

The United Nations in Viet Nam

Millennium Development Goals:

*Bringing the MDGs Closer to the People*

November 2002

In September 2000, 189 Heads of State came together at the United Nations Millennium Summit in New York and signed the Millennium Declaration, thereby strongly reaffirming the commitment of their nations and the international community to the achievement of the Millennium Development Goals (MDGs) by 2015. His Excellency President Tran Duc Luong signed the Millennium Declaration on behalf of Viet Nam. The MDGs essentially embody the agreed commitments made by Viet Nam and other countries at a range of United Nations World Summits and global conferences throughout the 1990s.

Progress toward the MDGs in Viet Nam has been substantial, and in some cases, quite remarkable given the country's low level of income. However, there remains considerable distance to go to achieve all of the MDGs. Moreover, enormous disparities in social well-being persist across Viet Nam's 61 provinces and major urban areas.

*Bringing the MDGs Closer to the People* provides a preliminary assessment of how Vietnamese people, the vast majority living in rural areas, are faring with respect to the range of social indicators that comprise the MDGs. Viet Nam's commitment to the global goals of the MDGs will be realized through local actions. This report aims to take the MDGs into the predominantly rural reality of Viet Nam. It advocates for their progressive achievement through the right choices for human development.

This report builds upon the seminal report on Viet Nam's MDGs prepared during the first half of 2001 by the United Nations Country Team (UNCT) in Viet Nam in close consultation with the Government.<sup>1</sup> This present report also takes into account the subsequent work of the Poverty Task Force, comprising representatives of donor organizations, including the United Nations system, government and international NGOs, and especially its efforts to relate MDGs to the national context.<sup>2</sup>

Like the first UNCT Report in 2001, this report also points the direction for future data needs and research in order to facilitate further the efforts of the Government and the broader development community in Viet Nam to realize the MDGs. In this regard, a preliminary set of innovative provincial level indices based upon available data and/or proxies has been developed to facilitate inter-provincial analysis and comparisons. The UNCT plans to build on these indices as additional data become available.

As outlined in this report, significant progress in MDG indicators at the national level mask enormous disparities in social well-being across the country at the provincial level. Moreover, further gains towards the MDGs will become increasingly challenging due mainly to *isolation*; not just geographic isolation, but also social, ethnic and linguistic isolation, and isolation from useful information and knowledge needed by people to further improve their well-being. In addition, the apparent progress reflected in improvements in a number of quantitative national MDG indicators mask some significant shortcomings in underlying quality. This issue of quality will need to be redressed to achieve the MDGs in full.

The United Nations believes that to deliver both on the spirit and promise of the MDGs, a deepening of *doi moi* is needed, especially to better enable further human development outside the major urban areas. A main conclusion of this report is that further progress towards the MDGs will increasingly require well-targeted adjustments to policies, institutions, programmes and resource allocations at the provincial and sub-provincial levels to reduce isolation and increase participation, while broadening and deepening such efforts at the national level.

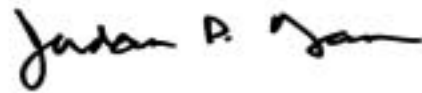
<sup>1</sup> July 2001, *IDT/MDG Progress*, United Nations Country Team, Ha Noi, Viet Nam;

<sup>2</sup> June 2002, *Achieving the Viet Nam Development Goals*, Poverty Task Force, Han Noi, Viet Nam;

In addition, an enormous need exists for much greater capacity building assistance at the local levels in Viet Nam if the growing amounts of decentralized public resources, including official development assistance (ODA), are to be invested effectively towards improving the well-being of those in most need. Capacity building assistance is needed particularly in financial planning and management, and in further developing accounting and auditing systems. This effort needs to coincide with broader and deeper public administration reform at the local level.

Further efforts are also needed to effectively open up and broaden decision-making processes so that investments meet the real needs of local peoples and communities. Without such further local capacity development, and further empowerment of local communities, there is a significant risk that well-intentioned assistance could prove unsustainable and even destabilizing.

*Bringing the MDGs Closer to the People* aims to provide Vietnamese leaders and policy makers, including representatives in the National Assembly, with some thought provoking information, analysis and choices to make the MDGs truly a reality for all Vietnamese people.



**Jordan D. Ryan**  
UN Resident Coordinator  
Ha Noi, Viet Nam  
November 2002

# Table of Contents

<b>Summary of Millennium Development Goals .....</b>	<b>II</b>
<b>Overview and Summary .....</b>	<b>1</b>
<b>Millennium Development Goals: Progress to Date and Framework for Further Progress .....</b>	<b>8</b>
<i>Goal 1. Eradicate Extreme Poverty and Hunger .....</i>	<i>8</i>
<i>Goal 2. Achieve Universal Primary Education .....</i>	<i>13</i>
<i>Goal 3. Promote Gender Equality and Empower Women .....</i>	<i>17</i>
<i>Goal 4. Reduce Child Mortality .....</i>	<i>22</i>
<i>Goal 5. Improve Maternal Health .....</i>	<i>27</i>
<i>Goal 6. Combat HIV/AIDS, Malaria and other Diseases .....</i>	<i>31</i>
<i>Goal 7. Ensure Environmental Sustainability .....</i>	<i>36</i>
<i>Goal 8. Develop a Global Partnership for Development .....</i>	<i>41</i>
<b>Some Cross-cutting Challenges and Choices .....</b>	<b>46</b>
<b>Bibliography .....</b>	<b>52</b>
<b>Appendix 1: The MDG Index .....</b>	<b>49</b>
<b>List of Charts</b>	
1. Poverty Reduction Rates, Projection and Targets .....	8
2. Poverty Rates in Viet Nam. Geographical and Ethnic Disparities .....	10
3. Primary Education Completion Rates .....	13
4. Net Enrolment Rates in Primary and Lower Secondary Education .....	13
5. Female Share in Viet Nam's Representative Bodies .....	18
6. School Enrolment Rates of Boys and Girls by Age Group (1997-1998) .....	19
7. Under Five Mortality Rates (Deaths per 1000 Live Births) .....	22
8. Infant Mortality Rates (Deaths per 1000 Live Births) .....	22
9. Selected Infant Mortality Rates .....	23
10. Maternal Mortality Rates (Deaths per 100,000 Live Births) .....	27
11. Expenditure in Health Services .....	30
12. Cumulative Number of HIV/AIDS Cases in Viet Nam .....	31
13. Environmental Indicators and Targets .....	36
<b>List of Tables</b>	
1. Poverty Rates for Top and Bottom Quintile Provinces .....	10
2. Education Indicators for Top and Bottom 12 Provinces .....	14
3. Share of Women Representatives at the Provincial People's Councils.....	19
4. Education Indicators for Top and Bottom 12 Provinces by Gender .....	19
5. Provincial Infant Mortality Rates .....	23
6. Underweight Children under Five Years Old .....	24
7. Female Life Expectancy Rates .....	28
8. Cumulative Number of HIV/AIDS Cases .....	33
9. Forest Loss .....	37
10. Proportion of Population without Access to Safe Water .....	38
11. Impact of the New Enterprise Law 2000-2001 .....	43
<b>List of Boxes</b>	
1. The Millennium Declaration and the Millennium Development Goals .....	II
2. Composition of the MDG Index .....	
<b>Main Acronyms .....</b>	<b>57</b>

## Box 1: Overview of Millennium Declaration and Millennium Development Goals (MDGs)

The Millennium Declaration was ratified by 189 heads of state at the United Nations Millennium Summit in September 2000. The Declaration sets the global agenda for the start of the 21st century so that globalization becomes a positive force for all the world's people. The Declaration includes eight important Millennium Development Goals (MDGs). The MDGs represent a global commitment by all nations who signed the Declaration. The entire MDG framework is composed of eight broad goals, eighteen targets and forty-eight indicators.

### The Millennium Development Goals

#### **Goal 1: Eradicate extreme poverty and hunger**

Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day, and the proportion of people who suffer from hunger

#### **Goal 2: Achieve universal primary education**

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

#### **Goal 3: Promote gender equality and empower women**

Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.

#### **Goal 4: Reduce child mortality**

Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

#### **Goal 5: Improve maternal health**

Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

#### **Goal 6: Combat HIV/AIDS, malaria and other diseases**

Halt and reverse the spread of HIV/AIDS, malaria and other major diseases.

#### **Goal 7: Ensure environmental sustainability**

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

#### **Goal 8: Develop a global partnership for development**

Develop further an open, rules-based, predictable, non-discriminatory trading and financial system. Including a commitment to good governance, development, and poverty reduction – both nationally and internationally.

## Considerable Progress

Since 1990, overall progress towards achieving Viet Nam's Millennium Development Goals (MDGs) has been substantial, and in some cases, quite remarkable given the country's low level of income.

Viet Nam has been leading the developing world in cutting poverty rates, effectively halving the country's poverty rate from well over 60% in 1990 to some 32% in recent years, well ahead of the global schedule for halving poverty by 2015.

Over the past decade, Viet Nam has also significantly improved access to primary education, clean water and sanitation; and lowered rates of food insecurity, under-five mortality, maternal mortality and fertility. The result has been a considerable enhancement of human well-being. Vietnamese people now enjoy longer and healthier lives.

The main reason for such remarkable progress has been the broad-based policy and institutional reform process known as *doi moi*, which has been initiated, led and managed by the Vietnamese since its launching in 1986. In addition, Viet Nam's longstanding socialist orientation has ensured that even small amounts of income have translated into impressive progress in improved human well-being.

## Learning from Success

Still, there is a considerable distance to go towards the full achievement of all of the MDGs. Learning from Viet Nam's past success provides some valuable lessons for future success towards the full achievement of the MDGs. The initial outstanding success of *doi moi* was based on much more than a simple transfer of wealth. More fundamentally, *doi moi* has effectively been a *highly successful process of expanding choices and opportunities* for people to improve their economic and social well-being.<sup>3</sup>

The transfer of land in the form of *user rights* from large State Cooperatives to small family farms combined with substantial deregulation and greater choices in land management, crop diversification, imported technologies, purchasers of produce and selling price resulted in an agricultural production boom. This in turn significantly transformed rural income and consumption opportunities. The carefully managed opening up to the outside world combined with buoyant international commodity prices throughout much of the 1990s also added considerably to farmers' incomes and contributed to some initial development of off-farm rural activities. All of this also increased the affordability of social services for the vast majority of Vietnamese people.

Equally important, considerable social investments prior to 1986 in human resource development, especially in basic health and education, helped develop Viet Nam's human capabilities and laid the foundation for the initial major success of *doi moi*. Subsequent investments in basic social services have helped further expand human capabilities. The Government's more targeted poverty reduction programmes such as the Hunger Eradication and Poverty Reduction (HEPR) programme and Programme 135 have also been aimed at complementing the Government's broader *doi moi* policy and institutional reform process.

## Challenges to Further Progress

At the same time, however, significant progress in MDG indicators at the national level mask some enormous disparities in social well-being across the country at the provincial level. In addition, the progress reflected in improvements in a number of MDG indicators mask some significant shortcomings in the underlying quality of the related social services which will also need to be redressed to fully achieve the MDGs.

Notably, further gains towards the MDGs will become increasingly challenging due mainly to *isolation*; not just geographic isolation, but also social, ethnic and linguistic isolation, and isolation from useful information,

<sup>3</sup> *Doi Moi and Human Development in Viet Nam*, November 2001, The National Centre for Social Sciences and Humanities (NCSSH), National Human Development Report;

knowledge and opportunities needed by people to further improve their well-being. Therefore, reducing isolation in its various forms will be key to reducing growing social disparities.

A main conclusion of this report is that further progress towards the MDGs will increasingly require well-targeted adjustments to policies, institutions, programmes and resource allocations at the provincial and sub-provincial levels, while broadening and deepening such efforts at the national level.

In addition, there is an enormous need for much greater capacity building assistance at the local levels in Viet Nam if the growing amounts of decentralized public resources, including official development assistance (ODA), are to be invested effectively towards improving the well-being of those in most need. Effective investments in health, education and rural infrastructure that meet the genuine needs of local communities will also contribute to the country's overall competitiveness.

Capacity building assistance is needed in financial planning and management, accounting and auditing systems, and in effectively opening up and broadening decision making processes so that investments meet the real needs of local peoples and communities. Such capacity development efforts would need to combine technical skills with those needed to facilitate and manage a broadening and deepening of participation by people. Without such further local capacity development, there is a significant risk that well-intentioned assistance could prove unsustainable and even destabilizing.

### ***The New CPRGS***

Viet Nam's long-standing socialist orientation means that most of the goals that make up the MDGs have been implicit in the country's various national strategies and plans for many years. The new Ten Year Socio-economic Development Strategy 2001-2010, the new Five Year Socio-economic Development Plan 2001-2005, and the various sectoral plans are no exception and include many goals and targets up to 2010 that can ultimately lead to the achievement of the MDGs by 2015.

The new Comprehensive Poverty Reduction and Growth Strategy (CPRGS) formulated with technical assistance from the World Bank, UNDP and other donors in consultation with the broader development community, also offers considerable potential for helping achieve Viet Nam's MDGs and other development goals. The CPRGS includes many of Viet Nam's national development goals up to 2010 integrated from the Government's various strategies and plans. Their achievement by 2010 would bring Viet Nam very close to the full achievement of the MDGs by 2015.

While the CPRGS has yet to be tested for its value-added towards sustainable poverty reduction and improved social well-being, the formulation process has created an additional valuable channel for dialogue on poverty reduction issues among international donors, NGOs and the Government. In addition, the CPRGS has given Viet Nam access to billions of dollars of additional quick disbursing ODA loans from the World Bank and IMF. The challenge will be ensuring that the CPRGS becomes, as it is intended, much more than a financial framework to facilitate quicker ODA disbursements.

Given the comprehensive breadth of the CPRGS, which can accommodate a very wide range of donor activities, further developing and maintaining effective Government leadership in its future implementation will be essential to ensuring that the CPRGS contributes to sustainable poverty reduction and improved human well-being for all Vietnamese people. At the same time, full donor support for the effective implementation of the CPRGS will also be critical to the achievement of the MDGs.

### ***Ensuring Sustainability***

The sustainability challenge is now emerging on several fronts including economic, financial, social and environmental.

On the economic and financial front, continued efforts at further developing the country's *internal strengths* and *self-reliance* will be essential to avoiding potentially destabilizing dependencies on foreign finance. Here, a further expansion of choices and income generating opportunities will be critical to further developing the country's domestic capacities and savings base needed to finance sustainable and increasingly higher levels of development and human well-being.



Ensuring minimum levels of social equity and equal access to opportunities will be essential to social sustainability. While Gini coefficients calculated using basic consumption data would suggest that disparities have widened only modestly over the past decade; Gini coefficients based on income data suggest a more rapid widening of disparities across income groups, especially across urban and rural groups.<sup>4</sup>

Similarly, urgent actions over the short-term will be essential to containing a potentially explosive HIV/AIDS epidemic which would impose enormous costs, both human and financial, as well as threaten the sustainability of the nation's further development. A progressive prevention strategy that provides full access to information and services required for both effective treatment and behavioral change is needed.

On the environmental front, Viet Nam's environmental treasure chest including some seven hundred endangered species is at risk of being lost forever without urgent and more meaningful actions in the near term.

## ***A Framework for Further Progress***

A framework for future progress should be based on learning from Viet Nam's highly successful *doi moi* experience in improving human development since 1986, and building upon and deepening this winning strategy to meet newly emerging challenges.

More specifically, further substantial improvements in human well-being in Viet Nam will likely require another generation of broad ranging policy and institutional reforms aimed at a further expansion of choices. As in the past, this would again be combined with much greater access by the non-state sector to a range of needed resources including more land, but also much more banking credit, business and trading authorizations, and other needed inputs for development. This would better enable the development of all of the nation's *internal strengths*, and help further develop the *self-reliance* of people and the nation as a whole. Again, as in the past, this would be combined with substantially increased investments in human capabilities, especially quality health and education in rural areas. A carefully sequenced further opening up to the regional and international economies would again help further expand choices and opportunities for people.

In the future, this winning *doi moi* strategy would need to be supplemented with much greater efforts in breaking down isolation in its many forms: geographic, social, linguistic and ethnic isolation, as well as isolation from useful information and knowledge needed by people to improve their well-being. Therefore, a framework for further sustainable progress toward the MDGs would also necessarily be supported by well-targeted adjustments to policies, institutions, programmes and resource allocations at the provincial and sub-provincial levels to help break down isolation in its many forms.

To enable effective targeting, further improvements in the quality and types of data available will be essential to determining the best mix of such targeted adjustments in different parts of the country. Fortunately, the Government Statistics Office's new Multi-Purpose Household Survey to become available in 2003 is expected to provide a wealth of new information for further refining this analysis and related recommendations.

Judging from a composite index of MDG indicators calculated using available data and proxies, the disparities in human well-being across Viet Nam are enormous. Provinces like Hoa Binh, Bac Lieu, Yen Bai, An Giang, Lang Son, Ha Giang, Lao Cai, Tra Vinh, Gia Lai, Kon Tum, Lai Chau, Cao Bang and Son La are faring worst by wide margins. Here especially, effectively targeted adjustments to programmes and resource allocations appear urgently needed in a range of areas.

The further development of such provincial level MDG indices, as more types and higher quality provincial level data become available, would enable the development of objective needs-based inter-provincial transfer formula to facilitate effective resource allocations towards the achievement of the MDGs.

Viet Nam's past success also provides some valuable insights and lessons for the further targeting of reforms. Just as the initial outstanding success of the Government's *doi moi* reform process was based on an expansion of choices and opportunities in the non-state farm sector, the next frontier for outstanding

<sup>4</sup> *Doi Moi and Human Development in Viet Nam*, November 2001, The National Centre for Social Sciences and Humanities (NCSSH), National Human Development Report;



success would clearly appear to be an expansion of choices and opportunities in the non-state business sector. This will be essential to creating the jobs, incomes, tax base, domestic savings and self-reliance needed to sustain increasingly higher levels of human well being in Viet Nam. This appears especially needed in rural areas in order to further improve economic and social well-being, and narrow disparities.

The remarkable social progress that Viet Nam has achieved over the past fifteen years, despite relatively low levels of national income, strongly suggests that as incomes continue to grow, Viet Nam can, with great efforts, once again surpass conventional expectations and fully achieve all of the MDGs by 2015.

## ***Goal-By-Goal Progress and Challenges***

### *Poverty Reduction*

- Viet Nam has dramatically reduced poverty levels from well over 60% in 1990 to some 32% in recent years; Food Poverty Rates have also been reduced from over 30% in 1990 to approximately 15% in 2000.
- While this particular MDG has largely been met, the Government aims to eradicate hunger by 2005, and further reduce poverty by 60% by 2010 based on the national poverty line and by 40% based on the international poverty line.
- Effectively targeting assistance towards people in most need will be essential. Available data indicate that the share of population below the national poverty line in the twelve poorest provinces is more than four times higher than in the twelve best off provinces; More striking, the share of population below the poverty line in a province like Quang Binh is almost 26 times greater than in an urban area like Hanoi.
- Ethnic minority groups still face the greatest difficulties in overcoming poverty. While they represent only 14% of the Viet Nam's total population, ethnic minorities account for almost 30% of the poor. About 75% of ethnic minority people fall below the international poverty line compared with 31% of the Kinh majority.
- More targeted assistance therefore appears especially needed to address the deep pockets of poverty in Lai Chau, Quang Binh, Quang Tri, Son La, Kon Tum, and Bac Can, among other provinces.

### *Achieving Universal Primary Education*

- Viet Nam's primary education enrolment rates have increased considerably to over 90%. This is especially impressive given the country's low level of income.
- Still, there are a number of underlying qualitative short-comings that would need to be redressed to fully meet this MDG. Almost one-third of children do not complete to grade 5. Moreover, 70% of dropouts are girls, reflecting their traditional roles and obligations at home.
- In addition, primary school pupils spend less than half the normal school day in class. Disparities in both the quantity and quality of primary education widen as poor families are unable to top up schooling hours on a private basis.
- Furthermore, net primary enrolment rates in the 12 weakest performing provinces are more than 20 percentage points lower on average than in the 12 best performing provinces. Whereas Ho Chi Minh City achieves a net enrolment rate in primary education of over 90%, Binh Phuoc, hardly four hours down the road, scarcely achieves 50%. Such disparities increase further at higher levels within the education system.
- More targeted assistance appears especially needed in Binh Phuoc, Lai Chau, Ha Giang, Kon Tum and Son La.

### *Reducing Child Mortality*

- Under five child mortality rates have been reduced significantly from 58 per 1000 live births in 1990 to some 42 per 1000 live births in 2000. Similarly, infant mortality rates have been reduced from 44 per 1000 live births in 1990 to some 31 per 1000 live births in 2000.
- Again, however, disparities are enormous. The infant mortality rate for the 12 weakest provinces is in the order of 60 per 1000 live births, which is more than three times higher than that of the 12 best performing provinces (17 per 1000 live births). The number of children dying before one year of age in

a province like Kon Tum is on average eight times higher than for example in Ho Chi Minh City. To further reduce infant mortality rates, the improvement of new born care and effective health interventions at the community level will be especially important. Much more targeted assistance appears needed in Kon Tum, Gia Lai, Lang Son and Cao Bang, among others.

- In addition, malnutrition also remains a serious problem. One-third of all children under-five are underweight.

#### *Improving Maternal Health*

- Available data suggest that Maternal Mortality Rates have been reduced from an estimated 200 deaths per 100,000 live births in 1990 to some 100 per 100,000 live births in 2000. Therefore, while significant progress appears to have been achieved over the past decade, the rate remains high. Moreover, some new preliminary data suggests that it might yet be revised upward substantially by the Government to around 170 deaths per 100,000 live births, in turn suggesting progress at a more modest rate.
- Here again, significant regional disparities also prevail. 44% of women in rural areas still deliver at home, often without professional health care assistance, compared with only 7% in urban areas.
- The maternal mortality rate in the isolated areas of the Central Highlands is estimated to be more than four times higher than the national rate. This is due in large part to inadequate access to essential obstetric care, lack of infrastructure in remote and mountainous areas and lack of basic knowledge on maternal health care at the household level.
- Reflecting such regional disparities, average female life expectancy is ten years lower in the 12 weakest provinces compared with places like HCMC, Ha Noi, and Thai Binh.

#### *Promoting Gender Equity and Empowering Women*

- The socio-economic situation of women appears to have improved substantially over the past ten years. Gender disparities in education are significant but smaller than in countries with similar levels of economic development. Female representation in Viet Nam's National Assembly is high relative to other countries, with women comprising some 25% of delegates in the current 11th Legislature of the National Assembly.
- However, while net enrolment rates for primary education are nearly equal between boys and girls, access to lower and upper secondary school for girls remains significantly lower than that for boys. As already indicated, girls also represent 70% of all dropouts, which must be redressed to achieve greater equality.
- At the provincial level, the number of female representatives on provincial level People's Councils is significantly lower than for men, varying importantly across provinces. Whereas provinces like Tuyen Quang, Dong Nai and Son La report almost one third of female representatives at provincial People's Councils, others like Tra Vinh and Khanh Hoa do not reach a 10% share of female representatives.
- Land laws, inheritance practices, property rights, and ability to borrow all need to be made more gender equitable.

#### *Combating HIV/AIDS*

- HIV/AIDS is a potentially explosive challenge to Viet Nam's future judging from experiences elsewhere. Reported cases alone in Viet Nam have reached 56,495 and are now rising exponentially. Experts fear the number is far higher.
- For the first time this past year, all provinces have reported HIV/AIDS cases. Urban centers, tourist areas, provinces through which major highways pass and border provinces are the most affected. Quang Ninh, Hai Phong and HCMC all report more than 200 HIV cases per 100,000 people, whereas the twelve provinces least affected by HIV/AIDS report less than 10 cases per 100,000 people. However, even in these latter provinces, the rate has been growing fast in recent years.
- Among reported cases, drug injecting users, sexual workers and pregnant women are most prevalent.
- In order to halt and reverse the spread of HIV/AIDS by 2015, strong leadership at the highest levels will be essential to overcoming social biases and misconceptions so that effective policies and programmes can be put in place.

### *Ensuring Environmental Sustainability*

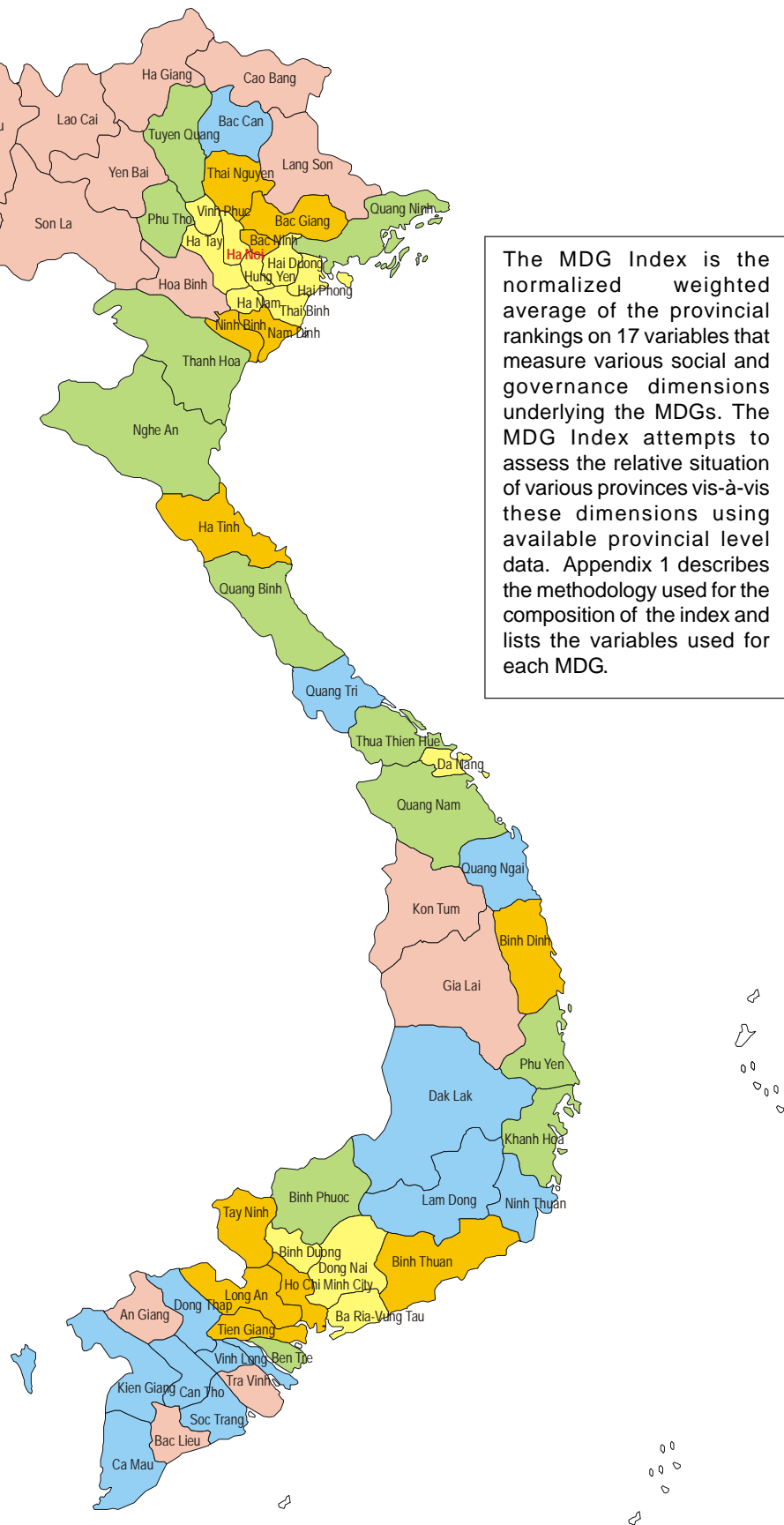
- The share of the population with access to safe water has increased to 53%, growing at 13% per annum in recent years. However, disparities remain dramatic. While the average share of population with access to safe water is 96% in the better off areas, this compares with only some 28% in the 12 weakest provinces. Effectively targeted assistance appears especially needed in Dong Thap, Vinh Long, and Ben Tre.
- Forest cover has begun to increase in recent years, but still remains low at some 34%. At the same time, there is a high risk that the quality of reforestation is reducing biological diversity.
- Particularly worrisome, the environmental treasure chest in Viet Nam, including some seven hundred endangered species, is at high risk of being lost forever unless meaningful policy and institutional actions are taken soon.

### *Developing a Global Partnership and Effective Governance*

- This MDG is much more qualitative in nature and includes building a global partnership for development among all nations, developing and developed alike. This MDG also includes issues of governance, ODA effectiveness, responsible foreign debt management, and free and equitable trade.
- In terms of past performance in Viet Nam, as already referenced, the *doi moi* reform process has effectively been a *highly successful process of expanding choices and opportunities for improved human well-being*. This process also included an opening up to the rest of the world in trade, investment and political relationships. Based on this past success, future progress and success will likely be best secured by a further broadening and deepening of this process, especially a further expansion of choices and opportunities in rural areas.
- Challenges will include further breaking down isolation in its various forms, and ensuring that all Vietnamese people participate in and benefit from Viet Nam's so far extraordinary development process.
- Further development of the role of the National Assembly in representing the interests of people and local communities across the country will be essential to broadening and deepening the participation of all people. Similarly, the responsiveness of local government will also be critical to helping meet the genuine needs and wishes of local communities and people through the effective implementation of the grassroots democracy decree, and the further opening up of planning, budgetary and other decision making processes.
- The effective implementation of the Enterprise Law at the provincial level is likely to prove instrumental to further expanding choices and opportunities, job and income creation, poverty reduction and narrowing a range of disparities. Expanded choices in and access to land, investment credit and trading rights and authorizations will also be essential to enabling further enterprise, job and income creation.
- Viet Nam's integration into the regional and international economies is about to accelerate on a number of fronts including: trade in goods and services, foreign finance and widening access to outside information and knowledge. All of this will create significant new opportunities and challenges for the Government's management of growth, equity, stability and ultimately the well-being of the Vietnamese nation and people. Ensuring that accelerated integration works for all Vietnamese people will require putting national interests ahead of special interests, ensuring job creation stays ahead of job elimination, and developing social safety nets for those whose livelihoods may be destabilized by the ensuing economic restructuring.
- ODA effectiveness will depend heavily on the overall quality of public expenditures. Here, ensuring a quality public investment programme will be especially important to the effectiveness and sustainability of ODA related investments.
- Viet Nam's foreign debt stock remains manageable at around 40% of GDP, but not insignificant. Ensuring that foreign debt does not create the kinds of instabilities and hardships experienced by other developing countries will require discipline on the part of the State, combined with further development of the country's income and savings base, and general *self-reliance*.

## MDG MAP

Province	MDG Index
Ha Noi	0.794
Ha Tay	0.735
Da Nang	0.722
Hung Yen	0.718
Hai Duong	0.710
Ba Ria-Vung Tau	0.684
Hai Phong	0.673
Binh Duong	0.667
Dong Nai	0.664
Vinh Phuc	0.663
Thai Binh	0.658
Ha Nam	0.654
Nam Dinh	0.647
Ho Chi Minh City	0.647
Bac Giang	0.606
Ninh Binh	0.601
Ha Tinh	0.593
Bac Ninh	0.578
Tien Giang	0.576
Tay Ninh	0.572
Thai Nguyen	0.558
Binh Thuan	0.552
Long An	0.547
Binh Dinh	0.547
Phu Tho	0.544
Thanh Hoa	0.542
Quang Nam	0.511
Tuyen Quang	0.494
Thua Thien-Hue	0.494
Ben Tre	0.481
Quang Binh	0.480
Khanh Hoa	0.474
Quang Ninh	0.464
Nghe An	0.460
Binh Phuoc	0.455
Phu Yen	0.453
Ninh Thuan	0.451
Lam Dong	0.450
Ca Mau	0.447
Dac Lac	0.444
Can Tho	0.444
Vinh Long	0.427
Kien Giang	0.424
Quang Ngai	0.397
Quang Tri	0.389
Soc Trang	0.388
Bac Can	0.378
Dong Thap	0.369
Hoa Binh	0.358
Bac Lieu	0.354
Yen Bai	0.346
An Giang	0.345
Lang Son	0.334
Ha Giang	0.322
Lao Cai	0.297
Tra Vinh	0.281
Gia Lai	0.260
Kon Tum	0.242
Lai Chau	0.236
Cao Bang	0.227
Son La	0.171



## Goal 1. Eradicate Extreme Poverty and Hunger

### Progress to Date

Lack of reliable data does not allow establishing accurately poverty levels at the beginning of the 1990s. However, estimates suggest that poverty was well over 60% of the population based on available data from the 1992/93 Viet Nam Living Standards Survey supported by Sweden, the World Bank and UNDP. Throughout the decade, the mix of domestic policies and the continuous process of international economic integration have allowed Viet Nam to dramatically reduce poverty incidence to around 37% as data from the 1997/98 Living Standards Survey shows. Available information on growth in consumption in both rural and urban areas suggest a further reduction to around 32% in recent years, despite the significant decline in international agricultural commodity prices since 1998 which negatively impacted farmer incomes.

If the national poverty line is used, poverty has been reduced in Viet Nam from around 30% of the population in 1990 to 17% in 2000. The national poverty line is determined by the Ministry of Labour, Invalids and Social Affairs (MOLISA) and it is somewhat less comparable since it was constructed on the basis of resources available to Government for supporting the poor and can be altered by provinces and urban authorities. The definition of the national poverty line has been broadened recently<sup>5</sup> to expand access to national poverty programmes for more households in the country and to broaden the definition of poverty beyond the sole focus on adequate food supply.

### Chart 1. Poverty reduction rates, projections and targets.

In terms of improvements for the poorest segments of the population, Viet Nam has also witnessed a significant reduction of food poverty levels<sup>6</sup> since the early 1990s. Current levels stand at 15%, down from over 30% in the early 1990s. In a related measurement, Viet Nam's child malnutrition levels (an important indicator to measure poverty incidence) are still quite high at 32% (MoH 2002a) although down significantly from about 50% in 1990 (ADB and WHO 2002). The Government, in its Strategy for Protection and Care of the People's Health 2001-2010 has targeted a reduction to below 20% by 2010.

Source: GSO and Molisa.

(<sup>1</sup>) Old national poverty line definition

Despite significant success in poverty reduction, the share of national expenditure of the poorest 20% of the population has decreased between 1993 and 1998 from 8.8% to 8%. During the same period, the richest 20% of the population increased their share of national expenditure to 43.7% in 1998 (VLSS, 1997/98), up from 40.4% in 1993. This data, added to increases in related indicators (e.g. Gini coefficients) reflect growing inequality between rural and urban areas and between regions.

More balanced growth and development across Viet Nam's various provinces and regions would help reduce inequalities and result in more rapid poverty reduction.

The sources of growth that benefited most poor over the past decade are found mainly in the rural sector (especially, agriculture, that grew on average at around 4% per year over the last decade), rather than in the industrial sector. The combination of land reform, domestic price liberalization and of high international agricultural commodity prices allowed a substantial increase in farmers' income during the 1990s. However, given the current situation of lower and volatile international agricultural prices, such can hardly be expected to sustain continued decreases in poverty rates in the coming years.

<sup>5</sup> Accordingly, the poverty levels of 30% in 1990 (using the old national poverty line definition) and 17% in 2001 (using the new definition) are not directly comparable.

<sup>6</sup> The proportion of the population below the minimum level of dietary energy consumption, defined at 2100 calories per day by GSO.



The generation of off-farm income opportunities in rural areas continues to be constrained by weak supporting infrastructure and the low skills base. In addition, as shown in Goal 8, private sector dynamism and foreign investment tend to concentrate in the better-off provinces and major cities, which also tend to receive a higher share of public investment funds. The State Owned Enterprise sector, which has traditionally accounted for a very small share of employment creation, is being slowly re-structured in the framework of Viet Nam's process of international economic integration. This underlines the importance of defining targeted policies that assist private employment creation in rural areas if current trends in poverty reduction are to be maintained.

## Adapting the MDG on Poverty to the National Context

Viet Nam's excellent performance in poverty reduction over the past decade means that this MDG has largely been met. Nevertheless, poverty and near-poverty remain widespread. Therefore, Government strategies and plans aim for further substantial reductions in poverty over the next ten years.

### Goal 1: Eradicate poverty and hunger

	MDG	VDG
<b>Target 1</b>	Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	Reduce by 60% the proportion of people living below the national poverty line between 2001 and 2010
<b>Target 2</b>	Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Reduce by 40% the number of people living below the international poverty line, and by 75% the number of people below the food poverty line between 2001- 2010.

The task of setting these new poverty goals was initiated through the preparatory work for the Ten-Year Socioeconomic Development Strategy (SDS) 2001-2010, and the national target programme on Hunger Eradication and Poverty Reduction and Employment 2001-2005 (HEPR). The HEPR aims to reduce poverty by 40% in 2005 and 60% by 2010 on the basis of the national poverty line. In addition, the HEPR aims to eradicate hunger by 2005, in an attempt to ensure that all of Viet Nam's people obtain the minimum level of dietary energy consumption. The new Comprehensive Poverty Reduction and Growth Strategy (CPRGS) includes these goals, but also includes poverty goals based on the international poverty line, specifically a further 40% reduction in poverty by 2010.

As analyzed in Viet Nam's National Human Development Report 2001 (NCSSH 2001), the easy gains in poverty reduction in Viet Nam might be exhausted, and the country will now have to double its efforts in order to bring the rates further down. In addition, achieving the MDGs will also involve addressing critical qualitative shortcomings in the provision of education, health and other public services that might be perpetuating poverty trends.

## Bringing the MDG on Poverty Reduction Closer to the Poor

The impressive achievements in poverty reduction at the aggregate level, however, mask large disparities between provinces and regions in Viet Nam judging from provincial level data. The top performing twelve provinces recorded only an average 5.8% of their population below the national poverty line in 1999, whereas the average for the twelve bottom provinces stood at 25.7% - or 4.4 times more. The difference between the very top and bottom provinces, which are Hanoi and Quang Binh, is more striking: 25.8 times.<sup>7</sup>

<sup>7</sup> At the same time, some provincial level poverty data needs to be treated with a certain degree of caution, since a few provinces modified their poverty line levels to extend assistance to a wider segment of the population, somewhat complicating inter-provincial comparisons.

Such wide disparities also appear to be confirmed using an alternative measure, the poverty “headcount”. The average share of people living in poverty according to this indicator for the top 12 provinces of Viet Nam is 16.3%, only about a quarter of that for the bottom 12 provinces (62.4%).

Both indicators confirm that the poorest provinces tend to be those in mountainous areas, particularly the Northwest and Central Highlands, and in the central region. Examples are Lai Chau, Gia Lai, Kon Tum or Quang Ngai. On the other hand, urban authorities like Ha Noi, Hai Phong, Ho Chi Minh City, or nearby provinces in the Red River and Mekong Delta regions such as Ha Tay, Hai Duong or Long An and Binh Duong are ranked highest.

**Table 1. Poverty rates: provincial disparities**

Population Below Income Poverty Line <sup>1</sup> (% - 1999)				Indicative Poverty Headcount <sup>2</sup>			
Top 12 provinces		Bottom 12 provinces		Top 12 provinces		Bottom 12 provinces	
Ha Noi	1.47	Lao Cai	22.21	Ho Chi Minh City	0.05	Gia Lai	0.53
Hai Duong	5.08	Ben Tre	22.34	Binh Duong	0.12	Kon Tum	0.53
Dong Nai	5.12	Gia Lai	22.41	Ba Ria-Vung Tau	0.13	Yen Bai	0.55
Binh Duong	5.41	Quang Ngai	22.88	Dong Nai	0.14	Tuyen Quang	0.58
Ha Tay	5.83	Son La	23.82	Ha Noi	0.15	Hoa Binh	0.58
Tuyen Quang	6.89	Kon Tum	23.84	Da Nang	0.15	Bac Can	0.60
Thai Binh	7.01	Quang Nam	26.00	Tay Ninh	0.16	Lang Son	0.61
Tay Ninh	7.27	Bac Can	26.46	Binh Phuoc	0.23	Lao Cai	0.65
Hai Phong	7.28	Thua Thien-Hue	27.41	Tien Giang	0.26	Cao Bang	0.66
Nam Dinh	7.42	Quang Tri	27.63	Khanh Hoa	0.29	Son La	0.70
Long An	7.69	Lai Chau	28.94	Long An	0.30	Ha Giang	0.71
Ba Ria-Vung Tau	7.90	Quang Binh	37.97	Hai Phong	0.30	Lai Chau	0.76
<b>Average</b>	<b>5.8</b>	<b>Average</b>	<b>25.7</b>	<b>Average</b>	<b>16.3</b>	<b>Average</b>	<b>62.4</b>

Source: Molisa 2001

<sup>1</sup> Based on national poverty line.

<sup>2</sup> Based on mapping by WB of LSMS data, 1998, and international poverty line.

Ethnic groups continue to face the greatest difficulties in overcoming poverty. While they represent only 14% of Viet Nam’s total population, ethnic minorities account for almost 30% of the poor. About 75% of ethnic minority people fall below the international poverty line compared to 31% of the Kinh majority.

Inter-provincial comparisons of poverty rates reflect again Viet Nam’s traditional divide between urban and rural areas and the Kinh majority and ethnic minority groups. Poverty rates in rural areas were on average 5 times greater than in urban areas. Disparities between the Kinh population and ethnic minority groups were also significant, and poverty rates among ethnic groups were on average 2.5 times higher than for the Kinh majority (Chart 2).

## Framework for Further Progress

Based on Viet Nam’s past success, further substantial reductions in poverty will likely require another generation of broad ranging policy and institutional reforms aimed at a further expansion of choices and access by the non-state sector to a range of needed resources including land, banking credit, and official business and trading authorizations. This would need to be combined with substantially increased investments in human capabilities, especially quality health and education in rural areas. In

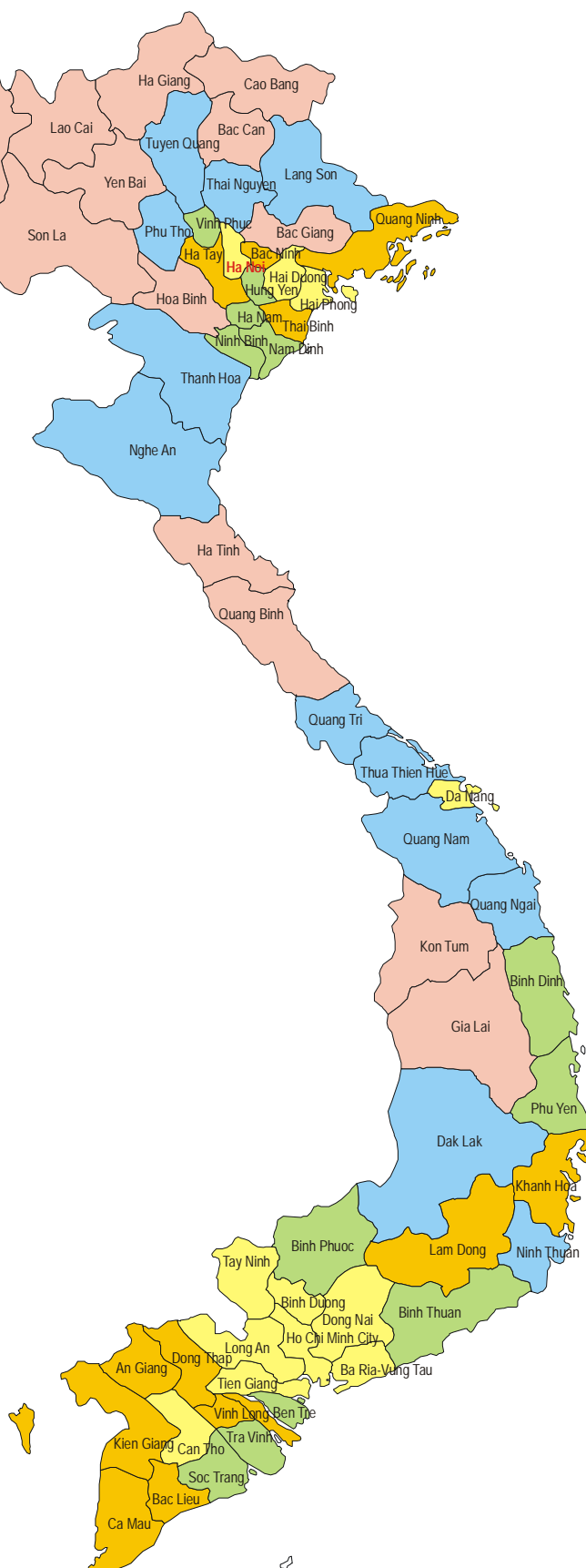
## Chart 2. Poverty rates in Viet Nam. Geographical and ethnic factors

Source: Viet Nam Living Standards Survey, 1993 and 1998



## POVERTY MAP

Province	Poverty Index
Ha Noi	0.955
Dong Nai	0.922
Binh Duong	0.918
Ho Chi Minh City	0.898
Ba Ria-Vung Tau	0.869
Hai Phong	0.852
Long An	0.840
Da Nang	0.824
Can Tho	0.762
Tay Ninh	0.758
Tien Giang	0.758
Hai Duong	0.750
Khanh Hoa	0.750
Kien Giang	0.705
Vinh Long	0.701
Quang Ninh	0.697
Thai Binh	0.660
Ca Mau	0.656
An Giang	0.648
Ha Tay	0.631
Lam Dong	0.623
Bac Lieu	0.607
Dong Thap	0.590
Bac Ninh	0.578
Ben Tre	0.578
Binh Dinh	0.574
Tra Vinh	0.557
Nam Dinh	0.537
Phu Yen	0.520
Soc Trang	0.512
Hung Yen	0.508
Ha Nam	0.504
Binh Thuan	0.488
Vinh Phuc	0.455
Ninh Binh	0.439
Binh Phuoc	0.426
Quang Nam	0.418
Thai Nguyen	0.406
Dac Lac	0.377
Tuyen Quang	0.377
Phu Tho	0.373
Thua Thien-Hue	0.365
Ninh Thuan	0.348
Lang Son	0.311
Thanh Hoa	0.307
Quang Tri	0.258
Quang Ngai	0.250
Nghe An	0.234
Bac Giang	0.221
Ha Tinh	0.205
Cao Bang	0.201
Yen Bai	0.201
Gia Lai	0.168
Quang Binh	0.164
Hoa Binh	0.160
Kon Tum	0.127
Son La	0.127
Bac Can	0.111
Lao Cai	0.098
Ha Giang	0.086
Lai Chau	0.057



addition, this winning formula would need to be supplemented with much greater efforts in breaking down isolation in its many forms.

At the national level, this would imply further institutional development, including legal reform and public administration reform, further deregulation to expand choices, combined with efficient market regulation to minimize market failures.

In addition, much deeper reform of state owned enterprises (especially much harder budget and credit constraints) and reform of state owned banks in order to free up resources for more competitive and productive job generating sectors, especially the non-state business sector. This will be essential not only for satisfying the rapidly growing demand for meaningful employment and incomes, but also for expanding the tax base to finance more effective public institutions, essential social services, and sustainable poverty reduction.

The generation of meaningful jobs and incomes will be especially important given that some 1.4 million new young job seekers are entering the labor market every year. Moreover, unemployment plus under-employment is already well in excess of 30%, available farming land cannot effectively absorb more labor, and the capital intensive state owned enterprise sector offers little employment generating potential.

At the same time, much more will need to be invested in reducing isolation in its many forms. At the national level, a further decentralization of resources would help local governments better respond to local needs. Moreover, inter-provincial transfers will need to be further refined and targeted to those in most need, typically in the most isolated parts of the country.

At the provincial level, much more needs to be invested in quality health and education services, especially for the most impoverished and isolated, and in rural infrastructure, including rural roads to improve access to needed social services and markets. In addition, provincial level governments will need to invest much more in improving local environments for sustainable livelihoods. Here, effective implementation of the new Enterprise Law and complementary deregulation, as well as much greater local official support for enterprise development would help generate the needed opportunities.

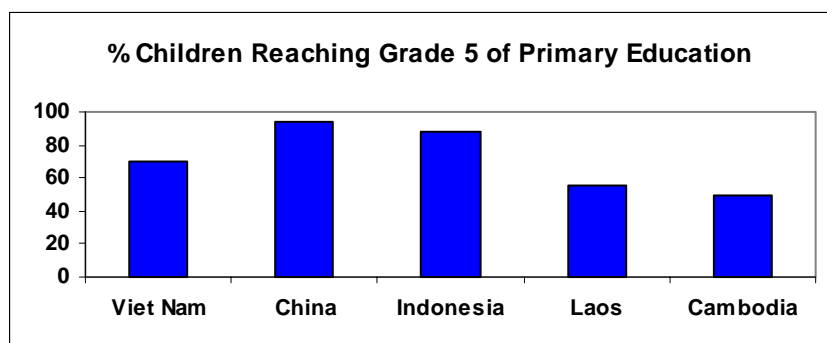
## Goal 2. Achieve Universal Primary Education

### Progress to date

Viet Nam has achieved net primary enrolment rates of over 90% (GSO 1999a) and adult literacy rates of around 94%, extraordinary achievements for a country of such a low GDP per capita. In addition, lower secondary school enrolment rates have increased dramatically over the last decade, from less than 30% in the early 1990s to the current 74% in 2000 (GoVN 2001a).

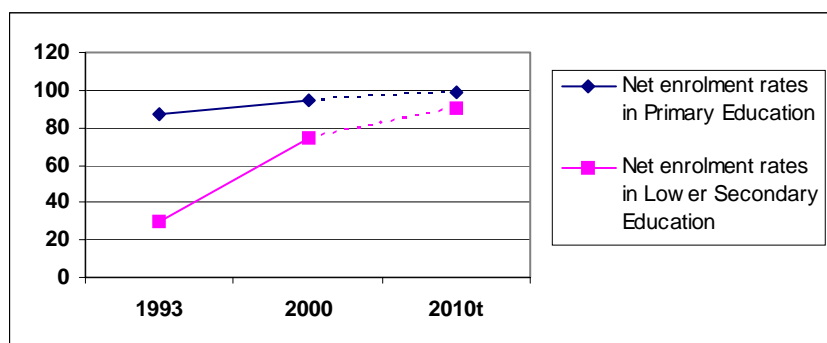
However, despite high primary school enrolment rates, Viet Nam still faces high drop out rates. Around one third of all children starting grade 1 do not advance to grade 5, and in 1998 over 1.6 million children of primary school age were outside of the education system (DFID 2002). Almost 70% of dropouts are girls, reflecting their traditional roles and obligations at home.

**Chart 3. Primary Education Completion Rates**



Source: World Development Indicators 2001, Human Development Report 2002

**Chart 4. Net Enrolment Rates in Primary and Lower Secondary Education**



Source: VLSS 92/93, 97/98, Population Census 1999, and Ministry of Education and Training 2000

2001-2010 Education Development Strategy is no exception and reflects concerns about the quality of education relative to other countries, the disadvantaged situation of ethnic minorities, and the high drop out rate. The Education Strategy sets higher targets for enrolment in pre-school, primary school, and secondary school, as well as targets for reduced illiteracy rates. These have also been included in the new CPRGS.

The Government's strategy aims to raise the percentage of school goers among school age children to 99% by 2010. Additionally, the strategy sets net enrolment rate targets in junior secondary school at 80% by 2005 and 90% by 2010, and aims to eliminate illiteracy by 2010. The Government, mindful of the importance of eliminating gender and ethnic minority disparities in primary and secondary education, aims to do away with these differentials by 2010, as stated in the new CPRGS.

International comparisons on the duration of official primary schooling also reveal a significant deficit in Viet Nam in terms of the quality of educational services. Viet Nam's primary education curriculum, for instance, only provides 40%<sup>8</sup> of the schooling hours of Thailand (DFID 2002). Disparities in both the quantity and quality of primary education widen as poor families are unable to top up schooling hours on a private basis. Taking into account the high drop out rates in the country and the quality of the services provided, Viet Nam still seems to be far from achieving universal primary education of adequate standards.

### Adapting the MDG on Primary Education to the National Context

As with most other MDGs, further expanding access to and quality of primary education has long been an important objective of the Vietnamese Government. The

<sup>8</sup> Significant differences between rural and urban areas have been observed.

## Goal 2. Achieve Universal Primary Education

	MDG	VDG
<b>Target 1</b>	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Increase net enrolment in primary school to 97% by 2005 and to 99% by 2010
<b>Target 2</b>		Increase net enrolment rate in Junior Secondary School to 80% by 2005 and 90% by 2010
<b>Target 3</b>		Eliminate the gender gap in primary and secondary education by 2005, and the gap with ethnic minorities by 2010
<b>Target 4</b>		Increase literacy rates to 95% of under-40-year-old-women by 2005, and 100% by 2010
<b>Target 5</b>		By 2010 have improved the quality of education and increase full-day schooling at primary level (target depends on funding)

### Bringing the MDG on Primary Education Closer to Needy Children

Judging from national data, Viet Nam has been doing very well in expanding primary education. However, provincial level data indicate significant disparities. This is even more so for secondary school enrolment rates, which vary considerably between the top and bottom 12 provinces.

Table 2 shows that there is a substantial gap in literacy and net primary enrolment rates between the top and bottom 12 provinces, a gap that widens at the lower secondary and upper secondary school levels. On average, the top 12 provinces in Viet Nam enrol nearly three times more children in lower secondary school than that of the bottom 12. The difference jumps to almost four times at the upper secondary school level. Among the weakest in this area are provinces in the Northwest and Central Highlands region, like Ha Giang, Lao Cai, Gia Lai, and Kon Tum.

**Table 2 Education indicators for top and bottom 12 provinces**

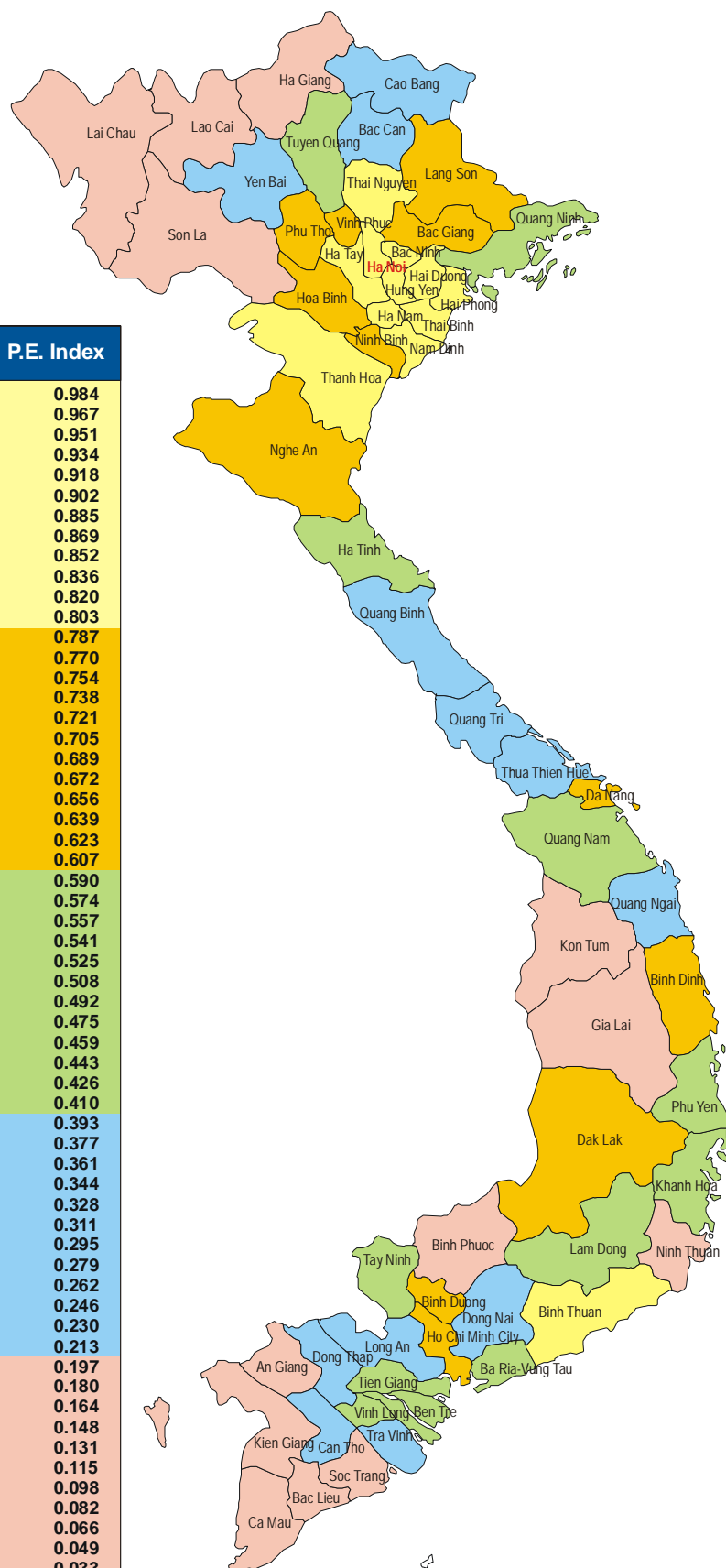
Indicators	Top 12 provinces	Bottom 12 provinces	Top/Bottom
Literacy rate (per cent of 1999)	94.8	76.1	1.25
Net primary school enrolment (per cent of 1999)	96.8	74.6	1.30
Net lower secondary school enrolment (percent of 1999)	67.0	24.3	2.76
Net upper secondary school enrolment rate (per cent of 1999)	42.9	11.6	3.70

Source: Population Census 1999

Measuring educational quality is a complex task. A comparison of schooling hours across provinces (as a proxy indicator of the quality of education services) could not be made due to lack of data. Another indicator commonly used to assess education quality is the student to teacher ratio. The higher the number of students per teacher, the lower is considered to be the quality of the education services. Accordingly, richer provinces would be expected to account for the lowest number of students per teacher.

## PRIMARY EDUCATION

Province	P.E. Index
Binh Thuan	0.984
Hung Yen	0.967
Ha Noi	0.951
Ha Tay	0.934
Hai Phong	0.918
Thanh Hoa	0.902
Hai Duong	0.885
Thai Nguyen	0.869
Nam Dinh	0.852
Ha Nam	0.836
Thai Binh	0.820
Bac Ninh	0.803
Bac Giang	0.787
Ninh Binh	0.770
Da Nang	0.754
Vinh Phuc	0.738
Hoa Binh	0.721
Phu Tho	0.705
Binh Duong	0.689
Ho Chi Minh City	0.672
Nghe An	0.656
Lang Son	0.639
Binh Dinh	0.623
Dac Lac	0.607
Quang Nam	0.590
Ba Ria-Vung Tau	0.574
Tuyen Quang	0.557
Ha Tinh	0.541
Vinh Long	0.525
Ben Tre	0.508
Phu Yen	0.492
Tien Giang	0.475
Quang Ninh	0.459
Lam Dong	0.443
Tay Ninh	0.426
Khanh Hoa	0.410
Dong Nai	0.393
Long An	0.377
Quang Binh	0.361
Quang Tri	0.344
Quang Ngai	0.328
Bac Can	0.311
Tra Vinh	0.295
Thua Thien-Hue	0.279
Yen Bai	0.262
Can Tho	0.246
Dong Thap	0.230
Cao Bang	0.213
Kien Giang	0.197
Bac Lieu	0.180
Soc Trang	0.164
Ca Mau	0.148
An Giang	0.131
Ha Giang	0.115
Ninh Thuan	0.098
Kon Tum	0.082
Gia Lai	0.066
Lao Cai	0.049
Son La	0.033
Lai Chau	0.016
Binh Phuoc	0.000



However, the use of official data for the calculation of this ratio (GSO 2001a) shows some unexpected results, since some of the poorest provinces in the country would top the ranking. This might be partly explained by the fact that some of the provinces that appear to rank well on this ratio also account for the lowest enrolment rates in primary education.

## Framework for Further Progress

The Education Development Strategy 2001-2010 lists, as its first goal, the need to dramatically improve the quality of education services to levels closer to the more developed countries in the region and in a manner suitable to the Vietnamese context. The strategy is very comprehensive and includes reforms to the contents of the education curricula at all levels; to develop teaching staff; to renovate education methods; to renovate education management; to increase financial resources and infrastructure for education; to strengthen social participation in education; and to strengthen international cooperation. The disadvantaged situation of ethnic minorities and the high rate of ethnic minority drop-outs are also listed as major challenges to be met.

Meeting the Government's education goals will require increased resource allocations to this sector. The education strategy aims to increase the allocation to the sector to 20% of state budget resources by 2010, while mobilizing additional resources from major donors. In addition, investment in related areas like children's health, rural transport infrastructure and communications infrastructure will also help ensure the sustainability of past progress on enrolment and literacy rates.

The affordability of education services is an important issue for poor families that is intrinsically linked to provincial disparities in the sector. The Government will also need to take firm steps to implement its commitment to progressively eliminate user fees for poor groups, and include this goal as a critical pillar of the forthcoming Education for All National Plan of Action 2003-2015.

Targeted interventions are required to provide access to and improve the quality of education services in more isolated areas, especially for ethnic minorities. Notably, most of Viet Nam's illiterate citizens are of ethnic minority background. In 1998 primary education enrolment rates of children from ethnic minorities was still on average almost 10-percentage points lower than that of the Kinh and disparities increase as we move up the education system (DFID 2002). Linguistic isolation is a particularly important concern, since curriculum materials are not available in most minority languages, which importantly discourages attendance.

The development of appropriate literacy programmes in the main ethnic minority languages and Vietnamese, the provision of textbooks and libraries in minority languages and the expansion of quality and affordable pre-school services would considerably improve the learning outcomes of ethnic minority groups. In addition, the available pool of skilled teachers of ethnic origin should be increased, while encouraging Kinh teachers to learn and teach in a main minority language (UNDP 2002a).

## Goal 3. Promote Gender Equality and Empower Women

### Progress to Date

Although the general socio-economic well-being of women has increased considerably over the past ten years, significant gender differences are still apparent in most human development dimensions.

By international standards, Viet Nam accounts for a relatively high share of female representation at national legislative bodies. Around 25% of all members of the 11th Legislature of the National Assembly are women, and 21% of all full-time MPs. In addition, gender gaps in enrolment rates at all educational levels have been substantially reduced over the last decade, and illiteracy rates have been lowered considerably both for males and females.

However, traditional stereotypes still dominate within the labour market (United Nations 2002) leading to substantial disparities in average real wages for men and women. The average hourly salary for women in Viet Nam is still only around 80% that of their male counterparts – or 2,266 dong for women and 2,900 dong for men (UNDP 2002c).

Moreover, evidence from the last two Living Standards Surveys seem to point out little progress in terms of increases in the share of women engaged in waged employment in the non-agricultural sector, which is widely viewed as an indicator of increasing gender equality in the labour market. The proportion of all women engaged in waged employment grew only by 4% between 1993 and 1998, with most of the increase occurring in rural areas where wages tend to be lower. This compares to a 9% total increase on male waged employment in those years, with a more balanced distribution between employment created in rural and urban areas.

### Adapting the MDG on Gender Equity to the National Context

The Millennium Development Goal on gender equity and empowerment has a clear educational focus. The Government's strategy and plans include gender equity in education, but also rightly take into account a range of other gender disparities.

The National Strategy for the Advancement of Women 2001-2010 and its associated Plan of Action 2001-2005 set targets to promote gender equality and empower women in the areas of labour and employment, education, health care, and female representation in the political, economic, cultural and social fields. In addition, it provides guidelines for the implementation of an institutional framework conducive to gender equality.

The targets include increasing the number of women representatives bodies to 30% in the National Assembly, to 28% for the next term of Provincial People's Councils, and to 50% of state agencies by 2010. Additionally, the long-standing objectives of ensuring that land-use right certificates include both the names of husband and wife (as outlined in the Law on Family and Marriage 2000), and reducing the vulnerability of women to domestic violence were both included as development goals in the new CPRGS. Importantly, the Government also committed to disaggregate CPRGS monitoring data by sex, allowing for better gender analysis in all sectors.

### Goal 3. Reach Gender equality and empower women

	MDG	VDG
<b>Target 1</b>	Eliminate gender disparities in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	Increase the number of women in elective bodies at all levels
<b>Target 2</b>		Increase the participation of women in agencies and sectors at all levels by 3-5% in the next 10 years



### Goal 3. Reach Gender equality and empower women (continued)

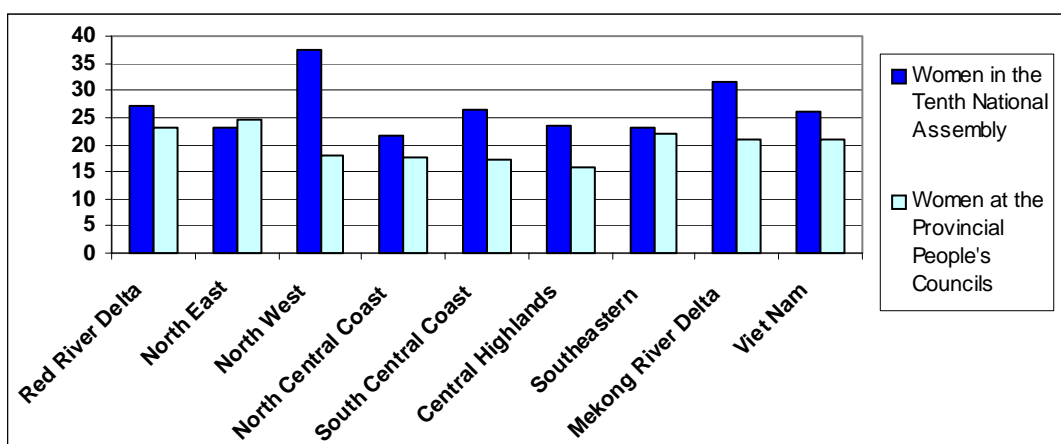
	MDG	VDG
<b>Target 3</b>		Ensure that the names of both husband and wife appears on the land-use right certificates by 2005
<b>Target 4</b>		Reduce the vulnerability of women to domestic violence

## Bringing the MDG on Gender Equity Closer to Women

### *Female representation in legislative bodies*

The percentage of women representatives in elected bodies at the provincial level is significantly lower than at the national level.

**Chart 5. Female Share in Viet Nam's Representative Bodies**



Source: National Human Development Report, 2001

Table 3 shows that, for the 1999-2004 term, the number of women voted into the provincial people's council, varies significantly across provinces. The province with the highest proportion of women in its People's Council is Tuyen Quang, where about a third of all members of the council are women. Overall, females account for 29.5% of all members in the provincial people's council of the top 12 provinces of this ranking. The corresponding number for the bottom 12, nevertheless, is significantly smaller: 13.2%, less than half that of the top 12. Two provinces in this group account for less than 10% of female members in their people's council: Khanh Hoa and Tra Vinh.

Geographic factors that usually characterize weak performing provinces in development indicators, like long distance to major urban centers or mountainous terrain, do not seem to affect significantly female participation on legislative bodies. Among the best and weakest provinces in terms of female representation at provincial People's Councils, we find both rich and poorer provinces from north, south and the center. Government policy to enhance the gender equality in this area, therefore, will need to be applied across all provinces and regions in the country.

### *Gender Equality in Education*

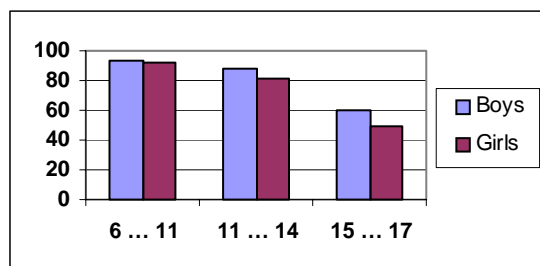
Although Viet Nam is close to achieving gender equality in primary education enrolment, a gender gap is still apparent at lower and upper secondary school levels, especially among children from ethnic minorities and within the poorest segment of society. In addition, girls represent a disproportionately high share of drop outs from primary education (around 70% of total). This is true especially in rural areas, where labour needs

**Table 3. Share of Female Representatives in Provincial People's Councils**

Province	Women in provincial people's council (% - 1999-04)	Province	Women in provincial people's council (% - 1999-04)
Top provinces		Bottom provinces	
Tuyen Quang	33.3	Binh Thuan	17.4
Dong Nai	32.4	Can Tho	17.2
Son La	31.3	Thanh Hoa	16.5
Gia Lai	30.4	Lam Dong	15.9
Lao Cai	30.0	Vinh Long	15.6
Ha Tay	29.3	Tay Ninh	13.3
Yen Bai	29.6	Phu Yen	13.3
An Giang	28.2	Vinh Phuc	12.8
Hai Duong	27.9	Hai Phong	12.7
Kien Giang	27.6	Thua Thien-Hue	10.9
Ha Giang	27.5	Tra Vinh	6.7
Lang Son	26.8	Khanh Hoa	6.5
<b>Average</b>	<b>29.5</b>	<b>Average</b>	<b>13.2</b>

Source: MoHA, Department of Local Government 1999

for farm and fieldwork are great and prevailing cultural norms perceive girls' education as less valuable than that of boys.

**Chart 6. School enrolment rates of Boys and Girls by Age Group, 1997-1998**

Source: UNDP 2002

When broken down by gender, females have lower literacy and combined school enrolment rates as compared to males. Table 4 reports these comparisons for the top and bottom 12 provinces. In the top 12 provinces, the proportion of illiterate males is 1.9% on average, compared to 7.7% for females. The difference is wider for the bottom 12 provinces with female literacy rates reaching 32.6% compared with male illiteracy rates of 16.9%.

Additionally, combined enrolment rates for the bottom 12 provinces are around 26 percentage points lower than in the top twelve provinces both for males and females.

Again, provinces in Northwest and Central Highlands, accounting for a majority of ethnic minorities in their population, are among the ones at the bottom.

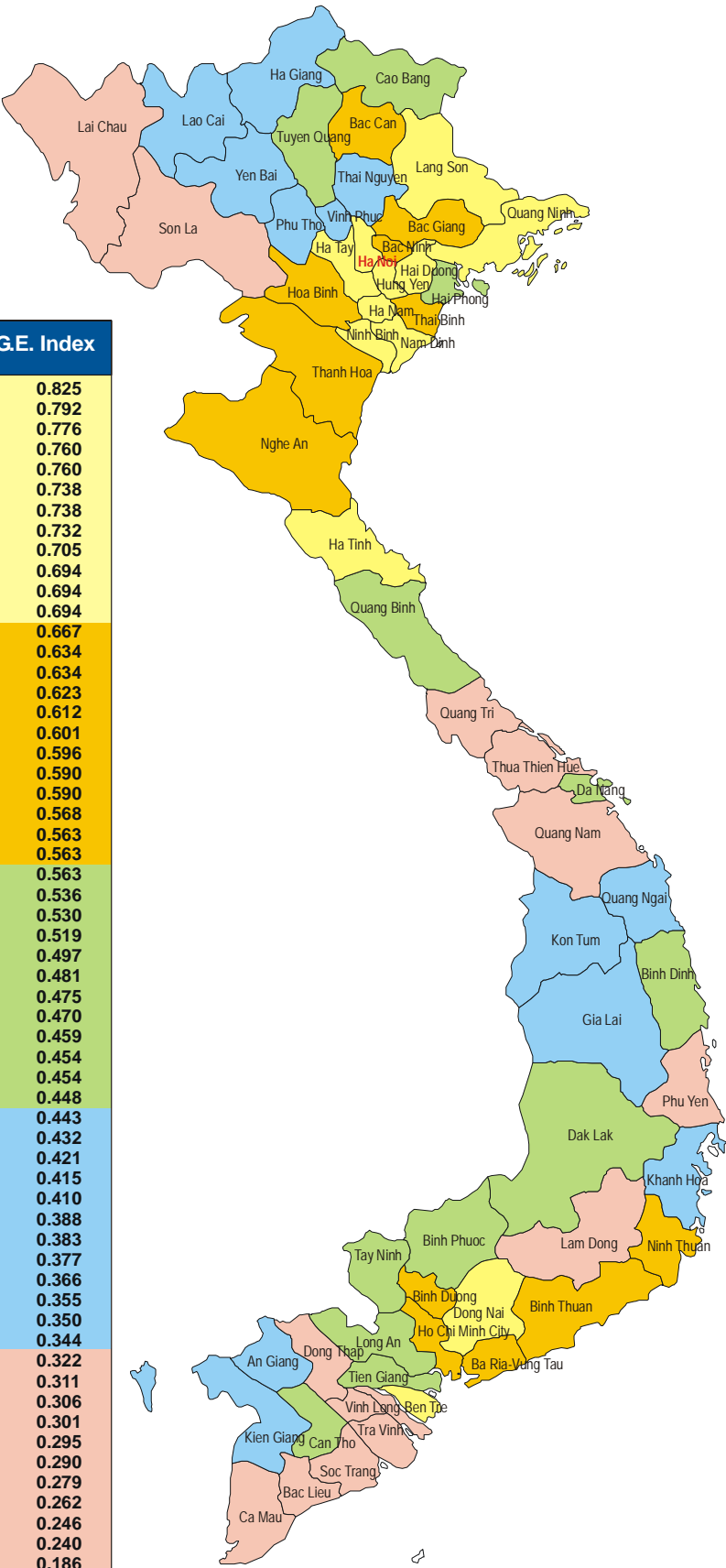
**Table 4. Education indicators for top and bottom 12 provinces by gender**

Indicators	Top 12 provinces		Bottom 12 provinces	
	Males	Females	Males	Females
Illiteracy rate (% 1999)	1.9	7.7	16.9	32.6
Combined enrolment rate (% 1999)	91.8	85.8	65.3	58.9

Source: Population Census 1999

GENDER EQUITY

Province	G.E. Index
Quang Ninh	0.825
Ha Tay	0.792
Nam Dinh	0.776
Ha Nam	0.760
Ha Noi	0.760
Hung Yen	0.738
Lang Son	0.738
Dong Nai	0.732
Ben Tre	0.705
Ha Tinh	0.694
Hai Duong	0.694
Ninh Binh	0.694
Thanh Hoa	0.667
Bac Ninh	0.634
Binh Thuan	0.634
Ninh Thuan	0.623
Hoa Binh	0.612
Ba Ria-Vung Tau	0.601
Ho Chi Minh City	0.596
Binh Duong	0.590
Thai Binh	0.590
Bac Can	0.568
Bac Giang	0.563
Nghe An	0.563
Quang Binh	0.563
Tuyen Quang	0.536
Cao Bang	0.530
Long An	0.519
Da Nang	0.497
Dac Lac	0.481
Can Tho	0.475
Tien Giang	0.470
Binh Phuoc	0.459
Binh Dinh	0.454
Hai Phong	0.454
Tay Ninh	0.448
Khanh Hoa	0.443
Thai Nguyen	0.432
Phu Tho	0.421
Vinh Phuc	0.415
Gia Lai	0.410
Kon Tum	0.388
Yen Bai	0.383
An Giang	0.377
Kien Giang	0.366
Quang Ngai	0.355
Ha Giang	0.350
Lao Cai	0.344
Son La	0.322
Lai Chau	0.311
Dong Thap	0.306
Quang Nam	0.301
Soc Trang	0.295
Vinh Long	0.290
Ca Mau	0.279
Phu Yen	0.262
Lam Dong	0.246
Thua Thien-Hue	0.240
Bac Lieu	0.186
Quang Tri	0.131
Tra Vinh	0.115



## Framework for Further Progress

The further mainstreaming of gender issues in the formulation and implementation of development policies would contribute further to gender equity and empowerment. In addition, more targeted interventions are needed in areas like education to reduce the excessively high drop out rate in primary education and encourage female post-primary education.

Gender differences in access to credit are also surely limiting the otherwise considerable entrepreneurial capacity of women. Since the implementation of the new Enterprise Law, 21% of newly registered businesses are female-headed, a much higher share than in the SOE sector. Ensuring that the names of both husband and wife are included on land-use right certificates, would better enable women to expand their legitimate economic and social roles.

Increased research and extension services to small-scale non-farm enterprises would also considerably benefit women according to current activity patterns.

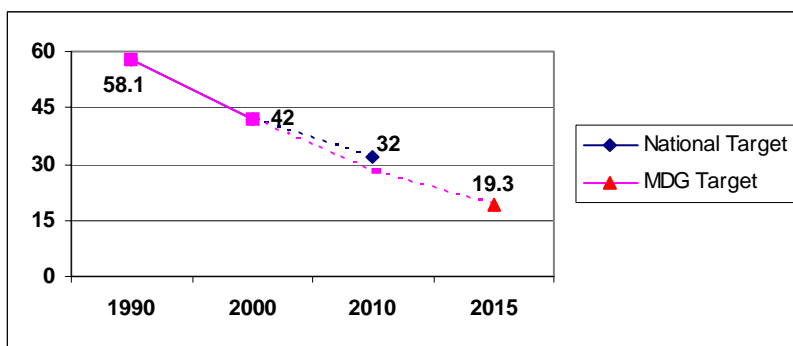
The further improvement of the conditions of women is intrinsically linked to further improvements in health care access and quality. A targeted policy with likely high returns to improving female living standards would be to increase public expenditures in maternal health services, including information and awareness campaigns.

## Goal 4. Reduce child mortality

### Progress to Date

Considerable difficulties are encountered in establishing the 1990 base line for infant (IMR) and under-five mortality rates (U5MR) in Viet Nam. The Inter-census demographic survey (GSO, 1995) estimates U5MR levels in 1990 at around 58 per 1000 live births, a rate considered low for a country like Viet Nam. Important progress has been achieved in this area over the last decade and current rates are estimated at around 42 per 1000 live births in 2000.

**Chart 7. Under Five Mortality Rates (deaths per 1000 live births)**



Source: Ministry of Health 2001. GSO, UNICEF.

Based on available official data, infant mortality rates in Viet Nam are amongst the lowest in the region, having come down from an estimated 44 per 1000 live births in 1990 to the current 31 per 1000 live births in 2000. However, it is widely acknowledged that there is systematic underreporting of deaths in the neonatal period (the first month after delivery). Recently published data by the Ministry of Health indicate that NMR accounts for 68% of the IMR during 2001 and in some areas is significantly higher

(e.g. Bac Can 72.7%). Even in areas with low IMR, such as Ha Noi, the NMR represents almost 80% of the IMR. Achieving the MDG for IMR will therefore require well targeted interventions aimed at improving health and reducing deaths in the new-born period.

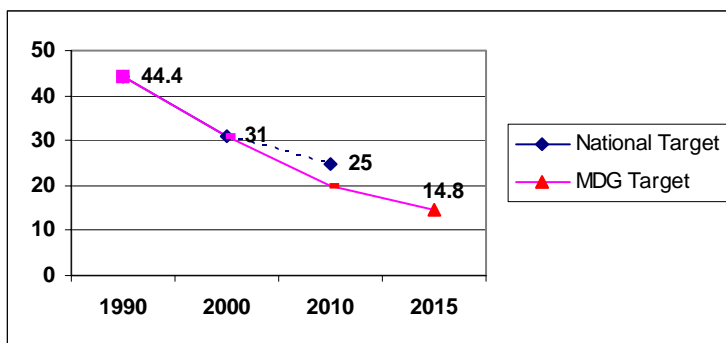
In general, data for this MDG needs to be treated with caution. If the official baseline were used, reductions of two-thirds by 2015 to the current levels as envisaged in this MDG both in IMR and U5MR would be extremely challenging. Experience in developing countries show that rates are usually underestimated due to different reasons by as much as 50%, so we should expect targets and rates to adjust as better quality data are made available.

In a related indicator, around 93% of one-year old babies are immunized against measles, an excellent rate for Viet Nam's current level of development. However, repeating the pattern of several human development indicators, there seem to be great disparities in measles coverage between urban and rural, especially isolated areas. A UNICEF base line survey from 2001 showed measles coverage in Northern Uplands provinces significantly lower, with disparities between the Kinh majority and the different ethnic minorities being in the range of 27 to 94 percentage points.

As is widely acknowledged, investment in other human development areas will have an important effect in further reduction of child mortality rates. Infant and child health standards traditionally increase with investment in women's education and rural infrastructure. Also, child mortality rates are very strongly correlated with

poverty incidence. Therefore, overall improvements in living standards will have a positive effect on the latter, but targeted action is also very much required.

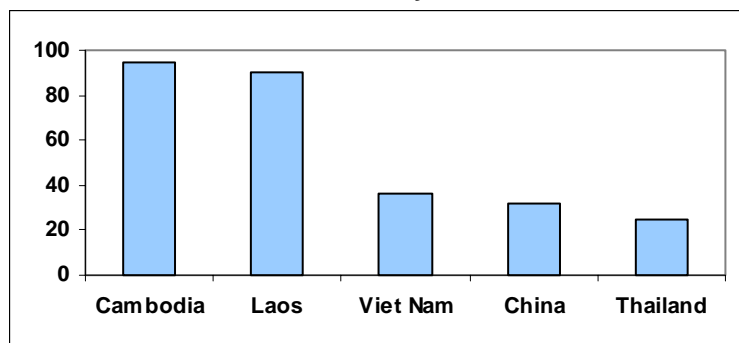
**Chart 8. Infant Mortality Rates (deaths per 1000 live births)**



Source: ICDS 1994, Ministry of Health 2001, and UNICEF

### Adapting the MDG on IMR and U5MR to the National Context

Achieving the original MDG target of reducing by two-thirds the U5MR would prove a considerable challenge if the official 1990 baseline were to be used. In its Strategy for Protection and Care of

**Chart 9. Selected Infant Mortality Rates**

Source: Human Development Report 2002

the People's Health 2001-2010, the Government has set somewhat less demanding targets up to 2010. These are to reduce U5MR to 30 per 1000 live births by 2010, which is half the average rate for medium-level human development countries (UNDP 2002d), and reduce infant mortality rates to 25 per 1000 live births. These targets, together with others from the Health Strategy, have also been incorporated in the new CPRGS. The National Strategy on Nutrition, approved in February 2001, provides an important set of targets in the area of children's and maternal health.

#### Goal 4. Reduce Child Mortality

	MDG	VDG
<b>Target 1</b>	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	Reduce the infant mortality rate to 30 per 1000 live births by 2005 and 25 by 2010 and at a more rapid rate in disadvantaged regions
<b>Target 2</b>		Reduce the under 5 mortality rate to 36 per 1000 live births by 2005 and 32 by 2010
<b>Target 3</b>		Reduce under five malnutrition rates to 25% by 2005 and 20% by 2010

### Enormous Social Disparities in IMR and U5MR

Provincial disparities in the area of child mortality are striking. In the best performing provinces of the country, IMR stands at only 16.6 per 1000 live births whereas the rates increase to over 60 deaths per 1000 live births on average for the bottom 12 provinces (see Table 5).

**Table 5 Infant Mortality Rates**

Province	Infant mortality rate (per 1000 live births 1999)	Province	Infant mortality rate (per 1000 live births 1999)
Top provinces		Bottom provinces	
HCMinh City	10.5	Quang Tri	50.6
Ha Noi	11.0	Quang Ngai	53.2
Binh Duong	15.7	Son La	53.3
Tay Ninh	17.9	Lao Cai	53.6
Ba Ria-Vung Tau	18.8	Dac Lac	57.3
Da Nang	19.0	Hoa Binh	57.6
Hai Phong	20.8	Cao Bang	62.1
Dong Nai	21.1	Lai Chau	64.5
Vinh Phuc	22.1	Lang Son	65.1
Binh Phuoc	23.7	Ha Giang	65.8
Lam Dong	23.8	Gia Lai	73.5
Binh Thuan	24.0	Kon Tum	82.6
<b>Average</b>	<b>16.6</b>	<b>Average</b>	<b>60.11</b>

Source: Population Census 1999

Among the top performers are big urban centers like Ho Chi Minh City or Ha Noi. Ho Chi Minh City, has the lowest rate of all with 10.5 deaths per 1000 live births in 1999. At the bottom end, provinces in the mountainous areas and in central region fare worst, the very last province in the ranking being Kon Tum. The IMR of this Central Highland province is 82.6 or nearly 8 times higher that of the best performer. Nearly one out of every ten new born infants of this province in 1999 died within their first year.

The rate of underweight children under the age of five also shows a similar trend to that of IMR. Overall national progress in this area has not been evenly distributed across provinces and regions. The average proportion of underweight children less than 5 years old in the top 12 provinces was 25.08% in 2001. Bottom 12 provinces, on the other hand, reached an average rate of 40.46% of underweight children in that age, or 1.6 times higher. As expected, the best performing areas in achieving progress towards this goal are urban authorities and some provinces in the Mekong Delta region, while mountainous provinces in the North and Central Highlands as well as a number of provinces in the central region rank at the very end (Table 6).

**Table 6 Underweight children under 5 years old**

Province	Underweight children under age five (% - 2001)	Province	Underweight children under age five (% - 2001)
Top provinces		Bottom provinces	
Ho Chi Minh City	14.8	Yen Bai	38.1
Ha Noi	18.7	Kon Tum	38.4
Da Nang	25.4	Lai Chau	38.5
Long An	25.6	Hoa Binh	38.7
Binh Duong	26.2	Bac Can	38.8
Ba Ria Vung Tau	26.4	Thanh Hoa	39.3
Dong Nai	26.6	Lao Cai	39.8
Bac Lieu	26.9	Ha Giang	40.6
Can Tho	27.0	Gia Lai	41.1
Hai Phong	27.3	Ha Tinh	41.6
Quang Ninh	28.0	Quang Binh	45.3
Kien Giang	28.1	Dac Lac	45.3
<b>Average</b>	<b>25.08</b>	<b>Average</b>	<b>40.46</b>

Source: Institute of Nutrition 2002

## Framework for Further Progress

Clearly much higher quality data will be needed to better understand the IMR and U5MR situation in Viet Nam and to better enable effectively targeted interventions towards reducing these mortality rates.

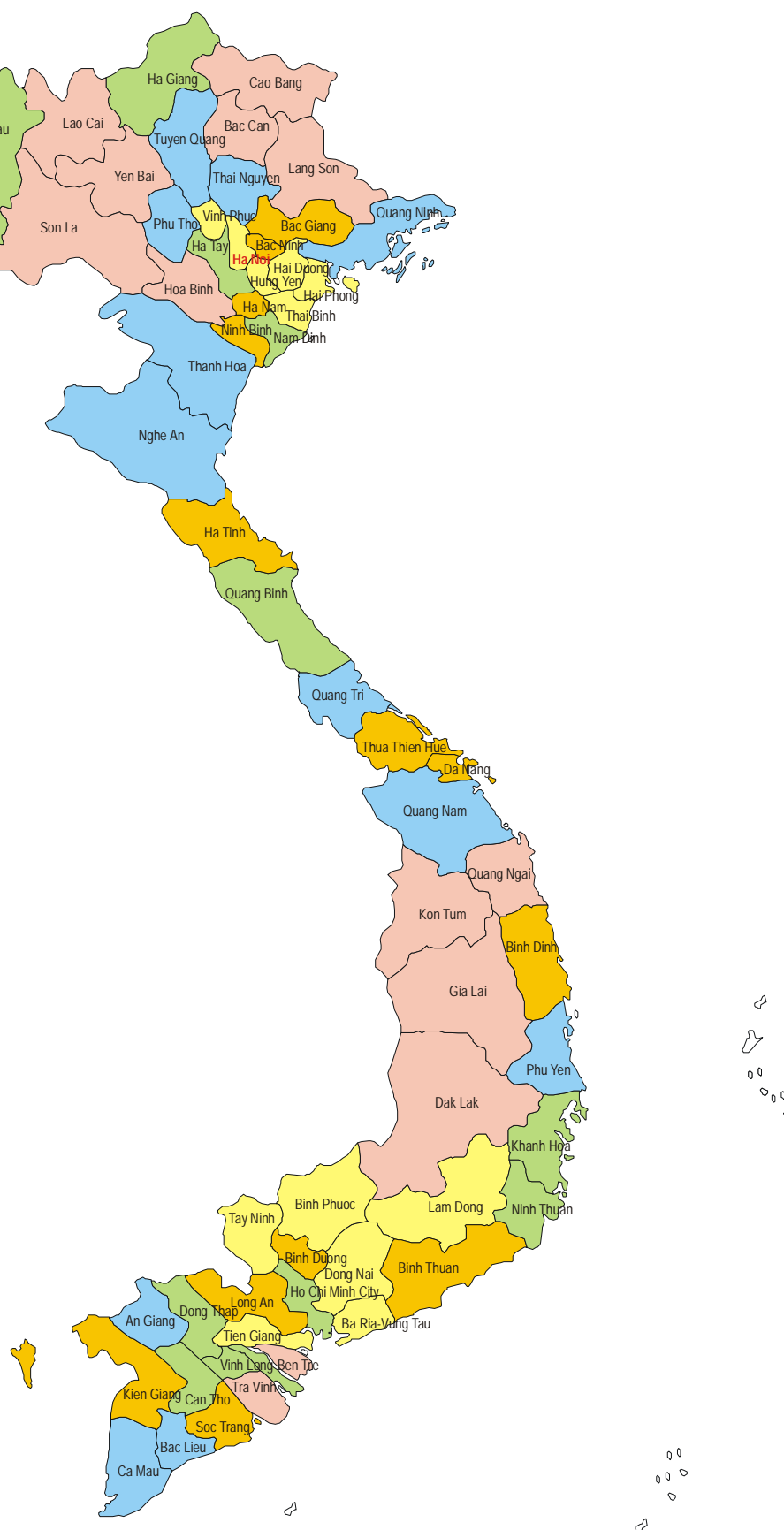
Further improving maternal and children's health in Viet Nam will require a mix of targeted and crosscutting interventions in areas like education, rural infrastructure, and public expenditure. International comparisons suggest health expenditure as a share of GDP in Viet Nam is low compared to neighbouring countries, and the Government has committed to increase the budget allocations to this sector in the coming years. Clear criteria need to be applied in order to define the most important priorities for investment and expenditure in this area. The ODA community can assist the Government in monitoring the changes resulting from increased levels of spending and shifts in resource allocations (WHO, forthcoming).

The current financing structure of the health sector also need to be carefully reviewed, particularly the current policy of user fees. The possibility of implementing universal health insurance deserves special attention as an option to provide higher stability to the sector's financing structure (WHO, forthcoming).



## CHILD MORTALITY

Province	C.M. Index
Dong Nai	0.918
Tay Ninh	0.918
Ha Noi	0.893
Binh Phuoc	0.852
Tien Giang	0.852
Ba Ria-Vung Tau	0.844
Hai Duong	0.844
Hai Phong	0.844
Hung Yen	0.844
Vinh Phuc	0.820
Thai Binh	0.738
Lam Dong	0.713
Da Nang	0.689
Ha Nam	0.672
Kien Giang	0.672
Long An	0.672
Ha Tinh	0.656
Binh Thuan	0.631
Thua Thien-Hue	0.607
Bac Ninh	0.598
Ninh Binh	0.598
Binh Duong	0.590
Bac Giang	0.566
Binh Dinh	0.549
Can Tho	0.549
Vinh Long	0.549
Dong Thap	0.541
Nam Dinh	0.541
Ninh Thuan	0.541
Soc Trang	0.525
Ho Chi Minh City	0.492
Ha Tay	0.467
Khanh Hoa	0.459
Lai Chau	0.451
Quang Binh	0.451
Ha Giang	0.443
Phu Tho	0.443
Nghe An	0.418
An Giang	0.410
Quang Tri	0.377
Quang Nam	0.361
Quang Ninh	0.344
Phu Yen	0.336
Tuyen Quang	0.320
Thai Nguyen	0.311
Ca Mau	0.303
Bac Lieu	0.287
Thanh Hoa	0.287
Bac Can	0.270
Quang Ngai	0.270
Tra Vinh	0.238
Hoa Binh	0.221
Lang Son	0.205
Lao Cai	0.205
Ben Tre	0.197
Yen Bai	0.172
Dac Lac	0.148
Cao Bang	0.098
Son La	0.082
Kon Tum	0.074
Gia Lai	0.033



Achieving the ambitious targets set for the reduction of IMR and U5MR will not only require additional funds, but also better targeting of the interventions. As it has been highlighted, neonatal mortality rates (those occurring during the first month after delivery) account for an increasing share of total IMR. Therefore, targeted interventions aimed at that early period of infant life will be essential if general progress is to be obtained in this area. The high malnutrition rates in Viet Nam demand, as pointed out in the Government's strategy, customized and multifaceted regional interventions. Focus will need to be broadened from pure food security issues to include childhood rearing and feeding practices in rural areas, again especially in the Central Highlands, Northern Uplands and North Central Coast. In urban areas, where those issues have been addressed, emphasis will have to be placed on prevention and care, since childhood diseases are a major factor in malnutrition (ADB and WHO, 2002).

Improving the quality and use of communication channels to mothers must also be a critical part of the overall strategy on reproductive health services. The strengthening of emergency services, and in particular improving the provision of obstetric care, should also be included in a more targeted approach (ADB and WHO, 2002).

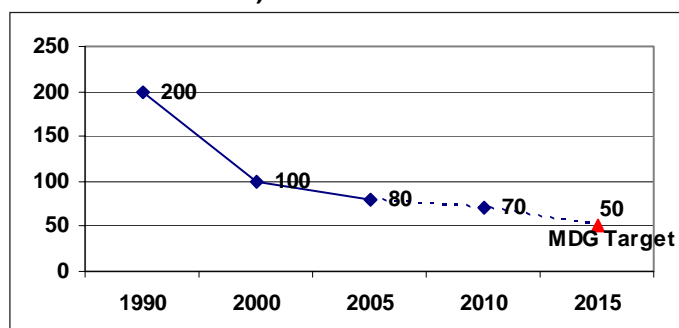
## Goal 5. Improve Maternal Health

### Progress to Date

Overall improvements to the quality of health data are required to better understand and improve maternal mortality rates (MMR) in Viet Nam, and to determine the feasibility of Viet Nam meeting the MDG target of reducing the maternal mortality ratio by three-quarters of its 1990 level. Official data set the baseline at 200 deaths per 100,000 live births in 1990 and recent levels at 100 per 100,000 (2000).

At the same time, however, the Government is in the process of revising the maternal mortality ratio for 2000. Preliminary information suggests that the rate might be revised upward to as much as 170 per 100,000 live births based on a recently conducted survey, which in turn will require a revision of the targets. The rates may be as much as four times higher in mountainous and isolated areas.

**Chart 10. Maternal mortality rates (deaths per 100,000 live births)**



Source: Ministry of Health 2000

Data on the percentage of births attended by skilled personnel varies greatly depending on the source, but there seems to be agreement on a continuous improvement over the years despite acute provincial differences. “Skilled personnel”, as defined by the Inter-Agency Group for Safe Motherhood means that “all women receive care by a professional health worker (such as midwife, nurse, or doctor) with midwifery skills at the time of delivery. However, data on attendance to deliveries may include delivery by Traditional Birth Attendants (TBA) which does not constitute “skilled personnel”, as TBAs are rarely able to effectively access the referral system of health services in order to ensure that women in their care are able to receive emergency obstetric care.

Regional differences in the quality of reproductive health services are wide. Around 44% of women in rural areas deliver at home compared to only 7% in urban areas, and only 62% of rural women receive pre-natal care, as compared to 81% in urban areas. In addition, approximately 30% of women of low-income levels and from ethnic minorities deliver without trained assistance (UNDP 2002c).

Lifetime risk of maternal death, that is, the risk of a woman dying from pregnancy or childbirth during her lifetime in Viet Nam is reportedly 1 in 130 women, while a high-risk of dying would be considered to be around 1 in 100 women. Calculations are based on maternal mortality and fertility rates, which make this indicator a relevant one when measuring the situation in the area of maternal health.

Contraceptive use has improved considerably in Viet Nam since 1990, and modern methods are slowly being popularized. However, Viet Nam still has a very high abortion rate which also jeopardizes maternal health. The abortion rate is estimated at around 2.5 per female of child bearing age, which stresses the need to further diversify contraceptive methods, increase quality and information on family planning options, and to target the young and unmarried couples.

### Adapting the MDG on MMR to the National Context

The Government’s National Strategy on Reproductive Health 2001-2010 already defined a target of 70 maternal deaths per 100,000 live births by 2010, which would be in line with the MDG target in this area (50 deaths per 100,000 live births by 2015). However, as indicated previously, the data used for the setting of targets and baseline need to be treated with caution, since real maternal mortality rates and ratios might soon be shown to be higher than expected. In short, higher quality data is required to determine whether Viet Nam is on track to achieve the MDG targets.

## Goal 5. Improve maternal health

	MDG	VDG
<b>Target 1</b>	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	Reduce the Maternal Mortality rates to 80 per 100,000 live births by 2005 and to 70 by 2010, with particular attention to disadvantaged areas.

## Disparities in Reproductive Health Choices

With the highest rate of abortion in the region and among the highest in the world, Viet Nam needs to pay much more attention to the use of different contraceptive methods. While the national rate of contraceptive use has been increasing in recent years according to data from different sources, provincial differences are still significant. In richer provinces, nearly 70% of married women aged between 15 and 49 use modern contraceptive methods, as compared to only 51% on average in the worst 12 performing provinces.

Female life expectancy rates, which are highly correlated with data on births attended by skilled personnel, can also be used to measure provincial disparities in the area of maternal health as an alternative variable in absence of provincial maternal mortality rates. Data in this area shows that although differences in average female life expectancy rates between the top and bottom 12 performing provinces is significant (10 years), general levels are very high for a country with such a low income per capita (see table 7).

**Table 7. Female Life Expectancy Rates**

Province	Female Life Expectancy Rates	Province	Female Life Expectancy Rates
Top provinces		Bottom provinces	
Thai Binh	79.1	Tuyen Quang	69.9
Ho Chi Minh City	79.1	Bac Giang	69.9
Ha Nam	78.8	Lang Son	69.7
Ha Noi	78.4	Lao Cai	69.2
Hai Duong	77.9	Bac Can	69.1
Nam Dinh	77.9	Lai Chau	67.7
Ba Ria-Vung Tau	77.7	Son La	67.4
Hung Yen	77.4	Cao Bang	66.4
Tien Giang	76.8	Dac Lac	66.3
Da Nang	76.3	Gia Lai	65.4
Vinh Long	75.9	Ha Giang	63.6
Binh Duong	75.9	Kon Tum	60.6
<b>Average</b>	<b>77.6</b>	<b>Average</b>	<b>67.1</b>

Source: Population Census 1999

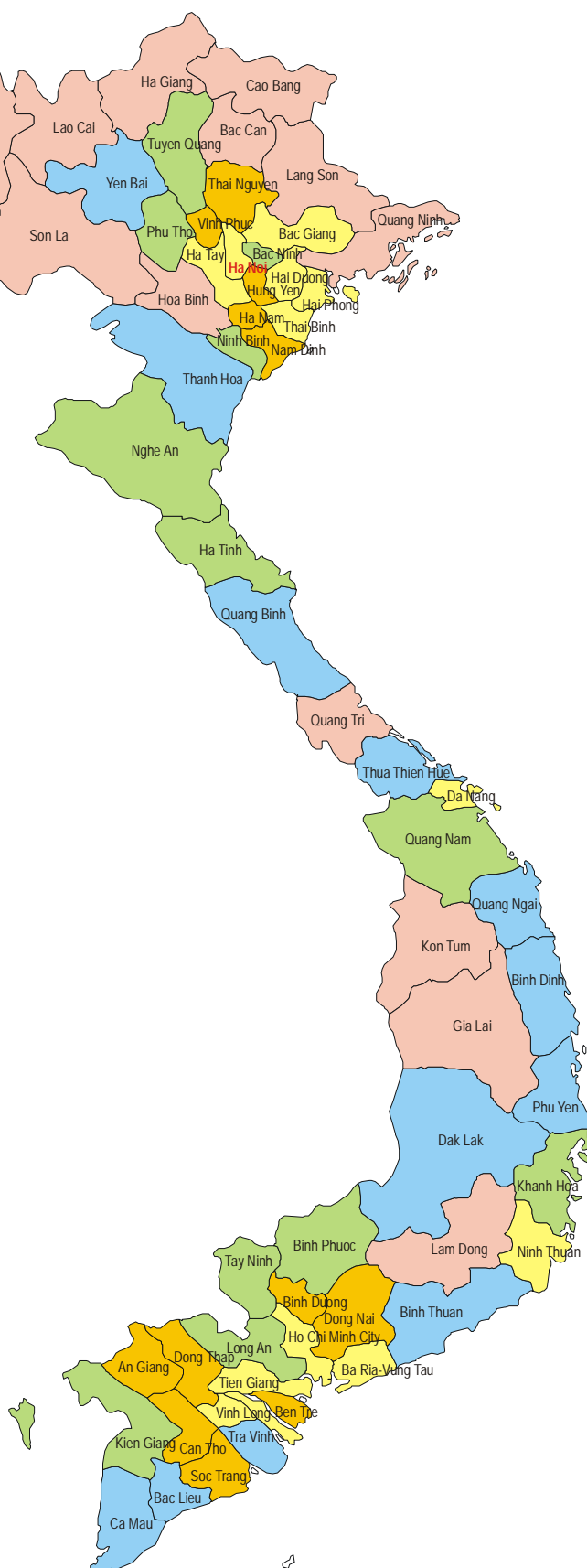
Mirroring poverty trends, provinces at the bottom end include a high share of ethnic minorities in their population. Rural areas in the Northern Uplands and the Central Highlands are amongst the weakest provinces in this area.

## Framework for Further Progress

Clearly much higher quality data is needed to better understand and improve maternal mortality rates in Viet Nam, and this needs to be given priority in order to enable effectively targeted assistance.

# MATERNAL HEALTH

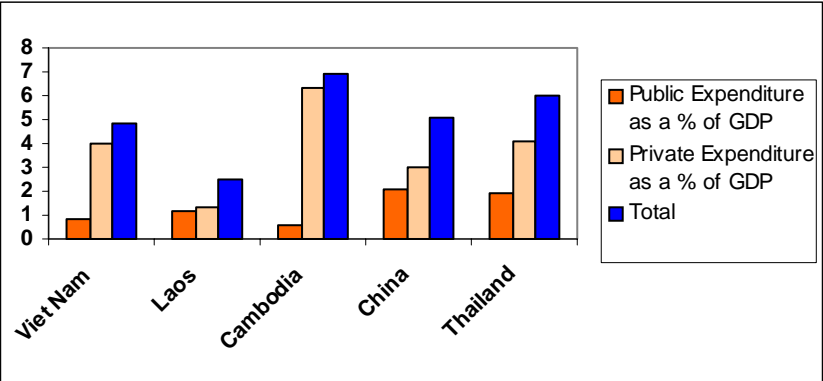
Province	M.H. Index
Ba Ria-Vung Tau	0.984
Bac Giang	0.967
Da Nang	0.951
Ha Noi	0.934
Ha Tay	0.918
Hai Duong	0.902
Hai Phong	0.885
Ninh Thuan	0.869
Thai Binh	0.852
Tien Giang	0.836
Ho Chi Minh City	0.820
Vinh Long	0.803
Binh Duong	0.787
Ha Nam	0.770
Vinh Phuc	0.754
Nam Dinh	0.738
Can Tho	0.721
Thai Nguyen	0.705
Ben Tre	0.689
Hung Yen	0.672
An Giang	0.656
Soc Trang	0.639
Dong Nai	0.623
Dong Thap	0.607
Ha Tinh	0.590
Kien Giang	0.574
Tay Ninh	0.557
Long An	0.541
Tuyen Quang	0.525
Quang Nam	0.508
Bac Ninh	0.492
Nghe An	0.475
Khanh Hoa	0.459
Binh Phuoc	0.443
Phu Tho	0.426
Ninh Binh	0.410
Bac Lieu	0.393
Thua Thien-Hue	0.377
Thanh Hoa	0.361
Quang Binh	0.344
Ca Mau	0.328
Yen Bai	0.311
Tra Vinh	0.295
Binh Thuan	0.279
Dac Lac	0.262
Phu Yen	0.246
Quang Ngai	0.230
Binh Dinh	0.213
Lam Dong	0.197
Quang Ninh	0.180
Quang Tri	0.164
Lang Son	0.148
Bac Can	0.131
Hoa Binh	0.115
Lao Cai	0.098
Kon Tum	0.082
Cao Bang	0.066
Gia Lai	0.049
Ha Giang	0.033
Son La	0.016
Lai Chau	0.000



Improving maternal health in developing countries typically requires a mix of targeted and cross-cutting interventions in areas like education, rural infrastructure and targeted resource allocations. Judging from experiences elsewhere, most maternal deaths in Viet Nam would be preventable if adequate funding could be allocated for the provision of obstetric care, reproductive health services, and information on family planning methods.

As a share of GDP, Viet Nam’s public expenditure on health is one of the lowest in the region and needs to be raised significantly to redress a range of health problems including MMRs. The private sector’s health infrastructure is increasing steadily in urban areas, but it is unlikely that this expansion is benefiting the most vulnerable groups. Households in the top expenditure quintile spend annually around 370,000 dong per capita on health care (Living Standards Survey 97/98), which is almost seven times as much as those in the bottom quintiles. Disparities are severe, echoing poverty patterns throughout Viet Nam, between Kinh and ethnic minorities and between urban and rural regions.

**Chart 11. Expenditure in Health Services**



Source: World Development Indicators, 2002.

## Goal 6. Combat HIV/AIDS, malaria and other diseases

### Progress to Date

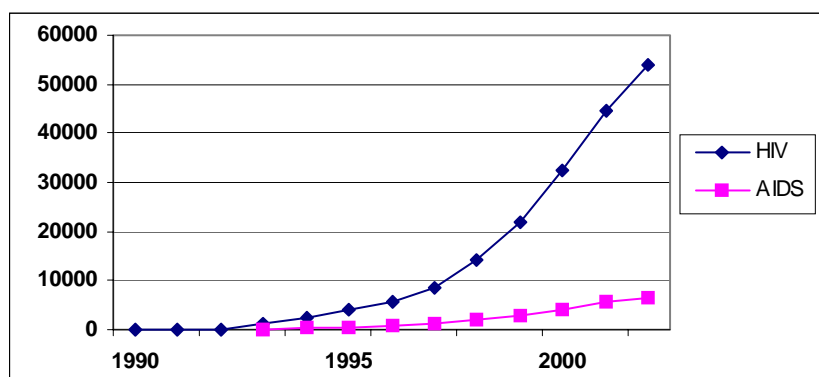
According to the latest figures, the cumulative number of reported cases of HIV/AIDS in Viet Nam was around 56,495 at the end of October 2002, of which over 4,600 AIDS cases have died. In the first ten months of 2002 alone, over half of the reported cases were in the 20-29 age group, disproportionately affecting the country's youth.

Although the number of reported cases is not high in comparison to other countries in the region, the increase over the last years has been considerable at a rate of around 7% per annum. In addition, the estimated number of cases (in the vicinity of 150,000 HIV cases) is considerably higher than official data on reported cases, and every province in the country has now reported HIV cases.

In Viet Nam, however, reported number of cases is not a good proxy for assessing the state of the epidemic. An HIV sentinel surveillance system, which has been operating in Viet Nam since 1994, shows increasing HIV prevalence rates among all risk groups in the country. In 2000, HIV prevalence rates were found, on average, to be 24% among injecting drug users, 3.5% among female sexual workers, 1.4% among sexually transmitted infections patients, almost 1% among military recruits, and 0.08% among pregnant women (WHO 2000).

The World Health Organization estimates that the HIV prevalence rate will grow over the next few years, from the current levels of 0.29% of the adult population. Therefore, considerable efforts including all relevant stakeholders will be required to halt and reverse the spread of the disease by 2015, starting by higher Government spending in the area, which compares unfavourably with neighbouring countries like Thailand and Cambodia.

**Chart 12. Cumulative HIV/AIDS Cases in Viet Nam**



Source: Ministry of Health 2002

The international framework for the implementation of effective responses to HIV/AIDS was strengthened in June 2001 with the United Nations General Assembly's Special Session on HIV/AIDS (UNGASS). The Government of Viet Nam has committed to the Declaration's implementation and is leading a national response to HIV/AIDS.

As a result of the implementation of the National AIDS Programme 1996-2000, an initial institutional framework for the treatment of the HIV/AIDS epidemic has been

developed in Viet Nam. However, as highlighted in a recent evaluation of the past National AIDS Programme, the presence of two governmental organizations with responsibility for HIV/AIDS within the Ministry of Health might have led to confusion and lack of coordination. The creation of the National Committee for the prevention of AIDS, Drugs and Prostitution should assist the definition of a comprehensive national strategy in the area, but greater clarity in the present HIV/AIDS governmental organizational structure is needed to ensure programme effectiveness. In addition, strong, high profile leadership is essential to gather support of all relevant stakeholders in the fight against HIV/AIDS.

Viet Nam will also need to eliminate the current linkages made between social evils and HIV infection since this tends to cause discrimination against those with HIV/AIDS. A multisectoral strategy also needs to be developed in this area that involves all relevant stakeholders. Although the HIV infection is currently predominantly among drug injecting users and sexual workers, the virus seems posed to spread to a considerably wider segment of the population over the coming years, and an exponential increase in the number of reported cases has been witnessed since 1990.



HIV/AIDS poses a potentially enormous socio-economic challenge for the development of the country, since the virus affects disproportionately young people and the disease ends the life of many adults in their prime.

In the case of malaria, Viet Nam has achieved considerable progress at treating the disease, although pockets still remain across the country. Notably, the Central Highlands and Northern Uplands report the highest malaria morbidity rates. The Government has committed to further reduce the mortality rate to 0.15 per 100,000 persons by 2005.

Viet Nam has implemented the World Health Organization (WHO) recommended DOTS<sup>9</sup> strategy to control tuberculosis country-wide since 1995. At present, Viet Nam is the only country among the 22 high burden countries that is achieving the WHO targets for case finding and cure. From 1996 to 2000 the programme diagnosed and treated 418,797 cases of tuberculosis (TB), of which 90% were declared cured. The Government's long-term objective is to halve the number of TB cases by 2015, with a special focus on marginalized and isolated populations and in particular view of the TB links with the rising HIV epidemic.

## Adapting the MDG to the National Context

Accordingly, when adapting this MDG to the national context, the potential threat of an HIV/AIDS epidemic was highlighted as the overriding concern. Adapting the HIV/AIDS MDG has also allowed bringing it to the front of the human development debate, and its insertion in national planning documents, as opposed to the previous sectoral approach. The Government's National Plan of Action for HIV/AIDS Prevention and Control 2001-2005 provides an initial planning framework for addressing the epidemic that will require consistent Government support.

### Goal 6. Combat HIV/AIDS, malaria and other diseases

	MDG	VDG
<b>Target 1</b>	Have halted by 2015, and begun to reverse, the spread of HIV/AIDS	Slow the increase in the spread of HIV/AIDS by 2005 and halve the rate of increase by 2010
<b>Target 2</b>	Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases	

The Government has fully adopted the MDG target of curbing the spread of HIV/AIDS and has also committed to slow down the process of HIV development into AIDS. However, as mentioned above, considerable additional efforts are required to tackle the epidemic in the form of additional resources, coordination among government agencies and stronger national leadership.

## Geographic Distribution of HIV/AIDS

For the first time since the first HIV/AIDS case was reported in Viet Nam in 1990, all 61 provinces and major urban areas of the country reported cases in 2002. The rate of HIV/AIDS spreading is very rapid, even in the least affected provinces. From December 1998 to June 2002, on average, the number of people infected with HIV/AIDS has increased by 3.31 times for the bottom 12 provinces, while that of the top 12 provinces increased by 8.52 times. Table 8 shows the cumulative number of people infected with HIV/AIDS per one hundred thousand people as of December 1998 and June 2002 for the top and bottom 12 provinces.

Worst performing provinces on HIV/AIDS are more likely to be urban or tourist areas, border provinces, or those through which the national highways run. At the bottom is Quang Ninh. This is a newly developing border province and also an attractive tourist destination. By the end of 1998, the cumulative number of

<sup>9</sup> Directly Observed Treatment Short Course

**Table 8 Cumulative number of HIV/AIDS infected people for top and bottom 12 provinces**

Bottom 12 provinces	HIV Cases per 100,000 people	Top 12 provinces	HIV Cases per 100,000 people	Bottom 12 provinces	HIV Cases per 100,000 people	Top 12 provinces	HIV Cases per 100,000 people
December 1998				June 2002			
Bac Ninh	19.76	Ha Giang	0.33	Hai Duong	61.51	Quang Tri	3.04
Dong Nai	19.85	Thanh Hoa	0.55	Dong Nai	65.08	Quang Ngai	3.17
Lam Dong	19.88	Quang Ngai	0.59	Binh Duong	65.29	Quang Binh	3.54
Binh Phuoc	20.50	Tuyen Quang	0.59	Lang Son	70.48	Ha Giang	6.27
Ha Noi	20.96	Quang Tri	0.70	Khanh Hoa	81.91	Bac Can	7.74
Da Nang	25.58	Bac Can	0.73	Cao Bang	90.91	Ha Tinh	8.01
Hai Phong	32.76	Quang Binh	0.76	Ha Noi	125.43	Quang Nam	8.04
An Giang	35.58	Lai Chau	1.19	An Giang	132.10	Ca Mau	9.18
Ho Chi Minh City	52.59	Ninh Binh	1.24	Ba Ria-Vung Tau	157.49	Lao Cai	9.45
Khanh Hoa	57.89	Ha Tinh	1.26	Ho Chi Minh City	202.84	Phu Yen	9.47
Lang Son	66.70	Lao Cai	1.35	Hai Phong	218.28	Ha Tay	9.49
Quang Ninh	166.46	Son La	1.59	Quang Ninh	427.85	Vinh Phuc	9.49
<b>Average</b>	<b>42.84</b>	<b>Average</b>	<b>0.85</b>	<b>Average</b>	<b>141.60</b>	<b>Average</b>	<b>7.24</b>
<b>Bottom 12 (June 2002)/Bottom 12 (December 1998): 3.31 times</b>				<b>Top 12 (June 2002)/Top 12 (December 1998): 8.52 times</b>			

Source: Ministry of Health 2002

HIV/AIDS infection reported was 166.46 per 100 000 people. This number jumped to 427.85 as of June 2002, making it the province with highest rate of HIV/AIDS infected in both reporting years. Other big cities like Ho Chi Minh City, Hanoi or Hai Phong all have high rates of HIV/AIDS infection. Provinces bordered with Cambodia and China like An Giang, Cao Bang, or Lang Son recorded high rates of infection due probably to the cross border movement of high risk groups of people.

## Framework for Meeting the Challenge

HIV/AIDS surely deserves special attention as one of the greatest potential development challenges Viet Nam is facing today. In order to halt and reverse the HIV infection trend, Viet Nam needs to recognize the nature of the problem. HIV/AIDS poses an enormous threat on the development of the country and it needs to be recognized as a development crisis. The perception of the epidemic as a social evil seriously impedes Viet Nam's ability to effectively respond and tackle this problem.

Facing the HIV/AIDS challenge is an incredibly demanding task that must be assisted by all Government's development partners. However, first and foremost, the nation leaders' need to be substantially involved in the battle against the epidemic. Strong and high-profile leadership has proved to be one of the critical factors for success in this fight.

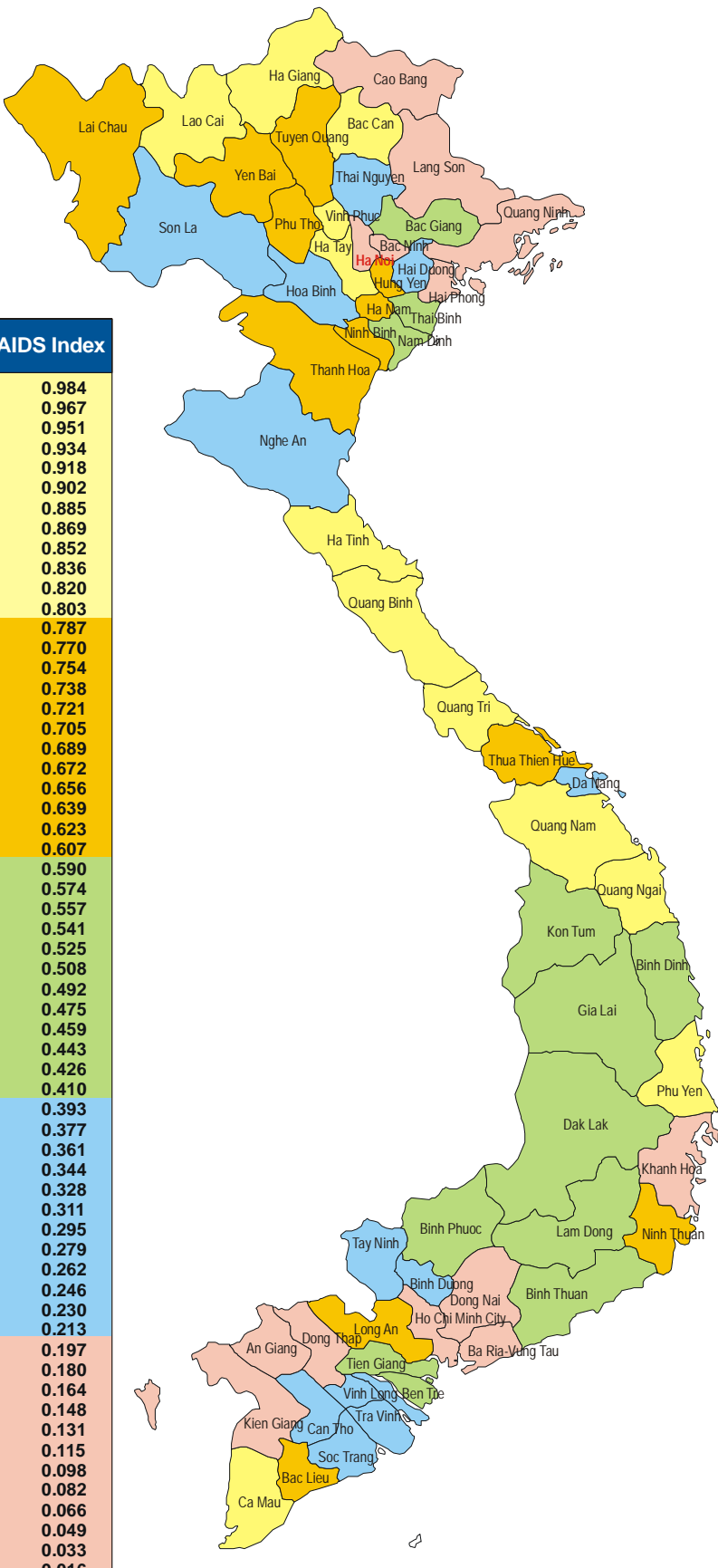
Strong Government leadership is needed to develop effective co-ordination mechanisms that avoid fragmentation of understanding, focus, and efforts. The present HIV/AIDS government organizational structure must provide a strategic framework that is coherent and encourages cooperation with donors and NGOs. Without it, the much needed additional resources in the struggle against HIV/AIDS would not have the desired impact.

Considering the multifaceted character of the HIV/AIDS issue, a multisectoral approach is required. This must include education and awareness campaigns, the provision of counseling and care services, voluntary and confidential testing, promoting access to and diversifying contraceptive use, and maintaining safe blood supplies and standard precautionary practices.

The particular issues faced by risk groups need to be confronted. Women are especially vulnerable to infection due to a variety of reasons including prevailing gender power relations, their status as caregivers

HIV/AIDS

Province	HIV/AIDS Index
Quang Ngai	0.984
Quang Tri	0.967
Quang Binh	0.951
Bac Can	0.934
Ha Giang	0.918
Ha Tinh	0.902
Quang Nam	0.885
Ca Mau	0.869
Phu Yen	0.852
Lao Cai	0.836
Ha Tay	0.820
Vinh Phuc	0.803
Thanh Hoa	0.787
Yen Bai	0.770
Thua Thien-Hue	0.754
Ha Nam	0.738
Phu Tho	0.721
Tuyen Quang	0.705
Ninh Thuan	0.689
Hung Yen	0.672
Bac Lieu	0.656
Lai Chau	0.639
Long An	0.623
Ninh Binh	0.607
Ben Tre	0.590
Binh Dinh	0.574
Kon Tum	0.557
Nam Dinh	0.541
Gia Lai	0.525
Tien Giang	0.508
Thai Binh	0.492
Binh Phuoc	0.475
Dac Lac	0.459
Binh Thuan	0.443
Lam Dong	0.426
Bac Giang	0.410
Tra Vinh	0.393
Vinh Long	0.377
Hoa Binh	0.361
Son La	0.344
Binh Duong	0.328
Soc Trang	0.311
Tay Ninh	0.295
Nghe An	0.279
Da Nang	0.262
Can Tho	0.246
Thai Nguyen	0.230
Hai Duong	0.213
Bac Ninh	0.197
Kien Giang	0.180
Dong Nai	0.164
Dong Thap	0.148
Cao Bang	0.131
Khanh Hoa	0.115
Ha Noi	0.098
An Giang	0.082
Ba Ria-Vung Tau	0.066
Lang Son	0.049
Ho Chi Minh City	0.033
Hai Phong	0.016
Quang Ninh	0.000



in families with infected members, and a higher propensity to become infected. In the case of injecting drug users and their sexual partners, addiction must be treated together with infection, and a greater understanding of drug addiction patterns is required to design successful policy interventions in the area (i.e. effective detoxification, drug substitution, avoiding needle and syringe exchange, etc)

People living with HIV/AIDS must become very important participants in the effort to tackle this development challenge. They are the ones through which the right messages and advice can be better conveyed, and they should play a key role in the design, implementation, and evaluation of HIV/AIDS prevention and care in Viet Nam. Their efforts must be supported, however, by a nationwide communications strategy that helps increase the public's understanding on the epidemics root causes and rights-related issues.

Delaying the implementation of the kind of measures listed above will only increase the cost of the intervention in the years ahead. Viet Nam can, and should face this critical challenge to its population with the same determination that allowed halving poverty over the last decade. The strong willingness of the donor and NGO community to assist in halting and reversing the spread of the epidemic needs to be combined with strong and effective national leadership.

## Goal 7. Ensure environmental sustainability

### Progress to Date

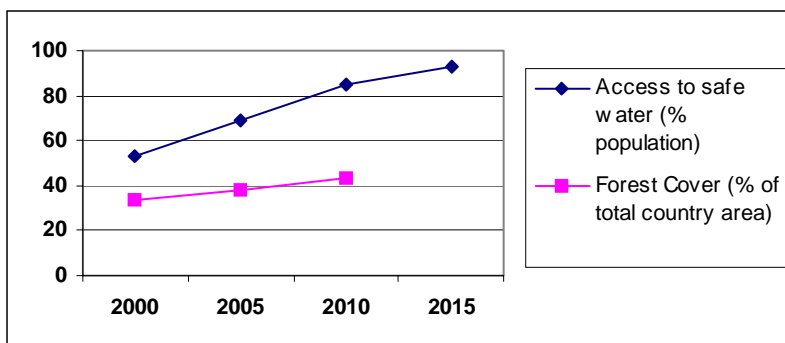
The rapid economic growth of the 1990s has placed Viet Nam's natural resources under stress, as shown for instance by the high number of endangered species in the country, the dramatic reduction in forest cover, and the deteriorating environment of urban centers due to increased air pollution.

Viet Nam has substantially improved its legal and planning framework in this area and has successfully formulated a national strategy for sustainable development, the National Strategy for Environmental Protection 2001-2010, still in the process of approval.

Given the wide scope of this MDG (Ensure environmental sustainability), it is difficult to monitor progress towards the achievements of the targets with only a few selected indicators. Key conventional indicators show, however, that the country might be on track to halt environmental loss, although still a long way from reversing the important environmental and natural resources losses from last decade's fast economic growth.

Among the entire range of environmental problems facing Vietnam currently, deforestation has been the most pressing one. From 1943 to 1997, forest cover fell from 43% to 28% of the country's total area. The proportion of land area covered by forest has been, however, consistently increasing over the last years, and the latest Government value stands at 34%. The national target of 43% by 2010 seems therefore achievable, but additional attention must be placed on the quality of reforestation, which includes the introduction of non-native species that may be crowding out native ones and reducing the country's biological diversity.

**Chart 13. Environmental Indicators and Targets**



Source: MARD, GSO 2002

The proportion of population with sustainable access to an improved water source is now in the vicinity of 53% (MARD 2000), with dramatic improvements between 1998 and 2000. If Government's public expenditure commitments remain in line with previous years', it is likely that Viet Nam will achieve the 2015 target of providing 93% of the population with access to safe water as defined in the National Rural Clean Water Supply and Sanitation Strategy 2020.

### Adapting the MDG on Environmental Sustainability to the National Context

This MDG is, in effect, implicit in Viet Nam's national development goals outlined in the Government's Agricultural and Rural Development Plan 2001-2005. Similarly, related environmental objectives have been developed in the process of formulation of the National Strategy for Environmental Protection. These two documents already include national targets for land covered by forest, access to safe water, protection and improvement of urban and rural environments, and air pollution prevention.

This nationally-driven process has assisted relevant stakeholders to identify the necessary public expenditure levels required for increasing sustained access to safe water to almost 100% of the population. It has also underlined the need to agree on consistent definitions of concepts as fundamental as "safe water", and stressed the importance of the link between environment and poverty.

**Goal 7. Ensure environmental sustainability**

	MDG	
<b>Target 1</b>	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	Extend forest cover to 43% by 2010
<b>Target 2</b>	Halve, by 2015, the proportion of people without sustainable access to safe drinking water	Ensure that 60% of the rural population has access to clean and safe water by 2005 (80% for urban population) and 85% by 2010.
<b>Target 3</b>	By 2020, to have achieved significant improvement in the lives of at least 100 million slum dwellers	Ensure there are no slums and temporary houses in all towns and cities by 2010
<b>Target 4</b>		Ensure that all wastewater in towns and cities is treated by 2010
<b>Target 5</b>		Ensure that all solid waste is collected and disposed of safely in all towns and cities by 2010
<b>Target 6</b>		Air and water pollution must attain national standards by 2005

**Environmental Disparities***Deforestation*

Provinces in the Northern Uplands and Central Highlands like Lang Son, Lai Chau, Dac Lac, and Kon Tum are among the ones with the highest proportion of forest loss per 1000 persons. Binh Thuan, Binh Phuoc, Ba Ria-Vung Tau, and Phu Yen are also listed among the 12 provinces with the highest forest loss area for the year 2000. Dac Lac province leads in terms of total area of forest loss, with 1185 hectares of forest lost in 2000, representing 0.64 hectares per 1000 persons of the province. Binh Phuoc, although presenting a smaller total area of forest loss (578 hectares) but with only 685 thousand people, becomes the province with highest rate of forest loss per 1000 persons in the country (0.84 hectares) for the same year of 2000 (Table 9).

**Table 9. Forest loss in the bottom 12 provinces**

Bottom 12 provinces	Total area of forest loss ( hectare in 2000)	Total population ('000 persons in 2000)	Area of forest loss per '000 persons
Ba Ria-Vung Tau	76	822	0.09
Cao Bang	52	496.5	0.10
Lao Cai	93	607.1	0.15
Phu Yen	167	800.7	0.21
Bac Lieu	161	744.3	0.22
Lam Dong	238	1034	0.23
Lang Son	268	712.3	0.38
Binh Thuan	426	1065.9	0.40
Lai Chau	289	604.3	0.48
Kon Tum	165	324.8	0.51
Dac Lac	1185	1860.9	0.64
Binh Phuoc	578	684.6	0.84

Source: GSO 2001

As the data shows, the link between environment and poverty is clearly reflected in the analysis of provinces with the highest rates of forest loss. Provinces with high proportion of forest destruction are also on the list of poorest provinces, as in the cases of Lao Cai, Kon Tum, and Lai Chau. Other than poverty, lack of understanding of the future value of environmental resources is another reason for forest area loss. This happens very often in the mountainous provinces like Lang Son or Cao Bang in the North uplands and Binh Phuoc, Kon Tum in Central Highland region where the level of general education is low.

Rapid increase in population either through higher fertility rates or through migration imposes heavy pressures on the ecosystem in general and particularly on forests, especially in mountainous poor provinces where forests are used as the main means of living. This provides the argument for the recent rapid loss of forest cover in such provinces as Binh Phuoc and Lam Dong as well as Kon Tum and Ba Ria-Vung Tau. Forest reduction is due to rapid economic growth, is linked to the cases of Ba Ria-Vung Tau and Lang Son, where economic activity boomed over the last decade and high economic growth is being consistently recorded.

### *Safe water*

While the overall rate of access to safe water has increased by 13% in Viet Nam over the 1998-2000 period - one of the fastest growth rates in the world - the distribution of this achievement does not look even across provinces or regions. As seen in Table 10, while the average proportion of people without access to safe water in top 12 provinces stands at 4.05%, the corresponding number for the bottom 12 is 71.96% - the striking difference of 17.77 folds. Provinces in the Northern uplands and in the Mekong delta are among the worst off. Standing in the top ranking are, as expected, major urban areas and a number of more developed provinces in the Red River delta.

**Table 10. Proportion of population without access to safe water for top and bottom provinces**

Province	Population without access to safe water (% - 1999)	Province	Population without access to safe water (% - 1999)
Top 12 provinces		Bottom 12 provinces	
Ho Chi Minh City	1.2	Lang Son	50.6
Ha Noi	1.4	Lao Cai	54.2
Vinh Phuc	3.6	Bac Can	59.4
Da Nang	4.8	Ha Giang	63.5
Thai Nguyen	5.8	Cao Bang	66.0
Bac Giang	6.0	Can Tho	66.9
Dong Nai	6.0	Son La	68.7
Ba Ria-Vung Tau	6.1	An Giang	72.7
Hung Yen	6.4	Lai Chau	76.7
Binh Duong	6.8	Ben Tre	79.9
Phu Tho	7.0	Vinh Long	83.5
Bac Ninh	7.2	Dong Thap	86.6
<b>Average</b>	<b>4.05</b>	<b>Average</b>	<b>71.96</b>

Source: Population Census 1999

## **Framework for Progress**

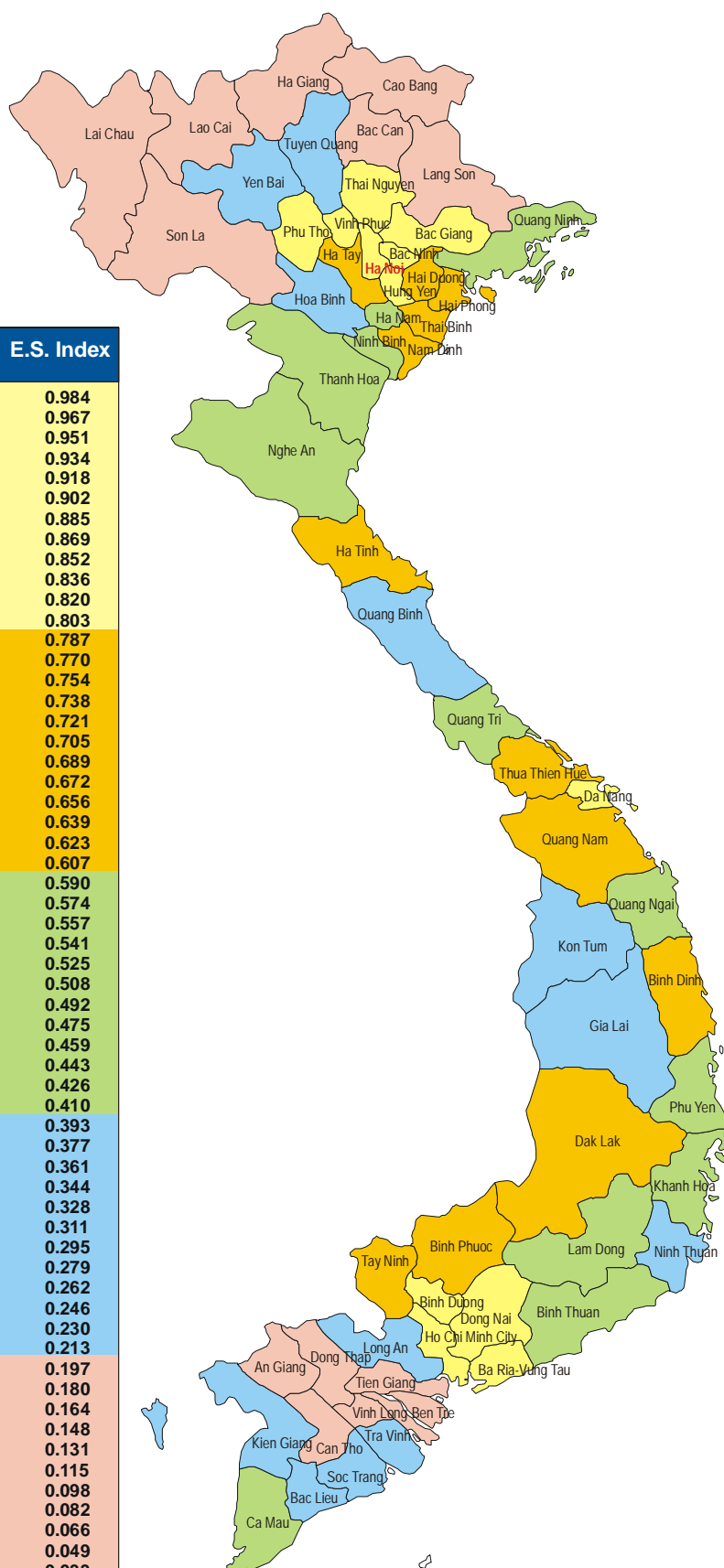
Determined reform of the institutional, financial, and policy environment for the provision of safe drinking water and the monitoring of air quality is required to achieve the MDG targets in this sector. Several Government agencies have responsibilities for the monitoring of the relevant indicators in the area, leading to duplication of efforts, lack of coordination, and poor quality of data. On that point, the draft National Strategy for Environmental Protection has not yet been officially approved, leaving an institutional vacuum that needs to be filled as soon as possible.

The Government's reforestation efforts are noted, but as with many other development dimensions, achieving quantitative targets should not obviate the need to obtain appropriate quality levels of the reforestation. Biological diversity in tree plantations should be encouraged, together with a more active role of the private



# ENVIRONMENTAL SUSTAINABILITY

Province	E.S. Index
Ho Chi Minh City	0.984
Ha Noi	0.967
Vinh Phuc	0.951
Da Nang	0.934
Thai Nguyen	0.918
Bac Giang	0.902
Dong Nai	0.885
Ba Ria-Vung Tau	0.869
Hung Yen	0.852
Binh Duong	0.836
Phu Tho	0.820
Bac Ninh	0.803
Hai Phong	0.787
Binh Dinh	0.770
Dac Lac	0.754
Nam Dinh	0.738
Tay Ninh	0.721
Hai Duong	0.705
Ha Tinh	0.689
Thua Thien-Hue	0.672
Thai Binh	0.656
Binh Phuoc	0.639
Ha Tay	0.623
Quang Nam	0.607
Khanh Hoa	0.590
Ninh Binh	0.574
Thanh Hoa	0.557
Phu Yen	0.541
Nghe An	0.525
Lam Dong	0.508
Quang Ninh	0.492
Binh Thuan	0.475
Ha Nam	0.459
Quang Ngai	0.443
Quang Tri	0.426
Ca Mau	0.410
Bac Lieu	0.393
Tuyen Quang	0.377
Quang Binh	0.361
Hoa Binh	0.344
Soc Trang	0.328
Kon Tum	0.311
Yen Bai	0.295
Long An	0.279
Kien Giang	0.262
Gia Lai	0.246
Ninh Thuan	0.230
Tra Vinh	0.213
Tien Giang	0.197
Lang Son	0.180
Lao Cai	0.164
Bac Can	0.148
Ha Giang	0.131
Cao Bang	0.115
Can Tho	0.098
Son La	0.082
An Giang	0.066
Lai Chau	0.049
Ben Tre	0.033
Vinh Long	0.016
Dong Thap	0.000



sector in forestry and improvements to the monitoring and evaluation systems for the Five Million Hectares Reforestation Programme.

The Public Investment Project should include in its formulation process detailed environmental criteria for the approval of investment projects. Environmental impact assessments should be opened to public debate, especially among communities most affected. Further efforts are needed to mainstream environmental sustainability in the Government's planning system in addition to the definition of sectoral strategies in the area.

## Goal 8. Develop a Global Partnership for Development

### Progress to Date

The eighth goal of the MDG framework relates to the institutional framework required to achieving the previous seven including: the global governance structure for poverty eradication; the critical role of public-private sector partnerships in development; and the responsibilities of the donor community in supporting the achievement of the MDGs.

This MDG also includes general targets in the areas of good governance; effectiveness of Official Development Assistance (ODA); access to markets for developing countries; debt sustainability; decent work for the youth; affordable access to essential drugs; and spreading the benefits of new communications and information technologies.

#### *Progress in Governance*

In the area of governance, progress has been obtained over the last two years in Legal Reform, Public Administration Reform, and assistance to Viet Nam's Legislative Bodies

Progress on Public Administration Reform has included the simplification of administrative procedures in Government Ministries, the revision of the Law on Government (which lays out the foundations for the decentralization of authority to Local Governments in organizational matters), and significant reforms to the organizational structure of public administration.

The comprehensive legal needs assessment has defined a detailed roadmap for legal reform in Viet Nam in the coming years. Significant resources will be devoted to this critical area from a wide representation of the donor community. In view of the accelerated process of international economic integration Viet Nam is immersed on, implementing a legal framework that is conducive to economic development is especially important.

In addition, the role of the National Assembly and People Councils in the formulation and monitoring of development plans and strategies has been further increased with the December 2001 Amendments to the Constitution. Accordingly, the National Assembly and provincial People's Councils will be receiving increased assistance from the donor community in the coming years to increase the efficiency of these institutions and prepare them to successfully address the challenges the development process of Viet Nam continuously presents.

Viet Nam is also committed to developing a level playing field for private sector development, which has proved to be over the recent years the potentially most important engine of growth and employment creation. The extraordinary increase on newly registered enterprises (over 52,000 since January 2000, over 20% of them female-headed) that followed the implementation of the Enterprise Law is an important indication of the considerable untapped potential for private enterprise in the country. The returns to further policy investment in this area are expected to be the greatest in terms of poverty reduction.

Important reforms to Foreign Direct Investment regulations over the recent years should facilitate the arrival of foreign capital and technology for productive activities, although the quality of investment is still a concern for the country. In such a competitive international environment, Viet Nam will need to continuously increase its productivity so as to remain an attractive location for quality foreign investment.

In order to achieve further productivity improvements, remaining constraints to competition in Viet Nam, namely access to land and seed capital, should be addressed. In this area, the Government's broad institutional reform programme includes reforms to the State Owned Enterprise Sector, the banking sector, public expenditure management, etc. Progress in these areas is mixed, and the Government should promote further employment creation through the development of a vibrant private sector over the job destruction that might be expected from the reform of the SOE sector.

Viet Nam is successfully progressing in its process of international economic integration, with the implementation of important multilateral and bilateral trade agreements. The country's ambitious trade

liberalization agenda is being implemented faster than expected and assisting the promotion of Vietnamese exports to the ASEAN and US markets. In addition, negotiations for WTO access are well underway and the country hopes to gain access soon after 2005.

It is important to highlight the considerable implications that trade liberalization will have in development terms. Ensuring that Vietnamese people benefit more than they lose from the recent trade agreements will depend heavily on a wide range of policy and institutional reforms that go well beyond the area of trade.

### *Debt Sustainability*

Viet Nam's foreign debt is currently in the order of 40% of GDP, still quite manageable, but not insignificant. Viet Nam's domestic savings are reportedly in the order of 25% of GDP, still well below the kind of savings rates that powered the development of the more successful East Asian economies over the past forty years.

### *ODA Effectiveness*

Adequately assessing the quality of ODA investments is difficult due to lack of available data in a wide range of areas. On the surface at least, growth and development is proceeding at a relatively healthy pace given the weak regional and global economies. The highest rates of return on ODA so far would appear to be from investments in basic social services, knowledge transfer for policy and institutional reform and development, and infrastructure rehabilitation and development, all of which have contributed to continued improvements in human well-being in Viet Nam.

While ODA commitments remain quite high for Viet Nam, ODA disbursements declined somewhat in 2001 to US\$1.36 billion (down from US\$1.6 billion in 2000) for the first time since data began to be collected in 1993 (UNDP forthcoming). The main reason for the significant decline was the completion of a number of major infrastructure projects, but also sectors with a more direct link to the MDGs such as education and training and health experienced shortfalls. It is expected that disbursements in 2002 will be in the vicinity of US\$1.5 to US\$1.6 billion. Undisbursed ODA available to Viet Nam remains significant.

The share of ODA going directly through the provinces appears to have declined somewhat in recent years. Given the trend to more quick disbursing ODA through national agencies, especially since the approval of the CPRGS, the challenge for Viet Nam will be to ensure this money actually reaches those in most need in remote and isolated regions of the country. This is a challenge that should be shared by the donor community. The Northern Uplands, the North Central Coast and Mekong Delta are the most disadvantaged regions in the country. Although these three regions include nearly 70% of all poor people in Viet Nam, they account for only 44% of all ODA going directly to provinces.

## **Bringing this MDG Closer to People in the Provinces**

Available quantitative indicators for measuring improvements in governance at the provincial level are still relatively limited in Viet Nam. While the growth in business enterprises is influenced by many factors, ranging from available infrastructure to proximity to markets, the support and attitude of provincial authorities also plays an important role in Viet Nam.

In this regard, the average annual number of newly registered firms since the implementation of the new Enterprise Law for the top 12 provinces is 41.8 per 100,000 people. This compares with an average of 4.4 firms per 100,000 people in the bottom 12 provinces. The high rank of big urban centers is expected, since these areas have a considerable "critical mass" in terms of entrepreneurs, infrastructure, and skills levels of both public servants and prospective businessmen.

However, if provinces with similar development levels are compared, it also seems clear that the mix of local policies (i.e. how the provincial authorities are encouraging the development of the private sector by fully implementing the Enterprise Law) matters considerably.

Binh Phuoc, for instance, performs well in terms of new enterprise registrations (over 18.7 per 100,000 people per year) even if it is not a popular destination for foreign direct investment (FDI). In comparison, Hai Duong (with similar income per capita), traditionally among the best 10 provinces in terms of attraction of

**Table 11. Impact of the new Enterprise Law 2000-2001**

Province	Number of Newly Registered Firms per 100,000 people 2000-2001 annual average	Province	Number of Newly Registered Firms per 100,000 people 2000-2001 annual average
Top 12 provinces (2000 – 2001)		Bottom 12 provinces	
Ho Chi Minh City	117.2	Hoa Binh	6.5
Ha Noi	101.7	Quang Ngai	6.2
Binh Duong	47.1	Nam Dinh	6.0
Da Nang	45.2	Hai Duong	5.5
Ba ria Vung Tau	37.4	Bac Giang	4.8
Khanh Hoa	31.3	Bac Lieu	4.6
Hai Phong	26.1	Tra Vinh	4.2
Thua Thien Hue	20.1	Lai Chau	4.0
Quang Ninh	19.4	Yen Bai	3.4
Quang Tri	18.7	Thanh Hoa	3.1
Binh Phuoc	18.7	Son La	2.8
Ca Mau	18.6	Quang Nam	1.7
<b>Average</b>	<b>41.8</b>	<b>Average</b>	<b>4.4</b>

Source: MPI 2002

foreign capital due to its privileged position between Ha Noi and Hai Phong, is among the weakest provinces with just over 5 new registered companies per 100,000 people per year.

Quang Tri, another interesting example, reaches almost the same rates of new enterprise registration as Quang Ninh, even if the latter accounts for an income per capita almost double that of the former. As a proxy for good governance at the local level, and undertaking comparisons between provinces at similar levels of development, the number of newly registered enterprises is therefore an interesting indicator.

## Framework for Further Progress

Based on past success, future progress and success will likely be best secured by a further broadening and deepening of the *doi moi* reform process, especially a further expansion of choices, opportunities and participation in rural areas. Challenges will include further breaking down isolation in its various forms, and ensuring that all Vietnamese people participate in and benefit from Viet Nam's so far extraordinary development process.

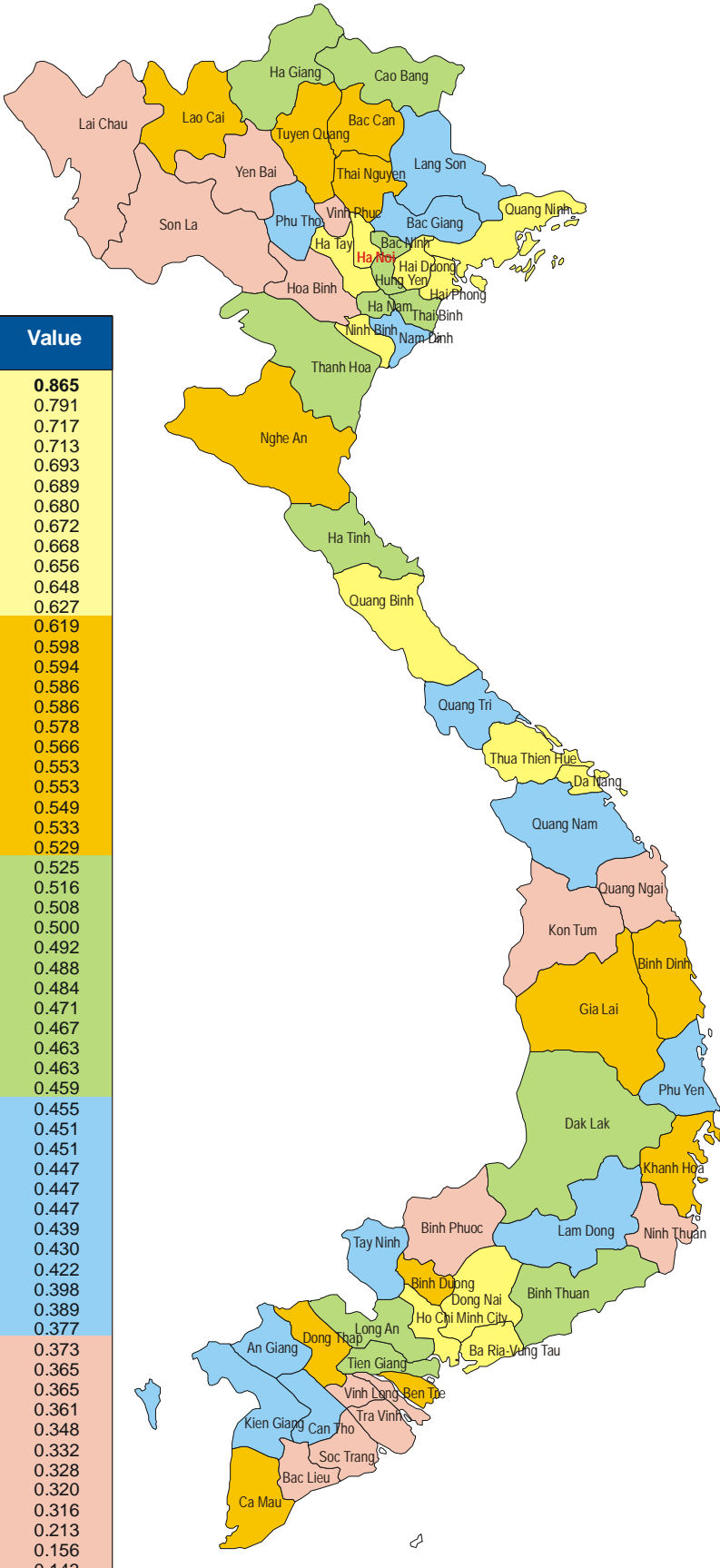
Further development of the role of the National Assembly in representing the interests of people and local communities across the country will be essential to broadening and deepening the participation of all people. Similarly, further developing the responsiveness of local government will also be critical to helping meet the genuine needs and wishes of local communities and people through the effective implementation of the grassroots democracy decree, and the further opening up of planning, budgetary and other decision making processes.

Much greater capacity building assistance will be needed at the local levels in Viet Nam if the growing amounts of decentralized public resources are to be invested effectively towards improving the well-being of those in most need. Effective investments in health, education and rural infrastructure that meet the genuine needs of local communities will also contribute to the country's overall competitiveness.

Capacity building assistance is needed in financial planning and management, accounting and auditing systems, and in effectively opening up and broadening decision making processes so that investments meet the real needs of local peoples and communities.

EFFECTIVE GOVERNANCE

Province	Value
Da Nang	0.865
Ha Noi	0.791
Quang Ninh	0.717
Ninh Binh	0.713
Ha Tay	0.693
Hai Duong	0.689
Ho Chi Minh City	0.680
Dong Nai	0.672
Ba Ria-Vung Tau	0.668
Thua Thien-Hue	0.656
Quang Binh	0.648
Hai Phong	0.627
Binh Dinh	0.619
Binh Duong	0.598
Thai Nguyen	0.594
Ca Mau	0.586
Gia Lai	0.586
Lao Cai	0.578
Khanh Hoa	0.566
Bac Can	0.553
Tuyen Quang	0.553
Ben Tre	0.549
Nghe An	0.533
Dong Thap	0.529
Long An	0.525
Bac Ninh	0.516
Tien Giang	0.508
Ha Giang	0.500
Ha Nam	0.492
Hung Yen	0.488
Binh Thuan	0.484
Thanh Hoa	0.471
Ha Tinh	0.467
Cao Bang	0.463
Dac Lac	0.463
Thai Binh	0.459
Nam Dinh	0.455
Can Tho	0.451
Tay Ninh	0.451
Lam Dong	0.447
Phu Tho	0.447
Quang Tri	0.447
Kien Giang	0.439
Bac Giang	0.430
Quang Nam	0.422
Lang Son	0.398
An Giang	0.389
Phu Yen	0.377
Yen Bai	0.373
Son La	0.365
Vinh Phuc	0.365
Lai Chau	0.361
Binh Phuoc	0.348
Soc Trang	0.332
Hoa Binh	0.328
Quang Ngai	0.320
Kon Tum	0.316
Ninh Thuan	0.213
Vinh Long	0.156
Tra Vinh	0.143
Bac Lieu	0.131



As suggested earlier, the next frontier of outstanding success in Viet Nam's so far remarkable development process is likely to be an expansion of choices and opportunities in the non-state business sector. Further encouraging the development of competitive domestic enterprises will be needed to create meaningful jobs for the 1.4 million new young job seekers that are entering the labour market every year.

Further enabling the development of the domestic private business sector will be essential not only for satisfying the rapidly growing demand for meaningful employment and incomes, but also for expanding the tax base to finance more effective public institutions and essential social services, and increasing domestic savings and general *self-reliance* to sustain increasingly higher levels of human well being in Viet Nam.

Here, the effective implementation of the Enterprise Law at the provincial level is likely to prove instrumental to further expanding choices and opportunities, job and income creation, poverty reduction and narrowing a range of disparities. Expanded choices in and access to land, investment credit and trading rights and authorizations will also be essential to enabling further enterprise, job and income creation.

Viet Nam's integration into the regional and international economies is about to accelerate on a number of fronts including: trade in goods and services, foreign finance and widening access to outside information and knowledge. All of this will create significant new opportunities and challenges for the Government's management of growth, equity, stability and ultimately the well-being of the Vietnamese nation and people. Ensuring that accelerated integration works for all Vietnamese people will require putting national interests ahead of special interests, ensuring job creation stays well ahead of job elimination, and developing social safety nets for those whose livelihoods may be destabilized by the ensuing economic restructuring.

ODA effectiveness will depend heavily on the overall quality of public expenditures. Here, ensuring a quality public investment programme will be especially important to the effectiveness and sustainability of ODA related investments.

As indicated, Viet Nam's foreign debt stock remains manageable at around 40% of GDP, but not insignificant. At the same time, the country appears to be entering a period of "high-finance", where foreign finance will become increasingly supply-driven, and if not well-managed, potentially destabilising. Ensuring that foreign debt does not create the kinds of instabilities and hardships experienced by other developing countries will require discipline on the part of the State, combined with further development of the country's income and savings base, and general *self-reliance*.



*Bringing the MDGs Closer to the People* has highlighted the enormous social disparities in human development indicators across Viet Nam's 61 provinces and major urban areas. Viet Nam will need to ensure that the whole country, and not just a handful of better-off cities and provinces, crosses the finish line set by the MDG targets in 2015. In addition to the more sector specific issues analyzed in the previous section, a number of cross-cutting challenges need to be met to help fully achieve the MDGs.

## Achieving better resource targeting

Geographic, social, and economic isolation, combined with weak resources, are the main factors behind the increasing compartmentalization of poverty in rural areas in Viet Nam in recent years. Without a further reduction of isolation in its various forms, Viet Nam risks becoming a two-speed country, in which disparities widen between those who can profit from the process of international integration and those left behind.

Few variables are so directly related to sustainable development and economic growth as a country's health and education levels. A pro-poor focus in the current debate about Viet Nam's competitiveness would highlight the need to further increase the productivity of the country's most important asset: its people. Viet Nam should therefore offset the increasing provincial disparities with pro-poor investment strategies that are targeted at increasing access and quality of basic public services. The need to increase budgetary allocations to social sectors has been acknowledged by Government and determined action is needed through both the recurrent budget and the public investment programme.

The Public Investment Programme (PIP) 2001-2005 is an important pillar of the translation of Viet Nam's development goals into investment decisions. There is undoubtedly value in a public investment programme that ring-fences expenditures in priority sectors and protects these from cuts during economic downturns. At the same time, the PIP will also need to effectively reflect the development priorities set in the national planning framework for the coming years as well as Viet Nam's global commitment to meet the MDGs.

Clear investment criteria (e.g. cost-benefit analysis) need to be applied in the formulation of the PIP in order to avoid the approval and inclusion of projects with too low rates of return in terms of sustainable job and income creation. In this regard, the amount of credit earmarked for public companies in the draft PIP 2001-2005 needs to be balanced against the need to free up more resources, including land and credit, for the development of a competitive, job creating non-state business sector. Lack of clear criteria in this area might turn public investment into a huge ineffective subsidy that eventually threatens sustainability.

The Government of Viet Nam is also committed to a further increase in the transparency of public expenditure management. The publication of the annual budget document is a great step ahead in this area. Nevertheless, additional information would be required to assess the quality of inter-provincial and intra-sectoral distribution of recurrent expenditure. Recurrent expenditure patterns also need to be linked to the development priorities of Viet Nam, and should be formulated with the aim of ensuring a more balanced process of development across all provinces. The currently weak coordination among official agencies responsible for budget formulation is to be addressed by the Government in the forthcoming amendments to the State Budget Law. This should lead to a better integration of recurrent expenditure and investment, more accurate projections in resources for operations and maintenance, and better coordination between capital investment and the public service management.

## Increasing inequality

Analysis of data on basic consumption expenditures by households from the Living Standards Surveys of 1993 and 1998 suggests that Viet Nam experienced modest increases in inequality during that period (World Bank 1999). However, from 1993 to 1998 Viet Nam benefited from buoyant agricultural commodity prices that might have provided temporary windfall gains to the poorest segments of the population. The period since 1998, during which a number of agricultural commodity prices collapsed, may well have witnessed a more rapid increase in basic consumption disparities.

Notably, analysis of income data from the General Statistical Office suggests that income inequality is increasing much more rapidly. Data from the new Viet Nam Households Living Standards Survey, expected

to be released in 2003, will surely shed more light on this particular issue by assisting the analysis of the poverty and inequality trends between 1999-2002, a period potentially more relevant for the analysis of future trends.

## Targeting more isolated and impoverished areas

Viet Nam's poverty map shows a clear relationship between poverty rates and distance to major urban centers. The further from the most dynamic economic areas (i.e. Ha Noi, HCMC, Da Nang), the higher are usually the poverty rates. National sectoral policies typically represent more faithfully the set of preferences of the political center or the main economic growth poles. Remote rural provinces complain of how the national sectoral policies reflect poorly their own development priorities, and are unable to reallocate resources from their budgetary allocations to better match the regional or provincial needs.

Further decentralization is therefore an option for better matching resource allocations with the development priorities of particular regions/provinces. In view of the significant disparities in human development across provinces in Viet Nam, further decentralization would appear to be needed.

Viet Nam's process of international economic integration will demand an enhanced role of provinces and localities in their development processes. Accordingly, the capacity of provincial and local administrations will need to be strengthened. If effectively managed, further decentralization of resources and the provision of basic services would allow meeting more efficiently the particular development priorities of provinces and localities by increasing the flexibility in the use of public funds while ensuring adequate minimum standards.

However, if the management capacity required to appropriately and transparently allocate public resources is weak at the local level, public funds could be badly invested or even misappropriated. Accordingly, clear criteria and guidelines for the implementation at the provincial levels of national sectoral plans and poverty programmes like the CPRGS, together with the development of transparent and accountable provincial expenditure systems, will be essential to the success of such national efforts.

## Deepening the underlying quality of social services

The low quality of health and education services is seriously threatening the further sustainable improvements in poverty reduction and human development.

As an illustrative example, the average scores of exams of access to University have worsened considerably over the last years, underlining the shortcomings of Viet Nam's educational system. In addition, populations from rural areas get their prescriptions from unqualified personnel, and rural provinces account for significantly lower numbers of births attended by skilled personnel. There is a risk that disparities in access to social services will be exacerbated by disparities in the quality of services. Appropriate minimum standards in the provision of education and health services are not only pre-conditions for development, but most importantly basic human rights. Determined action in this area is therefore required to sustain past successes.

## Meeting newly emerging challenges

The fast economic growth of the 1990s and opening up to the outside world has had an important impact on Vietnamese society and brought about new development opportunities and challenges for which the country needs to find effective responses.

This is especially obvious in areas like the development of the civil society, the preservation of the country's cultural identity, and the growing risk of a HIV/AIDS epidemic. It can hardly be expected that social development will just "catch up" with economic development. An active role of Government facilitating the involvement of social actors in the development process of the country is required to increase the ownership of this process by the widest possible range of actors.

International integration will transform the Vietnamese society in unexpected ways, and will surely change views and approaches towards development topics. The use of Internet by teenagers in cyber cafes provides a paradigmatic example of how new communications technology can decisively affect human development and lead societies to new debates, demanding both the right questions and appropriate answers.

This learning process will surely be beneficial to Vietnamese society and will further spur a well-paced, nationally-driven integration process that benefits the poor while ensuring sustainable levels of economic growth.

## Achieving Development Sustainability

The debate on progress towards the achievement of the MDGs is also a debate on sustainability. Recent Government policy statements have carried the message of a wider concept of sustainability as pillar of its national development strategy. The reference here has been not only to the critical dimension of environmental sustainability, but also to social and economic sustainability. In times in which the economic competitiveness of Viet Nam is a major concern, the importance of continued investment in the overall development of the country's human resources, physical infrastructure, and legal framework must be stressed.

The economic growth targets as defined in the Socioeconomic Development Strategy 2001-2010 may prove ambitious in the context of the current international economic downturn. Economic growth, and therefore poverty reduction, is hardly sustainable if not based on continuous productivity increases, and that implies developing the best possible human capital base and supporting infrastructure.

This strategy, together with substantial reforms to the legal and institutional framework regulating the development of the private sector, would provide the basis for the improved quality of foreign direct investment (FDI) to Viet Nam. The country must aim to attract long-term, technology-transfer FDI, that is embedded in the national productive fabric and develops forward and backward linkages with the domestic private sector, actively contributing to improvements in Viet Nam's competitiveness levels in the global market place.

Recent examples of countries like Argentina and Indonesia have shown yet again the unequivocal risks of excessive foreign currency debt, leaving nations at the mercy of foreign currency fluctuations. At a moment in which Viet Nam requires a critical level of investment to finance its national development strategy and sectoral plans, it is timely to consider the most sustainable financing strategy for the country.

The donor community has an important responsibility in this area. The desire by donors for more rapid implementation and disbursements of official development assistance needs to be balanced against the effectiveness of the related investments. If lack of local capacity is the major constraint, and improvements can only be achieved slowly in this area, then greater flexibility, patience and willingness to commit for the long-term will be needed from donors. Similarly, much greater investment by donors in helping develop such needed capacities, especially at the provincial and sub-provincial levels will be essential.

Viet Nam's development process over the past fifteen years has been quite remarkable. However, as this report has highlighted, huge social disparities persist across Viet Nam's 61 provinces and major urban areas, especially between urban areas and more isolated rural areas, and across people of different ages, gender and ethnic backgrounds. Moreover, widening income disparities combined with the country's continued opening up to the rest of the world is surely transforming Vietnamese society, culture and traditions. In this context, a further broadening and deepening of meaningful participation by all Vietnamese people in Viet Nam's so far remarkable development process will also be essential to underpin social sustainability and lift the nation to increasingly higher levels of human well-being and the achievement of the MDGs.

Building on the methodology developed for the Human Development Index, a preliminary composite MDG Index has been developed in an attempt to assess the relative situation of various provinces vis-a-vis available provincial level social indicators underlying the Millennium Development Goals.

## **Box 2. Composition of the MDG Index**

The MDG Index is the normalized weighted average of the provincial rankings on 17 variables that measure various social and governance dimensions underlying the MDGs. The variables used are following:

### **Goal 1. Eradicate extreme poverty and hunger**

1. Share of the Population Below the National Poverty Line
2. GDP per capita
3. Indicative Poverty Headcount
4. Underweight children under the age of 5

### **Goal 2. Achieve Universal Primary Education**

5. Net primary enrolment rates.

### **Goal 3. Promote gender equality and empower women**

6. Rate of girls in primary education.
7. Rate of girls in secondary education.
8. Share of females in provincial people's council.

### **Goal 4. Reduce child mortality**

9. Infant Mortality Rates
10. Proportion of 1 year old children immunized against measles.

### **Goal 5. Improve maternal health**

11. Proportion of women giving birth at home without trained medical assistance.

### **Goal 6. Combat HIV/AIDS, malaria and other diseases**

12. Reported HIV cases per 100,000 people

### **Goal 7. Ensure environmental sustainability**

13. Access to safe water.

### **Goal 8. Improve governance for human development**

14. Share of members of provincial people's councils with at least a graduate degree.
15. Average number of new enterprises registered per 100,000 people in 2000 and 2001.
16. Share of females in provincial people's councils.
17. Share of ethnic minorities' representatives in provincial people's councils relative to ethnic composition of population.

At its current stage of development, the MDG Index is indicative at best, especially given the need for both higher quality data, as well as new types of data currently not available at the provincial level.

As higher quality and more types of data become available, the underlying variable, weights, and functional relationship of the MDG Index will be further developed and refined.

As expected, provinces with high GDP per capita fare best, although some (notably Hai Phong and Ho Chi Minh City) much lower than would be expected. The inclusion of reported HIV/AIDS cases is the main reason for the lower than expected ranking of Hai Phong and Ho Chi Minh City. It also reduces significantly the MDG value Ha Noi would record if HIV/AIDS was not considered in the analysis.

Table A1. MDG Provincial Ranking

Ranking	Province	MDG Values	Ranking	Province	MDG Values
1	Ha Noi	0.794	31	Quang Binh	0.480
2	Ha Tay	0.735	32	Khanh Hoa	0.474
3	Da Nang	0.722	33	Quang Ninh	0.464
4	Hung Yen	0.718	34	Nghe An	0.460
5	Hai Duong	0.710	35	Binh Phuoc	0.455
6	Ba Ria-Vung Tau	0.684	36	Phu Yen	0.453
7	Hai Phong	0.673	37	Ninh Thuan	0.451
8	Binh Duong	0.667	38	Lam Dong	0.450
9	Dong Nai	0.664	39	Ca Mau	0.447
10	Vinh Phuc	0.663	40	Dac Lac	0.444
11	Thai Binh	0.658	41	Can Tho	0.444
12	Ha Nam	0.654	42	Vinh Long	0.427
13	Nam Dinh	0.647	43	Kien Giang	0.424
14	Ho Chi Minh City	0.647	44	Quang Ngai	0.397
15	Bac Giang	0.606	45	Quang Tri	0.389
16	Ninh Binh	0.601	46	Soc Trang	0.388
17	Ha Tinh	0.593	47	Bac Can	0.378
18	Bac Ninh	0.578	48	Dong Thap	0.369
19	Tien Giang	0.576	49	Hoa Binh	0.358
20	Tay Ninh	0.572	50	Bac Lieu	0.354
21	Thai Nguyen	0.558	51	Yen Bai	0.346
22	Binh Thuan	0.552	52	An Giang	0.345
23	Long An	0.547	53	Lang Son	0.334
24	Binh Dinh	0.547	54	Ha Giang	0.322
25	Phu Tho	0.544	55	Lao Cai	0.297
26	Thanh Hoa	0.542	56	Tra Vinh	0.281
27	Quang Nam	0.511	57	Gia Lai	0.260
28	Tuyen Quang	0.494	58	Kon Tum	0.242
29	Thua Thien-Hue	0.494	59	Lai Chau	0.236
30	Ben Tre	0.481	60	Cao Bang	0.227
			61	Son La	0.171

Although HIV/AIDS incidence in Viet Nam has not reached the alarming levels of neighbouring countries, this MDG has been allocated equal weight to reflect the potential threat HIV/AIDS poses to Viet Nam by 2015 without early meaningful actions, especially in major urban areas and bordering provinces.

## Isolation

Consistent with Viet Nam's general poverty profile, out of the weakest performing 12 provinces in the MDG ranking, 7 include a majority of ethnic minority population. Their geographic, social, linguistic and cultural isolation appears to be the main underlying reason for such weak human development indicators.

**Table A2. MDG Index Ranking and ethnic structure of the population of selected provinces.**

Provinces	Share of Population (Kinh)	Share of Population (Ethnic Minorities)	MDG Index Ranking
Cao Bang	3.97	96.07	60
Ha Giang	11.17	88.83	54
Lang Son	15.41	84.59	53
Son La	18.01	81.99	61
Lai Chau	19.36	80.64	59
Lao Cai	33.83	66.17	55
Kon Tum	46.98	53.02	58

## Urban Rural Disparities

In addition, the weakest performing provinces in terms of the MDG Index also present higher shares of population in rural areas than the national average of 75%

MDG Index Ranking	Provinces	Share of Rural Population
49	Hoa Binh	85.8
50	Bac Lieu	74.4
51	Yen Bai	79.6
52	An Giang	78.1
53	Lang Son	80.5
54	Ha Giang	89.2
55	Lao Cai	82.6
56	Tra Vinh	86.5
57	Gia Lai	74.9
58	Kon Tum	67.4
59	Lai Chau	87.6
60	Cao Bang	86.5
61	Son La	87.3

Asian Development Bank (2002), "Localising MDGs for poverty reduction in Viet Nam: Ensuring good governance for poverty reduction. Strategies for achieving the Viet Nam Development Goals", Poverty Task Force, Ha Noi.

Asian Development Bank and World Health Organization (2002), "Localising MDGs for Poverty Reduction in Viet Nam: Improving health status and reducing inequalities. Strategies for achieving the Viet Nam Development Goals", Poverty Task Force, Ha Noi.

Business Information Centre (2002) ([www.business.gov.vn](http://www.business.gov.vn)), Report on business registration.

CIEM and UNDP (2002), "The Enterprise Law's enforcement: Achievements, Challenges and Solutions", Ha Noi.

Communist Party of Viet Nam (2001), "Strategy for Socioeconomic Development 2001-2010", Ha Noi.

Department for International Development, DFID (2002), "Localising MDGs for Poverty Reduction in Viet Nam: Providing quality basic education for all. Strategies for achieving the Viet Nam Development Goals", Poverty Task Force, Ha Noi.

General Statistical Office (1994), "Viet Nam Living Standards Survey 1992/1993", with assistance from Sweden, World Bank and the United Nations Development Programme. Ha Noi.

General Statistics Office (1995), "Viet Nam Inter-censal Demographic Survey 1994: Major Findings", Ha Noi.

General Statistical Office (1999a), "Viet Nam Living Standards Survey 1997/98", with assistance from Sweden, World Bank and the United Nations Development Programme. Ha Noi.

General Statistical Office (1999b), Population Census, Ha Noi.

General Statistical Office (2001a), *Statistical Yearbook*, Ha Noi.

General Statistical Office and UNDP (2001b), "Living Standards During an Economic Boom. The case of Viet Nam", Ha Noi.

Government of Viet Nam (2000), "National Strategy for Environmental Protection 2001-2010", Draft, Ha Noi.

Government of Viet Nam (2001a), "2001-2010 Educational Development Strategy", Ha Noi.

Government of Viet Nam (2001b), "National Strategy on Nutrition 2001-2010", Ha Noi.

Government of Viet Nam (2001c), "National Strategy on Reproductive Health Care 2001-2010", Ha Noi.

Government of Viet Nam (2001d), "Approving the National Target Programmes to prevent and combat some social diseases, dangerous epidemics and HIV/AIDS in the 2001-2005 period", Ha Noi.

Government of Viet Nam (2001e), "Strategy for Protection and Care of the People's Health in the 2001-2010 Period", Ha Noi.

Government of Viet Nam (2002a), "Comprehensive Poverty Reduction and Growth Strategy 2001-2010", Ha Noi.

Government of Viet Nam (2002b), "National Strategy for the Advancement of Women 2001-2010", Ha Noi.

Government of Viet Nam (2002c), "Plan of Action for the Advancement of Women in Viet Nam by 2005", Ha Noi.

Japan Bank for International Cooperation, JBIC (2002), "Localising MDGs for Poverty Reduction in Viet Nam: Enhancing access to basic infrastructure. Strategies for achieving the Vietnam Development Goals", Poverty Task Force, Ha Noi.



Ministry of Agriculture and Rural Development (2000), "Agriculture and Rural Development 5-Year Plan (2001-2005)", Ha Noi.

Ministry of Agriculture and Rural Development (2001), "National Rural Clean Water Supply and Sanitation Strategy 2020", Ha Noi.

Ministry of Health (2002a), "Health Statistics Yearbook 2001", Ha Noi.

Ministry of Health (2002b), "Health: Policies and Guidelines", Ha Noi.

Ministry of Home Affairs (1999), Report by the Department of Local Government.

Ministry of Labour, Invalids and Social Affairs (2001), "National Target Programme on Hunger Eradication and Poverty Reduction and Employment for the period 2001-2005", Ha Noi.

National Center for Social Sciences and Humanities (2001), "National Human Development Report: Doi Moi and Human Development in Viet Nam", Ha Noi.

United Nations (2000), "Millennium Declaration", New York, United Nations Department of Public Information.

United Nations Country Team (2001), "International Development Targets/Millennium Development Goals Progress. Viet Nam", Ha Noi.

United Nations Country Team (2002), *Gender Briefing Kit*, Ha Noi.

United Nations Development Program (2002a), "Localising MDGs for Poverty Reduction in Viet Nam: Promoting ethnic minority development. Strategies for achieving the Vietnam Development Goals", Poverty Task Force, Ha Noi.

United Nations Development Program (2002b), "Localising MDGs for Poverty Reduction in Viet Nam: Ensuring environmental sustainability. Strategies for achieving the Viet Nam Development Goals", Poverty Task Force, Ha Noi.

United Nations Development Programme and FAO (2002c), "Gender Differences in the Transitional Economy of Viet Nam", Ha Noi.

United Nations Development Programme (2002d), "Human Development Report", New York.

United Nations Development Programme (forthcoming), "Seeking growth with equity. Case Study of Viet Nam", John Weeks et al. Ha Noi.

World Bank et al (1999), "Attacking Poverty", Viet Nam Development Report 2000. Joint report of the Government of Viet Nam – Donor – NGO Poverty Working Group.

World Bank (2002a), "Localising MDGs for Poverty Reduction in Viet Nam: Eradicating poverty and hunger. Strategies for achieving the Vietnam Development Goals", Poverty Task Force, Ha Noi.

World Bank (2002b), "Localising MDGs for Poverty Reduction in Vietnam: Reducing vulnerability and providing social protection. Strategies for achieving the Vietnam Development Goals", Poverty Task Force, Ha Noi.

World Bank (2002c), "World Development Indicators", Washington.

World Health Organization (2000), Consensus Report on STI, HIV, and AIDS Epidemiology in Viet Nam.

World Health Organization (forthcoming), "Health Care Financing for Viet Nam", Discussion Paper, Ha Noi.

## Millennium Development Goals (MDGs)

Goals and Targets	Indicators
<b>Goal 1: Eradicate extreme poverty and hunger</b>	
<b>Target 1:</b> Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1. Proportion of population below \$1 per day (PPP-values) 2. Poverty gap ratio [incidence x depth of poverty] 3. Share of poorest quintile in national consumption
<b>Target 2:</b> Halve, between 1990 and 2015, the proportion of people who suffer from hunger	4. Prevalence of underweight children (under-five years of age) 5. Proportion of population below minimum level of dietary energy consumption
<b>Goal 2: Achieve universal primary education</b>	
<b>Target 3:</b> Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	6. Net enrolment ratio in primary education 7. Proportion of pupils starting grade 1 who reach grade 5 8. Literacy rate of 15-24 year olds
<b>Goal 3: Promote gender equality and empower women</b>	
<b>Target 4:</b> Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	9. Ratio of girls to boys in primary, secondary and tertiary education 10. Ratio of literate females to males of 15-24 year olds 11. Share of women in wage employment in the non-agricultural sector 12. Proportion of seats held by women in national parliament
<b>Goal 4: Reduce child mortality</b>	
<b>Target 5:</b> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	13. Under-five mortality rate 14. Infant mortality rate 15. Proportion of 1 year old children immunised against measles
<b>Goal 5: Improve maternal health</b>	
<b>Target 6:</b> Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	16. Maternal mortality ratio 17. Proportion of births attended by skilled health personnel
<b>Goal 6: Combat HIV/AIDS, malaria and other diseases</b>	
<b>Target 7:</b> Have halted by 2015, and begun to reverse, the spread of HIV/AIDS	18. HIV prevalence among 15-24 year old pregnant women 19. Contraceptive prevalence rate 20. Number of children orphaned by HIV/AIDS
<b>Target 8:</b> Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases	21. Prevalence and death rates associated with malaria 22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures 23. Prevalence and death rates associated with tuberculosis 24. Proportion of TB cases detected and cured under DOTS (Directly Observed Treatment Short Course)
<b>Goal 7: Ensure environmental sustainability</b>	
<b>Target 9:</b> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	25. Proportion of land area covered by forest 26. Land area protected to maintain biological diversity 27. GDP per unit of energy use (as proxy for energy efficiency)

## Millennium Development Goals (continued)

Goals and Targets	Indicators
<b>Goal 7: Ensure environmental sustainability (continued)</b>	
	<b>28.</b> Carbon dioxide emissions (per capita) [Plus two figures of global atmospheric pollution: ozone depletion and the accumulation of global warming gases]
<b>Target 10:</b> Halve, by 2015, the proportion of people without sustainable access to safe drinking water	<b>29.</b> Proportion of population with sustainable access to an improved water source
<b>Target 11:</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	<b>30.</b> Proportion of people with access to improved sanitation <b>31.</b> Proportion of people with access to secure tenure [Urban/rural disaggregation of several of the above indicators may be relevant for monitoring improvement in the lives of slum dwellers]
<b>Goal 8: Develop a Global Partnership for Development*</b>	
<b>Target 12:</b> Develop further an open, rule-based, predictable, non-discriminatory trading and financial system  Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally	<i>Some of the indicators listed below will be monitored separately for the Least Developed Countries (LDCs), Africa, landlocked countries and small island developing states.</i>  <i>Official Development Assistance</i> <b>32.</b> Net ODA as percentage of DAC donors' GNI [targets of 0.7% in total and 0.15% for LDCs] <b>33.</b> Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation) <b>34.</b> Proportion of ODA that is untied <b>35.</b> Proportion of ODA for environment in small island developing states <b>36.</b> Proportion of ODA for transport sector in land-locked countries
<b>Target 13:</b> Address the Special Needs of the Least Developed Countries  Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction	<i>Market Access</i> <b>37.</b> Proportion of exports (by value and excluding arms) admitted free of duties and quotas <b>38.</b> Average tariffs and quotas on agricultural products and textiles and clothing <b>39.</b> Domestic and export agricultural subsidies in OECD countries <b>40.</b> Proportion of ODA provided to help build trade capacity
<b>Target 14:</b> Address the Special Needs of landlocked countries and small island developing states  (through Barbados Programme and 22nd General Assembly provisions)	<i>Debt Sustainability</i> <b>41.</b> Proportion of official bilateral HIPC debt cancelled <b>42.</b> Debt service as a percentage of exports of goods and services <b>43.</b> Proportion of ODA provided as debt relief <b>44.</b> Number of countries reaching HIPC decision and completion points
<b>Target 15:</b> Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	
<b>Target 16:</b> In cooperation with developing countries, develop and implement strategies for decent and productive work for youth	<b>45.</b> Unemployment rate of 15-24 year olds
<b>Target 17:</b> In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries	<b>46.</b> Proportion of population with access to affordable essential drugs on a sustainable basis
<b>Target 18:</b> In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	<b>47.</b> Telephone lines per 1000 people <b>48.</b> Personal computers per 1000 people <i>Other Indicators TBD</i>

\* The selection of indicators for Goals 7 and 8 is subject to further refinement

Viet Nam Development Goals* (VDGs)	
Viet Nam Development Goals directly based on the MDGs	
<b>Goal 1:</b>	<b>Reduce the percentage of poor and hungry households</b>
<b>Target 1:</b>	Reduce by 40% the proportion of people living below the international poverty line between 2001 and 2010
<b>Target 2:</b>	Reduce by 75% the number of people living under the international food poverty line by 2010
<b>Goal 2:</b>	<b>Universalize education and improve education quality</b>
<b>Target 1:</b>	Increase net enrolment in primary school to 97% by 2005 and to 99% by 2010
<b>Target 2:</b>	Increase net enrolment rate in junior secondary school to 80% by 2005 and 90% by 2010
<b>Target 3:</b>	Eliminate the gender gap in primary and secondary education by 2005, and the gap with ethnic minorities by 2010
<b>Target 4:</b>	Increase literacy to 95% of under-40-year-old women by 2005 and 100% by 2010
<b>Target 5:</b>	By 2010 have improved the quality of education and increase full-day schooling at primary level (exact target depends on funding)
<b>Goal 3:</b>	<b>Ensure gender equality and women empowerment</b>
<b>Target 1:</b>	Increase the number of women in elective bodies at all levels
<b>Target 2:</b>	Increase the participation of women in agencies and sectors [includes ministries, central agencies and enterprises] at all levels by 3-5% in the next 10 years
<b>Target 3:</b>	Ensure that the names of both husband and wife appears on the land-use right certificates by 2005
<b>Target 4:</b>	Reduce the vulnerability of women to domestic violence
<b>Goal 4:</b>	<b>Reduce child mortality, child malnutrition and reduce the birth rate</b>
<b>Target 1:</b>	Reduce the infant mortality rate to 30 per 1000 live births by 2005 and 25 by 2010 and at a more rapid rate in disadvantaged regions (see below)
<b>Target 2:</b>	Reduce the under-5 mortality rate to 36 per 1000 live births by 2005 and 32 by 2010
<b>Target 3:</b>	Reduce under five malnutrition to 25% by 2005 and 20% by 2010
<b>Goal 5:</b>	<b>Improve maternal health</b>
<b>Target 1:</b>	Reduce the maternal mortality rate to 80 per 100,000 live births by 2005 and 70 by 2010 with particular attention to disadvantaged areas
<b>Goal 6:</b>	<b>Reduce HIV/AIDS infection and eradicate other major diseases</b>
<b>Target 1:</b>	Slow the increase in the spread of HIV/AIDs by 2005 and halve the rate of increase by 2010
<b>Goal 7:</b>	<b>Ensure environmental sustainability</b>
<b>Target 1:</b>	Extend forest cover to 43% by 2010 (from 33% in 1999)
<b>Target 2:</b>	Ensure that 60% of the rural population has access to clean and safe water by 2005 and 85% by 2010. This should be the case for 80% of urban people by 2005.
<b>Target 3:</b>	Ensure there are no slums and temporary houses in all towns and cities by 2010
<b>Target 4:</b>	Ensure that all waste-water in towns and cities is treated by 2010
<b>Target 5:</b>	Ensure that all solid waste is collected and disposed of safely in all towns and cities by 2010
<b>Target 6:</b>	Air and water pollution must attain national standards by 2005
<b>Goal 8:</b>	<b>Viet Nam Development Goals and Targets <i>not</i> directly based on MDGs Reducing vulnerability</b>
<b>Target 1:</b>	By 2005, increase the average income of the lowest expenditure quintile to 140% of that in 2000 and to 190% of that by 2010
<b>Target 2:</b>	Reduce by half the rate of poor people falling back into poverty due to natural disasters and other risks by 2010
<b>Goal 9:</b>	<b>Improving governance for poverty reduction</b>
<b>Target 1:</b>	Effectively implement grass-roots democracy
<b>Target 2:</b>	Ensure budget transparency
<b>Target 3:</b>	Implement legal reform agenda
<b>Goal 10:</b>	<b>Reducing ethnic inequality</b>
<b>Target 1:</b>	Preserve and develop the reading and writing ability of ethnic languages
<b>Target 2:</b>	Ensure entitlement of individual and collective land-use rights in ethnic minority and mountainous areas
<b>Target 3:</b>	Increase the proportion of ethnic minority people in authority bodies at various levels
<b>Goal 11:</b>	<b>Ensuring pro-poor infrastructure development</b>
<b>Target 1:</b>	Provide basic infrastructure to 80% of poor communes by 2005 and 100% by 2010
<b>Target 2:</b>	Expand the national transmission grid to 900 poor commune centres by 2005

\* Note: This is a summary of a fuller set of VDGs outlined in the CPRGS. The VDG papers have more targets and indicators.  
Source: Govt of Vietnam (2002). *Comprehensive Poverty Reduction & Growth Strategy*.

# Main Acronyms

ADB	Asian Development Bank
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DFID	Department for International Development
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GSO	General Statistical Office
GoVN	Government of Viet Nam
HEPR	National Programme on Hunger Eradication and Poverty Reduction
IMR	Infant Mortality Rates
MDGs	Millenium Development Goals
MoH	Ministry of Health
MMR	Maternal Mortality Rates
NMR	Neonatal Mortality Rates
ODA	Official Development Assistance
PIP	Public Investment Programme
SOE	State Owned Enterprise
U5MR	Under five Mortality Rates
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VDG	Viet Nam Development Goals
VLSS	Viet Nam Living Standards Survey
WB	World Bank
WHO	World Health Organization