2).

Chart 3.2: Enrolment among ethnic minority boys and girls from 6 to 14 years olds

Unit: percent



(Source: General Statistics Office VHLSS 2002, 2004, 2006 and 2008)

Gender equality can also be seen in education quality. A number of social studies have identified that the care given by the family, school, and society towards boys and girls is similar. In 2008, average education expenditure per household was the same for both boys and girls. On average, each household spent approximately 1,879 thousand VND/year for a boy's education and 1,806 thousand VND/year for a girl's.

GENDER EQUALITY IN EMPLOYMENT:

Equality in employment is a prerequisite to securing women's status. Among the new jobs created annually, women take up about 49 percent. By 2010, the number of women in the total labour force is expected to reach 49.4 percent, almost achieving the established target of 50 percent.

Table 3.2 indicates that women's participation in the labour force was 4 percentage points lower than that of men. The total number of working hours per year by women (1,453 hours) was almost the same as those by men (1,565 hours) in 2008. However, men's average annual earnings are considerably higher than

women's precisely because men's working hours are higher than women's. Nonetheless, there was no significant difference between the average earnings per hour among men and women. In 2008, the average earnings per hour for men and women were 13.6 and 12.8 thousand Viet Nam Dong respectively

Table 3.2: Employment and earnings among the working population

(Men 15-60 years of age; women 15-55 years of age)

Nghề nghiệp	2002		2004		2006		2008	
	Men	Women	Men	Women	Men	Women	Men	Women
Labour force participation rate (percent)	94.5	91.7	93.6	89.7	92.7	89.7	92.6	88.6
Total working hours per year	1,570	1,519	1,533	1,493	1,557	1,496	1,565	1,453
Average earnings per year (1,000 VND)	7,056	6,104	10,697	9,475	14,368	12,456	21,394	18,702
Average earning per hour (1,000 VND)	4.5	4.0	6.9	6.3	9.2	8.3	13.6	12.8

(Source: General Statistics Office)

The gender structure in the main professions has improved. The percentage of women working as managers, professionals, secretaries and staff was equal that of men. However, women tend to be employed more frequently in agricultural and simple jobs. In contrast, the percentage of men occupying technical jobs was much higher than women. In 2008, the rate of highly skilled technical workers was 20 percent for men and less than 10 percent for women (see Table 3.3).

Table 3.3: Gender structure in the main professions

Unit: percent

Professions	2002		2004		2006		2008	
	Men	Women	Men	Women	Men	Women	Men	Women
Managers, professionals, secretaries, and staff	9.4	9.9	11.5	11.6	12.4	13.4	14.1	14.7
Agricultural labour	56.4	61.5	52.7	57.4	50.1	54.3	48.8	53.3
Technical labour	14.7	7.6	16.0	8.2	18.2	9.3	20.3	9.8
Simple jobs	19.5	21.0	19.9	22.9	19.3	23.0	16.9	22.2

(Source: General Statistics Office)

GENDER EQUALITY IN MANAGEMENT AND LEADERSHIP:

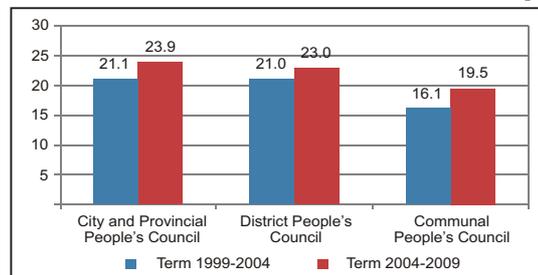
Women are increasingly equal to men as self-nominated and nominated candidates for seats in the National Assembly and the People's Councils; and as leaders in political, social and professional organizations.

The rate of female officials in administrative agencies from district level to central level was 31.1 percent, of which women accounted for 18.4 percent of leaders. Women are becoming increasingly equal to men in terms of their opportunities to draft and enforce rules and regulations in agencies and organizations. Similarly, at the commune level, women constituted 16.27 percent of the total officials in charge. Women have, therefore, gained a greater say in socio-economic development at the local level.

The percentage of female participation in people's elected bodies has continually increased (Chart 3.3). Particularly at commune level, the percentage of women's representation in the People's Councils has increased from 16.1 percent to 19.5 percent over the two terms 1999-2004 and 2004-2009.

Chart 3.3: Women's representation in People's Councils

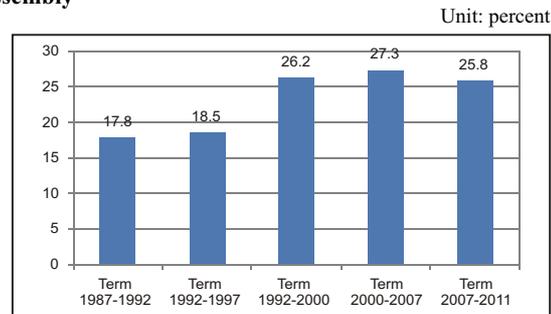
Unit: percent



(Source: Viet Nam National Committee for the Advancement of Women)

Women account for 25.8 percent of the deputies in the National Assembly for the 2007-2011 term. Improvements have also been made in terms of the educational level of female representatives in the National Assembly. The proportion of women deputies with university and higher education degrees increased from 30.3 percent in the 1992-1997 term to 44.9 percent in the 1997-2002 term, 50.2 percent in the 2002-2007 term and 59.1 percent in the 2007-2011 term.

Chart 3.4: Percentage of women deputies in the National Assembly



(Source: Office of the National Assembly)

GENDER EQUALITY IN ACCESS TO LAND:

Securing women's land-use rights is an issue of critical importance, especially in rural areas. For women, land is important because of their dependence on agricultural activities. The 2003 amended Land Law clearly specifies that land is a shared asset of both husband and wife, the Land-use Certificate must state the full names of both husband and wife. In 2008, the rate of Land-use Certificates bearing the names of both husband and wife varied remarkably among different types of land. The highest rate (91.1 percent) applied to aquacultural land. The lowest rate (10.9 percent) applied to land in agricultural production. As for residential land, the rates were 18.2 percent for rural land and 29.8 percent for urban land.

Progress in laws and policies is fundamental for the achievements in promoting gender equality and empowering women in Viet Nam

The Government of Viet Nam has paid great attention to the need to draft laws on the basis of a gender equality approach. The National Assembly adopted the Law on Gender Equality in 2006, creating the legal framework for the promotion of gender equality and the advancement of women. The Law on Domestic Violence Prevention and Control was issued in 2007 with a view to ensuring gender equality within the family. The equal rights of women in terms of property ownership and the use of land was also reflected in the 2000 revised Law on Marriage and Family and the 2003 amended Land Law.

National strategies such as the Comprehensive Poverty Reduction and Growth Strategy, the National Strategy on

Reproductive Health 2001-2010, the Education Development Strategy 2001-2010, the National Strategy for the Advancement of Women to 2010, and the National Target Programme of Poverty Reduction 2006-2010 all include reference to the need to promote gender equality in order to empower women and ensure women's rights. Gender mainstreaming represents a crucial requirement set out by the Government for several socio-economic programmes and policies.

DIFFICULTIES AND CHALLENGES IN GENDER EQUALITY

Gender preperception are the root cause of gender issues. Eliminating gender preperception is the biggest challenge to ensure gender equality in all areas, especially in rural areas and among ethnic minorities

Although there is no gender gap in children's access to basic education, the enrolment rate of girls and female students at the higher levels of education tends to fall behind that of boys and male students, especially in the rural and remote areas because of the difficult socio-economic conditions. Gender disparities in education still prevail among the elderly. In 2008, the literacy rates of the population over 10 years old were 96 percent for men and 91 percent for women. However, among the over 50 year-old population, the disparity increased to 94 percent for men and 79 percent for women. Gender disparities in literacy rates remain particularly high among ethnic minorities. Accordingly, the literacy rates for over 50 year-old men and women were 77 percent and 49 percent, respectively. In 2008, the proportion of the over 20 year-old population with no educational degree was approximately 18 percent for men and 31 percent for women.

In employment, women face certain disadvantages compared with men. The percentage of women employed in simple jobs remains higher than that of men. According to results of the General Statistics Office's VHLSS, women spend twice as much time as men on household chores (calculated among those having a job outside the family), and this disparity remained unchanged throughout the 2002-2008 period.

Politically, the percentage of women involved in management and leadership at the highest level in the term 2007-2011 dropped slightly compared with the previous term (2002-2007). The percentage of women's representation in the National

Assembly dropped from 27.3 percent (2002-2007) to 25.8 percent (2007-2011). The percentage of women holding ministerial and equivalent posts decreased from 12 percent (2002-2007) to 4.5 percent (2007-2011).

Domestic violence, mainly against women and children, remains a serious problem in Viet Nam, particularly in rural, mountainous and remote areas. Among domestic violence cases, 90 percent of the victims are women; the remainder being mostly children and old people. In a survey conducted in 2006 on women and children in Viet Nam, as many as 64 percent of women aged 15-49 resigned themselves to violent behaviour from their husbands. The rate was higher in rural areas (72 percent) than in urban areas (42 percent).

Women and child trafficking was first detected in Viet Nam about 10 years ago, and has had serious consequences for the victims and their families. The situation has shown signs of worsening. From 1998 to 2007, more than 6,680 women and children were reported of being trafficked; over 21,000 were absent for a long time and are suspected of having being trafficked abroad. What is even more worrying is that these figures only reflect reported cases, and the actual figures may be much higher.

Gender bias means that privileges and respect tend to be reserved for men rather than for women in social and domestic activities. The rate of female householders remains very low, particularly among ethnic minorities. In 2008, the nationwide rate was 26 percent, yet among ethnic minorities the figure was only 12 percent. Moreover, female householders are often single women. According to the VHLSS 2008, about 62 percent of female householders were single women.

Perhaps even more significantly, this gender bias has led to the tendency among families to favour male children. With medical assistance, many couples have tried to give birth to baby boys rather than baby girls. According to a census conducted by the General Statistics Office in 2009, the ratio of newly born boys to girls was 111:100. This ratio surpassed the normal ratio of the country of 103:107. The impacts of such gender disparity will have serious social consequences in the future.

**GOAL 4:
REDUCE CHILD MORTALITY**



Child mortality reduction has made encouraging progress and is advancing on the right track to achieve the MDG by 2015.

Under-five mortality rate (U5MR):

The under-five mortality rate fell from 58‰ in 1990 to 24.4‰ in 2009 (expected to remain at 24‰ in 2010). The established target is to reduce the rate to as low as 19.3‰ by 2015. As a result, the rate has been reduced by half by 2009 (Chart 4.1).

Currently, the rate is equivalent to that of countries with income per capita 3 to 4 times higher than Viet Nam's. Viet Nam is reducing the rate of under-five mortality faster than the average for the Asia-Pacific region. The "Strategy for People's Health Care and Protection (2001-2010)" established targets for a reduction of under-five mortality to 36.0‰ by 2005 and 32.0‰ by 2010. Viet Nam has far exceeded these targets.

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**GOAL 5:
IMPROVE MATERNAL HEALTH**

Major achievements:

- Maternal mortality has decreased by approximately two thirds in Viet Nam, from 233/100,000 live births in 1990 to 69/100,000 live births in 2009, and is expected to decrease to 68/100,000 live births in 2010.
- Viet Nam also witnessed progress in mothers' healthcare. Facilities, hospitals, clinics and training of medical staff have been gradually improved to provide accessible reproductive healthcare services to every mother.

ACHIEVEMENTS

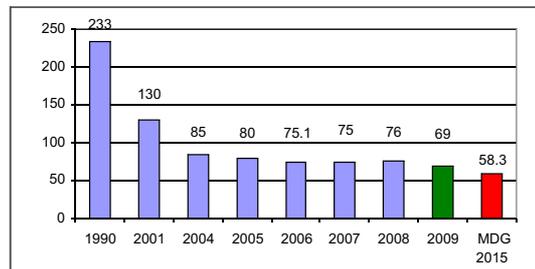
Maternal mortality

Maternal mortality has decreased significantly, by approximately two thirds. Reproductive healthcare has also been improved considerably

Maternal mortality decreased from 233/100,000 live births in 1990 to 80/100,000 live births in 2005 and 69/100,000 live births in 2009, and is expected to reduce to 68/100,000 live births by 2010 (Chart 5.1). However, throughout the 2006-2009 period, the maternal mortality rate remained unchanged. Thus in order to accomplish this goal, as well as the goal of reducing maternal mortality to 58.3/100,000 live births by 2015, Viet Nam needs to put even more effort into implementing its policies and programmes.

Chart 5.1 Maternal mortality

(Unit: maternal deaths per 100,000 live births)



(Source: Ministry of Health)

Prenatal check-ups and births attended by trained health workers

Women's reproductive health has improved as the number of pregnant women receiving more than three prenatal check-ups has increased over recent years. The national average reached 86.4 percent in 2008 and was even higher in some region, such as the Red River Delta (98.5 percent), the South Central Coast (94.5 percent) and the Southeast (94.5 percent) (Table 5.1). This reflected improvements in the quality of prenatal care in recent years. It was also an important factor contributing to safer deliveries, as well as the reduction of obstetrical complications, maternal mortality and neonatal deaths.

Table 5.1: Pregnant women receiving more than 3 prenatal checks

Unit: Percent

	2005	2006	2007	2008
NATIONWIDE	84.30	86.51	86.20	86.40
Red River Delta	97.28	98.48	99.00	98.50
Northeast	80.64	78.80	85.10	83.70
Northwest	70.42	62.85	68.40	68.00
North Central Coast	92.41	94.06	90.60	92.30
South Central Coast	92.90	92.12	93.30	94.50
Central Highlands	70.70	72.04	69.70	69.50
Southeast	84.52	90.95	91.10	94.50
Mekong River Delta	85.56	86.80	90.90	90.30

(Source: Ministry of Health)

The high and sustained number of women receiving more than 3 prenatal check-ups during pregnancy and having births attended by trained health workers is one of the main reasons for the reduction of maternal mortality. The national average was 95 percent, of which two regions, the Red River Delta and the Mekong River Delta, had 100 percent (Table 5.2).

Table 5.2: Births attended by trained health workers

Unit: Percent

	2005	2006	2007	2008
NATIONWIDE	92.71	94.30	94.8	94.8
Red River Delta	99.92	100	100	100
Northeast	88.95	91.40	91.6	92.1
Northwest	63.20	87.20	79.7	79.2
North Central Coast	90.97	97.40	98.2	98.6
South Central Coast	96.00	96.9	98	97.9
Central Highlands	85.25	86.8	91.3	91.6
Southeast	99.14	99.2	99.4	99.4
Mekong River Delta	97.97	99.8	99.9	100

(Source: Ministry of Health)

Pregnant women receiving two doses of tetanus vaccination

Nationwide, almost 95 percent of pregnant women receive two doses of tetanus vaccination. Recently, this figure has increased in the Central Highlands (to almost 93 percent) and decreased in the Northwest (to as low as 80 percent).

Table 5.3: Pregnant women receiving two doses of tetanus vaccination

Unit: percent

	2005	2006	2007	2008
NATIONWIDE	92.71	94.6	94.0	94.5
Red River Delta	99.92	99.8	99.6	99.8
Northeast	88.95	91.7	91.5	93.5
Northwest	63.20	87.2	85.1	79.6
North Central Coast	90.97	98.4	98.0	97.7
South Central Coast	96.00	98.4	98.2	98.5
Central Highlands	85.25	88.5	86.8	92.8
Southeast	99.14	96.3	97.0	97.0
Mekong River Delta	97.97	96.3	96.2	97.0

(Source: Ministry of Health)

Women aged 15-49 using contraceptive methods

Contraceptive use among women aged 15 to 49 increased from 73.9 percent in 2001 to nearly 80 percent in 2008. In particular, women aged 30-44 had a comparatively high average of contraceptive use of 87 percent (Table 5.4). Among new contraceptive users, condoms were the most popular method, followed by birth control pills and intrauterine devices IUDs. The rate remains quite constant across various provinces. Only certain provinces had contraceptive usage rates considerably lower than the national average, such as Dien Bien (70.8 percent) and Kon Tum (68.1 percent).

Table 5.4: Contraceptive use among women aged 15 to 49

(Unit:percent)

	2001	2002	2003	2004	2005	2006	2007	2008
NATIONWIDE	73.9	76.9	75.3	75.7	76.9	78.0	79.0	79.5
15-19	21.0	22.5	23.2	21.0	23.4	25.8	28.2	29.4
20-24	51.0	53.8	51.1	49.0	51.1	54.8	55.4	55.0
25-29	72.2	73.9	71.3	71.1	72.4	73.9	73.4	72.7
30-34	82.0	83.9	82.1	82.6	83.5	84.3	84.4	84.3
35-39	86.4	88.7	86.3	87.3	88.3	89.1	89.6	89.8
40-44	83.6	86.5	84.1	86.9	88.0	88.4	89.4	89.9
45-49	63.5	68.9	70.7	69.2	70.9	71.2	75.2	77.8

(Source: Ministry of Health)

The reproductive healthcare network is very active, and plays a decisive factor in the improvement of maternal health.

The percentage of couples adopting contraceptive methods has increased over time, to 78 percent in 2007. The use of modern contraceptive methods (IUDs, sterilization, birth control pills and condoms) constituted a large proportion, approximately 86 percent of the total number of contraceptive users.

These achievements are in large part due to the expansion of the reproductive healthcare service network from central to provincial level. There are reproductive healthcare centres in every province, and most district healthcare centres include facilities for reproductive healthcare.

At local level, 98.6 percent of communes have healthcare centres; 55.5 percent of communes gained national standards for healthcare service; 65.9 percent of communes have doctors; 93 percent of communes have midwives and obstetric physicians and paediatricians; 84.4 percent of hamlets and small villages have active healthcare workers; and 100 percent of hamlets and residential blocks have voluntary consultants on family planning.

Nationwide, 12 hospitals specialize in Ob-Gyn and 12 others specialize in paediatrics. Adding to these are tens of thousands of private healthcare facilities, including two Ob-Gyn hospitals. Social organizations and a network of community providers also offer a range of services to meet public need.

Most midwives, paediatric physicians and healthcare workers are trained and have basic and nationally standardized skills in reproductive healthcare and family planning; collaborators on family planning also receive training which provides them with knowledge and skills to provide counseling and non-clinical contraceptive methods to members of the community.

DIFFICULTIES AND CHALLENGES IN MATERNAL HEALTH

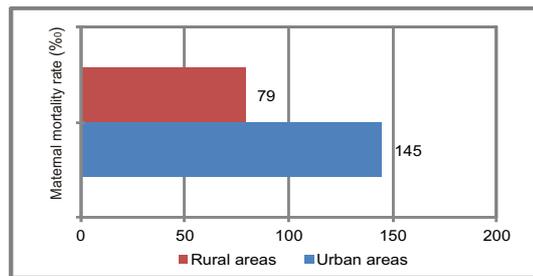
Challenges remain and include raising mothers' awareness, challenging traditional practices in giving birth and gaining fairer treatment in maternal health.

The rate of pregnant women receiving at least 3 prenatal check-ups differed significantly between regions. While the Northwest and Central Highlands only achieved a rate of 70 percent, regions with more favourable conditions such as the Red River Delta and the Mekong River Delta achieved approximately 95 percent. This is partly due to differences in prenatal care practices and partly due to difficulties in accessing maternal healthcare services in disadvantaged areas. Disparities also exist in the rate of births attended by trained health workers. While the rate was less than 80 percent in the Northwest it was over 90 percent in all other regions.

An emerging issue related to maternal health in general and reproductive health in particular is the recent alarming rise in abortions among teenagers. Viet Nam has a high abortion rate, with 20 percent of these being teenagers, not even accounting for abortions at private clinics which are outside of our control and thus cannot be estimated. The Survey Assessment of Vietnamese Youth 2 (SAVY2) in 2010 showed that approximately 7.5 percent of teenagers had premarital sex and lacked knowledge about sex, leading to high rates of abortion.

Maternal mortality varies considerably between urban and rural areas (Chart 5.2). Major causes are haemorrhages, infection, eclampsia, and unsafe abortions, which are all preventable. Raising mothers' awareness of the importance of self-care and self-protection could prevent such causes.

Chart 5.2: Maternal mortality disparity between urban and rural areas



(Source: UNICEF (2008), based on the VHLSS from the General Statistics Office)

Geographical factors, the educational level of mothers and traditional practices in mountainous, remote and disadvantaged rural areas constitute major obstacles to the reduction of maternal mortality. In addition, the ability to access reproductive healthcare services may also be a cause affecting differences in the maternal mortality rate.

The reproductive healthcare service network, though strengthened, remains inefficient in remote and mountainous areas. Many reproductive healthcare centres at provincial level have gone into decline. As for reproductive healthcare at the district level, the infrastructure is not yet fully in place. In addition to unfavourable working conditions, at all levels insufficient numbers of medical staff are available. As for the staff structure, the ratio of university educated staff to primary and intermediate level staff remains low.

GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

Major achievements:

- Viet Nam has achieved the National Strategy response to HIV/AIDS with the prevalence of HIV under 0.3 percent. The HIV prevalence was estimated at 0.28 percent (in all ages) in 2010.
- Viet Nam has achieved impressive results in expanding ARV treatment programme, the scope of ARV treatment was estimated to have risen from 30 percent at the end of 2007 to 45 percent in 2008 and 53.7 percent in 2009.
- Viet Nam is considered to have successfully controlled the incidence of malaria. During the past 15 years, malaria victims have decreased by 83 percent (from 1.1 million cases to less than 100,000 cases). Viet Nam is also acknowledged to have successfully controlled other epidemics such as tuberculosis, dengue fever, acute diarrhoea, and particularly new epidemics like SARS, A flu (H5N1 and H1N1).

ACHIEVEMENTS

Viet Nam has initially been able to stabilize the HIV epidemic in the past two years. Success starts to be seen in controlling malaria and other epidemics. It is essential to maintain and expand these successes in the coming time to curb and push back HIV infection. However, this is difficult as the Viet Nam HIV epidemic comprises many sub-epidemics across the country with very specific dynamics.

HIV prevention:

Viet Nam has essentially restrained the HIV growth rate to under 0.3 percent of the National Strategy against HIV/AIDS in 2004-2010 period. The current HIV prevalence is estimated to be 0.28 percent (all ages). However, according to the estimated report and forecast on HIV/AIDS in 2007-2010 period in Viet Nam, the HIV prevalence in adult (from 15 to 49 years old) was 0.44 percent in 2010 and could increase to 0.47 percent in late 2012. Therefore, the intervention programmes need to be scaled up.

By December 31st, 2009 HIV-positive cases had been reported in 70.51 percent of communes/wards, 97.53 percent of districts and 100 percent of provinces. The total number of people living with HIV was 160,019, the total number of patients with AIDS-related illness was 35,603 and the number of deaths caused by AIDS was 44,540. Nationwide, HIV prevalence is 254,000 in 2010 and is estimated to increase to 280,000 in 2012. Likewise,

nationwide HIV prevalence is 187 per 100,000 people but this ratio varies among localities (Table 6.1).

Table 6.1: HIV prevalence per 100,000 people in selected localities

	Province/City	HIV prevalence/100,000 people
1	Dien Bien	599
2	Ho Chi Minh City	578
3	Thai Nguyen	488
4	Son La	481
5	Yen Bai	385
6	Bac Kan	359
7	Hai Phong	358
8	Ba Ria– Vung Tau	343
9	Cao Bang	335
10	Quang Ninh	304
11	Central Coast and Central Highlands	<100

(Source: Report on HIV/AIDS contractions in 2009, Ministry of Health)

HIV cases have been reported nationwide in all provinces/cities, and communes. The HIV epidemic in Viet Nam is still in a concentrated stage, with the highest HIV prevalence found in specific populations namely injecting drug users (IDU), female sex workers (FSW) and men who have sex with men (MSM). The risk of infection and outbreak remain quite high, particularly in some provinces of the Northwest such as Dien Bien and Son La and some big cities. HIV prevalence among women attending antenatal clinics and among male military recruits has begun decreasing and continues to be observed at low levels (Chart 6.2).

In the past five years, the reported number of people contracting HIV through unsafe sex showed a worrying upward trend, from 12 percent in 2004 to 27 percent in 2008 and 29 percent in 2009. Although the number of males having sexual intercourse with female sex workers is low, this group could put other vulnerable groups at risk, having a dramatic effect on the HIV situation in Viet Nam.

Table 6.2 HIV prevalence among key populations at higher risk of HIV exposure

Unit: percent

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Injecting drug users	29.4	29.4	27.7	28.6	25.6	23.1	20.2	20.3	18.4
Female sex workers	4.7	5.9	3.8	4.4	3.5	4.2	3.9	3.1	3.2
STI patients	2.3	2.1	1.8	1.8	2.5	2.2	1.9	2.1	1.7
Pregnant women	0.30	0.34	0.24	0.35	0.35	0.37	0.34	0.27	0.28
Male military recruits	0.93	0.65	0.45	0.44	0.32	0.16	0.21	0.28	0.15

(Source: Report on HIV/AIDS infection situation in 2009, Ministry of Health)

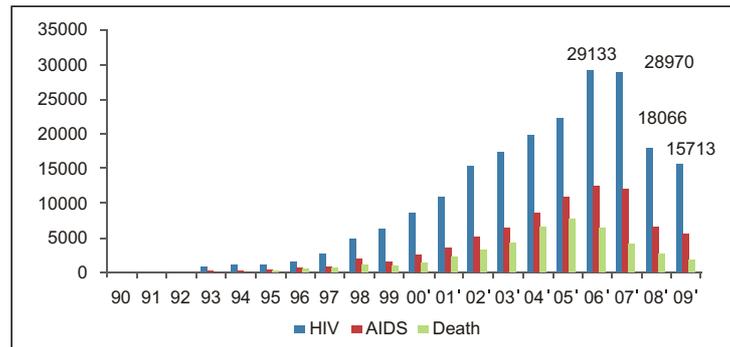
HIV incidence remains mainly within the 20-39 age group, accounting for 80 percent of total cases. Of these, the number of HIV-infected in the 20-29 age group decreased from 52.7 percent in 2006 to 45.4 percent in 2009 while those of the 30-39 age group increased from 30 percent to 39.7 percent. Moreover, males also made up the majority of reported cases (73.2 percent) in 2009.

The ratio of men and women being infected by HIV is estimated to gradually reduce to 2.5 men:1 woman by 2012. This change reflects the growing risk of intimate partner transmission from men who have contracted HIV through high-risk behaviors (unsafe drug injection and unsafe sex work) to their spouses or regular sexual partners. Nevertheless, men will continue to account for the majority of people living with HIV and new HIV infection.

2009 is the second consecutive year that HIV incidence (new cases) and death from AIDS-related disease were lower than previous years. Specifically, the number of the new HIV registered cases reduced to 37.8 percent in 2008 compared with 2007. The figure fell by another 16.5 percent in 2009 compared with 2008. The number of deaths from AIDS-related disease decreased by 33.4 percent in 2009 against 2008. These reduced numbers partially reflect effective Government intervention programmes, showing behavior change among key populations at higher risk of HIV exposure in particular and the entire society in general.

Viet Nam has achieved good initial results in HIV prevention. However, the decrease in the HIV prevalence has only appeared for two years, which cannot be considered sustainable. Viet Nam will face number of changes in the coming years in ensuring a sustainable HIV prevention, treatment and care response.

Chart 6.1: HIV prevalence, people living with AIDS-related illness and deaths caused by AIDS-related disease



(Source: Ministry of Health)

Viet Nam has implemented a number of positive intervention measures in HIV prevention, and has scaled up the access to ARV, preventive programmes, striving for universal treatment by all measures for people living with HIV

Good governance over the past few years has contributed to the expansion and strengthening of the national HIV response in Viet Nam. This period saw increased leadership, a stronger national coordinating body, greater engagement of relevant ministries, more meaningful involvement of civil society and a visible commitment to addressing HIV-related stigma and discrimination.

Viet Nam has been actively implementing various activities and measures to prevent HIV such as the adoption and active implementation of the National Strategy on HIV/AIDS Prevention and Control in Viet Nam by 2010 and Vision Towards 2020, with specific steps and an action plan to calling for interdisciplinary participation for HIV/AIDS prevention; The Law on the Prevention against the Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) protects the rights of people living with HIV. Other legal instruments and policies have been amended and ratified to create a stronger and more consistent legal framework for HIV prevention.

Prevention, treatment, care and support, and community integration of people living with HIV played significant role in achievements gained by Viet Nam. The Information Education and Communication (IEC) and Behaviour Change Communication (BCC) activities have been deployed nationwide with the participation of ministries, departments and mass organizations at all levels. Magazines, newspapers, posters, slogans and leaflets on HIV have been distributed to key populations at higher risk as well as people in the general community. IEC and BCC activities which have been implemented include training, peer education for key populations at higher risk, direct counseling through hotlines,

competitions testing knowledge about HIV, educational dialogues, photo exhibitions and HIV stories.

The number of pregnant women tested before giving birth and HIV- positive pregnant women who received treatment for prevention of mother-to-child HIV transmission (PMTCT) increased in 2008-2009. In addition, the number of pregnant women receiving effective counseling before the test also increased two-fold, from 351,625 in 2008 to 762,323 in 2009. The number of pregnant women tested for HIV also increased two-fold from 249,278 in 2008 to 480,814 in 2009.

Intervention Programmes to minimize the risk of HIV infection were enhanced and expanded. The geographical scope of injecting equipment and condom programmes was expanded in this period. The injecting equipment distribution programme expanded from 21 cities and provinces in 2005 to 60 cities and provinces in 2009. Meanwhile, the condom usage promotion programme was also implemented in 2,110 (18.9 percent) communes/wards of 363 (52 percent) districts in 57 (95 percent) cities/provinces. In 2009, 24.8 million condoms were distributed to different target groups.

In addition, a National Pilot Program on opioid substitution therapy with Methadone (Methadone Maintenance Therapy, or MMT) was piloted in Ho Chi Minh City and Hai Phong in 2008 and in Ha Noi in 2009. The expansion of ARV services is considered as one of the greatest achievements in HIV treatment in the past few years. By the end of 2009 there were 36,008 adults and 1,987 children receiving ARV. The total number of HIV-infected receiving ARV is 2.5 times higher than that by the end of 2007 Q3. The scope of ARV is estimated to have risen from 30 percent at the end of 2007 Q3 to 45 percent in 2008 and 53.7 percent in 2009.

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**GOAL 7:
ENSURE ENVIRONMENTAL SUSTAINABILITY**

Major achievements:

- Viet Nam has been actively implementing Agenda 21 (Strategic Orientation for Sustainable Development). Strategies, planning and socio-economic development plans have taken into account the need for sustainable development. Therefore, the principles of sustainable development have been incorporated into the strategies, national plans and planning of every ministry, sector and locality.
- Viet Nam formulated the National Action Plan on Biodiversity by 2010 and orientation by 2020 including plans for a variety of biological conservation areas and protected areas.
- The proportion of the rural population with access to safe drinking water has significantly increased, from 30 percent in 1990 to 83 percent in 2010.
- Viet Nam has continued to implement activities to eradicate temporary shelters (slum dwellings) for the poor, and provide material or financial assistance for people living in poor and extremely difficult areas to improve their homes. By 2009, only 7.8 percent of households nationwide were living in temporary shelters.

ACHIEVEMENTS

Mainstreaming principles of sustainable development into national policies and development programmes:

Viet Nam has recorded some initial achievements. However, this goal is unlikely to be achieved by 2015, particularly given the effects of climate change.

In the past 10 years, environmental protection and sustainable development institutions and regimes have been established and goals incorporated into national policies and development programmes.

Policy and legal frameworks on environment protection have been enacted fairly simultaneously and continually reviewed and amended in accordance with new circumstances. Significant laws on resources and environment have been passed, including the Law on Environmental Protection (1993, recently amended in 2005); Law on Water Resources (1998); Law on Land (2003); Law on the Protection and Development of Forests (2004); Law on

Minerals (2005); and Law on Biological Diversity (2008). Several of these Laws are being amended. Many other legal instruments regarding environment and resource issues have been passed and come into force.

The Strategic Orientation for Sustainable Development in Viet Nam (Agenda 21) was ratified by the Government in August 2004. This sets out the basic principles and overall orientation for sustainable development; it is the legal basis for relevant Ministries, sectors, localities, organizations and individuals to initiate implementation. Of all the Government's long-term development paths and strategies, sustainable development is regarded as the top principle of development. Several Ministries and about 50 percent of provinces and cities have developed action plans to implement sustainable development (Agenda 21 for sectors and localities).

The administrative mechanism for environmental protection was consolidated, the structure and number of administrative environmental staff has been strengthened. Environmental management agencies have been established at district level. Environmental enforcement forces have been established at central and provincial levels and have operated effectively, contributing to increased capacity building of supervision and sanctions against illegal environmental acts. Councils on sustainable development and Offices on sustainable development have been established at national level and in several Ministries and provinces and cities, to continuously guide the implementation of the Strategic Orientation for Sustainable Development.

The goals and targets of sustainable development and environmental protection have been incorporated into the national and local socio-economic development plans and strategies. Preliminary surveys, planning, exploitation/mining permissions and resource utilization linked to environmental protection have been promoted. Strategic Environmental Assessment of planning and projects in accordance with the 2005 Law on Environmental Protection has been carefully carried out, especially with regards to planning of socio-economic development and land usage of localities across the country. Social issues stemming from resource management and environmental protection have been duly noted and addressed.

Spending in the environment sector has improved. Since 2007, Government's environmental expenditure accounts for 1 percent of the total national budget. Environmental observation, disaster warning, rescue systems have all been strengthened. Policies on diversifying investments in environmental protection and improvement have achieved initial success. Policies to support enterprises in environmental protection have gradually taken effect. Many enterprises invested in new technologies and developed waste processing systems to help improve the environment.

Awareness of environmental protection among governmental administrative authorities and social strata has improved. Social mobilization for environmental protection has been established in certain areas; self-reliant environmental models have appeared in the community and produced positive effects. Participation of mass movements in environmental protection have been promoted, e.g. 44 percent of solid waste in towns are collected by self-managed service groups and about 39 percent at ward level by the community itself.

Viet Nam signed up to International Conventions on environmental protection such as: the United Nation Framework Convention on Climate Change in 1994, the Convention on Wetlands (Ramsar Convention) in 1988, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1994, the Vienna Convention for the Protection of the Ozone Layer in 1994, the Convention on Biological Diversity in 1994, The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal in 1995, the International Convention for the Prevention of Pollution from Ships (MARPOL) in 1991, the International Declaration on Cleaner Production in 1999.

International cooperation in environmental protection and natural resources management and protection have been enhanced, attracting considerable sums of bilateral and multilateral ODA for environmental protection causes.

Halting degradation of natural resources and environment

Forest coverage

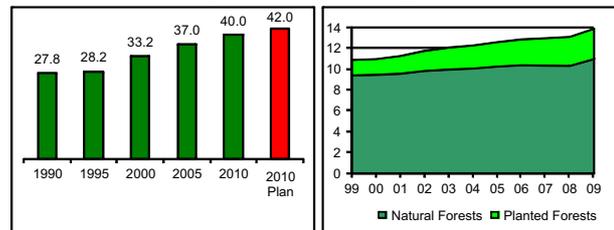
Thanks to efforts in protection, restoration and replanting, forest coverage increased from 27.8 percent in 1990 to 33.2

percent in 2000 and approximately 40 percent in 2010 (the original target of the 5 year plan of 2006-2010 was 42-43 percent). Viet Nam focused its efforts on protecting watershed forests and protected forests, implementing solutions against illegal forest exploitation, forest fires and logging, and preserving and restoring existing forests while planting new ones. New forest areas increased quickly thanks to the strong implementation of “Re-greening Barren Land and Hills Programme” (Programme 327, 1992-97), and the “5 million hectare Reforestation Programme” (1998-2010).

The National Forestry Strategy for 2006-2020 sets out a sustainable forest management programme targeted at the sustainable management, protection, development and utilization of 16.24 million hectares of forest land, of which 30 percent of productive forest areas will be granted sustainable forest management certificates by 2020. This was an important development to stabilize and put into effect forestry management in Viet Nam that will not only bring about economic benefits to forest owners but also ensure stability of the total land area, the quality of forests as well as the environmental and social interests of the community and the nation.

Chart 7.1: Forest coverage

(a) Forest covered land (percent) (b) Natural and planted forests (million ha)



(Source: General Statistics Office; Ministry of Natural Resources and Environment)

Preservation of nature and protection of biological diversity

Viet Nam is one of the countries with the highest biological diversity. The ecosystem of Viet Nam is extremely diverse and includes 11,458 fauna species, more than 21,000 flora species and approximately 3,000 micro-organism species. The Government has published lists of nature reserves and given increasing attention and investment to protecting these reserves; set out mechanisms and policies on biological diversity conservation.

The Government also ratified the “National Action Plan on Biodiversity by 2010 and Orientation by 2020” and Strategy for managing Viet Nam's reserves by 2010; Master Plan on Inland Water Areas Preservation till 2020; Master Plan on Maritime Preservation Areas till 2020. Currently, Viet Nam has 128 nature reserves with a total area of more than 2.5 million hectares, a 28 percent increase in area prior to the accession to the Convention on Biodiversity in 1994. The total area of nature reserves accounts for some 7.5 percent of Viet Nam's territory. However, this is still lower than the 11.2 percent target set for 2010. Red books on the protection of rare species are published periodically. Many ecosystems have been marked for protection and a number of rare species have been strictly protected.

The conservation of maritime products of economic value has also been implemented, especially with research into artificial reproduction and commercial farming of maritime products of high scientific and economic value. The Vietnamese Government ratified the “Programme for the protection of rare maritime species on the verge of extinction to 2015, with vision to 2020” (2008). The goal of this programme is to prevent the increase of endangered species and proceed to restoring and developing rare endemic maritime products in Viet Nam with the participation of the local community to help conserve biological diversity and develop a sustainable aquaculture industry.

Provision of safe drinking water and basic sanitation

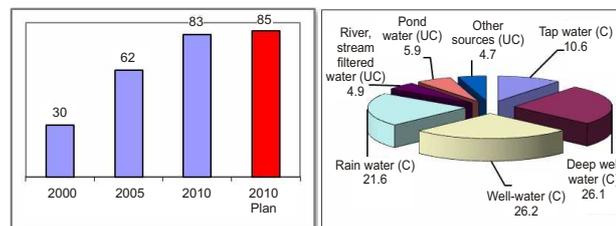
By the end of the 1990s the rate of rural population with access to safe drinking water was relatively low, approximately 30 percent, following the 1980–1997 period where the average annual improvement rate was below 1 percent. Many rural areas lacked safe drinking water. The slow change in people's customs of gathering and processing waste and personal hygiene habits had had a particularly negative affect on human health and living conditions.

The National Strategy on the Provision of Clean Water and Rural Sanitation by 2020 was ratified by the Government in 2000. In accordance with this strategy, by 2010, roughly 83 percent of the rural population had access to safe drinking water, of which 45 percent met sanitation standards set by the Ministry of Health (the goal for 2010 was 85 percent and 50 percent respectively). If water

from sources such as taps, wells, and rain were to be considered sanitary and those from ponds, lakes and rivers to be non-sanitary, then according to the General Statistics Office in 2008, 89.4 percent of the population had access to clean water. However, if well water were to be considered as non-sanitary, then this figure would drop to 63.2 percent (Chart 7.2).

In 2008, approximately 63 percent of rural households had sanitary toilets; about 80 percent of schools, 82 percent of clinics, and 72 percent of ward centres had sanitary water systems and toilets. Regions with difficult water source conditions such as mountainous areas and high-saline plains have been given priority in investments. By 2010, 84 percent of the population in urban areas had access to safe drinking water (the goal for 2010 was 95 percent); issues relating to drainage systems, gathering and processing waste, and recycling and reusing of waste have been more duly noted and dealt with.

Chart 7.2: Rural population with access to safe drinking water



(Source: the VDG on clean water and environmental sanitation in rural areas; General Statistics Office)

Note: C- cleaned; UC=uncleaned

People's living conditions

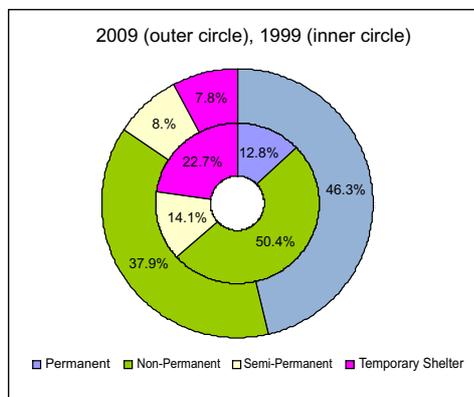
Viet Nam has continued to implement activities to eradicate temporary shelters (slum conditions) for the poor and provided material or financial assistance for people living in poor and extremely difficult areas to improve their homes. Several urban areas have initiated re-planning or removal of areas with temporary shelters that lacked basic sanitary conditions, or relocated people living on boats or along irrigation canals. Larger cities have planned programmes to build houses for people on low incomes. Moreover, housing assistance for the poor and vulnerable has become a social movement for organizations,

enterprises and communities. The Fund for the Poor - established by the Fatherland Front in 2000 - has called for donors and already helped build and repair 889,000 homes by 2008.

The Housing and Population Census on April 1st, 2009 showed that permanent dwellings accounted for 46.3 percent of total households, semi-permanent 37.9 percent, non-permanent 8.0 percent and crude 7.8 percent. Compared with 10 years previous, non-permanent and temporary shelters have decreased from 36.8 percent to 15.8 percent. This shows that efforts to improve housing for the poor have achieved some positive results (Chart 7.3). Due to differences in natural conditions, climate and living customs among regions, there were also differences in housing distribution. Crude dwellings were primarily located in the Mekong River Delta (22.2 percent) and least in the Red River Delta (0.2 percent). According to the 2009 census, the average living area per capita was 17.4 m² with the highest in the Southeast region (22 m²) and lowest in the Central Highlands (14.8 m²).

Chart 7.3: Housing quality

Unit: percent



(Source: General Statistics Office, General Household and Population Census in 1999 and 2009)

Pollution control: encouragement of cleaner production and more active prevention and management of industrial pollution

Initial investigations have effectively discovered and prevented polluted areas, with many hot spots having been eliminated, and applauded by citizens. Examples include environmental purification in Thach Son commune, Lam Thao district, Phu Tho Province; Minh Duc town, Thuy Nguyen District, Hai Phong city; and punishment against the Vedan Company due to environmental pollution. According to a World Bank evaluation, as GDP increases twofold, environmental pollution levels increase fourfold. However, in Viet Nam, the level of pollution is only increasing 2.5 times (when compared with GDP increased twofold). This is seen as a remarkable endeavour of Viet Nam's Government.

In 2009, the Government ratified the “Strategy for Cleaner Industrial Production by 2020” to enhance effectiveness in the utilization of natural resources, fuels, raw materials; reduce emissions and limit pollution growth; protect and improve environmental and human health quality; and ensure sustainable development. This strategy set out a goal that by 2015, 50 percent of industrial enterprises across the country will have been made aware of the need for cleaner production and 25 percent would be observing clean production; by 2020, 50 percent of enterprises should be observing clean production, and saving 8-13 percent on energy, raw material and fuel consumption; 90 percent of medium and large enterprises will have specialized departments on cleaner production.

The implementation of cleaner production and effective energy usage were piloted in certain fields such as textiles; paper pulp and paper production; food and beverages; seafood processing; metal products finishing; chemicals; building materials and other areas. Hundreds of enterprises demonstrated cleaner production technologies within the framework of various projects and have established various applicable cleaner production models and solutions.

The National Target Programme on Economical and Effective Energy Consumption has been implemented since 2006. The Programme's target was to save 3-5 percent of total national

energy consumption in the 2006-2010 period and 5-8 percent in the 2011-2015 period, compared with current projections on energy and socio-economic development according to normal development schemes. The Programme has been initiated with more than 100 projects and missions in various fields, enterprises and households. Energy conservation in 2006 was 135 KTOE, i.e. 1.6 billion kwh, accounting for 0.56 percent of total consumption. In 2007, the figures were 347 KTOE, i.e. 4 billion kwh, approximately 1.4 percent of total consumption. And by 2008, about 722 KTOE, i.e. 8.3 billion kwh, approximately 3 percent of total consumption.

DIFFICULTIES AND CHALLENGES IN ENVIRONMENTAL SUSTAINABILITY

The quality of forest resources has not been improved

The challenges in ensuring environmental sustainability are huge. The efforts of individual countries are often inadequate. Close cooperation between countries is needed, especially in the context of combatting global climate change

Rich, dense and primeval forests account for less than 13.7 percent while poor and rehabilitating forests account for 55 percent of total forest areas. Natural, watershed, coastal protection and mangrove forests are still cut for logging and other economic interests (e.g. hydropower, mineral extraction, and shrimp farming). During the 2000-2008 period, on average each year 4,580 hectares of forest were burnt and 2,865 hectares of forest were chopped down. Viet Nam currently has over 155,000 hectares of mangrove forests, 100,000 hectares less than in 1990. The loss and decline of forest areas has caused great losses to the economy, to employment and sustainable social development. Frequent heavy floods and flash floods in all regions of the country have caused great loss to the public.

Decline of land resources

Over 50 percent of Viet Nam's natural land area (consisting of 3.2 million hectares of plains and 13 million hectares of upland) is being degraded by erosion, washouts, drought, desertification, flooding, landslides, salinization and aluminization. Erosions in mid to upland areas affected about 10-20 percent of the land area. In coastal areas, forest reduction increased the movement of

dunes, salinization, seashore and riverbank erosions, causing environmental decline and adversely affecting production and human living conditions. The South Central Coast region is most at risk of desertification (0.4 million hectares). The industrialization and urbanization process has altered land use patterns, having a dramatic effect on the occupation and living areas of a large portion of the population and causing unfavourable social effects on sustainable development.

Poor programming of water resources and ineffective protection of the water environment

Programming is still lacking in sufficient scientific bases and details on the use and protection of surface and underground water. In particular, the development of hydropower in certain river catchment areas hasn't been based on careful scientific calculations of the comprehensive effect of water use, including power generation, flood control and water supply for production and human life. Water quality in upstream rivers remains relatively high, whereas most of the downstream water has been polluted, mostly by industry and urban areas. Ground water in certain areas, particularly industrial zones and urban areas, is in danger of exhaustion during dry seasons and in several areas has seen signs of pollution due to indiscriminate exploitation and the lack of appropriate anti-pollution measures.

Exploitation and misuse of mineral resources

Viet Nam lacks an effective sustainable development mechanism to protect, manage, exploit, process and export mineral resources for the benefit of economic growth and national resources protection. Most mineral resources in Viet Nam have been exploited for raw exports. The lack of management and close supervision in mineral exploitation has resulted not only in the exhaustion and waste of non-renewable resources but also in land and water pollution and landscape destruction in localities with mineral deposits and mines.

Biodiversity at risk of a sharp decline

The biodiversity of Viet Nam is still on the verge of a sharp decline due to forest fires and deforestation; rapid urbanization; land use changes reducing the habitat of various species; agricultural, forestry and fishery cultivation habits; excessive catching and exploitation; and illegal trading of rare fauna and flora. Several ecosystems are disappearing; the number of endangered species is still on the rise. According to the Viet Nam Red Book of 2007, 882 species of wild natural fauna and flora were endangered (418 fauna and 464 flora), an increase of 161 species compared with the 1992-1996 period. In the past, the highest threat level to wild species in Viet Nam was “endangered-EN,” but now up to 9 species in Viet Nam have been considered as unnaturally extinct (EW level).

Table 7.1: Number of endangered species

	1992-1996	2004	2007
Total	709	857	882
Fauna	359	407	418
Flora	350	450	464

Source: Viet Nam Red Book 1992-1996, 2004, 2007

Depleted marine resources, sea and coastal environment

Natural resources in coastal areas continue to be caught and exhaustively exploited. Local marine pollution in several areas can be attributed to inappropriate industrial methods of sea product cultivation and processing, oil spill incidents, and waste pollution from tourism and residential activities. Floods, tides and ocean waves have caused coastal landslides which, along with mangrove deforestation, are destroying coral reefs, thus depriving sea species of their natural habitats and drastically reducing them in diversity and number.

Continued pollution and degradation of urban and rural environment

Environmental pollution continues to increase in scale and severity. In 2010, only 45 percent of industrial zones and export processing zones had centralized sewage systems that meet environmental standards (the target set was 100 percent). Thorough processing of establishments causing severe

environmental pollution was 70 percent (the target set was 75 percent). Cities are heavily polluted with substances in surface water, dust, sulphure gas, carbonic, nitrite, and solid waste. Large residential areas have been heavily polluted with dust, some very seriously. Some areas close to industrial parks have seen sulphur gas emissions exceeding permitted levels. In 2010, 82 percent of solid waste has been collected (the target set was 90 percent), 80 percent of hazardous medical waste has been processed (the target set was 100 percent).

Issues related to the goal of safe drinking water provision and environmental sanitation need to be addressed

Several localities with unfavourable geographic and climate conditions (mountainous areas, desertified areas, mangrove areas, etc.), technical and financial difficulties have low proportions of their populations with access to safe drinking water. In poor provinces such as Ha Giang and Lai Chau, the proportion with access to safe drinking water is much lower than the national average, not to mention the failure to meet water quality standards set by the Ministry of Health. In provinces such as Binh Thuan and Yen Bai, only 20 percent meets the quality standards. The gap between the rich and poor, urban and rural populations, those living on the plains and those in mountainous areas remains relatively high when it comes to access to safe drinking water.

Ensuring environmental sustainability presents a great challenge in the context of rapid economic growth and when suffering the enormous adverse effects of global climate change. The legal system on the environment remains incomplete; several important legal instruments (e.g. the Law on Clean Air, Law on Chemical Safety) are still lacking; many by-laws have not been enacted. Sanctions arising from the Law on Environmental Protection are complex to enforce and in any event often don't act as an effective deterrent. Economic measures in environmental management have not been strictly and effectively enforced. Environmental enforcement forces lack staff; and in several localities, their capacity remains low. Investment in environmental protection, is still often scattered and ineffective, and has yet to meet its requirements.

In the current and forthcoming period, Viet Nam still faces many difficulties in preventing environmental degradation due to the pressures of population growth and human demands to improve living conditions. Poverty, unemployment and huge migration waves are forcing people to exploit natural resources at all costs, putting great pressures on the environment.

The tremendous pace of economic growth, industrialization, urbanization and internationalization has triggered conflicts between short-term economic interests and long-term environmental and sustainable development interests. Production and consumption models that rely on low material processing and excessive energy consumption have caused resource waste, environmental pollution and degradation. To compete in the market, most enterprises avoid their responsibilities to invest in the protection of resources and the environment. Meanwhile, administrative capacity in monitoring and enforcing environmental protection remains weak, especially with the regime's failure to adapt to the market economy. The state's inspection, supervision and sanctions appear ineffective in compelling enterprises to fully implement their environmental protection commitments and responsibilities.

Limited resources of the state, enterprises and the community are reserved for environmental protection, due to poverty and underdevelopment

The adverse effects of external pollutants have also been on the rise in Viet Nam. These risks include sea pollution from chemical and oil leakages from ships and oil spills in the South China Sea caused by shipwrecks or oil exploitation at sea. Water safety has been greatly endangered since as much as two-thirds of the country's water resources flows in from outside. The mass construction of hydropower dams by countries upstream and the use of common water without agreement and cooperation, particularly in light of global climate change, will pose a serious threat to Viet Nam's water security.

Other threats include the influx of waste (including hazardous waste) from other countries through various sources; the introduction of non-indigenous creatures, including genetically modified creatures, which are posing a danger to ecosystem security in many areas. Viet Nam also has to deal with the transfer and importation of obsolete technologies (causing pollution and high consumption of energy and materials). The severe and long-term effect of the Agent Orange dioxin on the population and environment is another worrying concern.

GOAL 8 :
DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Major achievements:

Viet Nam has made huge strides in developing global partnerships for development. It has successfully completed its term as a non-permanent member of the United Nations Security Council (2008-2009); successfully fulfilled the role of President of ASEAN in 2010; initiated implementation of the World Trade Organization (WTO) accession commitments, and a number of other free trade commitments. Efforts to develop global partnerships for development have helped Viet Nam secure foreign direct investment (FDI) and official development assistance (ODA) and mobilize free trade and global market opportunities to stimulate economic growth and poverty reduction.

ACHIEVEMENTS

Multilateral cooperation

Viet Nam is taking firm steps towards its intensive integration into the regional and global economy. Since its accession to the WTO on January 11, 2007, Viet Nam has initiated its multilateral commitments and opened its markets for goods and services, and implemented commitments relating to subsidiaries, including the rule of non-subsidiaries for agricultural exports. Viet Nam has actively participated in multilateral trade negotiations, made joint efforts with other countries to fortify an open, predictable, non-discriminatory trade system that will ensure the legitimate interests of developing and underdeveloped countries. During its three years as a member of WTO (2007-2010), Viet Nam has successfully taken advantage of her opportunities and thus obtained important achievements in economic growth and an increasingly unified legal framework.

Another outstanding achievement in terms of multilateral cooperation is that Viet Nam has successfully fulfilled its role as a non-permanent member of the United Nations Security Council in the 2008-2009 term. As the President of the Security Council in July 2008 and October 2008, Viet Nam proactively introduced

important initiatives and resolutions, including Resolution 1889 (2009) under the “Women, Peace and Security” category. Viet Nam is one of the eight pilot locations for the implementation of the 'One UN' Initiative, whose goal is to contribute to the enhancement of the Government's leadership in realizing development goals, enhancing coordination, and simplifying and harmonizing the procedures of UN organizations. Viet Nam successfully hosted the UN High Level Tripartite Conference on 'Delivering as One' in June 2010.

Assuming its position as the President of ASEAN in 2010 with the theme “Towards the ASEAN Community: From Vision to Action”, Viet Nam has been contributing to the solidarity and linkages among ASEAN nations and effectively implementing the Charter and the Roadmap for the ASEAN Community, as well as actively promoting the Association's role and reputation in the international arena. Viet Nam also joined the ASEANChina Free Trade Area. Viet Nam successfully hosted the Foreign Ministers' Meeting of the Asia-Europe Meeting (ASEM) in May 2009; and participated in and made significant contributions to other multilateral forums such as the Asia-Pacific Economic Cooperation forum (APEC), and the Copenhagen Summit on Climate Change (COP 15). Viet Nam also hosted the East Asian World Economic Forum (WEF) in June 2010.

Viet Nam has reiterated its commitments to coordinate with other countries in building a cooperative, developed and integrated Mekong Region. Viet Nam contributed significantly in the First Summit of the Mekong River Commission held in Thailand in April 2010. Viet Nam continues to push forward cooperation programmes in the Greater Mekong Sub-region (GMS), Viet Nam-Laos-Cambodia triangle development, Mekong-Japan cooperation, and Cambodia-Laos-Myanmar-Viet Nam cooperation.

Bilateral cooperation:

Initiating its foreign policy of “independence, autonomy, multi-lateralization, diversification”, Viet Nam has developed trade relations with nearly 200 countries and territories, signed around 90 agreements on bilateral trade and established investment relations with more than 84 countries and territories.

Viet Nam is realizing its commitments in the Viet Nam Japan Economic Partnership Agreement (EPA), negotiating the Partnership and Cooperation Agreement with the EU (PCA) as well as Bilateral Investment Treaties with the United States and Canada, and a Free Trade Agreement with Chile.

Viet Nam's relations with neighbouring, regional countries, developed countries, and traditional friends and potential partners continue to be actively initiated and fortified. Relationship frameworks have been built and promoted, such as the “strategic comprehensive cooperation partnership” with China, “strategic partnership” with Russia, India, Japan, and Korea, and a friendly, multifaceted cooperative partnership with the United States on the basis of mutual respect and mutual benefit. The EU continues to be Viet Nam's top trade and investment partner and the largest donor of non-refundable ODA to Viet Nam.

Viet Nam has always attached great importance to South-South development cooperation. Many important initiatives have been put forward to expand both bilateral cooperation and within the CLMV framework covering Cambodia, Laos, Myanmar and Viet Nam with a view to supporting neighbouring countries in their socio-economic development, thus helping narrow the development gap among CLMV countries and ASEAN member states. One vivid example is to allow Laos' to utilize Viet Nam's seaports. Cooperation with Africa, the Middle East and Latin America is also receiving due attention. Viet Nam regularly exchanges delegations at all levels to improve cooperation in the fields of finance, culture, trade, agriculture, investment, energy, labour, and expertise. Viet Nam participated in the New Partnership for Africa's Development (NEPAD), and broadened cooperation with a view to exchanging experiences and technology with African countries in competitive fields such as food manufacture, fishery, healthcare and education for African countries.

International trade relations:

Viet Nam has a high level of economic openness. The 2009 total import and export value amounted to about 137 percent of GDP. Viet Nam's average export growth was more than 18 percent per year in the 2000-2008 period. Viet Nam is one of the world's top exporters of products such as rice, coffee, pepper and cashew nuts. Viet Nam's import and export market has been growing rapidly towards diversification and shifting from indirect transactions to direct transactions in the American, European and Japanese markets.

Along with economic integration, the country has also seen a positive transition of the production structure from import replacement oriented to export oriented. Production for export has been moving towards increasing processed products, reducing raw products, and diversifying goods. In 2009, due to the global financial crisis, both imports and exports declined. The total import and export value dropped by 11.4 percent with imports decreasing 8.9 percent and exports 13.4 percent, in comparison with 2008.

Table 8.1: Viet Nam's Imports & Exports

(Unit: million USD)

	2005	2006	2007	2008	2009
Imports	36,761	44,891	62,765	80,714	69,949
Exports	32,447	39,826	48,561	62,685	57,096
Turnover	69,208	84,717	111,326	143,399	127,045

(Source: General Statistics Office)

Having committed to developing an open, regulated and predictable trading and financial system, Viet Nam has adjusted its import and export tax policies in accordance with its international commitments. Of most significance was the adjustment of preferential import tax rates on thousands of tariff lines in accordance with commitments to the international community. To conform with the rules and regulations of the WTO, since January 1, 2007, Viet Nam has been proactively exercising its binding commitments to reduce all import tariffs (including 10,689 tariff lines) to an average of 13.4 percent (from 17.4 percent) in 5 to 7 years. Viet Nam has also declared its intention to reduce 1,812

import tariff lines by an average of 14.5 percent. Since January 1, 2008, Viet Nam has reduced approximately three thousand tariff lines with an average reduction of 1-6 percent. Since 2009, Viet Nam has continued to reduce a further two thousand tariff lines of more than 20 products, by an average of 2 percent.

Foreign capital mobilization and utilization

ODA:

Viet Nam has obtained several achievements in attracting ODA. Even though the economies of many major donors suffered difficulties, the international donor community continues to have strong faith in Viet Nam. The total ODA commitment of the international donor community at the Annual Conference of the Donor Consultative Group (CG Conference) in three years (2006-2008) reached 16 billion USD. At the CG Conference in December 2009, donors committed a record amount of over 8 billion USD. The international donor community in Viet Nam has broadened and currently has 51 members, including 28 bilateral and 23 multilateral donors regularly working in Viet Nam. Besides the member states of the OECD-DAC, new donors include China, India, Hungary and the Czech Republic. In addition, approximately 600 international non governmental organizations are operating in Viet Nam with an annual aid budget of 200 million USD covering a variety of fields, and directly addressing the public's living conditions, particularly in rural and difficult areas.

ODA supplemented a significant sum of capital for development investment. In the 1993-2009 period, ODA supplemented about 11 percent of the total social investment and about 17 percent of total state budget investment. ODA has supported the development of socio economic infrastructure, and contributed to economic growth, the transition of the economy towards industrialization and modernization, the improvement of socioeconomic services, poverty reduction, and increased access to rural infrastructural services, particularly in poor provinces, remote areas, and ethnic minority areas. ODA for basic social services, including education, healthcare and water supply alone has increased from 12.7 percent of total ODA in 2000 to 15.4 percent in 2009.

Table 8.2: ODA commitments

(Unit: million USD)

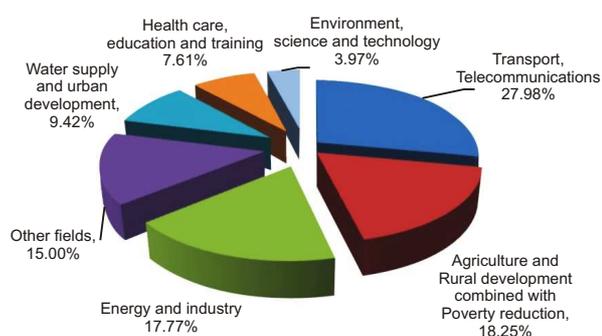
Year	Commitment	Signed	Disbursed
2000	2,400	1,773	1,650
2001	2,399	2,433	1,500
2002	2,462	1,814	1,528
2003	2,839	1,786	1,422
2004	3,441	2,595	1,650
2005	3,748	2,610	1,787
2006	4,446	2,989	1,785
2007	5,427	3,832	2,176
2008	5,915	4,331	2,253
2009	8,064	6,131	4,105
Tổng số	41,141	30,294	19,856

(Source: Ministry of Planning and Investment)

Viet Nam has been making efforts to promote the effectiveness of ODA disbursements. Along with the donors, Viet Nam has actively initiated implementation of the Paris Declaration and the Hanoi Commitment on aid effectiveness. Viet Nam also realized and implemented the One UN Initiative to promote more effective use of ODA in Viet Nam. In 2009, Viet Nam and Japan reached an agreement to promote more effective and transparent use of Japan's ODA to Viet Nam.

Chart 8.1: ODA allocations by sector (2000-2009)

(Unit: percent)

*(Source: Ministry of Planning and Investment)*

FDI:

Thanks to political and social stability, satisfactory economic growth and an improved investment environment, foreign direct investment has been soaring since Viet Nam's accession to the WTO in 2007. Registered FDI capital increased by 78 percent in 2007 compared with 2006 and by 236 percent in 2008 compared with 2007. From 2007 to 2009, registered FDI reached 114.5 billion USD, 4.5 times higher than the target set for 2006-2010. The rate of FDI in the total national investment increased from 16.2 percent in 2006 to 28.9 percent in 2008. Due to the financial crisis, this rate declined in 2009 but was still maintained at 25.5 percent. FDI has made a significant contribution to the Vietnamese economy. In 2008, FDI enterprises contributed 16.5 percent of GDP and generated 1.47 million jobs. The dramatic impact of the global financial crisis entailed the decrease of FDI in 2009 by approximately 70 percent compared with 2008. However, in 2010, this capital flow has been showing signs of recovery.

Debt management:

Viet Nam has enacted the National Strategy on Foreign Loans and Payment of Foreign Debts up to 2010 and the Action Programme on the implementation of the Strategy to help promote the effectiveness of foreign debt management; maintain a safe debt level in accordance with international standards; build confidence in investors and donors in Viet Nam's plans to repay foreign debts. Payment of foreign debts is carefully calculated in the annual budget spending, ensuring that no pressure is placed on the State budget and Viet Nam's debt payment. Viet Nam also makes unceasing efforts to complete its legal instruments regarding foreign debt management to ensure uniformity and avoid conflicts and overlaps. In 2009, the National Assembly ratified the Law on Public Debt Management including governmental debts, governmentally guaranteed debts and local authorities' debts.

Viet Nam is currently a country with safe debt rates (under 50 percent of GDP) and qualified for the reception of new investments. Given the current economic structure and debt rates, Viet Nam's loans and debt management have seen no significant impact from the global financial crisis. Viet Nam's debtors are mostly multilateral organizations or well-financed developed countries.

Table 8.3: Debt indicators of Viet Nam

(Unit: percent)

	2005	2006	2007	2008
Total outstanding foreign debts over GDP	32.2	31.4	32.5	29.8
Foreign debts in public sectors over GDP	27.8	26.7	28.2	25.1
Foreign exchange reserves over short-term outstanding debts	4.1	6.4	10.2	2.8
<i>Debt allocation according to debt source:</i>				
- Official lenders	88.8	89.0	86.4	86.3
Bilateral	49.8	49.7	46.9	49.3
Multilateral	39.0	39.3	41.3	37.1
- Private lenders	11.2	11.0	13.6	13.7

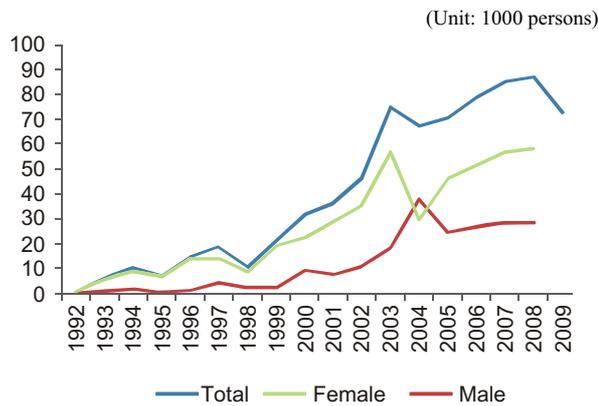
(Source: Ministry of Finance)

International labour cooperation

In 2008, Viet Nam ranked 10th among countries with the largest amount of remittances, receiving a total of approximately 7.3 billion USD (according to the World Bank). In 2009, remittances amounted to about 6.5 billion USD. With enhanced labour export policies, in 2010 remittances are projected to rise sharply again as the global economy recovers. It has already been estimated that in the first half of 2010 alone, remittances had reached 4 billion USD. This will be a significant external force to help Viet Nam enhance its development investments, stabilize people's living conditions, and increase social consumption.

Since 2001, labour and expertise exports have been recognized by the Government as a socioeconomic activity which helps develop human resources, create jobs, generate incomes and increase workmanship quality for labour as well as being a source of foreign exchange for the country. From 2001 to the end of 2008, approximately 500,000 Vietnamese had worked overseas (an average of 83,000/year), accounting for about 5 percent of annual new jobs. Currently, almost 500,000 Vietnamese are working as labour in 40 countries and territories in more than 30 job categories generating annual incomes of 1.6 - 2 billion USD. In 2009, however, due to the impacts of the financial crisis, the number of people working overseas sharply declined, just 83.9 percent of the figure for 2008.

Chart 8.2 Labour working overseas (total and by gender)



(Source: Ministry of Labour, Invalids and Social Affairs)

Increased access to affordable medicines

The Vietnamese Government pays great attention to public healthcare. In recent years, the Government has actively chosen to invest in medical facilities, preventive healthcare and national target plans on healthcare. Viet Nam is shifting from medical facility budget allocation to direct support for medical beneficiaries, with a view to ensuring equality in healthcare, especially for the poor, ethnic minorities, children under 6 years old and other social welfare beneficiaries. The state has also prioritized pharmaceutical industries, medicine and medical equipment production; and has implemented policies towards a socialized public healthcare system. Simultaneously, various measures have been taken to control and regulate medicine retail prices at pharmacies and hospitals according to the Pharmaceutical Law and other related legal documents. These measures aim to stabilize medicine prices in the market so as to better meet the public's medical needs and to take care of, protect and improve public health, particularly among the vulnerable groups.

According to the 2006 Investment Law, foreign investors in healthcare projects are entitled to low enterprise income tax.

Optimize benefits from new technology, particularly information and communication technology (ICT)

Since 2007, three additional enterprises have been granted permission to provide telecommunication infrastructural services, raising the total permitted enterprises to eleven. In 2008, the VinaSat1 satellite was put into use, broadcasting television signals across the country, creating favourable conditions for the public to access high quality television services. Viet Nam has also broadcast its radio signal across its land and sea territories. 3G services have been officially provided in Viet Nam, contributing to the improvement in Internet access and connection speeds for communicating devices, providing and utilizing helpful information services. A digital signature verification service has been initiated in Viet Nam and started to be used in verifying civil transactions over the Internet, contributing to the development of e-trade. In 2008, Vietnam's e-Government readiness Index jumped 14 notches from that of 2005.

There have been significant achievements in bringing new technologies such as telecommunications and the Internet to the public. Viet Nam is one of the countries witnessing the fastest growth of Internet and telephone use in the world. By April 2010, Viet Nam was home to 140.3 million phone accounts of various types; of these, mobile telephony accounts for 87.2 percent, phone density reached 164.3 devices/100 people; internet users exceed 21.5 million, about 25 percent of the total population.

DIFFICULTIES AND CHALLENGES IN DEVELOPING GLOBAL PARTNERSHIPS

Global integration and import-export policies:

After three years of accession to the WTO, Viet Nam has faced many difficulties that affect the exploitation of opportunities from the WTO. The economy's competitive capacity has improved but remains slow; according to the World Economic Forum, in 2008 Vietnam ranked 70th out of 134 countries listed for economic competitiveness, and in 2009 dropped to 75th out of 133.

Even though non-tariff barriers to trade have been reduced for certain goods and export markets, Viet Nam is still faced with trade protectionism, and the increasing complexity of new technical barriers according to the laws and regulations of several countries. Many of Viet Nam's export goods, especially labour-consuming ones such as marine and agricultural products, have been halted by increasingly strict regulations on food safety. Goods such as leather shoes and hats, and shrimp and catfish have continually faced anti-dumping lawsuits.

By opening its market to integration, Viet Nam has become more vulnerable to fluctuations in the global economy. Due to the weak competitiveness of Vietnamese goods, low labour quality, and the economy's heavy dependency on exports and foreign investments, in 2009 the Vietnamese economy underwent sharp declines as the global economic recession took hold. In the future, as Viet Nam continues to open its service market, including the financial market, the country is likely to be even more vulnerable to changes in global finance and economics. The heavy administrative structure also hindered the implementation of WTO commitments and the utilization of opportunities that accession to this organization brings. Reforms, policy and legal adjustments were uniformly carried out, but several regulations have yet to conform to WTO commitments.

Attraction and effective use of foreign capital

The legal framework, particularly between ODA and public investment, is not yet synchronized. Some procedures between Viet Nam and donors need to be harmonized. The capacity of staff managing and utilizing ODA at all levels, especially the primary level, failed to meet the quality and quantity requirements. In the context of decentralization, ODA projects have failed to receive adequate supervision and assessment from Ministries, sectors and local authorities. These also explain why some ODA Programmes have not been fulfilled and some projects ineffective. Equally, Viet Nam's aid disbursement rate was relatively low. In recent years, the rate has remained below 50 percent of committed capital.

When Viet Nam becomes a middle-income country, ODA capital will shift from non-refundable aid and preferential loans towards less preferential loans. This will pose a great challenge to the continuation of ODA attraction and utilization. Viet Nam still needs preferential ODA in the coming years to improve infrastructure, transport, the electricity network and energy, telecommunications, and to reduce poverty and improve healthcare and education in remote, rural and poor areas.

The ability to attract FDI is still challenging, mainly due to the limited vision and capacity of state agencies. A lack of comprehensive planning of foreign investments has led to rampant, spontaneous and ineffective investments. For example, several provinces have striven to establish industrial and export processing zones to attract FDI regardless of the impacts that these projects may have on the local economy, environment and society. Recently, FDI has tended to focus more on real estate, leading to an increased trade deficit, causing land speculation, and affecting the ecosystem and lives of local residents. There have been insufficient environmental supervision and environment impact assessments of FDI projects. As a result, a number of FDI projects which have been implemented are causing severe pollution.

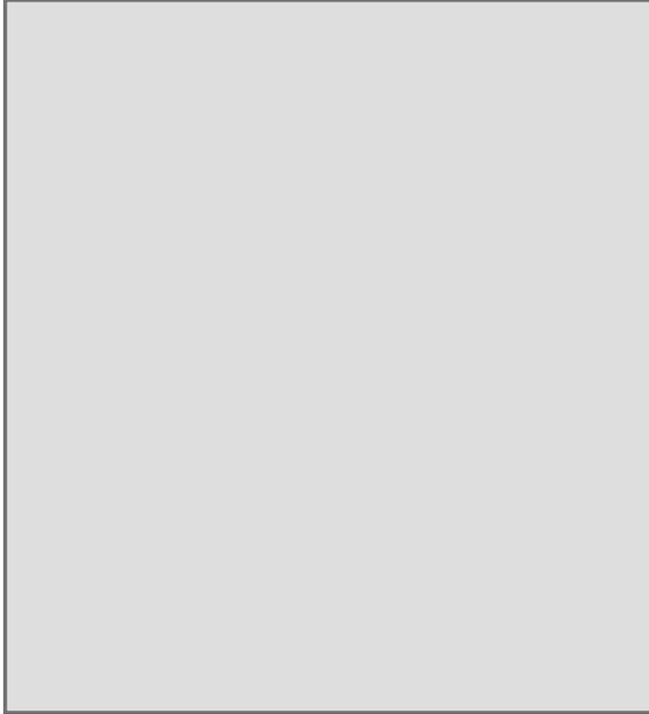
Effective debt management and utilization

In recent years, there has been a significant rise in public debt, including Government debt, Government-guaranteed debt and local authority debt, particularly in 2009, due to the impact of the global economic crisis. Government debts have increased from 33.8 percent of GDP in 2007 to 41.9 percent in 2009. Outstanding foreign debts also rose from 29.8 percent of GDP in 2008 to 39 percent in 2009. This has posed challenges to the security of effective debt management. Even though public debt continued to rise, overspending of state budgets still remained high and prolonged. In 2009, budget overspending rose to 115,900 trillion VND, equivalent to 6.9 percent of GDP, causing difficulties in maintaining sustainable public debt management.

Medicine supplies and new technology application

Viet Nam still faces many difficulties in co-operating with pharmaceutical companies to provide the public with affordable essential medicines, especially those against dangerous or new diseases such as HIV, H1N1, H5N1. By mid-2010, there have only been 39 pharmaceutical FDI projects with total registered capital of 302 million USD, of which 22 are medicine production projects. This is a small number compared with the market's potential (in 2009, total spending on medicine in Viet Nam reached nearly 1.7 billion USD).

Viet Nam also faces difficulties in receiving modern technology from abroad. Due to the limited development level, low purchasing power of the market and limited technical capacity, Viet Nam often has difficulties receiving modern technologies from developed countries. Enterprises' investments in technological renewal remained relatively low compared with other countries in the region, limiting the acquisition and utilization of new science and technology in the country's socioeconomic development. Investment capital for science and technology activities is mainly from the state budget. No appropriate policy mechanism has been implemented to mobilize social resources for science and technological development.



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A. CHALLENGES**CHALLENGES 1:
ENSURING MILLENIUM DEVELOPMENT
GOALS ARE ACHIEVED FOR ALL SOCIAL GROUPS**

Nationally, Viet Nam has or will essentially achieve the MDGs. However, ensuring that these goals are accessible for all social groups, especially vulnerable groups, remains a major challenge for Viet Nam in the future.

For a variety of reasons, the poverty rate in ethnic minority groups is still much higher than the national average. Meanwhile, MDGs implementation for rural and difficult areas is much lower than the national average.

**ACHIEVING MDGs FOR RURAL AND URBAN AREAS, AND
FOR ALL REGIONS****The rural - urban gap:**

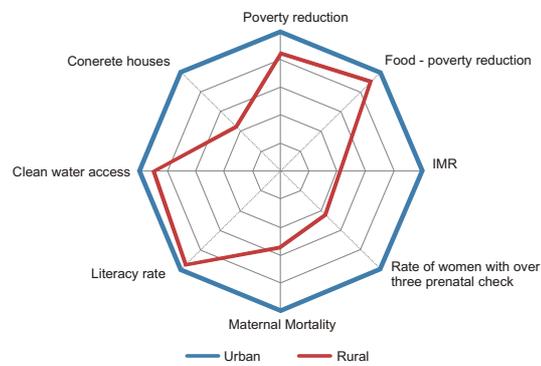
The need to bridge these gaps has been addressed in national strategies and programmes. However, this challenge cannot be resolved quickly and will require long-term and frequent efforts.

The gap in MDGs implementation results is a challenge present in many different areas, as analyzed in Part II. There is a big difference in the poverty rate between rural and urban areas; poverty in rural areas is still high, 5.6 times higher than in urban areas. The quality of education at all levels in rural areas is significantly lower than in urban areas. Gender prejudices, low regard for the role of women and the traditional preference for a son rather than a daughter are still embedded in many rural areas. Of particular note, indicators of children and maternal health in rural areas are significantly lower than in urban areas (roughly 50 percent lower).

In general, the difference between rural and urban areas in access to education is fairly negligible. However, there remains a

large gap in indicators related to maternal health and child mortality and the gap between poor groups and food poverty areas is also noticeable (Chart 10.1). As almost 62 percent of Viet Nam's population lives in rural areas, the MDGs implementation have only brought about positive benefits to one third of the population. Bringing these benefits to the rural population will be very hard.

Chart 10.1: Differences between rural-urban areas in achieving MDGs

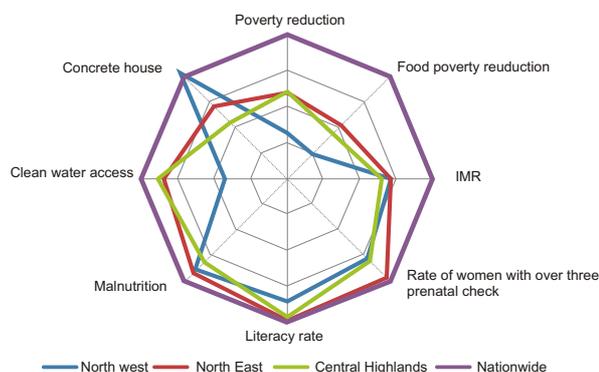


(Source: Calculations from the 2008 VHLSS of the General Statistics Office and data from the Ministry of Health)

Gap between regions

MDGs implementation results also showed remarkable differences between geographical regions. The Northwest, Northeast and the Central Highlands are regions with MDGs results lower than the national average while the Red River Delta and the Southeast region recorded MDGs results above the national average.

Chart 10.2: Differences between regions in achieving MDGs



(Source: Calculations from the 2008 VHLSS of the General Statistics Office, and data from the Ministry of Health)

Chart 10.2 shows the difference in MDGs results among the Northwest, Northeast and the Central Highlands as compared to the national average. The difference in literacy and other nutritional criteria are fairly negligible. However, there is a marked difference in indicators of poverty, child mortality, access to safe drinking water, and possession of sturdy homes (with the exception of the Northeastern region) compared with the national average.

The Northwest and Central Highlands are regions with the highest concentration of ethnic minorities; the Northwest is the most vulnerable to disasters and abnormal weather patterns. Therefore, closing the gap in MDGs implementation for these regions, as compared to the national average (and with regions with higher results such as the Red River Delta and the Southeast) will be a significant challenge to Viet Nam.

ACHIEVING MDGs FOR ETHNIC MINORITIES

The low MDGs implementation results for ethnic minority groups is a reality. The difficult geographical

Most indicators related to MDGs implementation in ethnic minority groups are lower than the national average, especially when compared with the majority ethnic group (the Kinh) where a large gap exists.

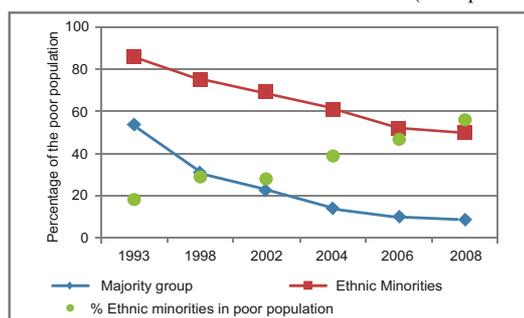
locations and living conditions where ethnic minorities tend to reside are the main factors hampering the Government's policy efforts in reaching these people, causing low efficiency, and limiting the benefits of economic growth.

The percentage of ethnic minority households going hungry, measured by the food poverty line, is much higher than the rate for the ethnic majority group. In 2008, nearly 31 percent of ethnic minority households were identified as hungry, while for the majority group this was only around 3 percent. In 2008, nearly 50 percent of the ethnic minorities' population was living under the poverty line; while this was around 9 percent for the majority group. The poverty prevalence is especially high for ethnic minority groups such as the H'Mong, Thai, Tay, Nung, and Khmer. Furthermore, the poverty reduction rate for ethnic minority groups is much lower than the national average (Chart 10.3).

Statistics showed that in the beginning of the 1990s, only around 18 percent of the poor were ethnic minorities. By 1998, this rate was 29 percent, in 2004 it increased to 39 percent, in 2006 47 percent, and by 2008 it as almost 56 percent. There are many reasons for this. On the one hand, statistical sample selection methodologies have improved and the representation of data for ethnic minority groups has also increased. On the other hand, the rate of improvement in the livelihoods of ethnic minorities is slower than the adjustment rate for poverty standards. Nevertheless, the reality is that poverty prevalence in ethnic minority groups remains very high. If this situation is not reversed soon, poverty may very well become a “phenomenon” typically associated with ethnic minorities in the near future.

Chart 10.3: Poverty prevalence among ethnic minorities and majority groups

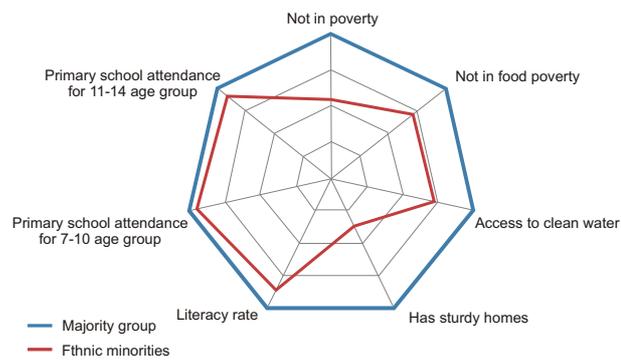
(Unit: percent)



(Source: Calculations from the 2008 VHLSS of the General Statistics Office)

Regarding other MDGs, the rate of implementation of MDGs for ethnic minority groups has always been lower than for the majority group. The difference in literacy rates between ethnic minorities and the majority group was nearly 14 percent (95.5 percent for the majority group, and 81.7 percent for ethnic minorities). The difference between ethnic minorities and the majority group at the primary school level is negligible. However, there is a large gap in access to education at higher levels. The implementation of MDGs related to gender development, child and maternal healthcare, and the rate of infection from dangerous diseases are also considerably lower for the ethnic minority groups compared with the majority group.

Chart 10.4: Difference in implementation of MDGs in majority-minority groups



(Source: Calculations from the 2008 VHLSS of the General Statistics Office)

There is real concern that MDGs achieved for ethnic minority groups have been much lower compared with the majority group, despite Viet Nam's many efforts to support economic development and poverty eradication for ethnic minorities. Through Programme 135 and many other intervention programmes and projects, the Government and the international donor community have improved the livelihoods of ethnic minorities, albeit at a low level. Therefore, there is a clear need for increased efforts in the depth and breadth of support programmes for socio-economic development and poverty reduction for ethnic minorities.

Viet Nam is currently drafting the next Phase (2011-2015) of Programme 135. This is evidence of the strong commitment the Government of Viet Nam has in waiting to bridge the poverty gap for ethnic minorities. In the next five years, this Programme will need more creative approaches to ensure there is a real turning point in the successful implementation of MDGs for ethnic minorities.

ACHIEVING MDGs FOR OTHER GROUPS

Other groups include migrants from rural to urban areas, the lone elderly, the disabled, plus other individuals such as injecting drug users and sex workers. Due to the characteristics of their livelihoods these particular social groups benefit considerably less than others from Viet Nam's efforts to achieve the MDGs. However, due to limited data, it is very hard to accurately assess whether implementation of MDGs has brought any significant benefits to these groups compared with the national average.

Using published statistics from the two General Population Censuses in 1989 and 1999, roughly 4.5 million people have changed their location during the previous decade, of which around 1.6 million are migrants from rural to urban areas, mainly to Ho Chi Minh City and Hanoi. During the past 10 years, coupled with the socio-economic development gap between rural-urban areas, the number of migrants from rural to urban areas is expected to be even higher than during the 1990s.

With the support of UNDP Viet Nam, the General Statistics Office conducted two surveys on migration. The Viet Nam Migration Survey was conducted in 2004 (11 provinces with high arrival-migration rates were surveyed) and the Urban Poor Survey (conducted in HCMC and Hanoi) more recently. Results from the Viet Nam Migration Survey showed that the main cause of migration is economics. Seven out of ten migrants migrate to find work, or to improve living conditions (only about 15 percent moved for family reasons). Migrants mostly live in temporary housing conditions. Up to 55 percent lived in boarding houses and only 18 percent of migrants had sturdy homes. Of those surveyed, only around 11 percent registered for permanent residential

permits at their new location, while 47 percent registered for temporary residential permits, meaning that they cannot stay for extended periods of time in their new location. Among those migrants who did not register, up to 4 percent believed that they are not allowed to register.

Residential permits are important as they are a prerequisite for access to a number of basic public services such as education, healthcare, safe drinking water, electricity, and even to register vehicles as a means of transport. Without residential permits, migrants cannot officially access public services, or they can only access them at exorbitant rates.

According to the Urban Poor Survey, more than 60 percent of migrants work without contracts or just have verbal contracts, and thus they do not have social insurance or health insurance. Migrants must also frequently work extra hours and receive less pay compared with non-migrants. Of those surveyed, nearly 57 percent did not have health insurance, which means they must buy pharmaceuticals, or pay for treatment at high prices. Ensuring that the implementation of MDGs has a positive impact on the growing number of migrants in major cities will be a major challenge.

**CHALLENGE 2:
RESPONDING TO THE IMPACTS OF THE FINANCIAL CRISIS,
AND FLUCTUATING FOOD AND ENERGY PRICES**

During 2007- 2010, the world faced three major challenges: the economic crisis, plus fluctuating food and fuel prices on a global scale. The prospects for achieving the MDGs for Viet Nam thus became much more complex due to the ongoing impacts from these developments, of which the global economic crisis was the most severe. Viet Nam's average GDP growth was 7.85 percent during the period 2004-2008 but only 5.32 percent in 2009.

Together with fluctuating food and fuel prices, the global economic crisis has created considerable short term complications to Viet Nam's implementation and achievement of the MDGs. First

of all, it affects the economy with declined production and export, increased budget deficit, etc. Then, economic difficulties shall bring about negative social changes like laid off workers, lowered income, falling back to poverty, and decreased quality of social services, etc. These three challenges could make Viet Nam's efforts to ensure implementation of MDGs for vulnerable groups much harder.

The economic crisis, plus fluctuating food and energy prices seriously impacted the economy, adversely affecting the resources reserved for poverty reduction and social policies, and seriously reducing the sustainability of results achieved in implementing the MDGs.

In 2007 and 2008, the world witnessed two severe crises in the prices of basic necessities (food and fuel). Due to the sudden increase in prices, inflation in 2008 was very high (the average consumer price index in 2008 grew 23 percent compared with 2007). The increase had a major impact on the lives of Vietnamese, and adversely affected the goals of maintaining macroeconomic stability and successfully implementing the MDGs.

From mid 2008 to end of 2009, food and fuel prices began to decrease slightly when the world was suddenly faced with the largest global financial crisis and economic downturn since the Great Depression of 1929-1933. As an open-economy, Viet Nam also fell victim to the adverse effects of this crisis.

HOW CRISES IMPACT

Increases in food prices directly affected Viet Nam, leading to the increase in prices of domestic foodstuffs and exports. This had both advantages and disadvantages. The price increases helped foodstuff producers and exporters generate higher income. However, this also meant higher prices for consumers.

The sudden increase also had indirect impacts, such as spurring inflation; and increasing the poverty rate in cities and in the non-food producing population group (prime examples are city dwellers and non-agricultural labour in rural areas).

According to World Bank research, up to 88 percent of urban households and 46 percent of rural households were negatively

affected by the increase in food prices. Less developed regions, such as the Northwest, were also severely affected by the price increases since the population here produces less food than consumption levels. About 76 percent of the population in this region alone suffered decreases in income due to the price increases.

The price increases also directly affected national food security and nutrition intake since rice currently provides over 60 percent of Vietnamese nutrition demands. The long term effects of the crisis could impact on people's nutrition intake and food security and also create a comparative change in income distribution between food producers and consumers.

The fuel price crisis directly affected the prices of production inputs leading to increased production costs for businesses and increased expenditures on fuel for the public. The increase in production costs inevitably led to the increase in the prices of goods. As for farmers, the increase in fuel prices also led to the increase in prices for fertilizers, which requires fuel for production, as well as other inputs for agricultural production. As a result, there was a negative effect on the net income of agricultural producers.

The financial crisis manifested itself directly through trade, investment and tourism. Exports suffered due to the demand crisis in partner countries. Also, FDI inflows decreased since foreign businesses were faced with difficulties in their own domestic markets, and thus had to cut foreign investments. Revenues from tourism activities also declined due to the decrease in the number of tourists.

The financial crisis also had indirect impacts. Through export and investment channels, the crisis created difficulties in capital and markets for domestic businesses. This will in turn lead to increased unemployment and decreased profits for businesses. Growing unemployment and salary cuts also put pressure on the Government in terms of social security. Government measures to combat the crisis may also put pressure on spending to implement MDGs such as poverty reduction, education and healthcare

improvements. Also, in coping with the crisis, the general public must also cut back their own spending on food, education and healthcare, etc.

Long term effects A slowdown in economic activities will lead to less job opportunities and income, having a negative impact on households' income. Meanwhile, the increase in food and fuel prices will cause families more difficulties in providing food and fuel, and may even lead to cut backs on basic needs such as food, nutrition, healthcare, and education. The long term effect will be on the nation's nutritional intake as well as child and maternal mortality and school enrolment rates.

The crisis may also change gender relationships. For example Viet Nam's textile industry, where most employees are female, was heavily affected by the crisis, yet industries that are experiencing strong post-crisis recovery, such as the construction and processing industry, are industries with high percentages of male employees.

VIET NAM'S CRISIS RESPONSIVE ABILITY

The degree of impact is very much dependent on the economy's ability to respond, as well as national measures taken to cope with the crisis. Direct and long-term negative effects may be alleviated assuming Viet Nam's economy can respond strongly and effectively. Viet Nam's major advantage is that during the pre-crisis period, it had essentially achieved the MDGs relating to poverty reduction and reducing the under-5 mortality rate by two thirds, etc.

As one of the biggest exporters of rice, with most farmers being rice producers, Viet Nam was not heavily affected by the increase in food prices on a national scale. The rural-agricultural sector acted as a buffer, absorbing the surplus labour caused by the financial crisis. Also, as an exporter of crude oil, Viet Nam was able to alleviate many negative impacts of the increase in world fuel prices.

However, Viet Nam also met challenges in coping with the crisis. Its economic growth model during the pre-crisis period showed signs of high dependence on investment capital and exports. Fewer exports and declining foreign investments caused a considerable drop in growth and employment rates. In addition, Viet Nam's social security system has yet to develop: the rate of social insurance was only 8.7 percent in 2008 and pre-2009 unemployment insurance was non-existent. The percentage of the population 'near-poverty' is still high, with many on the verge of falling back into poverty in light of such economic shocks.

According to assessments by the joint ESCAP-ADB-UNDP team on achieving MDGs amidst economic instability, Viet Nam ranked 23rd in terms of vulnerability and 19th in its capacity to cope with crisis, out of 37 countries in the Asia Pacific. Although Viet Nam is not among the countries in most danger, the crisis did affect, to some extent, the country's ability to maintain and achieve the MDGs.

Table 10.1: Capacity to cope and vulnerability index for countries in the region

Quốc gia	Capacity		Vulnerability	
	Index	Ranking	Index	Ranking
China	0.82	5	0.16	37
Japan	0.87	1	0.20	36
South Korea	0.83	3	0.22	35
India	0.62	13	0.28	33
Malaysia	0.77	7	0.33	30
Thailand	0.68	9	0.37	28
Viet Nam	0.58	19	0.40	23
Indonesia	0.55	22	0.42	20
Philippines	0.60	16	0.42	20
Cambodia	0.35	36	0.62	9
Laos	0.37	34	0.65	8

(Source: ESCAP-ADB-UNDP, 2010)

Note: the higher the capacity index, the better the country can respond; the higher the vulnerability index, the more vulnerable that country is.

THE IMPACT OF THE CRISIS ON ACHIEVING THE MDGS

Table 10.2: Viet Nam's macroeconomic growth and impacts of the financial crisis

(Unit: percent)

	Average growth 2004-08	Growth for 2009	Impact of the crisis
	(1)	(2)	(2) - (1)
National GDP	7.80	5.32	-2.48
Agriculture	4.09	1.83	-2.26
Industry	9.29	5.52	-3.77
Services	8.03	6.63	-1.40
Exports	25.23	-8.90	-34.13
Imports	25.14	-13.30	-38.44
Export price index	11.68	-11.90	-23.58
Import price index	7.66	-11.60	-19.26
Public investment	13.83	11.40	-2.43
FDI investment	24.94	-8.60	-33.54
Registered FDI	78.45	-70.05	-148.50

(Source: General Statistics Office)

Table 10.2 shows the evident impact of the crisis on economic growth. The crisis reduced national GDP growth by 2.48 percent compared with the no-crisis scenario, with the strongest reduction taking place in the industrial sector, then agriculture and finally services. Both exports and imports declined, mainly due to the decrease in prices of exports and imports. Public investment did not fall greatly, mainly due to an increase in public investment to compensate for the strong fall in FDI.

In this context, the crisis did have certain impact on achieving the MDGs. The most notable risk is the recurrence of poverty caused by the crisis. According to estimates by ESCAP-ADB-UNDP (2010), in 2009, 17 million more people in the Asia-Pacific region had fallen into poverty as a result of the financial crisis.

In Viet Nam, the situation is also of concern. Although the national poverty rate did not worsen, and in fact saw a slight decrease from 14.5 percent in 2008 to 12.3 percent in 2009, the hunger rate grew. The total number of people in need of unexpected assistance increased by 1.1 million people in 2009 (from 1.4 million to 2.5 million people) as a result of the financial crisis.

The crisis raises worrying concerns for employment. In 2009, the number of newly employed people was 1,437,000, 98,000 less than 2008, causing pressure for employment and income generation. The number of workers going overseas decreased from 87,000 people in 2008 to 73,000 in 2009. The crisis also seemed to affect women more than men since the rate of women employed in affected sectors, such as leather shoes, textile, tourism, and crafts, is high and may cause difficulties in achieving the MDG target for gender equality.

The crisis has also created future pressure to achieve other Goals. The economic stimulus packages in 2009 have led to an increase in Government over-expenditure (6.9 percent in 2009) and brought Government debt to 41.9 percent in 2009. These will be limiting factors to investment programmes in education, healthcare, nutrition, prevention of diseases, and environmental protection. This poses major challenges to post-crisis economic recovery as well as achieving the MDGs

In order to cope with the risks of economic recession caused by the global economic crisis, the Government promptly implemented two economic stimulus packages as well as different measures to ensure social security: salary adjustments, social subsidies and subsidies for people with contributions to the State; unemployment support; care for the poor, policy individuals, and regions with difficulties. The measures implemented by the Government have achieved the basic goals of preventing economic decline; maintaining reasonable and sustainable growth; stabilizing the macro-economy; controlling inflation; and mobilizing external capital. Thanks to these measures, Viet Nam's economy has for the most part overcome the crisis, ensured social security and livelihoods for the public, and helped moves towards achieving the MDGs.

The recent global crisis has shown the need for a strong social security network. Viet Nam's social security network has been established and has started to prove its efficiency. In the future, Viet Nam needs to perfect its social security network, with stable, long-term and firm operation built on the basis of economic development, equality and achieving the MDGs.

Together with the development of the social security system, special attention must be paid to ensure employment and prevent households from returning to poverty. Individuals who have faced difficulties caused by the crisis, such as migrants, the urban poor, workers in badly affected industries, etc., should also receive attention and support in terms of income and employment. Viet Nam should increase investment for programmes in education, healthcare, nutrition, safe drinking water, and disease prevention to remedy the long term effects of the crisis and ensure access to public services. Food security should be ensured in the context of fluctuating world prices and diminishing agricultural areas and mechanisms put in place to ensure reasonable income generation for food growers. Measures must be put in place to recover and grow Viet Nam's economy in the post-crisis period while it is undergoing major transitions in socio-economics, from an agricultural economy to developing industrial and service sectors, and fast-paced urbanization.

In this context, efforts to stabilize the macro-economy, rein in inflation, complete the legal framework, ensure good management of debt and macroeconomic balances, and effectively mobilize and use investment capital will be the most useful, both to help the economy cope with future economic challenges and also to achieve the MDGs by 2015.

**CHALLENGE 3 :
COPING WITH CLIMATE CHANGE AND VIET NAM'S
PROSPECTS TO SUSTAINABLY ACHIEVE MDGs**

Climate change has, is and will be a big challenge for the achievement of MDGs in Viet Nam. Many studies have shown that climate change has actually happened in Viet Nam. Viet Nam is among five countries most likely to be affected by climate change. The Government of Viet Nam quickly realized the challenges and the role of climate change and has developed a timely and comprehensive action plan. However, the prospects of maintaining the results and achieving the MDGs will be very

difficult due to global climate change. A large proportion of poor households or near-poverty households are vulnerable to climate change as a large part of their livelihoods is closely associated with the exploitation of natural activities. Climate change can thus have very negative impacts on their livelihoods and lives, making them fall even deeper into poverty, thus having a negative impact on the achievement of other MDGs such as education, healthcare and environmental protection.

IMPACT OF CLIMATE CHANGE ON VIET NAM

Climate change and rising sea levels are becoming increasingly evident and Viet Nam is among the countries most affected. Not only will the MDGs be hard to achieve, but current achievements will be hard to maintain and may even be at risk.

Monitoring data over the past 50 years has shown that climate conditions in Viet Nam are undergoing dramatic changes. The annual average temperature has increased by 0.7 degrees Celsius. The average temperature in the last four decades (1961-2000) was higher than the previous three decades (1931-1960). The number of cold systems affecting Viet Nam has decreased markedly in the past two decades. At the same time, there has been an increase in lasting cold weather systems causing great damage to agricultural production and human health. The trend of variation in average annual rainfall in the past five decades was not evident in different periods and regions, but on average for the whole country, rainfall has decreased by 2 percent. The El-Nino and La-Nina phenomena are increasingly impacting Viet Nam, with greater scope, frequency and intensity of floods and droughts. In recent years, storms have grown more intense, their trajectory have gradually moved towards southern latitudes, the hurricane season ends later than usual, and storms' paths have grown increasingly unpredictable. Average sea level has risen about 20 cm in 50 years

The climate change trend in Viet Nam in the 21st century can be expected to observe the following main features: (i) the average temperature could rise to around 30 degrees Celsius by 2100, (ii) Rainfall variation is different for various regions, and may grow from 0 percent to 10 percent during the rainy season and decrease from 0 percent to 5 percent during the dry season. The variability of rainfall will also increase, and (iii) the average sea level along the coastline could rise from 0.65 m to 1m by 2100.

Viet Nam is among the five countries most affected by climate change and is second in the world (after the Bahamas) to be most affected by sea level rise. Climate change heavily influences many aspects of life and people's livelihoods, natural resources, social structure, infrastructure and the economy. The impact of climate change poses serious threats to poverty reduction and hunger eradication, to efforts to raise living standards, and to the roadmap to achieve the MDGs and to the sustainable development of the country.

The main impacts of climate change on Viet Nam can be summarized as follows:

Impact of sea level rise

Viet Nam has a 3,260 km long coastline, over a million square kilometres of territorial waters and more than 3000 near-shore islands, two offshore archipelagoes, and many coastal lowlands. These areas are annually flooded during the rainy season and suffer from saltwater intrusion during the dry season. Climate change and sea level rise will further exacerbate this situation, increasing the area flooded, causing difficulties to drainage, increasing coastal erosion, soil and water salinization, negatively affecting agricultural production and fresh water sources, and causing huge risks to coastal construction projects such as seawalls, roads, ports, factories, urban and coastal neighborhoods. Rising sea levels and increased water temperatures will also affect marine ecosystems and coastal areas, causing serious threats to coral reefs and mangrove forests, adversely affecting the biological foundation for coastal aquaculture farming and exploitation. All these difficulties require huge investments to build and strengthen the system of sea dykes, to cope with rising sea levels, develop infrastructure, relocate and construct residential and urban areas most likely to be affected by sea level rise.

Sea level rise and climate change scenarios in Viet Nam were developed by the Ministry of Natural Resources and Environment in 2009 according to three world emissions schemes: low, medium and high. In each sea level rise scenario, the two densely populated and major economic centres of the country – the Mekong and Red River Deltas – were both severely affected, particularly the Mekong

River Delta. Even HCMC, the country's most populous urban centre and the largest economic centre, was affected. Specifically:

- In the low emission scenario, the sea level rose 65cm, total flooded area in the Mekong River Delta will be 5,133 square km (roughly 12.8 percent), in HCMC 128 square km (6.3 percent).
- In the medium emission scenario, the sea level rose 75cm, total flooded area in the Mekong River Delta will be 7,580 square km (roughly 19.0 percent), in HCMC 204 square km (10 percent).
- In the high emission scenario, the sea level rose 100cm, total flooded area in the Mekong River Delta will be 15,116 square km (roughly 37.8 percent), in HCMC 473 square km (23 percent). Over 5 percent of Viet Nam's natural area will be flooded and nearly 11 percent of the population directly affected. Total economic loss will be 10 percent of national GDP.

According to calculations, in the high emission scenario where the sea level rises 100 cm, roughly 70 percent of land area in the Mekong River Delta will suffer salt water intrusion, resulting in the loss of about 2 million hectares of rice farm land. Many localities will be flooded. Specifically, Ben Tre will lose 1,131 square km (over 50 percent of its area), Long An: 2,169 square km (nearly 50 percent of its area), Tra Vinh: 1,021 square km (nearly 46 percent of its area), Soc Trăng: 1,425 square km (nearly 44 percent of its area), Vinh Long: 606 square km (nearly 40 percent of its area). Cities such as Can Tho, Ca Mau, Long Xuyen will frequently suffer from severe floods, deeper intrusion of salinity in main river systems will lead to the destruction of the current network of fresh water farming; the current river dykes and seawalls are not capable of preventing the highest water levels of tides; changes in the flow regime of rivers will cause riverbank erosion, threatening many river dykes and seawall systems. Evidence of the negative impacts of rising sea levels has already been seen in this Delta.

Impact of global warming

To biodiversity: Temperature increase will affect natural ecosystems, causing shifts in the temperature range of continental and freshwater ecosystems, changing the structure of flora and fauna in some regions, and species with subtropical and temperate origins may become extinct leading to reduced biological diversity.

To agriculture: the structure of plants, animals and crops may be changed in some areas, with the winter planting season in the north shorter or even lost; and a longer summer season. This requires changing farming techniques. A temperature rise with a higher temperature fluctuation range, along with changes in other weather patterns and natural disasters will increase the growth of pests and diseases leading to reduced productivity and output, increasing risks and dangers to agriculture and food security. Climate change affects reproduction, growth of livestock, poultry, increases the likelihood of disease, infection rates in cattle and poultry

Due to warming of the climate, the adaptation period for tropical plants will increase while for subtropical plants it will decrease. The range of tropical plants will move toward higher mountains and the northern latitudes. The adaptation range for subtropical plants will contract even further.

To human health: Rising temperatures and high humidity increases the pressure of heat on the human body, especially for the elderly and children, leading to increased diseases, especially heart diseases, mental problems, tropical diseases, infectious diseases through the development of bacteria, insects and animals carrying the disease, and declining nutrition and sanitation. Warming alters the structure of the annual hot season. In the north, warm winters will lead to characteristic changes in human biological rhythms.

To other areas: Temperature rise also affects sectors such as energy, transport, industry, construction, tourism, commerce, related rising costs for cooling, ventilation, maintenance and operation of equipment, facilities, durability of materials.

Impact of extreme climate patterns and natural disasters

The increase in extreme climate patterns and natural disasters, both in frequency and intensity due to climate change is a constant and long term threat to all areas, regions and communities. Storms, floods, droughts, heavy rainfall, heat waves, and windstorms are natural disasters that occur every year in many parts of the country, causing damage to production and life. Climate change makes the above mentioned natural disasters become more intense and become catastrophes, causing huge risks

to socio-economic development or destroying the fruits of years of development, including achievements in implementation of MDGs. The regions most affected by the above extreme climate patterns are the North Central Coast and South Central Coast regions, the Northern mountains, the Northern plains and the Mekong River Delta

The potential impacts of climate change and rising sea levels to regions, communities, and to MDGs achievements is summarized in the following Table 10.3.

Table 10.3 Entities vulnerable to climate change and rising sea levels

Impact factor	Vulnerable, sensitive regions	Vulnerable sectors, entities	Vulnerable communities
Rise in temperature	<ul style="list-style-type: none"> - Mountainous regions: Northeast, Northwest and North Central Coast - Red River Delta 	<ul style="list-style-type: none"> - Agriculture and food security - Aquaculture - Natural ecosystems, biodiversity - Water resources - Energy (production and consumption) - Community health 	<ul style="list-style-type: none"> - Poor farmers - Ethnic minorities, the elderly, children, women.
Rising sea levels	<ul style="list-style-type: none"> - Coastal strips, especially regions affected by storms, rising water levels, floods (Mekong River Delta, Red River Delta, Central Coastal regions) - Islands 	<ul style="list-style-type: none"> - Agriculture and food security - Aquaculture - Oceanic and coastal ecosystems - Water resources (surface water, underground water) - Energy - Tourism - Technical infrastructure, industrial zones - Community health - Residential areas 	<ul style="list-style-type: none"> - Coastal population, especially poor farmers, fishermen - The elderly, women, children
Floods, landslides and flashfloods	<ul style="list-style-type: none"> - Coastal strips (including deltas and wetlands: Northern coastal and Red River Delta regions Mekong River Delta, South Central Coast regions) 	<ul style="list-style-type: none"> - Agriculture and food security - Aquaculture - Transportation - Water resources - Technical infrastructure - Residential areas - Health and livelihood - Commerce and Tourism 	<ul style="list-style-type: none"> - Coastal population - Mountainous population, especially ethnic minorities - The elderly, women, children
Storms and tropical depressions	<ul style="list-style-type: none"> - Coastal strips especially Central region, Red River Delta, Mekong River Delta - Islands 	<ul style="list-style-type: none"> - Agriculture and food security - Aquaculture - Transportation - Energy - Other coastal and seagoing activities - Technical infrastructure - Residential areas - Health and livelihood - Commerce and Tourism 	<ul style="list-style-type: none"> - Coastal population, especially fishermen - The elderly, women, children

Drought	- Central region, especially South Central Coast - Red River Delta and midlands - Mekong River Delta - the Central Highlands	- Agriculture and food security - Water resources - Energy (hydropower) - Water transport - Health and livelihood	- Farmers, especially ethnic minorities in South Central Coast region and the Central Highlands - The elderly, women, children
Other extreme climate patterns	- Coastal strips Central region - Red River Delta and midlands	- Agriculture and food security - Health and livelihood	- Farmers, especially in Northern mountainous regions and Central regions - The elderly, women, children

(Source: National Target Programme to Respond to Climate Change)
(www.ngocentre.org.vn/files/docs/NTPpercent20English.pdf)

Climate change will directly affect the ecosystem and thereby impact most people whose livelihoods are linked to ecosystems such as agriculture, aquaculture and fishery and forestry. This is a real challenge for Viet Nam on its road to achieving MDGs in the face of climate change. According to data from the General Statistics Office VHLSS in 2006, nearly 55 percent of the total income of the poor in Viet Nam comes from agricultural, aquaculture and forestry activities. Meanwhile, the proportion of this source of income in the non-poor group is only 30 percent. Once the rising sea levels scenario occurs and Viet Nam is not adequately equipped with its systems of dykes to prevent sea water encroachment, Viet Nam's agricultural output could be seriously affected since Viet Nam's two major crop production regions the Red River Delta and Mekong River Delta will be severely flooded. The poor therefore will be met with more difficulties and the roadmap towards poverty reduction for Viet Nam will also face more challenges.

CLIMATE CHANGE INDUCED CHALLENGES TO THE PROSPECTS OF ACHIEVING THE MDGs

Climate change and rising sea levels may create obstacles to achieving the MDGs. Viet Nam has identified those obstacles as follows.

MDG1 - eradicate extreme poverty and hunger

Climate change impacts most those people whose livelihoods are associated with natural exploitation such as agriculture, aquaculture, fishery and forestry. According to VHLSS 2008 data, nearly one third of total income for Viet Nam's poor comes from the livelihood activities mentioned above. In the Mekong River Delta, Viet Nam's largest rice producing region, but also the region

most impacted by climate change, 21.3 percent of the income of the poor is from agriculture, forestry and aquaculture. This rate is 54.9 percent in the Northwest, 39.7 percent in the Northeast, 52.0 percent in the Central Highlands, 29.9 percent for the North Central Coast region, 35.8percent for the South Central Coast region, 19.0 percent for the Southeast and 11.9percent for the Red River Delta. The impacts of climate change are clearly going to be major obstacles to the poverty reduction effort in all areas, especially in areas most affected by climate change and poor regions.

Climate change may impact the achievement of the goals as follows:

- Climate change will impact properties, livelihoods including homes, water supply, health and technical infrastructure. These impacts may reduce the effectiveness of human efforts to strive for stable life and overcome poverty and hunger;

- Decrease agricultural production, affect food security;

- Changes in natural resources and environment, technical infrastructure and labour productivity may reduce income opportunities and affect economic development;

- Social pressures originating from use of natural resources may lead to conflicts and destabilize lives and livelihoods, forcing the community to migrate.

MDG2 - achieve universal primary school education

Climate change may impact the achievement of the goal of universal primary education as follows:

- Loss of properties, livelihoods and natural catastrophes may reduce opportunities for formal education, many children (especially girls) may be forced to quit school to help generate more income or help sick family members;

- Malnutrition and disease also decreases school attendance rates and children's learning capacities;

- Changing living locations and migrating may also reduce opportunities for schooling.

MDG3 - promote gender equality and empower women

Climate change may negatively impact women more than men as follows:

- Increasing gender inequalities since women's livelihoods are increasingly dependent upon the environment and weather, climate conditions. This will lead to poorer health and reduce time available to take part in decision-making processes or income generation;
- Women and girls are often responsible for housework, child rearing, and family meals. In the context of increasing climate change impacts, they are faced with more difficulties, increased workload at home, and have lower chances for liberation and equality;
- In poor families, women are usually responsible for managing properties, but these properties are usually strongly impacted by climate-related disasters.

MDG4 - reduce child mortality

Regarding the goal to reduce child mortality, climate change may negatively impact this goal as follows:

- Mortality rates and disease show signs of increase due to natural disasters such as storms, floods, droughts, and prolonged heat waves, or hazardous cold spells;
- Children and pregnant women are often individuals with weaker immune systems, and are more prone to communicable diseases from insects such as malaria, dengue fever, encephalitis, and other diseases which spread through water or poor sanitation. These diseases may increase due to climate change and lead to higher mortality rates in children.

MDG5 - improve maternal health

Results achieved in improving maternal health may be negatively affected by climate change as follows:

- Reduced water quality and quantity, increased chances of communicable diseases due to climate change are factors threatening reproductive health, child rearing, mother and child caring conditions;
- Natural disasters causing crop loss, hunger, migration due to climate change may negatively impact food security and nutrition intake for mothers and children.

MDG6 - combat HIV/AIDS, malaria and other diseases

Climate change may exacerbate HIV/AIDS and other diseases' development, as follows:

- Pressure on water resources and warmer climates will lead to increase in diseases, including HIV/AIDS. Climate change may increase the spread and outbreak of communicable diseases through insects and food/water sources. New diseases or diseases previously non-prevalent in Viet Nam may appear; controlled diseases may resurge, and spread to new regions due to climate, weather change;

- Increased migration and high population density caused by the effects of climate change and rising sea levels, natural disasters can increase the spread of communicable and social diseases, including HIV/AIDS and malaria. People living with HIV and families affected by HIV, who have lower livelihoods asset percentages, weaker immune systems and high likelihood of malnutrition will be more prone to the impacts of climate change and natural disasters, leading to increased risks of transmission, reducing or even eliminating the effectiveness of prevention activities.

MDG7 - ensure environmental sustainability

Climate change has worsened the degradation of natural resources in Viet Nam, as follows:

- Direct or indirect impacts of climate change may lead to changes or degradation of natural resources and ecosystems, reduce biodiversity, increase environmental pollution, and will be major challenges for sustainable development;

- Climate change can change the interaction process between ecosystems and humans, leading to loss of biodiversity and sources of basic support for human livelihoods from natural resources for many communities.

MDG8 - develop a Global Partnership for Development

As a global issue, climate change also affects the goal of forming global partnership for development, as follows:

- Climate change is a global challenge. The process of responding to climate change requires global cooperation, especially for developing countries to cope and adapt with the negative impacts of climate change;

- International relations and other geographical, political interactions may also be affected by climate change and conflicts

related to natural resources, territory and the environment.

Overcoming obstacles to achieve the MDGs is a task that Viet Nam will need to resolutely implement in the next five years. The National Target Programme to respond to climate change, as well as the ten year Socio-economic Development Strategy for the period of 2011 to 2020 and the five year Socio-economic Development Plan for the period of 2011-2015 have detailed the main orientations. In the future, research should be continued to offer specific solutions to deal with obstacles and challenges for each MDG, mainstreaming these solutions into development plans and programmes.

VIET NAM COPING WITH CLIMATE CHANGE

Fully aware of the impacts of climate change, the Government of Viet Nam has recognized and ratified the United Nations Framework Convention on Climate Change from an early stage. The Government then developed a rapid and comprehensive Action Plan to respond to climate change. The Bureau of Meteorology and Hydrology and Climate Change under the Ministry of Natural Resources and Environment was established.

Climate change will be addressed in Viet Nam according to the following principles:

- Based on the principles of sustainable, systematic, comprehensive development, industry/sectors, regional/inter-regional, gender equality, hunger eradication and poverty reduction;
- Activities to meet the challenge of climate change must be conducted with focal points; respond to urgent immediate impact and potential long-term impacts; investment to meet this challenge must be cost effective. Today's response will reduce far greater losses in the future;
- Responding to climate change is the duty of the entire political system, of all of society, of all levels, departments, organizations and all people and should be conducted with the consent of and determination at the local, regional, national and global levels;
- Climate change factors must be incorporated into climate change strategies, planning and development plans at all levels, sectors and localities, in legal documents as well as in implementation;

• Strictly observe the principle of "common but differentiated responsibilities" as defined in the UN Framework Convention on Climate Change. Viet Nam will effectively implement the Programme to mitigate the impacts of climate change when there is full support for capital and technology transfer from developed countries and other international financing sources.

In December 2008, the Government approved the National Target Programme to respond to climate change. The programme has eight specific objectives: (1) Assess the extent of climate change in Viet Nam due to global climate change and impacts of climate change on sectors and localities; (2) Identify solutions to cope with climate change; (3) Enhance scientific and technological activities in order to establish the scientific basis for measures to deal with climate change; (4) Consolidate and strengthen institutional structure, capacity and policy to respond to climate change; (5) Raise awareness, community involvement and human resources development; (6) Enhance international cooperation to take advantage of international support in coping with climate change; (7) Integrate climate change into strategies, plans, socio-economic development plans, sectoral and locality development plans; (8) Construct and implement action plans of Ministries, sectors and localities to respond to climate change, implement projects, first as pilot projects. The Prime Minister is the Head of the National Steering Committee for implementation of the programme, the Minister of Natural Resources and Environment is the Programme's Chairman.

Viet Nam has received the support of the international community in activities dealing with climate change through different means such as credit loans, ODA, and technical support. As of February 22nd 2010, there were 29 Programmes in eight different areas that have received support pledges of up to 2.9 billion dollars, including land (3 programmes), environment (5), the sea and islands (2), meteorology and hydrology (5), geology and minerals (4), water resources (4), surveying, maps and remote sensing (2), interdisciplinary (4).

**B. TOWARDS 2015 - VIET NAM STRIVES TO
ACHIEVE THE MDGs**

**OVERALL OBJECTIVE AND PRIORITY TASK - ACHIEVE
VIET NAM'S SOCIO-ECONOMIC DEVELOPMENT
GOALS AND THE MDGS**

To ensure that economic growth promotes social development, poverty reduction and environmental protection, Viet Nam has set the following general development goal for the next five years, 2011-2015:

“Develop the economy with high and sustainable growth based on the continuation of changing the structure of the economy, improving quality, efficiency, and competitiveness and taking the initiative in international integration. Create the foundations for the country to become a modern industrialized country. Increase rapidly the scientific and technological content of products. Improve and clearly raise the quality of education, training, and human resource development. Improve the material livelihoods and spiritual well-being of the public, especially the poor, ethnic minorities, and those in mountainous, distant and remote regions. Step up the protection of natural resources and the environment, and proactively cope with the impacts of climate change. Maintain political stability; ensure national defence and security, and social order and safety.”

Based on the general objectives set for the 5-year period 2011-2015, Viet Nam has identified specific actions to be taken to realize the national socio-economic development goals. Besides the goals concerning economic growth, Viet Nam has also prioritized the following tasks related to social development, poverty reduction, hunger eradication, and environmental protection, which are directly linked to the achievement of MDGs by 2015:

- Improve the quality of life and health of the people and ensure social equality; prevent social vices. Preserve and build on the strengths of cultural values of ethnic minorities; promote exercise and sports to improve physical and spiritual well-being as well as to improve Viet Nam's role in sports on the regional and international arena.
- Expand and improve the efficiency of external affairs and international integration efforts to make use of external sources, to create synergy for socio-economic development.

- Use natural resources appropriately and efficiently. Step up efforts to protect and improve the environment. Take initiatives to avoid the negative impacts of natural disasters and cope with climate change.

VIET NAM AIMS TO ACHIEVE MDGs BY 2015

The following targets have been established and will be implemented in the next five years (2011-2015) to help Viet Nam achieve the MDGs.

MDG1 - Poverty reduction:

Strive to reduce the national poverty prevalence rate annually by about 2 percent based on a new poverty line, maintain the achieved results, ensure that no household goes hungry.

MDG2 - Primary education:

Develop Viet Nam's educational system; modernize it so that it compares favourably with educational systems found in more advanced countries in the region. Maintain the results achieved for universal primary school education; strive to bring the net enrollment rate in primary schools up to 99 percent.

MDG3 - Gender equality and empowering women:

Strive to ensure gender equality not only in education but in all aspects of life, slowly bridging the gender gap and tackling gender bias.

MDG4 - Child health:

Strive to reduce the under 5 mortality rate to under 20‰ and the infant mortality rate to under 12‰, so that MDG4 should be completed.

Ensure basic rights for children; create a safe, healthy environment for children to develop comprehensively - physically, mentally, and spiritually; protect children from risk and combat child abuse; provide assistance and recovery assistance for children with special conditions.

MDG5 - Maternal health:

Aim to exceed the maternal mortality rate of 60/100.000 live births, which is the target in the Socio-economic development plan 2011-2015, and therefore approaching the MDG5.

MDG6 - HIV/AIDS, malaria and other diseases:

Continue to build on current efforts and intervention measures to control and greatly reduce HIV prevalence, and stand ready to cope with complex developments of HIV/AIDS. Strive to ensure that all people will have access to basic healthcare services,

and enjoy quality healthcare services, step up the efficiency of the healthcare system to control disease, and ensure that the public are able to live in a safe community, and enjoy healthy development of their mind and body.

MDG7 - Environmental sustainability:

Use natural resources appropriately and efficiently, ensure harmonization between economic development and protection of natural resources and the environment. Take the initiative in coping with climate change, particularly rising sea levels.

Strive to bring forest coverage up to 42.5 percent; raise the percentage of the population with access to safe drinking water to 96 percent in rural areas and 98 percent in urban areas; ensure that 70 percent of industrial and processing zones have central waste management systems meeting environmental standards; collect 85 percent of solid waste in urban areas; process 85 percent of clinical waste; and remove 80 percent of facilities causing severe environmental pollution permanently.

MDG8 - Global partnerships for development:

Execute a sound foreign relations policy, increase international cooperation, create a peaceful, stable environment and make use of external resources for socio-economic development. Step up effective and comprehensive international integration activities to contribute to rapid, sustainable development and develop an independent, self-reliant economy. Carry out international commitments responsibly. Continue to improve the investment climate, create favourable conditions to attract strong foreign capital flows; attract major investors with access to advanced and original technologies; expand and diversify export markets.

MAIN SOLUTIONS TO ACHIEVE MDGs AND VDGs

Viet Nam have set out five main sets of solutions to successfully realize the national socio-economic development goals and targets for the 5 year period 2011-2015, and thereby achieve the MDGs by the end of 2015. Specifically: (i) stabilize and improve the health of the macro-economy; (ii) continue restructuring the economy, and strengthen the efficient mobilization and use of social resources; (iii) create a level playing field for competition, and improve the business climate; (iv) align economic development with social advancement and equality; and (v) continue to perfect the socialist-oriented market economy, and improve the capacity and efficiency of the State governance system.

To achieve the MDGs by 2015, Viet Nam prioritizes the following solutions:

(1) Continue to implement poverty reduction programmes sustainably

Mainstream poverty reduction into growth and development; poverty reduction is not only the aim of stabilizing development but also a driver for development. Continue to implement the policy to encourage people to do business to earn a living alongside poverty reduction policies, strive for prosperity particularly in rural areas, mountainous and ethnic minority regions, and former revolutionary bases.

Encourage and facilitate business opportunities for all, raise people's income and livelihoods, so that they may enjoy the fruits of development. Focus investment for socio-economic development in priority regions with high poverty prevalence rates. Maintain any development gap between regions at a reasonable level, so as not to create social problems. Establish community development and rural development programmes linked to the goal of poverty reduction. Carry out grassroots democracy, ensure that the poor are proactive and take the initiative in poverty reduction and development efforts. Mainstream poverty reduction goals into national and local socio-economic development strategies and plans. Provide assistance in the form of 'toolkits' to help the poor escape from poverty. Increase investment and assistance for the poor while stepping up socialization of poverty reduction activities, to deal with the dependent, 'Nanny State' mentality.

(2) Construct and gradually complete the social security network

Efficiently implement the law on social insurance; expand the scope and target for voluntary social insurance and private insurance according to the established roadmap, based on the principle of 'contribution – enjoyment'. Ensure the sustainable growth of the social insurance fund. Implement the mechanism of self-reliance and accountability for the social insurance network in public service provision.

Construct the social insurance network within the comprehensive framework of a multi-layered social welfare system, flexible and mutually complementary, with the ability to protect individual members of society, particularly vulnerable groups. Amend and revise the social subsidies mechanism according to minimal living standards during different periods. Diversify social assistance and support activities. Raise social awareness about sharing responsibility in helping and caring for people in need of protection. Implement socio-economic target programmes oriented towards people in need of social protection (e.g. poverty reduction programmes, occupational training programmes).

(3) Establish specific solutions for each goal:

To eradicate extreme poverty and hunger:

- Construct and uniformly carry out the Poverty reduction programme for the period 2011-2015, focusing on hunger eradication and poverty reduction measures in regions and provinces with the highest number of poor households nationwide; diversify resources and methodologies to ensure sustainable poverty reduction, particularly in regions with extreme difficulties.
- Mainstream poverty reduction with occupational training and employment; improve the skills and knowledge of the poor to enhance their capacity to escape from poverty.
- Provide opportunities for social protection targets, first and foremost those still able to work to gain access to basic economic resources and public services; ensure equality in opportunities for education, training, occupational training, employment, healthcare, accommodation, culture and sports.

For education and training:

- Develop a modern educational system meeting international standards, including: training an internationally qualified instructor force with advanced curriculum and teaching methods and providing foreign language training to the majority of the labour force.
- Develop a network of kindergartens, particularly in rural, distant, remote, and ethnic minority areas. Deploy a new national kindergarten programme from 2010. Implement the pre-school programme for 5-year-old kindergarten pupils in mountainous and ethnic minority regions.
- Develop the network of primary schools; ensure that no primary school children drop-out because their homes are too far from school. Strengthen and expand the network of ethnic minority boarding schools at the provincial and district level and also the network of semi-boarding schools.
- Step up the program to strengthen schools and classes and official homes for teachers, with priority given to education in remote, distant regions, and regions with extreme difficulties. Ensure that there are enough classrooms for 5-year-old kindergartens, and for primary and secondary schools to learn 2 shifts a day. Put in place policies to attract teachers to mountainous regions and regions with difficulties.

To promote gender equality and empower women:

- Develop and implement the National Strategy on Gender Equality for the period 2011-2020; mainstream gender equality, women advancement indices into sectors' and localities' socio-economic development plans.

• Raise awareness about gender equality in Ministries, sectors and localities; strengthen communication and education activities about the Law on Gender Equality to help the public, particularly women in rural, remote, distant, and ethnic minority areas, to understand more about gender equality and protect their own rights.

• Concentrate resources and guidance about gender equality in regions and areas with high gender inequality or with high risks of gender inequality, particularly in labour relationships and family relationships in rural areas, poor regions, and mountainous regions with high ethnic minority density, where many outdated customs still exist.

To protect and care for children:

• Develop and implement the 2011-2020 National Plan of Action for Vietnamese Children and the National Target Programme for Child Protection for the period 2011-2015.

• Raise public and family awareness of responsibilities concerning the protection, care, and education of children; including raising the awareness and self-protection capacities of children facing the dangers of child abuse.

• Concentrate resources to protect and care for children, prevent child abuse threats, assist and support children with special circumstances (orphans, disabled children, street children, children living with/affected by HIV/AIDS, etc.). Give priority assistance to the protection and care of children in poor rural areas, mountainous and ethnic minority regions.

To improve public healthcare:

• Provide infrastructure, equipment and human resources to strengthen and complete the grassroots healthcare network. Ensure the provision of efficient and high productivity services meeting the demands of strengthening protection and improving public health and access to healthcare services for different social classes.

• Develop human resources in healthcare, meeting the demands of modernization of the healthcare system; develop a human resource training plan; strengthen healthcare workers' training at the hamlet and village levels. Put in place policies and assistance regimes to support training of ethnic minority officials and other target groups in remote and distant areas.

• Strongly develop the pharmaceuticals industry and improve domestic productivity. Step up research and production of vaccines and healthcare products. Make plans for and develop pharmaceutical raw material regions. Strengthen the transportation, distribution and provision of pharmaceuticals to stabilize the pharmaceutical market.

To prevent social problems and combat HIV/AIDS:

- Put in place strong measures to control the rise and reduce the prevalence of social evils such as sex work and injecting drug use. Strengthen communication and education activities, especially to the youth, to warn them about drug use and sex work; expand and raise the efficiency of campaigns to build healthy and vice-free communes and wards.
- Consider sex work as a social evil; take pragmatic measures to keep the situation under control and reduce the negative impacts of the spread of STIs, especially HIV. Enhance the capacity to monitor, detect and control pandemics, particularly HIV/AIDS and newly emerging diseases.

To ensure environmental sustainability:

- Implement the National Strategy for Integrated Coastal Zone Management; Strategy for Sustainable Development for the Seas of Viet Nam until 2020; National Target Programme to Respond to Climate Change; and carry out the Strategy to Protect National Environment to 2010 with Orientation towards 2020; the National Strategy on Water Resources to 2020; Development Strategy for Viet Nam's Cartography and Geodesy to 2020; National Action Plan for Environment Health to 2015: etc.
- Raise society's awareness of the need for environmental protection. Link the responsibility and goal of environmental protection with sustainable socio-economic development; complete the legal system on environmental protection. Incorporate environmental protection into development strategies, plans, and planning of sectors, regions and into individual investment projects and programmes.
- Develop suitable punitive measures to prevent and punish violations of environmental protection regulations, essentially prevent the increase of environmental pollution, recover and improve the quality of the environment, effectively prevent deforestation, forest fires, and resolutely deal with facilities causing environmental pollution.
- Step up research and forecast activities; effectively carry out the National Programme on Responding to Climate Change, particularly rising sea levels.
- Increase investment, diversification and effective use of investment resources in the areas of natural resources and environment. Mobilize investment sources from enterprises and the public in environmental and natural resource protection. Strengthen international cooperation, encourage external resources, including ODA capital for the areas of natural resource and environmental protection.

PART IV: VIET NAM'S LESSONS LEARNED IN MDG IMPLEMENTATION

EMPLOY APPROPRIATE METHODOLOGY

From the Central to the grassroots level, Viet Nam is highly committed to achieving the MDGs. It has developed an approach that mainstreams them into national development strategies, plans and programmes.

Viet Nam is strongly committed to the international community in achieving the MDGs and is taking proactive and effective steps to implement them. Viet Nam's strategic development principle for the period 2001-2010 is "for rapid, effective and sustainable development; economic growth together with social advances and equality and environmental protection". This view fully expresses the spirit of the MDGs that Viet Nam has promised the international community.

Viet Nam's 5 year Socio-economic Development Plans for the periods 2001-2005 and 2006-2010 reflect the above. These Plans presented a specific set of targets for socio-economic development in Viet Nam for each 5-year period, enveloping the goals set in the 8 MDGs.

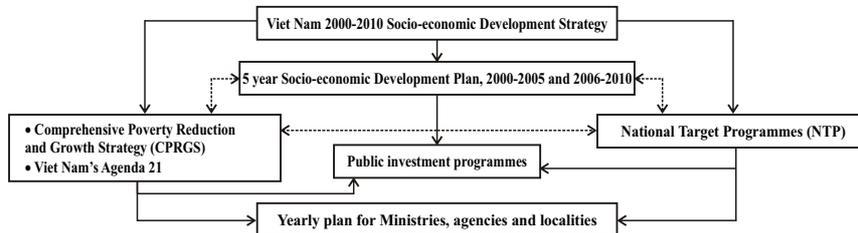
Following the announcement of its commitment to implement the Millennium Declaration, Viet Nam developed its own Comprehensive Poverty Reduction and Growth Strategy (CPRGS) in consultation with the international community of donors, scientists, social organizations and non-governmental organizations. The CPRGS was approved in 2002, specifying the goals and measures of the Socio-economic Development Strategy for the 10-year period 2001-2010. The CPRGS outlined Viet Nam's Development Goals, which were goals to accompany the MDGs, along with many additional targets arising from the unique characteristics of the country.

The development of Viet Nam's Development Goals (VDGs) is a remarkable step in the approach to successful achievement of the MDGs in Viet Nam. Based on the comprehensive and cross-sectoral nature of the MDGs, the VDGs are highly complementary and provide better assessment of the factors, causes and impacts of policies on the achievement of the MDGs. The VDGs are the results of research into the compatibility of the MDGs to the specific situation in Viet Nam. This is something perfectly applicable in other countries, depending on their own national characteristics.

Viet Nam prioritizes the implementation of sustainable development; and ensures harmonization between economic growth, social development and environmental protection. Viet Nam's commitment to Agenda 21 was confirmed at the Earth Summit on Environment and Development in Rio de Janeiro in 1992. To realize this commitment, the Government of Viet Nam has passed and actively pursued the “Viet Nam National Plan for Environment and Sustainable Development for the period 1991-2000”. The principle of sustainable development had been affirmed in Politburo Directive No. 36-CT/TW on 25/6/1998 on strengthening environmental protection activities in the period of national industrialization and modernization. This view was reiterated in the Socio-economic Development Strategy for the 10-year period 2001-2010, the 5-year Plans and the CPRGS. To implement the goal of sustainably developing the country and to realize its international commitments, the Government of Viet Nam passed the “Strategic Orientations for Sustainable Development in Viet Nam”. This is a framework strategy, enveloping major orientations to act as the legal foundation for related Ministries, sectors, localities, organizations and individuals to realize Viet Nam's commitments to Agenda 21.

The Socio-economic Development Strategy for the 10-year period 2001-2010, Socio-economic Development Plans for the 2001-2005 and 2006-2010 periods, Agenda 21, and Viet Nam's CPRGS have together created a firm foundation for implementing and achieving the MDGs during Viet Nam's pursuit of its national socio-economic development goals. These documents are the basis for the Government, Ministries, sectors, and localities to implement their yearly plans, sector development strategies, and public investment programmes. The relationship between the strategies, plans, national target programmes and the MDGs is described in Chart 10.5.

Chart 10.5: Network of Strategies, Plans and MDGs



Thus, by combining and mainstreaming MDGs into the national Socio-economic Development Strategy and Development Plans, the process of achieving the MDGs for Viet Nam parallels the country's own socio-economic development goals. The implementation and achievement of MDGs therefore is the responsibility of Government agencies at all levels, from the central to the local level.

MOBILIZE RESOURCES

By mainstreaming the MDGs into the system of national target programmes, Viet Nam have been able to maximize the mobilization of internal and external resources, and prioritize them for the successful implementation of the VDGs and MDGs.

Viet Nam has prioritized resources, including internal and external resources, and particularly ODA from international bilateral and multilateral donors, to implement the MDGs and mainstream their implementation with socio-economic development targets through different mechanisms, policies, national target programmes, and other important target programmes. This is an important aspect in the implementation of MDGs in Viet Nam. Significant national target programmes directly related to the MDGs are summarized below.

National Target Programme for Poverty reduction (2006-2010)

The Programme set the target of “increasing the pace of poverty reduction, limiting poverty recurrence; strengthening poverty reduction achievements, creating opportunities for households which have escaped from poverty to strive to become well-off; improving living and production conditions in poor communes and communes faced with extreme difficulties; improving the quality of life for poor households, limiting any increase in the income gap and living standards gap between rural and urban areas, between the Deltas and mountainous regions, and between rich and poor households”.

The Programme has three policy project groups: (i) one to help poor people develop production and increase income; (ii) one to help poor people gain access to social services; and (iii) one to improve awareness and build capacity. During the 2006-2010 period, estimated implementation costs were roughly 43.5 trillion VND; of which the central budget accounted for 28.68 percent; local budgets 5.2 percent; mobilization from the communities 5.66 percent; from international entities 0.68 percent; and with loans from the international community accounting for almost 60 percent.

National Target Programme on rural clean water supply and environmental sanitation (2006 - 2010)

The Programme set the target to achieve, by the end of 2010, (i) water supply: 85 percent of the rural population have running water meeting sanitation standards, 50 percent of which meets the safe drinking water standard of the Ministry of Health satisfying 60 litres/person/day; (ii) environmental sanitation: 70 percent of rural households have sanitary latrines; 70 percent of livestock farming households have sanitary breeding facilities; all kindergartens, schools, health clinics, markets, commune headquarters and other rural public facilities have adequate safe drinking water and sanitary latrines; minimize environmental pollution in craft villages, notably craft villages processing food and foodstuff.

During the 2006-2010 period, estimated total investment was roughly 22.6 trillion VND, of which the central budget accounted for nearly 14 percent; local budgets 10 percent; mobilization from the public nearly 36 percent; from international aid nearly 15 percent; and preferential loans from international lenders accounted for roughly 25 percent.

National Target Programme for education and training to 2010

The Programme founded seven support programmes, including: (i) Support for implementing and achieving universal lower secondary education, maintaining universal primary education achievements and support for achieving universal upper secondary education (ii) Reforming the curriculum, textbooks, and teaching materials; (iii) Training of IT staff and bringing IT into schools; (iv) Training teachers, lecturers, and educational management staff; (v) Support for education in mountainous regions, ethnic minorities regions and regions with extreme difficulties; (vi) Strengthening material facilities of schools; and (vii) Strengthening vocational training capacities.

Estimated total investment during the 2006-2010 period was roughly 20.27 trillion VND; of which the central budget accounted for 81 percent; ODA 10 percent; and from the public and local budgets 9 percent.

National Target Programme on prevention and control of a number of diseases, dangerous epidemics and HIV/AIDS (2006 - 2010)

This includes 10 different projects. Specifically:

- The tuberculosis prevention and control project to reduce the

new infection rate of tuberculosis AFB(+) to 70/100.000 persons; reduce the mortality and infection rates of tuberculosis, and prevent drug-resistant tuberculosis.

- The HIV/AIDS prevention and control project aimed at keeping the percentage of people living with HIV/AIDS to under 0.3 percent of the population in 2010; and reduce the adverse impacts of HIV/AIDS on socio-economic development.

- The malnutrition in children prevention and control project aimed at reducing the rate of underweight malnutrition to less than 20 percent of under-5 children; reducing the rate of undersized malnutrition to less than 25 percent of under-5 children; and continuing the propagation, mobilization, monitoring and supervision of iodine salt consumption.

- The reproductive healthcare project aimed at improving the health of mothers and children; reducing the maternal mortality rate to 70/100.000 live births; and reducing the mortality rate of under-1 infant children to less than 25 percent of live newborns.

- Expanded project on immunization with a special focus on protecting the achievements of poliomyelitis eradication and neonatal tetanus elimination; ensuring that over 90 percent of under-1 infant children in urban and rural districts will receive seven vaccines (tuberculosis, diphtheria, whooping cough, tetanus, poliomyelitis, hepatitis B and measles); eradicating measles by 2010.

- The NTP also included a leprosy prevention and control project, malaria prevention and control project, cancer prevention and control; Community mental health protection project; plus a Civil and army medical service combination project: to protect and care for the health of the public and the army and contribute to consolidating national defence and security in mountainous, remote, border and island areas.

National target program for employment up to 2010

The Programme set the objective of “achieving general objectives of the economy by ensuring jobs for around 49.5 million people, creating new jobs for eight million people during the five years from 2006 to 2010 (of which 22.2 million people will directly benefit from this Programme), and reducing the unemployment rate in urban areas to below 5 percent by 2010”.

The Programme includes five different projects, specifically (i) provision of loans for job creation; (ii) support for guest workers; (iii) support for labour market development; (iv)

monitoring and evaluation; (v) enhancement of labour and employment management capacity.

Total capital for the Programme is VND 5.985 trillion VND (excluding overseas employment support capital), of which the central budget accounts for nearly 82 percent; local budgets 9.4 percent; with the remaining coming from the community.

Viet Nam has also proposed a number of other important national target programmes such as the National Target Programme to Respond to Climate Change, National Target Programme on Culture, National Target Programme on Population and Family Planning, National Target Programme on Food Safety and Sanitation, National Target Programme to Combat Drugs. Through these programmes, Viet Nam has been able to mobilize resources from the central and local government budgets, contributions from the public, and assistance from the international community of donors to achieve socio-economic development goals.

Besides nationwide National Target Programmes, Viet Nam has effectively carried out large scale programmes and projects of high importance to poverty reduction and social security for a number of special regions and ethnic minority groups. At the same time, Viet Nam has also tried to mobilize resources from individuals and organizations within and outside of Viet Nam, together with resources from the State budget, to ensure successful implementation of the MDGs.

ENSURE PUBLIC PARTICIPATION

The Government of Viet Nam has played a highly active role in implementation of the VDGs and MDGs. The “bottom-up” approach in planning and policy planning has involved public participation in consultation processes during the design and development stages of programmes, policies, and poverty reduction assistance projects. This is the result of many factors of which the most important was the implementation of grassroots level democracy and administrative reform to highlight and promote the public's role in developing and implementing socio-economic plans and programmes.

Programme 135 one of the largest poverty reduction programmes is an example of the combination between the “top-down” approach (determining and prioritizing Government resources to improve the livelihoods of ethnic minorities) and the “bottom-up” approach (active public participation in the

development and implementation of the Programme). Building on the results of Phase I, the design of Phase II of Programme 135 mobilized public participation even more. Many localities organized public participation meetings to ascertain their ideas about poverty assistance from the programme. The scope of this consultation process also included participation by government agencies, scientists, and the international community of donors, civil society organizations, and non-governmental organizations. In numerous consultation exercises, the public's views were expressed through organizations participating in the consultation process. The “bottom-up” approach was also widely applied in many poverty reduction programmes such as the Northern Mountains Poverty Reduction Project Phase II, funded by the World Bank.

In implementing the National Target Programme on Poverty Reduction, participatory meetings were held to provide information on criteria for determining poor households so as to identify the stakeholders of the Programme's components. The public were invited to participate in meetings to identify investment concerns and priorities appropriate to their wishes and living conditions. Once the investment priorities had been identified, the public were also encouraged to participate in the realization of the investment project, contribute efforts and resources to its implementation, and especially to participate in the monitoring and supervision process of the project's execution and maintenance. Table 10.4 below illustrates the level of public participation in infrastructure construction projects for communes with extreme difficulties within the scope of Phase II of Programme 135. As can be seen, the level of public participation for consultations and location selection is very high.

Table 10.4: Public Participation in infrastructure construction projects of Programme 135, Phase II (Unit: percent)

	Were consulted with people	With location selected by people	Jointly constructed by people	With contribution of people
Power projects	66.7	87.5	20.8	18.8
Transportation projects	49.8	86.3	12.9	25.9
Schools	32.5	97.4	7.9	15.8
Water supply projects	40.5	91.8	42.9	14.3
Health clinics	16.5	93.3	13.3	33.3
Markets	26.9	100	0	0
Commune's cultural centres	25.7	100	0	0
Irrigation projects	50.3	88	51.8	25.3

Source: Mid-term evaluation report of Programme 135 by the Committee for Ethnic Minorities and UNDP

Table 10.5 provides information concerning public participation in infrastructure investment projects within the framework of Programme 135 compared with other projects carried out in the locality. As can be seen, most local infrastructure projects were selected in consultation with the public (86.6 percent of projects under Programme 135, and 80 percent of projects under other Programmes within the same locality). Nearly 82 percent of infrastructure projects within the framework of Phase II of Program 135 had public supervision, while the figure for projects under other Programmes within the same locality was more than 72 percent.

Table 10.5: Public Participation in infrastructure projects
(Unit: percent)

	Programme 135 projects	Other projects
The project held participatory meetings to select projects	86.6	80
Households in the village/hamlet participating in meetings	87.5	91.1
The project had a public bidding process	10.5	27.8
The project is financially transparent	52.8	60.1
The project was monitored by the public	81.9	72.4
The project has plans for maintenance activities	45.7	44.9

Source: Mid-term evaluation report of Programme 135 by the Committee for Ethnic Minorities and UNDP

Public participation plays an important role in ensuring that interventions are carried out according to the wishes and in the interest of the public. Public participation has also positively contributed to improved efficiency in using supporting resources, and avoiding waste and ineffective spending on articles not in line with the provisions of poverty reduction assistance programmes.

PROMOTE THE ROLE OF CIVIL SOCIETY ORGANIZATIONS

Viet Nam has been able to mobilize the active participation of a wide range of Civil Society Organizations in order to implement and achieve the MDGs.

Viet Nam has diverse networks of Civil Society Organizations (CSOs); most operate on a national scale with organizational structures at the local level. CSOs are socio-political organizations, gathering voluntary membership from different social groups, such as the Women's Union, Farmers' Association, Youth Union, Youth Association, Veterans Association, Elderly Association, etc. Occupational organizations and associations and non-governmental organizations (mainly operating in the areas of research, consultation and development)

are also present and operate chiefly in many places. All CSOs operate on a not-for-profit basis with the aim of improving the knowledge of their members, disseminating knowledge, sharing experience about occupations and helping to improve the material and spiritual life of their members, by joining forces for community development.

The MDGs often reflect the operating goals of many Civil Society Organizations and most have selected MDGs as the focus for their operation. The Government of Viet Nam encourages and supports these activities. In many cases, government resources for implementation of poverty reduction targets and intervention activities were carried out by such CSOs. Of special note, the goals of hunger eradication, poverty reduction and mutual support for business production development to raise living standards have been taken up by many CSOs as their main goals. During implementation of poverty reduction programmes and projects, many good models have been proposed by CSOs and copied (see model below), such as small credit programmes in rural areas, livestock banks, agricultural encouragement activities, different livelihood diversification groups such as production development households, infrastructure operation and maintenance (O&M) groups, and water supply management groups.

Civil Society Organizations play key roles in mobilizing mass public participation and action. Many mass campaigns have been developed to realize development goals, such as the campaign to mobilize families to send children to school (carried out by the Learning Encouragement Fund in many localities); the campaign against malnutrition in children, and care for reproductive health and family planning (carried out by the Women's Association in coordination with the Health sector); the campaign to prevent and control HIV/AIDS (carried out by youth organizations in collaboration with schools); the campaign to plant trees, and keep the local community environment clean (carried out by the Elderly Association and the Women's Association). Although there has not been a systematic review of the role and impact these organizations have on the implementation of MDGs in Viet Nam, practice shows that they have played a positive role in demonstrating Viet Nam's commitments to the international community concerning the MDGs.

Exemplary model:

**The Tau Yeu May (TYM) saving and credit FundA
Microfinance model of the Viet Nam Women's Union**

The TYM Fund was established by the Viet Nam Women's Union in 1992 to provide support capital for poor women, following the model of the Grameen Bank of Bangladesh. TYM's primary activity was to provide loans and greater knowledge to poor women. Through development of basic products and services, the poor women were able to generate larger income amounts. At the same time, TYM provided education on topics such as agriculture expansion, gender, reproductive health, social evils prevention, etc.

In principle, loans are designated to disburse without collateral, avoid repayment burdens on clients, make sure that clients can practice skills in managing and using loans for income generating activities and ensure that TYM can cover its reasonable expenses. TYM's loans are disbursed in cycles with increasing loan amounts (the minimum loan amount is VND 1 million). Repayment period ranges from 10 to 100 weeks. Principal and interest are affected weekly. To build client's own assets and to educate them in the habit of savings, TYM requests all clients to deposit compulsory savings of VND 3,000/week (\$0.19). Clients earn interest from compulsory savings and can withdraw their savings when they reach a certain minimum amount. In addition, TYM encourages clients to deposit voluntary savings, starting with a small amount of VND 5,000/week (\$0.30).

The fund currently has over 45,000 members in 10 provinces and cities in the North of Viet Nam. It has supported over 60,000 women to escape from poverty and participate in social and community activities. At the end of 2009, the Fund has 41 branches, and 234 staff. (Learn more at: <http://tymfund.org.vn>)

CONCLUSION

Viet Nam has achieved important results on the road to implementing the MDGs and is committed to achieving them by 2015. Viet Nam has already achieved several Goals ahead of schedule: by 2002 Viet Nam had achieved the goal of eradicating extreme poverty and hunger, and has reduced the poor ratio by three fourths compared with the early 1990s. In 2000, Viet Nam achieved the goal of universal primary education and in 2010 expects to achieve the goal of universal lower secondary education. It has also achieved the goal on gender equality and women empowerment. Viet Nam has been successful in controlling malaria and other dangerous diseases, and is currently on the verge of achieving the goal of reducing the child mortality rate. However, Viet Nam will need to make more strenuous efforts to achieve the goals of improving maternal health and ensuring environmental sustainability.

The above achievements are the result of many factors of which the high determination and commitment of Viet Nam to implement and achieve the MDGs were key; not least the mainstreaming of MDGs into Vietnam's socio-economic development goals. The implementation of the MDGs was also supported by the development of the VDGs; reform of policies and mechanisms, resource mobilization schemes for development, and giving higher priority to slowly developing regions, poor and vulnerable population groups. In practice, the implementation of Viet Nam's socio-economic development goals is an integral part of the MDGs implementation. This process was carried out by maximizing the mobilization of domestic resources, attracting the participation and active contribution of all social classes, and mobilizing and effectively utilizing assistance from international organizations, the international community of donors and non-governmental organizations.

Although Viet Nam may, and to some extent already has, achieved the MDGs on a national scale, ensuring that these achievements are accessible for all social groups, especially vulnerable groups, remains a major challenge. For a variety of reasons, particular groups cannot reap the rewards of Viet Nam's implementation of the MDGs to the same extent as the national

average. Residing mainly in areas with difficult natural and socio-economic conditions, the poverty rate among ethnic groups remains very high. Moreover, there remains an imbalance in MDGs results for urban and rural areas, between regions, and among some particular social groups. C.

It should be noted that maintaining and promoting the MDGs implementation in the context of the financial crisis and other unfavourable developments in international markets has been a major challenge. Although Viet Nam's economy has overcome perhaps the worst phase and is showing signs of sustainable recovery, obstacles lie ahead. It is unlikely that the financial crisis will have deep and wide-ranging impacts on achieving the MDGs in Viet Nam. Instead, the financial crisis may frustrate efforts to ensure that these Goals are accessible to disadvantaged groups.

Finally, a major challenge to Viet Nam, as for many other countries around the world, is to ensure the achievement and sustainable preservation of MDGs results in the context of climate change. As one of the countries most affected by climate change, Viet Nam is suffering from the direct and indirect impacts of abnormal weather patterns. More importantly, the majority of Viet Nam's poor and near-poor population's livelihoods are dependent on weather conditions and natural resources; a section of this population lives in areas most vulnerable to climate change. Ensuring sustainable livelihoods, provision of infrastructure and public services to those seriously affected by climate change will be a major challenge for Viet Nam in ensuring the sustainable preservation of the MDGs achievements.