

**Livelihood Improvement and Ethnic  
Minorities Development Plan  
for the  
Forests for Livelihood Improvement in the  
Central Highlands**

September 2005

Asian Development Bank

## I. INTRODUCTION

1. The overarching goal of the Forest for Livelihood Improvement in the Central Highlands (FLITCH) Sector Project is to improve the livelihoods of isolated upland rural communities living in and adjacent to forest land in a sustainable manner that will also then facilitate forest improvement and natural resource management. These villages of the Central Highlands are in the main, populated by ethnic minority groups (EMG). The LIEMDP is formulated as a time bound program to ensure that EMGs living in the sixty communes of the six provinces of the Central Highlands will benefit from the interventions under the Project. The Project aims at improving forest allocation and management for reducing poverty and improving livelihoods in the area. The LIEMDP is based on a detailed analysis of poverty, ethnicity, and livelihoods in the Project area in general, and in sample communes in particular. The LIEMDP is expected to have beneficial impacts upon approximately 80,000 poor households including ethnic minorities in approximately 6,00 villages in the selected 60 communes.

### A. Poverty, Ethnicity, and Forests in the Central Highlands

2. Ethnic minority (EM) communities have for generations used the forest as their primary source of livelihood. But as control of forest was passed to State Forest Enterprises (SFE), these communities access to their traditional livelihood systems was reduced. In many cases EM were not able to develop adequate alternative livelihoods.

3. Taken as a whole, the Northwest and the Central Highlands are the poorest regions in the country. According to the Vietnam Development Report 2004,<sup>1</sup> the Central Highlands stand out because of the limited progress in poverty reduction over the past 4 years and that food poverty in this central region has remained unchanged for the past decade. The report goes on to predict that the overall poverty rate for Viet Nam in 2010 would be 21% and that 37% of that figure would be ethnic minorities. Indeed more recent times have seen an increase in the Central Highlands poverty rate due to the collapse of the price of coffee, a sharp drop in pepper prices, and the lack of a diversified local production base. This LIEMDP is prepared as a key input document to FLITCH for servicing the ethnic minority needs and priorities under the proposed project. It represents the strategy to be adopted under implementation that will drive poverty reduction in target communities throughout the Central Highlands. The Plan has been prepared based upon extensive participatory beneficiary consultations in target provinces and project communes. In terms of replicability, the plan is generic and the main strategies will remain the same. Only the specific income generation activities adopted by the different communities would be expected to vary, as would some internal implementation arrangements.

4. The objective of the Plan is to provide a sustainable enabling environment with a suitable strategy and investments appropriate mechanisms to ensure sustainable livelihood improvement and access to benefits for the target communities, which are replicable in most if not all of the 137 poor forest communes in the Central Highlands. The Plan is one that has been formulated whereby the majority of beneficiaries belong to EMGs.

### B. Poverty Situation Analysis in the Central Highlands–Overview

5. Poverty in Viet Nam is measured in a variety of ways, depending upon the agency concerned. Ministry of Labor, Invalids and Social Affairs (MOLISA) use a household per capita income measure as follows, for the 2001-2005 period:

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<sup>1</sup> Joint Donor Report to the Vietnam Consultative Group Meeting, Ha Noi, December, 2003.

- Highland/mountainous areas—per capita income less than 80,000 VND per month or 960,000 VND per year
- Flat rural areas—per capita income less than 100,000 VND per month or 1,200,000 VND per annum
- Urban and peri-urban—per capita income less than 150,000 VND per month or 1,800,000 VND per year.

6. The Government Statistics Office uses an income-expenditure methodology with a threshold based on whether or not a family can afford to buy the basic food and non-food items in a consumption “basket” where food spending secures the required 2,100 calories per day. The National Center for Social Science and Humanities computes a Human Development Index (HDI) at the provincial level, which measures three main factors; longevity, knowledge, and standard of living. The Vietnamese Development Goals, local application of the MDGs, and the CPRGS are using a much wider range of indicators for poverty reduction.

7. Ministerial Decision #587/2002/QĐ dated May 2002, refers to the criteria for the classification of “poor” communes facing special difficulties. Previously, in order for a commune to be classified as poor, at least 25% of the households in the commune must be under the food poverty or general poverty line. Decision 587 (2002) provided that a commune may also be regarded as “poor due to facing special difficulties,” where the commune has less than three of the six critical infrastructures identified as:

- (i) Vehicular access road from village to commune center,
- (ii) School—if the school can accommodate only up to 70% of local demand,
- (iii) Health post/service
- (iv) Drinking water—if 30% or more of households do not have access
- (v) power/energy—if less than 50% have access to power; and
- (vi) permanent market

8. The Government Statistics Office published a comparative view of the spatial incidence of poverty in 1993, 1998, and 2002. All regions of Viet Nam are compared against three poverty measures: Overall poverty rate, food poverty rate, and poverty gap. Central Highlands has the second highest incidence of overall and food poverty, and the second highest poverty gap across all regions. In fact the data suggest that poverty reduction in the Central Highlands has lagged behind that of other regions and rose from third to second highest overall poverty comparing 1993 with 2002. A recent study funded by NZAid in collaboration with the Inter-Ministerial Poverty Mapping Task Force, IFPRI, ICARD, and IDS used combined data from the 1998 VLSS and the 1999 Population and Housing Census to map national poverty on a commune basis. Although the analysis differs significantly from MOLISA estimates of poverty, the study confirms that the poorest regions are the remote areas of the north east, upland areas of the north central coast and the northern part of the central highlands.<sup>2</sup> The NZaid study provides for more detailed analysis of poverty incidence and variation within a given area. The study puts the overall incidence of poverty in the target provinces as follows, where the poorest province is 1 and the richest is 61. According to this the provinces Lam Dong, Dak Lak, and Phu Yen are among the better off, while Kontum and Gia Lai are among the poorest provinces in the country. Phu Yen is not generally regarded as Central Highlands provinces. However, both are contiguous to the project area and have some districts that are in the upland and highland

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<sup>2</sup> Poverty and Inequality in Vietnam—Spatial patterns and geographic determinants. December 2003.

areas. Again, these upland and highland areas are inhabited by mainly minority communities and their socioeconomic well-being is significantly low compared to those in lowland areas.

9. Although there are undoubtedly many poor Kinh households in the Central Highlands, ethnic minority households are more likely to be in poverty than Kinh. Poverty in the selected areas of the Central Highlands is marked by lack of agricultural land, periods of food/cash deficit, illiteracy, and lack of access to forest land and forest resource exploitation. The poor suffer high levels of illiteracy amongst over-school-age people and particularly in indigenous communities. Birth rates are higher than in lowland areas and infant and child mortality rates are higher. People lack savings and capital for investment to adopt better production technology and also lack awareness and knowledge of options available. Households grow small areas of rain fed rice and maize or cassava, and some have patches of coffee, none of which provide high yields due to the area of land used, soil quality, varieties used, and the lack of production inputs.

10. The rural poor in remote areas reside in poor quality dwellings that in most cases are not entirely weatherproofed, even where constructed under the Government welfare assistance. They do not have any sanitation. Education levels of household heads and their spouses in poor households tend to be low.

11. Population growth in the Central Highlands has been dramatic, mainly due to the immigration from lowlands. In 1998 only 4% of Viet Nam's population lived in the Central Highlands but by 2002 this had risen to 6%. At the same time, the percentage of ethnic minorities making up this population decreased from 45% to 39%. This immigration in can also help explain the rise in poverty in the Central Highlands over more recent years, reflecting poor and perhaps landless Kinh migrating into the area to obtain cheap or government allocated land.

**Table 1. Key Indicators for Major Minority Groups**

	Poverty Count	Head (% ppl)	Expend per '000 Dong	Capita GDP (1998 Prices)	House - hold	Size	Sample Size	Size	% Population
	1993	1998	1993	1998	1993	1998	1993	1998	
Total	55	36	2,043	2,751	4.97	4.71	4,799	5,999	
Kinh	52	30	2,105	2,899	4.86	5.36	4,145	5,030	88.8
Hoa	11	8	3,843	5,119	6.55	6.12	89	121	2
Khmer	70	57	1,521	1,882	5.44	6.17	89	122	2
Central Highland Minorities	92	91	1,021	1,090	6.28	6.68	103	167	2.8
Northern Upland Minorities	84	73	1,323	1,594	5.33	5.88	373	560	9.3

\*Source: VLSS93 and 98-Poverty Task Force 2002.

12. The majority of Kinh and ethnic minorities in the Central Highlands pursue agricultural activities as their main livelihood activity as the ratio of urban to rural populations shown below would suggest. Even where a household does not own or rent land to farm, their livelihood will depend largely upon finding work as hired labor in the agriculture sector.

**Table 2. Comparative Population Figures**  
(2002)

	<b>Total Population</b>	<b>Males</b>	<b>%</b>	<b>Females</b>	<b>%</b>	<b>Urban</b>	<b>%</b>	<b>Rural</b>	<b>%</b>
Viet Nam Total	79,727,400	39,197,400	49.2	40,530,000	50.84	20,022,100	25.11	59,705,300	74.89
Kon Tum	339,500	170,900	50.3	168,600	49.7	112,400	33.1	227,100	66.9
Gia Lai	1,064,600	537,500	50.5	527,100	49.5	271,200	25.5	793,400	74.5
Dak Lak	1,938,800	985,200	50.8	953,600	49.2	403,000	20.8	1,535,800	79.2
Lam Dong	1,064,300	536,900	50.4	527,400	49.6	427,900	40.2	636,400	59.8
Central Highland Total	4,407,200	2,230,500	50.6	2,176,700	49.4	1,214,500	27.6	3,192,700	72.4

\*Source: General Statistics Office—Statistical Yearbook 2002.

13. Farming systems provide low yields due to a variety of reasons and many indigenous and poor households still practice slash and burn shifting cultivation. Most farmers use local varieties of seed, no or few inputs and depend upon rainfall for irrigation. Many farms are on steep sloping land. Most farmers are growing rice, coffee, maize, and cassava. All households use non timber forest products (NTFP) to some extent. However these are a major, sometimes only, coping mechanism available to poorer households. People do not, however, enjoy free access to forest resources, which are mostly under the control of SFEs. With limited access, wild vegetable and bamboo shoot collection is occurring, both for household consumption and sale.

14. Health conditions are also behind those in lowland areas. Although communes have clinics these are usually inadequate, both in terms of equipment and the range of services available. Many poor people are unable to pay for treatment and are only able to receive check-ups and basic medicine or first aid. Where there is a serious problem the patient is referred to the district. Money is needed for travel, treatment, and drugs.

15. Infant growth monitoring is now regarded as a key indicator in measuring community development, poverty reduction, and alleviation. This indicator also indicates a higher incidence of poverty in Central Highlands communities and particularly EMGs as can be seen from the following table from the 2002 Vietnam National Health Survey, that examines the percentage of children under 5 years who show a low weight for age.

**Table 3. Growth Monitoring in Ethnic Minority Areas**

<b>Ethnicity</b>	<b>Boys</b>	<b>Girls</b>	<b>Urban</b>	<b>Rural</b>	<b>Total</b>
Overall	25.1	26.3	14.8	28.4	25.7
Kinh and Chinese	22.5	23.9	13.9	25.9	23.2
Nthn. Mountains	33.6	35	19	34.9	34.3
Central Coast and Central Highlands	45.5	45.1	33.8	46.7	45.3

\*Source: Vietnam Development Report 2004.

16. Children from ethnic minority families are twice more likely to suffer wastage than rural Kinh. Health issues include infant and child mortality, due mainly to lack of control of diarrhoeal disease and acute respiratory infection as well as fevers often referred to as malaria. In fact, these fevers could be due to several diseases including malaria. Women's reproductive health, whereas improving, is still an issue particularly in regards to birth spacing and options available. This can be a sensitive issue with a significant number of ethnic minority communities.

**Table 4. Infant and Child Mortality by Region**

<b>Region of Residence</b>	<b>Infant Mortality</b>	<b>Child Mortality</b>	<b>Under 5 Mortality</b>
Urban	27	9.1	35.9
Rural	48.2	18.8	66.1
Vietnam	45.1	17.5	61.6
Northern Uplands	62.2	21.2	82.1
Red River Delta	35.3	9.5	43.7
North Central	37.7	13.7	50.8
Central Coast	37.2	8.6	46
Central Highlands	71.6	44.9	108.1
Southeast	31.2	17	47.7
Mekong River Delta	48.2	22.1	68.9

\*Source: Viet Nam Children and Women—A Situation Analysis 2000—UNICEF.

17. Mortality indicators for the Central Highlands are higher than other geographic regions and as can be seen from the following tables. These higher rates correlate with the higher ethnic and indigenous minority populations. Clearly the indigenous groups enjoy a much lesser quality of life and longevity:

**Table 5. Infant and Child Mortality by Ethnic Group**

<b>Ethnic Group</b>	<b>Crude Death Rate</b>	<b>Infant Mortality Rate</b>	<b>Life Expectancy</b>
Kinh	7.7	38.5	67.7
Tay	8.7	51	64.5
Thai	9.6	58.5	62.8
Chinese	7.2	30.5	70.2
Khmer	10.4	71.5	59.9
M' Nong	7.7	40.5	67.1
Nung	10.3	67	60.9
Hmong	14.9	106	52.8
Dao	11.8	82	57.6

\*Source: Viet Nam Children and Women—A Situation Analysis 2000—UNICEF.

18. Children from the Central Highlands are more likely to drop out from school in order to work on the family farm. According to the 2002 VHLSS, nationally some 13.5% of children aged between 10 to 16 years work on the family farm, but this proportion is 33.5% in ethnic minority communities. According to the World Health Organization's "Health and Ethnic Minorities in Vietnam" published in 2003, the Central Highlands provinces are amongst those with the Lowest Human Development Index (HDI).

19. Economic shock has been shown to be a main cause of poverty and is a particular factor in pushing vulnerable households into poverty. These shocks can come in the form of natural disaster, disease and illness, accidents and even from economic factors (such as a collapse in crop prices). Families that cannot absorb the shock can fall into poverty from which they never recover. Normally a family must use savings or sell off assets to cope with the shock. Poor and vulnerable do not have sufficient reserves for this buffer and may be forced to sell all their assets which at this stage will include their means of production (e.g., land, buffalo, and cattle). The following table classifies households as vulnerable where dwellings were valued at less than 15 million VND and total durable assets were valued at less than 5 million VND.

**Table 6. Vulnerable Groups across Regions 2002**

<b>Region</b>	<b>Expenditure below poverty line</b>	<b>Are less than 10% above poverty line</b>	<b>Have no assets to cope with economic shock</b>
Nth East	38.4	6.6	10
Nth West	68	4.3	4.1
Red River Delta	22.4	7.8	6.2
North Central Coast	43.9	8	8
South Central Coast	25.3	6.8	9.8
Central Highlands	51.8	6.2	8.3
South East	10.6	3.3	9.5
Mekong Delta	23.4	7.5	17.8
National Total	28.9	6.7	10.2

\*Source: Vietnam Development Report 2004 – Poverty, and 2002 VHLSS.

### **C. Poverty and Forest Resource Decline**

20. Although the Central Highlands is the richest region in term of forest resource only 3% of the income of the Central Highlands dwellers comes from forestry. This compares with 5.26% for the North East and 7.12% for the Northwest (GSO, 2003) mountainous areas. Where forest land in the central highlands accounts for 25.9% of total forest land in the whole country, the proportion of the households in the central highlands that have engaged in forestry accounts for only 5.5% of total number of forest households nationwide.<sup>3</sup> Forest activities of the local households have been limited mainly to contract based forest planting, caring and protection.

21. It is also interesting to note that the Central Highlands contain almost 50% of the country's total area of degraded forest, presumably due to slash and burn shifting cultivation and unsustainable timber harvesting. Although now illegal it is still practiced by those with no other land resources available. Prior to this, it was the predominant farming system employed in the highlands. Traditionally this farming system uses no inputs other than seed, water, and labor. Indigenous and other minority groups have therefore needed large families to supply sufficient labor for the household's subsistence production requirements. They have also needed high birth rates to offset the high infant and child mortality rates.

22. Although the Government has initiated policies and actions to protect and conserve forest resources. Analysts point to the following reasons for the lack of success:

- Control of forest resource was dominated by the state which has limited management capacity, and community involvement was not encouraged. There was little, recognition of local community's potential for forest management.
- Forest Protection Department was mandated to protect and control forest utilization, but was not effective, due to: central control, vested interests, and inadequate resources: staffing, training and equipment, vehicles, etc.
- Forestry activities were mainly restricted to unsustainable forest exploitation, with little re-investment in protection or replenishment of the resource.
- Forest communities perceived that the forest as no longer theirs and therefore lost interest in controlling access to it. Forestland was effectively taken away from communities and passed to state forest enterprises for management, exploitation, and control.

<sup>3</sup> Result of 2001 Ag. Census, SPH 2003.

23. Field studies confirmed that the majority of the forest land, especially those areas with good forest reserves in the Central Highlands, is owned by SFEs. All the forest area that has been allocated to the villagers is of poor reserve. It is obvious from the survey that potential of the forest has not been harnessed properly for the benefit of the ones living nearby.

24. The issuance of land use certificates (LUC) is still very limited and this slow progress has affected capital mobilization of households for production. Only around 16.9% of the area under SFEs management has LUCs. Issuing of LUCs to communities and households was slow. One reason is that responsibility for land allocation and LUC issuance has recently been transferred from Forest Protection Department (MARD) to cadastral offices. Another important reason is the complication in forest management and benefit sharing arrangements following the introduction of SFEs. Land has been allocated to SFEs without proper consultation with local user communities. This has resulted in the situation whereby within a SFE boundary there is land that used to be cultivated by the local people and according to their tradition and culture the forest land belongs to them. In addition, coffee and other industrial plantations have been developed over considerable areas. If taking into account locally managed State enterprises in the province; the area managed by the State totals some 1,500,000 ha of land, equivalent to 60% of total natural forest area of the province.

25. In accordance with the Government policy, SFEs have to allocate forest land to local households for planting protection and maintenance under a contract system. As a result, 11.9% of the total area of SFEs has been contracted to staff households, local ethnic minority households, or communities. On average, one household is allocated from 12-21 ha of forest. The household gets 50,000 dong for protection of 1 ha of forest per year. In addition, households have right to collect forest by-products such as firewood, bee honey, etc.

#### **D. Government Laws, Policies, Rules for Ethnic Minority Development, and Poverty Reduction**

26. The Government has promulgated many different policies and regulations to facilitate rural development and poverty reduction and alleviation, and these have been implemented with varying degrees of success. The Government has also been making serious attempts to create an appropriate legal environment to facilitate implementation of its policies and programs. The following are examples of policies and regulations and decisions made by Government relevant to programs for EMs and development of mountainous and highland areas. These regulations are relevant to the FLITCH design and have been consulted during the design process.

**Table 7. Decrees and Laws of Government of Viet Nam**

<b>Year</b>	<b>Reference</b>	<b>Subject Matter</b>
1992	Decision 69 CT	Program of s/e development in northern mountainous areas
1993	Land code	Identifying rights and obligations of landownership and use.
1995	Decision 556/TTG	Resettlement to promote sedentary cultivation.
1995	Decision 525/TTG	Establishment of the bank for the Poor
1996	Decision 960 TTG	Long-term orientation and plan of socioeconomic development in Nthn mountainous areas
1996	Decision 656 TTG	Long-term orientation and plan of socioeconomic development in the Central Highlands
1996	Resolution 37/CP	Strategy for health care in northern mountainous and middle areas (up to 2020)
1997	Decision 35/TTG	Building commune centers in mountainous areas
1997	Circular 1/GD-DT	Guidelines for teaching ethnic minority languages
2003	Decree 79/2003 ND-CP	Regulations on exercise of democracy in communes.
1998	Decision 135/1998/TTG	Socioeconomic development of especially difficult communes in mountainous and remote areas.
1998	Decision 133/1998/TTG	Program of hunger eradication and poverty alleviation
1998	Decision 7/1998/TTG	Program of forest development (5 million hectares)
1999	Decision 1337 QD/UB	IFAD Ha Tinh–giving communes responsibility for simple civil works.
1999	Decree 52/1999 ND-CP	Regulations for financial management of investment construction subprojects.
2000	PM Decision 141/2000 QD-TTg	Policies for investment benefits for individuals, households and communes in the FSP (ADB 1).
2001	Decree 17/2001/ND-CP	Mechanisms for management and use of ODA
2001	Decision 78/2001/TT-BTC	Guidelines on financial mechanisms for ADB FSP
2002	Draft- Forest Protection & Development Law	Forest classification, use, exploitation, protection, user rights, responsibilities
2002	103/2002/TT-BTC	Amendment to decision 78/2001 ADB FSP
2003	Order No. 23/2003/L-CTN	Land Law. Rights and obligations of land owners, use, and land classification.
2003	Circular 90/2003/TT-BTC	Financial regulations for WB Nthn Mountains and Commune Development Budget
2003	76/2003/UB-QD	Tu Yen province regulations allowing CDB to operate bank account, execute contracts <10 mill.
2003	Decision 547/CP-HTQT	Management and use of commune development budget–responsibility of commune, district, etc.
2004	Decision 18QD/2004/UB-TH	Regulations for IFAD Ha Tinh Rural Dev Project–use of village level PRAs to formulate CDB and CDP
2002	Decision 132/2002/QD-TTg	Providing production land and residential land for Indigenous people in Central Highlands
2004	Decision 134/2004/QD-TTg	Policies for supporting production land, residential land, house and drinking water for poor and difficult ethnic minority households

Two recent legislative milestones are the Land Law passed on 26<sup>th</sup> November 2003 and the draft Forest Protection and Development Law.

## **E. Land Law**

27. The Land Law provides for the allocation of long-term land use rights to individuals, households, and also to “communities of Vietnamese living in the same villages, hamlets, or

similar having the same customs and practices, or the same descents...".<sup>4</sup> This would allow assignment of long-term land use rights to ethnic minority and indigenous tribal communities. The Land Law indicates three categories of land, agricultural, non-agricultural, and unused land. Agricultural land is subdivided to include:

- (i) rice cultivation, pasture land for animal husbandry, and land for growing other annual crops
- (ii) land for growing perennial trees
- (iii) production forest land
- (iv) protective forest land
- (v) special-use forest land
- (vi) aquaculture land
- (vii) salt making land, and
- (viii) other as determined by the Government.

28. The Land law also prescribes the area of agricultural land that may be allocated to midland or mountainous areas:

	<b>Crop land</b>	<b>Perennial tree land</b>	<b>Production forest</b>	<b>Protective forest</b>	<b>Aquaculture</b>	<b>Salt making</b>
Each household or Individual	3 ha	30 ha	30 ha	30 ha	3 ha	3 ha

\*Source: Official Gazette No. 228-229 (28/12/2003).

29. In cases where households or individuals are assigned land from various categories of crop, aquaculture and salt making land, the total quota will not exceed 5 ha. Where additional perennial tree land is assigned in midland and mountainous areas, the total perennial tree land will not exceed 25 ha.

30. Where there is an additional assignment of protection forest, the total protection forest area will not exceed 25 ha per household or individual. As will be seen later in this report, this is much more land than is currently being utilized by EMGs and the rural poor in the Central Highlands.

31. Unused land, bare hills, and mountains can also be assigned according to the same uses and limits for crop, perennial, protection and production indicated above, but these areas are not to be taken into account when calculating the agricultural land area assignment quotas. In other words, unused barren land may be allocated in addition to the agricultural land. Much of this land that will be allocated to rural midland communities or households is currently under the control of SFEs. The Land Law will therefore require substantial progress to be made in the implementation of other relevant Government policies, in this case the restructuring of the SFEs and the devolution of land under SFE control.

## **F. Forest Protection and Development Law**

32. The law was passed in 2004, which recognizes the rights of village/hamlet communities as forest owners and their right to exploit and use forest products and other forest resources for public purpose (in accordance with accepted land use plans), it does not permit the community to lease land to another party, nor divide the allocated land amongst its population. It would

<sup>4</sup> Official Gazette Nos.228-229 (28/12/2003).

appear that the land will have to remain under the general ownership of the community and the community is then entitled to organize forestry and agricultural production on a sustainable basis. Land allocated must be utilized within 2 years or can be reclaimed by the State.

## II. PROGRAMS

### A. Program for Socioeconomic Development in Mountainous, Deep-Lying, and Remote Communes with Special Difficulties

33. This program was announced through Decision No. 135/1998/QD, dated 31 July 1998. The general objective of the program is to quickly improve the material and spiritual life of EM people living in the mountainous and remote areas with special difficulties and create conditions for these areas to overcome poverty and their lack of development. Specific objectives are divided into two timeframes:

**Table 8: Government Programs Targeted or Particularly Disadvantaged Sectors**

Period	Specific Objective
1998 - 2000	<ul style="list-style-type: none"> <li>• No households suffering from chronic hunger with the number of poor households to be reduced by 4-5% annually.</li> <li>• To supply inhabitants with water for daily use</li> <li>• To attract the majority of school age children into schools</li> <li>• To be able to control a number of dangerous diseases</li> <li>• To build access roads to the centers of commune clusters</li> <li>• Allow the majority of people access to communication services</li> </ul>
2000 - 2005	<ul style="list-style-type: none"> <li>• To reduce the percentage of poor households in communes with special difficulties to 2.5% by year 2005</li> <li>• Ensure supply of sufficient water for daily life</li> <li>• Attract over 70% of school age children into schools</li> <li>• Improved productivity through improved technical, social and cultural knowledge</li> <li>• To control most of the dangerous social diseases</li> <li>• To build vehicle access roads to commune centers</li> <li>• Boost the development of rural markets.</li> </ul>

34. Under the Program, the Government would identify some 1,000 out of 1,715 communes facing difficulties for initial implementation focus over the period 2000 to 2005. Of this, 137 Special Poor Communes have been identified in the Central Highlands, and FLITCH target communes will be selected from within these.

### B. Five Million Hectare Reforestation Program (5MHRP)

35. In 1998, the Government proposed a national program for afforesting or replanting 5 million ha by year 2010—the Five Million Hectare Reforestation Program (5MHRP). This is locally referred to as Program 661. The vision for the 5MHRP is that of an environmentally sustainable rural economy comprising: (i) forests ultimately covering 43% of the country with (a) soil erosion in vulnerable watersheds, flooding and siltation rates of reservoirs substantially reduced, (b) better seasonally balanced water storage for hydropower generation, household and productive use, and (c) valuable biodiversity preserved; and (ii) a Highlands economy free of hunger, with substantially reduced poverty, and secure and resilient livelihoods despite increasing population and arable land shortage. A recent ADB study on the program concluded that the 5MHRP lacks a detailed implementation plan and the financial resources needed to

bring it to fruition.<sup>5</sup> In practice, most developments on the ground (funded by Decree 661) have essentially been a continuation of the Decree 327 Program, without significant financing to remedy many of the important problems and constraints that Government is already aware of. There is some impetus for reinvigorating the 5MHRP and this is probably accompanied with the acknowledgement that forestland allocation must also occur if local communities are to undertake reforestation seriously.

36. The ADB study produced several recommendations that are considered very relevant for the FLITCH, and therefore are worth reexamining:

- (i) In terms of social livelihood importance, the study found that forest-dependent farmers can avail themselves of the forests and its products as a source of (a) subsistence, (b) cash income, and (c) social safety net from exogenous events. In addition to environmental benefits, forest protection contracts for special use or protection forest (normally earmarked for the poorest segment of the forest dependent community) have helped in poverty alleviation by providing cash for work in forest protection and maintenance. Although yet to be widely practiced, conservation activities (resource inventory, biodiversity monitoring, and firebreak maintenance) can also be contracted to the community. Furthermore, successful forest protection and management programs have secondary but not inconsequential effects on the forest-dependent farmer. For example, successful forest regeneration nearer to farmers' holdings reduces the time needed to collect firewood and provide more non-timber forest products nearer home. This implies that selecting protection forests close to community residences for protection parcel assignments will enable the farmers' time to be freed-either for other subsistence activities or for more lucrative home and agroforestry garden activities (fruit-trees, small livestock). For example, farmers grow cassava and keep buffalo and cattle despite their extremely low returns to labor for social reasons (cassava as a "store" of emergency food, and bovines as a "store" of savings).
- (ii) In terms of economic and financial importance, the study's review of alternative farming options for forest-dependent farmers (based on field assessments and studies by the Social Forestry Development Project) gave the following good prospective returns to labor (i.e., returns above the agriculture daily wage rate): (a) rice and maize (both for food security and good returns to labor); (b) small livestock (ducks, chickens and pigs)-highly profitable and also partly as store of savings; (c) home garden fruit production, especially lychee; (d) selected cash crops like sugarcane, tobacco, mulberry for silkworms, sweet potatoes; and (e) industrial tree crops like coffee, rubber, tea, cashew -- depending on the location of processing capacity. Timber tree crops are usually not farmed; or if they were, usually generated low returns to labor in the short-run.

37. However, in the more marginal bare lands, the study's assessment of natural forest regeneration and assisted regeneration models show relatively high internal rates of return compared with tree planting. These models consist essentially of improved protection as a result of land allocation and farmer "closure"-without or with some directed maintenance to the regeneration process.

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<sup>5</sup> ADB. 1999. *Technical Assistance for Study on the Policy and Institutional Framework for Forest Management*. Manila.

### **C. 2001-2005 Five-Year Plan and Fundamental Solutions for the Socioeconomic Development of the Central Highlands**

38. This Plan was approved through Decision 168/2001/QĐ on 30 October 2001 and is particularly relevant to the FLITCH. The plan is for the Central Highlands, provinces Dak Lak, Gia Lai, Kon Tum, and Lam Dong. It seeks to facilitate dynamic development with a high sustainable growth rate, at the same time protecting ecological and environmental resources. It proposes to raise living standards and quality of life in remote areas inhabited by ethnic minorities, and other areas that encounter significant difficulties. It also hopes to build a strong and transparent political system and an equitable society. The major targets are:

- (i) GDP in 2005 shall be double that of 2000, with average growth of 9% p.a. and in which the industrial sector will grow by 16% pa, the agriculture and forestry by 7% pa, and the services sector by 12% pa.
- (ii) Economic restructuring will be carried out to increase both diversification and specialization, increase efficiency and competitiveness in order to gradually increase the industrial, construction and service sector contributions to GDP and reduce the proportions contributed by agriculture, forestry, and fisheries to 22%, 25%, and 53% respectively by 2005. Agriculture will focus on reducing imported commodities.
- (iii) Food security will be achieved and there will be no more hungry households by 2005, no communes with exceptional difficulties, the rate of poor households will fall below 13%. All people with meritorious service shall have a living standard equal to or higher than the commune average.
- (iv) Almost all communes will have road access to commune centers, have postal service and have clean water from wells or other storage facilities, and 90% of communes will be supplied with electricity.
- (v) All health stations will be provided with adequate facilities (such as electricity, water, equipment, medicines, staff) as needed to ensure primary healthcare for people.
- (vi) By 2005, some 30% of communes and all cities, provincial capitals and district towns will reach the junior high standard level. Some 18% to 20% of laborers will have gone through training, each district will have at least one boarding school, almost all districts, provincial capitals, district towns, and cities will have short-term job training establishments
- (vii) Improved resolution of social issues, increased intellectual capacity and marked improvements to the quality of life especially for ethnic minority people.
- (ix) Maintain political security and national defense.

### **D. Comprehensive Poverty Reduction and Growth Strategy (CPRGS)**

39. The CPRGS is described by the Government as an action plan that translates the Government's 10-year Socio-Economic Development Strategy, Five Year Socio-Economic Development Plan as well as other sectoral development plans into concrete measures with defined roadmaps for implementation. The CPRGS was approved by the Prime Minister of Viet Nam in May 2002. The Government would like to reduce poverty rapidly and ensure that all Vietnamese people benefit from economic growth. Specifically the Government aims to double household incomes by 2010, and that by 2005, less than 10% of families are poor. Specific mention is made of the need to improve and stabilize the living standards of EMs in a manner that is compatible with their customs. The CPRGS aims to reduce poverty by creating new and

improved opportunities for poor people to take part more fully and gain more benefit from ongoing socioeconomic reform, and development. Improved access to education and healthcare for poor households and improving the quality of services delivered. Continuance of the hunger eradication and poverty reduction program which includes providing subsidized credit to poor households and expanding vocational training and also continuing to provide school fees exemption for the poor and the provision of textbooks to children from EMs.

40. Reducing vulnerability by ensuring that people who move out of poverty stay out of poverty. Ensure that people are fully informed about the activities of local authorities and of the expenditure planned by communes to help the poor. Households would be given the opportunity to contribute to and comment on commune plans and obtain clarification where needed.

## E. Millennium Development Goals (MDGs)

**Table 9. Millennium Development Goals**

Millennium Development Goals	Target	Viet Nam Development Goals	Target
1. Eradicate poverty and hunger	<ul style="list-style-type: none"> <li>• Halve the proportion of people whose income is less than \$1 per day, and</li> <li>• Halve the proportion of people who suffer from hunger, between 1990 and 2015.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the % of poor and hungry households.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce by 40% the proportion of people living below the international poverty line between 2001 and 2010.</li> <li>• 2. Reduce by 75% the number of people living under the international food poverty line by 2010.</li> </ul>
2. Achieve universal primary education.	<ul style="list-style-type: none"> <li>• By 2015 ensure that all children everywhere will be able to complete a full course of primary schooling.</li> </ul>	<ul style="list-style-type: none"> <li>• Universalize education and improve education quality.</li> </ul>	<ul style="list-style-type: none"> <li>• 3. Increase net enrolment in primary school to 97% by 2005 and to 99% by 2010.</li> <li>• 4. Increase net enrolment rate in junior secondary school to 80% by 2005 and 90% by 2010.</li> <li>• 5. Eliminate the gender gap in primary and secondary education by 2005 and the gap with EMs by 2010.</li> <li>• Increase literacy to 95% of under 40-year old women by 2005 and 100% by 2010.</li> <li>• By 2010 have improved quality of education and increase full-day schooling at primary level.</li> </ul>
3. Reach gender equality and empower women	<ul style="list-style-type: none"> <li>• Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure gender equality and women empowerment.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the number of women in elective bodies at all levels.</li> <li>• Increase participation of women in agencies and sectors at all levels by 3-5% in next 10 years.</li> <li>• Ensure that names of both husband and wife appear on the land use certificates by 2005.</li> <li>• Reduce the vulnerability of women to domestic violence.</li> </ul>
4. Reduce child mortality	<ul style="list-style-type: none"> <li>• Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce child mortality, child malnutrition, and reduce birth rate.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce infant mortality rate to 30 per 1,000 live births by 2005 and 25 by 2010 and at a more rapid rate in disadvantaged regions.</li> <li>• Reduce the under-5 mortality rate to 36 per 1000 live births by 2005 and 32 by 2010.</li> <li>• Reduce under-5 malnutrition to 25% by</li> </ul>

Millennium Development Goals	Target	Viet Nam Development Goals	Target
			2005 and 20% by 2010.
5. Improve maternal health.	<ul style="list-style-type: none"> <li>Between 1990 and 2015, reduce the maternal mortality ratio by two thirds.</li> </ul>	<ul style="list-style-type: none"> <li>Improve maternal health.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the maternal mortality rate to 80 per 100,000 live births by 2005 and 70 by 2010 with particular attention to disadvantaged areas.</li> </ul>
6. Combat HIV/AIDS, malaria, and other diseases.	<ul style="list-style-type: none"> <li>By 2015 have halted and begun to reverse the spread of HIV/AIDS.</li> <li>By 2015, have halted and begun to reverse the incidence of malaria and other major diseases.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce HIV/AIDS infection and eradicate other major diseases.</li> </ul>	<ul style="list-style-type: none"> <li>Slow the increase in the spread of HIV/AIDS by 2005 and halve the rate of increase by 2010.</li> </ul>
7. Ensure environmental sustainability	<ul style="list-style-type: none"> <li>Integrate principles of sustainable development into country policies and programs and reverse the loss of environmental resources.</li> <li>By 2015 halve the proportion of people without sustainable access to safe drinking water.</li> <li>By 2020 have achieved a significant improvement in the lives of at least 100 million slum dwellers.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Extend forest cover to 43% by 2010 (from 33% in 1999).</li> <li>Ensure that 60% of rural population has access to clean and safe water by 2005 and 85% by 2010. In urban areas 80% by 2005.</li> <li>Ensure there are no slums and temporary houses in all towns and cities by 2010.</li> <li>Ensure that all wastewater in towns and cities is treated by 2010.</li> <li>Ensure that all solid waste is collected and disposed of safely in all towns and cities by 2010.</li> <li>Air and water pollution must attain national standards by 2005.</li> </ul>

## F. Government of Viet Nam Agencies Responsible for Poverty reduction and Ethnic Minority Development

41. The most immediately relevant agencies involved in rural community development and ethnic minority development, are the Ministry of Agriculture and Rural Development (MARD), Committee for Ethnic and Minority Affairs (CEMMA), MOLISA, the Vietnamese Women's Union (VWU), education and health. MOLISA and at implementation level DoLISA, play a key role in several key programs:

- (i) Program 120-loans for employment development,
- (ii) Program 139-health care and education for remote and difficult poor communities,
- (iii) Program 135-support for special difficult communes,
- (iv) Program 132-land allocation for landless Indigenous peoples who do not have production land.
- (v) Program 154-support for subsidized housing

42. These programs are implemented in coordination with several agencies, such as DARD, CEMMA, and other technical agencies such as health and Education, Transportation, and Construction.

43. Program 661 is another key program implemented under MARD and DARD. This program provides for communities to receive forest protection and management contracts, whereby farmers are paid VND50,000 per hectare per annum.

44. The VWU are active in a range of development and capacity building programs in target areas. They coordinate with other line agencies to promote and deliver health training, adult, and nonformal education. They work with the policy and poor banks to obtain loans for poor households, in some cases acting as guarantor for the household to the bank. They are also involved in setting up savings groups particularly amongst women. These savings groups are able to provide micro credit to members is recognized regionally as quite successful in contributing to poverty reduction.

45. Participatory approaches have been promoted through Donor and NGO supported programs in Viet Nam since the early 1990s. Early initiatives focused on PRA and village development planning, rather than on the broader aspects of community driven development. In many northern and central coastal provinces where such programs have been working longest and most intensively, there has been substantial investment in 'in-service training' in participatory methods for local staff and 'piloting' these approaches at community level.

46. By the mid 1990s new loan-financed projects under formulation at the time also adopted participatory planning approaches in their design—but on much larger scales (e.g.: IFAD *Participatory Resource Management Project* in Tuyen Quang, ADB *Forest Sector Project*, the World Bank *Forest Conservation and Rural Development Project*). Financing issues appeared to constrain the full adoption of such approaches. While participatory planning has a strong role to play in allowing village people to articulate their demands, villages and communes were still limited in their ability to directly implement local projects as they had little direct access to funding. Some of the critical issues in ensuring success of local level financing of projects are as follows:

- (i) Designing appropriate local planning mechanisms, division of responsibilities, and giving commune and village level clear control in decision-making, an important tool for putting into operation the Decree on Local Democracy;
- (ii) The legal framework provides opportunities for commune level management of funds, however, village level should receive more focus and attention in planning and selecting activities;
- (iii) Transparency and clear information between levels; and
- (iv) Concentrated efforts on capacity building at village and commune level on participatory planning, leadership skills, financial management, procurement, and monitoring and evaluation is a needed.

## **G. Community Forestry and Forest Land Allocation, Experiences, and Issues**

47. In more recent years there has been some community-based forestry initiatives piloted through donor assistance programs such as the GTZ Dak Lak project. These experiences have indicated that certain conditions are pre-requisite to successful community-based management:

- (i) Land allocation processes should be decided by the community. These need to take into community traditions, traditional boundaries, social composition of the village, earlier experiences with social forestry and access to markets.
- (ii) Benefit realization is fundamental to provide incentive for protecting forests. Benefits should be available to those receiving forestland, as well as to others in the community. Benefit sharing policies that result in uniform sharing of benefits, need to be developed within the community.

- (iii) Community forest rules need to be developed and agreed to by all members of the community (and adjacent communities) including penalties for non-compliance with the rules.
- (iv) Access to capital and technical and marketing advice is needed to ensure maximum benefits are realized from the allocated forestland and incentives to protect it are also maximized.

## **H. Key Issues Identified in Community Participation in Viet Nam**

48. A review of implementation progress of participatory-based projects in Viet Nam can help to identify some key issues affecting meaningful community participation in most rural development projects, and represent considerations for the FLITCH design process, particularly formulation of the LIEMDP. These issues/factors can be summarized as follows:

- Lack of effective participatory forums recognized under the law. Most of the forums like CDBs, VDBs, or SMBs are project specific forums and have no legal status beyond the project life. They are also viewed with suspicion by the regular government grassroots institutions like CPC and village heads. It would be a much better option to work through existing grassroots institutions rather than creating project-specific forums.
- It is very difficult for a participatory project to find qualified community facilitation staff because of lack of training/academic institutions to produce such qualified personnel. So any staff recruited for this purpose has to learn during implementation. Suitable staff for remote areas is particularly difficult to recruit and there is a need to address this by using qualified members of minorities themselves for this work. Training needs to be provided accompanied by 'Learning by Doing' and some form of 'mentoring' approaches.
- Most projects/programs have adopted a piecemeal approach to participation by adopting only such steps which favor implementers rather than the beneficiaries, resulting in a focus on the end result rather than the building of capacity and sustainability.
- Decentralization and transfer of responsibility without prior appropriate training and capacity building is a recipe for failure.
- Imposition of official needs over genuine beneficiary needs is a common practice in most projects and programs. This tends to benefit the better off sections rather than the poor.
- Targeting and participation of the poorest and vulnerable, and women, requires special implementation measures in order to ensure that these subgroups play a meaningful role in decision making and planning and that they are able to enjoy the full benefits of any intended programs.
- Insufficient time is provided to build community awareness and capacity. Community based organizations are usually weak due to insufficient training and poor follow-up support.

## **I. Results of Participatory Appraisals Carried out in Sample Communes**

49. Based on the above lessons, the LIEMDP is developed on the basis of participatory enquiries held with the ethnic minorities in the course of project preparation. FLITCH commune selection began with identification of poor and also ethnic minority communes in forest areas. Poverty and ethnicity was initially screened using MOLISA and census data, Program 135

Special Poor commune listings, and then further triangulated and updated against provincial, district, and commune records and current reports such as the NZAid Poverty Study. Other criteria used included relevance and proximity of forestry to livelihood, forest condition and the existing level of environmental vulnerability, particularly slope and indeed the actual availability of forestland for eventual allocation to the community. Other considerations included the presence of an SFE and also the implementation of any other development assistance program in the area. Access was also considered as the FLITCH design parameters would have prohibited the construction of any new roads.

50. Participatory research was carried out at the following levels:

- i) Commune committee level
- ii) Village leadership and council level
- iii) Focal group (women, men, mixed) level
- iv) Household (poor, average, better-off) level

51. Following analysis and consideration of the data and information collected, focus group discussions were held in order to obtain feedback on key issues raised during the initial discussions.

**Table 10. Core Communes Selected for Study**

<b>Commune</b>	<b>Province</b>	<b>District</b>
Son Hoi	Phu Yen	Son Hoa
Ia Tul	Gia Lai	Ayun Pa
Chu Drang	Gia Lai	Krong Pa
Y'Thang	Kon Tum	Sa Thay
Dak Pxi	Kon Tum	Dak ha
Ea Sol	Dak Lak	Ea H'Leo
Ea Trang	Dak Lak	M'Drak
Nam Nung	Dak Nong	Krong No
Lieng Sron	Lam Dong	Lam Ha

52. Population demographics in these areas confirm the presence of a large number of EM communities. Communes often contain several different EMGs, usually with one predominant group, whereas villages are more likely to reflect a particular specific group, with others present as a small minority. Most villages will have some Kinh population.

**Table 11: Percentage of Kinh and Indigenous Population by Province/District**

<b>Province</b>	<b>District</b>	<b>Kinh %</b>	<b>Indigenous %</b>
Lam Dong	Lam Ha	75.12	24.88
Phu Yen	Son Hoa	66.60	33.40
Kon Tum	Sa Thay	49.00	51.00
Kon Tum	Dak Ha	52.00	48.00
Gia Lai	Krong Pah	33.40	66.60
Gia Lai	Ayun Pa	39.76	60.24
Dak Lak	M'Drak	62.70	37.30
Dak Lak	Krong No	57.76	42.24
Dak Lak	Ea H'leo	60.27	39.73

**Table 12. Ethnicity of 9 Selected Communes in Central Highlands**

Province	Phu Yen	Gia Lai	Gia Lai	Kon Tum	Dak Lak	Dak Lak	Dak Lak	Lam Dong
District	Son Hoa	Ayn Pa	Krong Pa	Dak ha	Ea H'Leo	M'Drak	Krong No	Lam Ha
Commune	Son Hoi	Ya Tul	Chu Drang	Dak Pxi	Ea Sol	Ea Trang	Nam Nung	Lieng Sron
<b>Kinh</b>	42.62	2.97	25.55	2.12	31.80	2.16	28.86	16.01
<b>Tay</b>			0.15		0.83	1.00	0.49	3.95
<b>Thai</b>	0.10				3.65		9.16	
<b>M'Nong</b>					0.08		0.49	
<b>Nung</b>					0.58	0.50		
<b>Hmong</b>						31.64		
<b>Dao</b>						15.65	39.62	
<b>Ja rai</b>		97.03	74.30		36.24			
<b>E-de</b>	2.08				25.94	48.70	0.71	
<b>Ba-na</b>	6.74				0.34			
<b>Xo-dang</b>				97.88				
<b>Co-ho</b>								63.44
<b>Cham</b>	48.46							
<b>San Diu</b>							0.04	
<b>Mnong</b>						0.25	20.59	1.38
<b>Ra-glai</b>							0.04	
<b>Tho</b>					0.17	0.05		
<b>Ma</b>								15.22
<b>Lao</b>					0.37			
<b>La Hu</b>						0.05		
<b>Total</b>		100.00	100.00	100.00	100.00	100.00	100.00	100.00

\*Calculated from 1999 Census.

53. The field studies undertaken confirm widespread poverty in the selected areas, and particularly in the indigenous and ethnic minority communities. Household incomes and GDPs were found to be lower than expected. Although the study attempted to trace all cash and non cash products, etc., it is quite possible that income and production were understated. The information provided at household level revealed significantly different household GDP levels (total household economic product) between community wealth groups and different livelihood patterns:

Wealth Group	Average Production Land (ha)	Household GDP Range (million VND)	Main Source of Livelihood by Priority Activity
Better-off	2.5	20 – 30	Crops and agroforestry, livestock (cattle and pig). Forest products. Home garden.
Average	1.5	12 – 15	Crops and forest products. Some day labor. Home garden
Poor	0.5	3 – 10	Day labor jobs, forest products. Crops

54. Some of the findings from a few of the nine sample communes studied are presented here.<sup>6</sup>

### 1. Lieng Sronh Commune–Lam Ha District, Lam Dong Province

55. There are six villages making up the commune and these are populated by mainly EMGs total population of Lieng Sronh alone is 1,950 of which 1,007 are female accounting for

<sup>6</sup> For details of PRA findings please refer to Results of Participatory Enquiries, available on FLITCH files.

51.6% of its total population. Gender and ethnic disaggregated demographic data for each of the 10 villages in this commune are contained in the following table:

**Table 13. Gender and Ethnic Disaggregated Demographic Data**

Village	Total Population	Male	Female	Total of Household	Population EMG	Population Kinh	Population Other
1-DaRMang	505	248	257	108	421	84	
2- Fi Sronh	270	141	129	55	202	66	2
3- LiengHung	270	122	148	42	253	17	
4- KhuaR	477	221	256	94	350	121	6
5- DongYa	209	106	103	55	192	17	
6- DongLa	219	105	114	40	163	36	14
<b>Lieng Sron sub-total</b>	<b>1950</b>	<b>943</b>	<b>1007</b>	<b>394</b>	<b>1581</b>	<b>341</b>	<b>22</b>
3*- PangPeNon	1256	671	585	256	692	564	
4*- PangPe Dang	590	315	275	117	409	181	
5*- Dai Nang	1327	668	659	359		1082	245
6*- Phi Co	1672	939	733	445	39	1516	117
<b>Total</b>	<b>6795</b>	<b>3536</b>	<b>3259</b>	<b>1561</b>	<b>2727</b>	<b>3684</b>	<b>384</b>

Source: Commune Records, 2003 \* Village of Romen located in Lieng Sronh territory.

56. The K'Ho is the largest ethnic group in the district accounting for 14.36% of the total population. It is the largest ethnic group in this commune, constituting 63.44% of the population followed by Kinh people accounting for 16%. Ma people represent 15.2%. The rest percentage is shared between M'ngong and Tay. Kinh people come to the commune mainly through organized migration program to build new economic zone. The literacy rate among K'Ho people is the lowest compared to other ethnic groups in the same commune; 63.6% of K'Ho people are illiterate.

**Table 14: Disaggregated Data on Household by Ethnicity and Headship**

Village	No. of Household			Population		
	Total	Indigenous	Total	Male	Female	Indigenous
Da R mang	108	83	505	248	257	421
Fi Sronh	55	37	270	141	129	202
Lieng Hung	42	38	270	122	148	253
KhuaR	94	73	477	221	256	350
Dong Jia	35	31	209	106	103	181
Dong La	40	29	219	105	114	169
	<b>374</b>	<b>291</b>	<b>1950</b>	<b>943</b>	<b>1007</b>	<b>1576</b>
	Poor		Poor	Labor		
	Household	Population	Indigenous	Male	Female	Single-headed household
Da R mang	53	287	268	109	111	4
Fi Sronh	28	150	139	58	55	3
Lieng Hung	22	144	144	55	59	2
KhuaR	53	310	303	101	105	11
Dong Jia	20	114	105	38	43	3
Dong La	22	132	132	44	43	3
	<b>198</b>	<b>1137</b>	<b>1091</b>	<b>405</b>	<b>416</b>	<b>26</b>

**Table 15. DOLISA Poverty incidence by village, sex and ethnicity head of households**

Village name	Total poor household			EM poor household		Kinh		Poor population	
	Total	%	Male	Total	Male	Total	Male	Total	%
1-DaRMang	52	48.2	49	49	45	3	3	287	56.8
2- Fi Sronh	28	50.9	25	26	23	2	2	150	55.6
3- LiengHung	22	52.4	20	22	20			144	53.3
4- KhuaR	53	56.4	42	52	41	1	1	310	65.0
5- DongYa	20	36.4	17	19	16	1	1	114	54.6
6- DongLa	22	55.0	19	22	19			132	60.3
<i>Sub-total</i>	<i>197</i>	<i>50.0</i>	<i>172</i>	<i>190</i>	<i>164</i>	<i>7</i>	<i>7</i>	<i>1,137</i>	<i>58.3</i>
3*- PangPeNon	63	24.6		59		4			
4*- PangPe Dang	61	52.1		60		1			
5*- Dai Nang	25	7.0				10			
6*- Phi Co	24	5.4		4		13			
Total	370	23.7		313		35			

57. The poor have less paddy land and are more likely to use upland fields. They have almost no assets, no production or transport means, and usually have small temporary wooden houses or have received Government assisted basic wooden houses. They often face shortage of food for 3 or more months per year. Crop yields are low compared to that of the better-off as the poorer farmers do not have cash for better inputs and are also unaware of the better technology that is available. In general, no inputs are used, although some apply fertilizers or pesticides in very small quantities. The extension service is restricted in terms of the number of farmers that can participate and most of the poorer ETHNIC MINORITY farmers are not fluent in Kinh language.

58. They live close to and rely on forest for their survival following consumption of their rice, between-season time. They are restricted in what they collect from the forest due to State controls. They collect vegetables, bamboo shoots, rattan, firewood, and mushroom. Malaria, goiter and respiratory diseases are cited as the main health issues in the commune and most women give birth to children at home without assistance of the health service.

## 2. Diep Loc Village, Y'Thang Commune, Sa Thay District, Kon Tum Province

59. The commune has just split from Ia Ly in July 2003 following Government decree, and some 2,677 ha of the old Ia Ly commune has been allocated to the new Ia Ly, and the commune renamed to Ya Thang. The total population of Ya Thang is 1,149 persons. Gender and ethnicity disaggregated demographic data for each of the 3 villages in this commune is contained in the following table:

**Table 16. Gender and Ethnicity Disaggregated Demographic Data**

Name of Village	Total Population	Male	Female	No. of households	Population EM (JaRai)	Population Kinh
Lut	161	94	65	46	153	8
Diep Loc	348	165	183	91	346	2
Trap	640	325	315	115	627	13
	1,149	584	563	252	1,126	23

Source: Commune Records, 2003.

60. The Ja Rai is main ethnic in the commune, which consists of 98% of the population. About 63.2% of Ja Rai people aged 6 or over in the villages are literate in the Kinh language (Census1999) with the bias in favor of males attending school.

61. Although efforts have been paid on poverty reduction and in fact for the past few years much has been done, the poverty incidence in Ya Tang remains rather high averaging at 17.9%. The poor have less paddy land and are more likely to use upland fields. They have almost no assets, no production or transport means, except small wooden houses. They face food deficit periods of 3 or more months per year. Crop yields are low compared to that of the better-off as the poorer farmers do not have cash for better inputs and are also unaware of the better technology that is available. In general no inputs are used, although some apply fertilizers or pesticides in very small quantities. The extension service is restricted in terms of the number of farmers that can participate, and most of the poorer ethnic minority farmers are not fluent in Kinh language.

62. The forest has always been the traditional coping strategy for their survival following consumption of their rice. Poorer households suffer a food deficit of at least 3 to 4 months and will rely on day labor or foraging for NTFPs and hunting. Although the forest is under State control, the household studies conducted report that people seek and need more access to forestland and resources.

63. They are now restricted in what they collect from the forest due to State controls and get small quantities of vegetables, bamboo shoots, rattan, firewood, and mushroom with a small surplus to sell.

**Table 17. Poverty Incidence by Village and Ethnicity**

Village	Poverty incidence			Ja Rai poor	
	Households	%	Persons	Household	Persons
Lut	7	15.2	40	7	40
Diep Loc	23	25.3	103	23	103
Trap	15	13.0	95	15	95
<b>Total</b>	<b>45</b>	<b>17.9</b>	<b>238</b>	<b>45</b>	<b>238</b>

64. Focal groups discussed and identified priority development issues and needs.

**Table 18. Priority Development Issues and Needs**

Major Ethnic Minority Group	Female	Male	Mixed Group
Ja-Rai	Domestic water supply Land allocated for Litsea Affordable credit for livestock Bridge over stream Savings and credit scheme Improved reproductive health Improved healthcare Market construction	Small-scale irrigation Improved village to commune road Market construction Domestic water supply Affordable credit Adult literacy program Better commune health center Pre-school facilities Communal meeting house facilities Broadcasting network in village Allocation of forest land	Domestic water supply Bridge at river crossing Dry season irrigation Access to forest land Improved food security Credit for livestock Improved healthcare Better access to education

65. Three households were selected according to their wealth-ranking for case study; well-off, average, and poor. Basic profiles from these families are presented in the following table:

**Table 19. Basic Profiles by Wealth Ranking**

	<b>Better-off</b>	<b>Average</b>	<b>Poor</b>
<b>Ethnicity</b>	Ja Rai	Ja Rai	Ja Rai
<b>Production Land</b>	0.8 ha and houseplot	0.87 ha includes houseplot	0.65 ha includes houseplot
<b>No. People in household</b>	2	4	4
<b>Land Allocation</b>	No		
<b>Crops/Livestock</b>	Home garden–0.3 ha Litsea– 500M2 Cassava–0.3 ha intercropped with Litsea– 40 trees Cattle–5 Pigs–2 Poultry – 10	Paddy–2 sao WS and DS Cassava–5 sao intercropped with Maize–2 sao Litsea–1.7 sao	Home garden–0.12 ha Upland–0.5 Cassava grown
<b>Yield</b>	Cassava–3 million VND Cattle–3 million Poultry–500,000 Pigs–600,000 Litsea – 3 Mill VND	Rice–2 t/ha Maize–2 t/ha Cassava–10 t/ha Cattle–1 Pig–1 Litsea	Cassava–10 months got 2.5 million VND
<b>Inputs</b>	None	Rice – NPK 15 kg	None
<b>Other occupation</b>	Rice Milling– 10,000VND/day	Husband works for Irrigation Company	Husband and wife alternate as day laborers– 20,000 VND/p/day
<b>Approx GDP</b>	20 million VND	15 million VND	8 million VND
<b>Housing</b>	Yali resettlement model– wood with tiled roof.	Yali resettlement model– wood with tiled roof.	Temporary–thatch roof, dirt floor, not weatherproof
<b>Food deficit</b>	0	0	3 months
<b>Coping system</b>	N/A	N/A	Work for food, borrow, forage.
<b>Production constraints</b>	None	None	Lack cash and funds Poor health of householdH
<b>Use credit</b>	Never	Last time was 1994– 1 million for old house	Yes–1 million for health
<b>Source of credit</b>	N/A	Agri. Dev. Bank	Neighbor
<b>Participates in extension</b>	No	Yes – Cassava and Litsea training	Participated once only in Litsea training–lack cash to implement.
<b>Any other training received by household</b>	None	None	None
<b>Household assets</b>	Motorcycle TV Radio Water pump Cattle–2 Pig–3 Poultry	Motorcycle TV Radio Cattle–1 Pig–1	Basic cooking utensils insufficient No tools No livestock

### 3. Chu Drang Commune, Krong Pa District, Gia Lai Province

66. The total population of Chu Drang is 4,754 people. Gender and ethnic disaggregated demographic data for each of the 10 villages in this commune are contained in the following table:

**Table 20. Gender and Ethnic Disaggregated Demographic Data**

Name of Village	Total Population	Male	Female	Total of Households	Population EMG	Population Kinh
1. Buon Lien	690	338	352	106	690	
2. Buon Liec	475	231	244	89	475	
3. Buon Ngom	781	380	401	82	781	
4. Buon Chai	768	373	395	115	768	
5. Buon Nung	377	186	191	68	377	
6. Buon Uar	452	220	232	68	452	
7. Buon H'Mung	354	173	181	59	354	
8. Hung Phu 4	332	163	169	68		332
9. Me Linh	211	103	108	78		211
10. Tam Dao	324	159	165	103		324
<b>Total</b>	<b>4764</b>	<b>2326</b>	<b>2438</b>	<b>836</b>	<b>3897</b>	<b>867</b>

Source: Commune Records, 2003.

67. There are three ethnic groups in the commune and each tends to cluster in their own communities. The Ja Rai is the largest indigenous ethnic group in the district accounting for 66.3% of the total population and is the largest ethnic group in the commune constituting 74.3% of the population. Kinh people account 25.6%, and Tai people contribute the remaining 1%.

68. According to the Census data, the literacy rate among the Ja Rai people is the lowest compared to other ethnic groups in the same commune with 44% of Ja Rai people illiterate compared to only 3% of the Kinh. Of the total working age population, only slightly more than one per cent have been trained in any skill and 45.5% of population aged between 15 and 60 has never attended school.

69. The poverty rate remains high in Chu Drang averaging around 40.2% of the total population. The majority of the poor (about 73%) are from indigenous EMGs.

**Table 21: DOLISA Poverty Incidence by Villages and Ethnicity**

Village	Total	%	Ja Rai	Kinh
1. Buon Lien	227	32.9	227	
2. Buon Liec	219	46.1	219	
3. Buon Ngom	178	22.8	178	
4. Buon Chai	274	35.7	274	
5. Buon Nung	147	39.0	147	
6. Buon Uar	195	43.1	195	
7. Buon H'Mung	157	44.4	157	
8. Hung Phu 4	52	15.7		52
9. Me Linh	144	68.3		144
10. Tam Dao	320	98.8		320
<b>Total</b>	<b>1,913</b>	<b>40.2</b>	<b>1,397</b>	<b>516</b>

70. The poor usually have only upland fields and some have small paddy areas. They have almost no assets, no production or transport means, and face food deficit periods of at least 3 months per year. Crop yields are low compared to that of the better-off as the poorer farmers do not have cash for better inputs and are also unaware of the better technology that is available. In general, no inputs are used, although some apply fertilizers or pesticides in very small quantities. The extension service is restricted in terms of the number of farmers that can participate and most of the poorer ETHNIC MINORITY farmers are not fluent in Kinh language.

71. They live close to and rely on forest for their survival following consumption of their rice, between-season time. They are restricted in what they collect from the forest due to State controls. They collect vegetables, bamboo shoots, rattan, firewood and mushroom. Malaria, goiter, and respiratory diseases are cited as the main health issues in the commune.

#### 4. Chai Village, Chu Drang Commune, Krong Pa District, Gia Lai Province

72. The village was selected to have a focus group discussion on priorities for poverty reduction. The focal discussion groups were requested to perform a wealth ranking exercise on their own community. The objective was to identify those indicators used by the community in determining economic welfare:

**Table 22: Wealth Indicators by Level of Household**

Level	Wealth Indicators
<b>Better-Off households</b>	16 household at this level in the village; Solid wooden bigger houses (50-60m <sup>2</sup> ) with iron/tile roof); motorbike; TV; 15-20 cattle; 5-6 goats; 5-6 pigs; Upland field: 2-3 ha under rice, maize, cassava Flat low land: 2000m <sup>2</sup> ; Garden: 2000m <sup>2</sup> ; 6/16 single female head of household
<b>Average households</b>	47 household; 1-2 cattle; 1-2 pigs; 1 ha land under cassava, cashew; 2000m <sup>2</sup> garden; 2000m <sup>2</sup> wet rice; middle houses (30-40 m <sup>2</sup> ) with iron roof or tile roof; bicycle; some have electricity; some have no electricity;
<b>Poor households</b>	52 household: no cattle; no pigs; little land (2 sao=2000m <sup>2</sup> ); Small house with iron roof funded by government; Temporary shortage of food from April to July (some days with, some days without rice); 16/52 households are single female head household;

73. Focal discussion groups were also asked to consider their development needs and priorities. When disaggregated by gender there are several differences in perceptions of priority between men and women, with men giving priority to more things that would result in more immediate economic gain.

**Table 23: Perception of Priority by Gender**

Major Ethnic Minority Group	Female	Male
Ja-Rai	Domestic water supply Affordable credit Improved rice seed varieties Pre-school facilities Communal meetinghouse Adult literacy classes Household electrification All weather road to commune Improved reproductive health Commune market place	Small-scale irrigation Domestic water supply Poor want land allocated to them Improved rice seed varieties Subsidized fertilizer Affordable credit Better school buildings

74. Case studies that were conducted demonstrate the following gaps between the poor and other better off households:

**Table 24: Gaps Between Household Levels**

	Better-off	Average	Poor
<b>Ethnicity</b>	Ja Rai	Ja Rai	Ja Rai
<b>Production Land</b>	Upland–4.1 ha Paddy–1,000 m Home garden–1,800 m	1.6 ha upland 0.2 ha houseplot	Paddy 0.56 ha Home garden–600 m Sold upland field 0.4 ha
<b>No. People in household</b>	2	7	2 elderly–3 children all died
<b>Heads household Literate</b>	No	No	No
<b>Land Allocation</b>	Red book		
<b>Crops/Livestock</b>	Rice–1,000 m Cassava–1.5 ha Maize–2 ha Sesame Red beans Sugarcane, mango, pineapple, cashew Cattle–13	Rain fed broadcast rice and maize. Cassava 0.8 ha Cashew–300 trees	Paddy land rented out for 500,000 VND Tobacco grown in home garden
<b>Yield</b>	Maize–4.7 kg total Rice–200 kg total Cassava–8 ton total Sesame–800 kg Cashew–300 kg Cattle–sell at 150 kg	WS rice–350 kg Maize–200 kg Cassava–just planted Cashew–6 kg 2003	
<b>Inputs</b>	Rice–pesticide, NPK, manure	Not used	Not used
<b>Other occupation</b>	NTFPs	Firewood NTFPs 50% share in rice thresher	Firewood NTFPs
<b>Approx GDP</b>	30 million VND	15 million VND	3 million VND
<b>Housing</b>	Small wooden	Permanent wooden and weatherproof.	Temporary wooden not weatherproof

	Better-off	Average	Poor
<b>Food deficit</b>	No – have cash	3 months	3 months
<b>Coping system</b>	N/A	NTFPs, bamboo shoots, wild vegetable	Sell firewood and collect NTFPs Charity
<b>Production constraints</b>	None	Low yields, lack water, cash or credit for fertilizer/inputs.	Lack labor
<b>Use credit</b>	Yes–10 million for land prep 2 years	Yes–4 million VND in 2001 for 50% thresher	No
<b>Source of credit</b>	Agri. Dev. Bank	Agric. Dev. Bank	N/A
<b>Participates in extension</b>	Head of village Extension unit	No	No
<b>Any other training received by household</b>	None	None	No
<b>Household assets</b>	Motorcycle–1 Bicycle –1 TV–1 Radio–1 Water pump Cattle–10 Pig–3 Goats–6	Bicycle–1 Thresher– 50% Plough Basic tools and kitchen utensils Cashew trees–300	Cattle–1 Basic cooking gear One hoe Bucket

## 5. Ia Tul Commune, La Pa District, Gia Lai Province

75. The total population of Ia Tul is 2,336 people. Gender and ethnic disaggregated demographic data for each of the 5 villages in this commune is contained in the following table:

**Table 25: Gender and Ethnic Disaggregated Demographic Data**

Name of Village	Total Population	Male	Female	Total of Households	Population EMG	Population Kinh
1. Biah A	586			118	572	14
2. BLanh	523			98	510	13
3. To Khe	616			110	616	
4. Biag "B"	473			87	467	6
5. Ia P Tao	138			30	138	
Total	2336	1160	1176	443	2303	33

Source: Commune Records, 2003.

76. The Ja Rai is the largest indigenous ethnic group in the district accounting for 53.4% of the total population, and it is the largest ethnic group in this commune, constituting 97%. Kinh people account for roughly 3%. Kinh people come to the commune mainly through organized migration program to build new economic zone.

77. The literacy rate among Gia Rai people is the lowest compared to other ethnic groups in the same commune and according to the 1999 Census, 42.7% of Ja Rai people are illiterate, compared to only 5% of the Kinh.

78. The total labor aged population of Ia Tul is 1,062 people, accounting for 45.5% of the total population. Of this women make up 49.4% of the total labor force. Educational level of

labor is very low. Of the total labor force, only slightly less than one per cent has been trained in some skill. 38.7% of population aged between 15 and 60 has never attended school.

79. The percentage of the poor is 39.5 of total households, within which there are 60 poor household (34.3%) and 115 hungry household (65.7%). All of the poor are Ja Rai people.

**Table 26: DOLISA Poverty Incidence by Village and Ethnicity**

Village	Total No. of Household	Poor Household	Poor-Gia Rai	%
1. Biah A	118	33	33	27.97
2. BLanh	98	39	39	39.80
3. To Khe	110	61	61	55.45
4. Biag "B"	87	35	35	40.23
5. Iap Tao	30	7	7	23.33
Total	443	175	175	39.50

80. The poor have less production or flat land and are more likely to use upland fields. They have almost no assets, no production, or transport means. Their housing is usually temporary unless provided through Government assistance. They face food production or cash shortages for 3 or more months per year. Crop yields are low compared to that of the better-off as the poorer farmers do not have cash for better inputs better technology that is available. Awareness of how to improve yields is low. In general no inputs are used, although some apply fertilizers or pesticides in very small quantities. The extension service is restricted in terms of the number of farmers that can participate and most of the poorer EM farmers are not fluent in Kinh language.

81. The forest has always been a traditional key component of the livelihood system to all households. Although access is restricted they still depend on the forest following consumption of their own grown rice and depletion of cash. They are restricted in what they collect from the forest due to State controls. They collect vegetables, bamboo shoots, rattan, firewood, and mushroom. Day labor is also very important to the poorer households.

82. **Blanh Village.** The households studied grew wet season upland rice and paddy, maize, vegetables and tree crops such as mango, guava, and cashew. Minimal use is made of inputs and yields are generally low for crops. Food deficit periods ranged from 11 to 2 months and NTFP collection was the main coping system Bamboo shoot collection and sale was the main NTFP and its exploitation was restricted due to illegality. Rattan was cut, bamboo poles, and wild vegetable and mushroom collected. People also seek paid day labor.

83. Two focal discussion groups identified priority issues and development needs

**Table 27: Priority Issues and Development Needs by Gender**

Major Ethnic Minority Group	Female	Male
Ja-Rai	Improved reproductive health Improved cultivation techniques Domestic water supply Affordable credit Pre-school facilities Commune market place Household electrification Community meetinghouses All weather road to commune	Leveling land for rice cultivation Domestic water supply Malaria prevention program Household electrification Affordable credit Small scale irrigation Communal meetinghouse All weather road to commune Commune market place Pre-school facilities Allocation of forestland

84. Three households were selected for case study according to their wealth ranking. Profiles of these families appear below. Lack of forest land and access was cited as being the main livelihood constraint. Only one household participated in Extension, this comprised of perhaps two meetings per year. The one family that did participate in extension also commented on the lack of effective support from local officials.

#### 6. Son Hoi Commune, Son Hoa District, Phu Yen Province

85. The total population of Son Hoi is 3,148 people. Gender and age disaggregated demographic data for each of the 10 villages in this commune is contained in the following table:

**Table 28: Gender and age Disaggregated Demographic Data**

Name of Village	Total Population	Total of Households	Population Indigenous Ethnic Minority	Population Kinh
1-Tan Hoi	1220	276	277	943
2- Tan Hop	347	79	225	122
3- Tan Hiep	329	68	327	2
4- Tan Luong	307	78	88	219
5- Tan Tien	112	25	112	
6- Tan Hoa	244	43	241	3
7- Tan Thuan	139	27	132	7
8- Tan Thanh	450	96	428	22
Total	3148	692	1830	1318

Source: Commune Records, 2003.

86. The Cham is the largest indigenous ethnic group in the district accounting for 20.9% of the total population. It is the largest ethnic group in this commune, constituting 48.5% of the population followed by Kinh people accounting for roughly 42.6%. Ba Na accounts for 6.7% and E De more than 2%. The remainders are Tai.

87. The literacy rate among Cham people is the second lowest compared to other ethnic groups in the same commune, with 45.6% of Cham illiterate as compared to 14.6% of the Kinh, 76.2% of the E De, and 36.8% of the Ba Na people.

88. Poverty remains very high in Son Hoi averaging at 36.7% of the total households in the commune. Majority of the poor (about 88%) are from Cham group. The poor have less production and flat land and are more likely to use upland fields. They have almost no assets, no production or transport means. Housing is temporary unless the Government provided but these are few. They often face shortage of food for 3 or more months per year. Crop yields are low compared to that of the better-off as the poorer farmers do not have cash for better inputs and are also unaware of the better technology that is available or how to use it. In general inputs are not used, although some apply fertilizers or pesticides in very small quantities. The extension service is restricted in terms of the number of farmers that can participate and most of the poorer ethnic minority farmers are not fluent in Kinh language.

89. All households use forest resources, and the poor rely on them for survival following consumption of their own rice and cash.

**Table 29: DOLISA Poverty Incidence by village and Ethnicity**

Village	Total poor Household	%	Cham H'roi	Kinh
1-Tan Hoi	79	28.6	74	5
2- Tan Hop	44	55.7	34	10
3- Tan Hiep	28	41.2	28	0
4- Tan Luong	18	23.1	12	12
5- Tan Tien	10	40.0	15	0
6- Tan Hoa	17	39.5	20	0
7- Tan Thuan	15	55.6	6	1
8- Tan Thanh	43	44.8	34	0
<b>Total</b>	<b>254</b>	<b>36.7</b>	<b>223</b>	<b>28</b>

90. In Tan Hoi Village, Son Hoi Commune, focus group discussions were held on priorities for poverty reduction. The following were raised:

**Table 30: Priorities for Poverty Reduction**

Major Ethnic Minority Group	Female	Male	Mixed Group
Ba'Na, Ede and Cham	Affordable credit Improved reproductive health Intra-village all weather road Household electrification Small-scale irrigation Domestic water supply Technical knowledge on forest use Bridge over stream Pre-school center Communal meetinghouse	Small-scale irrigation Domestic water supply Pre-school center Communal meeting house	Small-scale irrigation Domestic water supply Pre-school center Communal meetinghouse Adult literacy program Affordable credit Improved reproductive health More support for war veterans Bridge over stream Household electrification

91. **Nam Nung Commune, Krong No District, Dak Lak Province.** The total population of Nam Nung is 3,638 people. Gender disaggregated demographic data for each of the 6 villages in this commune are contained in the following table:

**Table 31: Gender Disaggregated Demographic Data**

Name of Village	Total Population	Male	Female	No. of House-hold	No. EM House-holds	Road Access in Wet Season	No. of Single Women Head Households	Distance from Commune Center (km)
Dak Ro	592	288	304	130	130	No	6	5
Tan Lap	547	279	268	117	39	Y	3	3-9
Rcap	514	243	271	120	120	Y	4	1
Joc Du	784	385	399	130	16	Y	6	0.5
J'Rah	556	284	272	105	97	Y	3	1
Nam Tien	645	317	328	165	160	N	15	3-4.5
<b>Commune Total</b>	<b>3,638</b>	<b>1,796</b>	<b>1,842</b>					

92. The commune population has been growing at the annual rate of 4.84% since the government's policy of "new economic zones," which has resulted in substantial migration to all areas in the Central Highlands over the past two decades. However, this migratory pattern from elsewhere in Viet Nam, especially from the densely populated lowlands and to some extent from northern mountainous areas, has slowed substantially since the end of the 1990s. The M'Nong are the largest indigenous ethnic group in the district, however in this commune they constitute 33.0 percent of the population and Kinh 45.0% of the commune population, other ethnic minorities (Thai, Tay, Dao and Man) constitute 28.0 percent of the population.

93. Poverty is not high in the commune due to recent government efforts and of the total households in the commune 16% are living below the poverty line however 61% of the poor come from ethnic indigenous groups. The poor have less production and flat land and are more likely to use upland fields. They have almost no assets, no production or transport means, except small wooden houses. They often face shortage of food for 3-4 months per year. Poorer farmer crop yields are low compared to that of the better-off, they usually do not apply fertilizers or pesticides. Extension services are almost not accessible to them as they do not speak Kinh language and services are very limited.

94. They rely on the forest as an integral part of their livelihood system, however access and collection of NTFPs is restricted to small quantities of vegetables, bamboo shoots, rattan, and firewood. Day labor is an important source of cash for the poor if they can find it.

95. **Jrah Village, Nam Nung Commune, Krong No District, Dak Lak Province.** A focal group discussion was held here to identify priorities for development. The following issues were raised:

**Table 32: Issues on Priorities for Development**

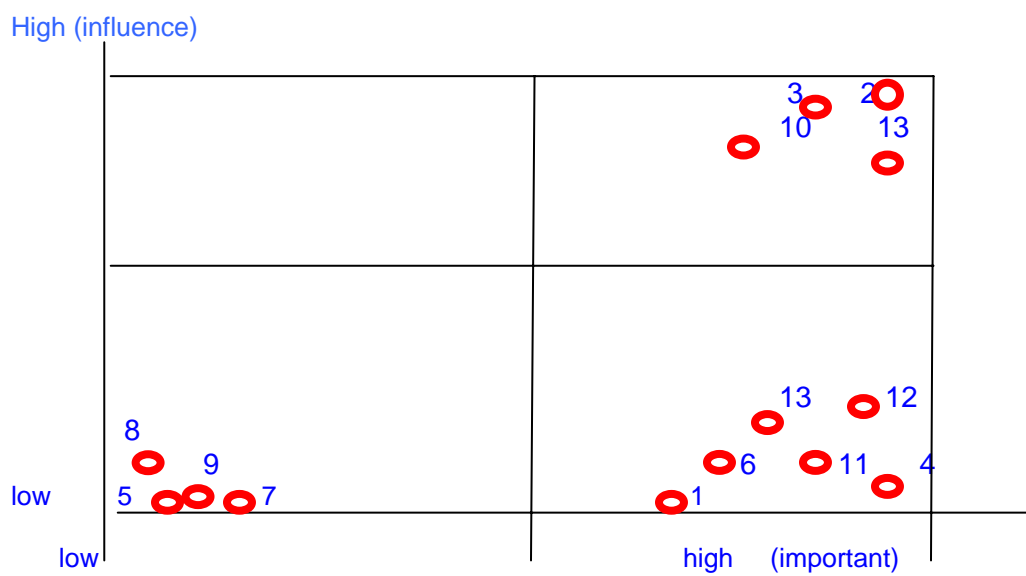
<b>Main Problems</b>	<b>What is needed to fix it</b>	<b>How to implement</b>
Water for production	Small irrigation system with dams	Need assistance
Drinking water. Wells have been destroyed (filled up). Lack of water for 3 months during dry season. People have to rely on water from stream	Drill wells for cluster of households	Loans to drill wells or government support 80% the rest will be covered by the users
Village road in Nam Tien village	Linking road construction of 8 km + 3 km	Government supports, villagers contribute in kind (land)
Local varieties are degraded causing low yield	New varieties; shifting in cropping pattern; Helping in marketing of products	Technology transfer; Demonstration models; Capital for production
Kindergarten	Needed to get children started and give mothers time to work	Construction and teacher
Effective Health station	Better services and facilities	Health Dept. should upgrade staff and equipment
Exhausted forest. SFEs only exploit forests. They should be restructured first.	Agroforestry. Its is possible to do small farm under rubber production, however SFEs do not want to give back forest when they are unable to manage	SFEs are to give back land to DPC and DPC allocate land to the people.

96. Some families still practice slash and burn and this is not necessarily only the poorest. Crops grown are mainly paddy and upland rice, coffee, maize, and cassava. Most broadcast their rice seed. The better-off family also produced charcoal for sale. Average and poor households suffered food deficit period of three to over 4 months per year, relying on paid day labor and NTFPs. The better-off and average households are using fertilizers and pesticides as they claim the soils are poor. All households participate in about two extension meetings per year and regarded them as useful.

97. The households also use NTFPs to produce handicrafts and commented on the need for forestland allocation to improve their livelihoods. Current forest exploitation and NTFP collection is not allowed so it is done on an ad-hoc basis. They would like to plant tree crops on forestland if it could be allocated to them.

98. **Relevant organizations and institutions in negotiating priority needs.** The focal discussion groups formulated Venn diagrams that depicted the importance of community-based organizations in the implementation of proposed development interventions:

**(i) Allocation of forestland**

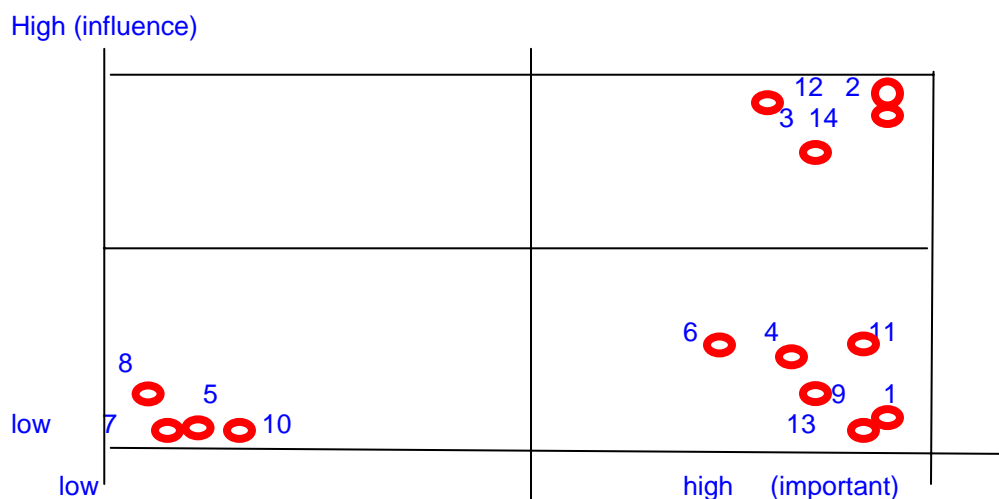


**\*Key**

1 = Villager Elder CounChr'ul	2 = Commune People Committee	7 = Veteran association	8 = Youth association
3 = Farmer association	4 = Village self-security group	9 = Red Cross	10 = State forest enterprise (SFE)
5 = Women association	6 = Fatherland Front	11 = Farm household	12 = Forest-fire security group
13 = Village leaders			

99. Commune People Committee, village leaders, state forest enterprise, and farmer associations were evaluated as most important and highly influential factors on the allocation and management of forestland allocated to community.

**(ii) In case of community management of Commune Development Fund**



1=Villager Elder Council	2= Commune People Committee	7 = Veteran association	8 = Youth association
3=Farmer association	4=Village self-security group	9 = Red Cross	10 = State forest enterprise (SFE)
5 = Women association	6 = Fatherland Front	11 = Farm household	12 = Forest-fire security group
13 = Village leaders	14????		

100. **Overall Conclusions from Field Studies.** Poverty in the areas studied maintains a thematic pattern across communities and it would seem that in order to effectively tackle poverty reduction and livelihood improvement, these thematic issues must be addressed in a strategic manner. To prescribe a list of investments without building a mechanism within the target communities to build empowerment and the capacity to address poverty reduction and alleviation needs at the local level, would be a design oversight.

101. **Access to forests, forest land and agricultural (low) land.** The EMGs traditionally live in or on borders of forested areas and survive through hunting, collecting NTFPs and also cultivating different crops. Their access to these livelihood resources was constrained when forested land was passed to SFEs for management. Moreover, very few alternative livelihood and farming system alternatives were provided. FLITCH will facilitate access and allocation to forests under a predetermined and agreed benefit sharing arrangement.

102. **Cultures, traditions and religious and behavioral differences.** These represent things that need to be taken into consideration when designing other interventions to ensure that they are appropriate and in formulating suitable implementation arrangements.

103. **Access to services, technology, and capital.** Due to many reasons, these communities do not get sufficient access to technology or services. This access is constrained by factors such as geographic isolation, poor roads and communications, illiteracy, lack of cash and savings for investment. Heads of household, particularly in middle and lower socio-economic groups, are generally illiterate in Kinh language. The community suffers from poor education and health services delivery.

104. They have very low asset holdings, do not own much farming equipment, are not experienced in intensive agriculture, which is necessary on small flatland plots and home gardens, there is no effective extension service.

105. Farming systems are very basic and low input and non-intensive. Yields are low, there is no value added processing. Most are basically subsistence farmers, and some are still doing slash and burn shifting cultivation although this is strictly illegal. Livelihood security is a big issue.

106. **FLITCH design considerations**

- An initial premise is made that sustainable livelihoods will result in sustainable natural resource management, and therefore sustainable management of forests and not vice versa.
- Special targeting of poor forest-dependent EMs in planning and implementation of Project investments, and management of forest resources, will ensure their participation and flow of benefits to them. There is also a lack of awareness from the poorer families in terms of the Government poverty reduction policies and programs, and the entitlements available and how to get them.
- A serious effort must also be made in capacity building and empowerment so that EMGs are able to express their needs and problems effectively and are able to plan and manage development initiatives and implement some of these themselves, rather than not knowing what to do and no capacity to initiate action. Commune Development Fund capitalized with \$20,000 of grant funds will kick start the EMs'

- livelihood improvement, and generates its own revenue to fund community development to make these communities and their livelihoods self-sustaining and sustainable.
- Forested land allocation to communities is essential as is the restructuring of SFEs. There is a need for a new model where there is joint management of forest between SFEs and the communities, a symbiotic arrangement whereby the SFE is helping the community manage the forest on a sustainable and profitable basis. The SFEs must devolve forestland to communities. In the interim they may lease tracts of land back from the community
  - Forestland allocation must be preceded by land capability assessments (soil, climatic, topographic) and then participatory land use planning (PLUP) with the local communities.
  - Forest access will provide immediate income generation benefits through greater collection and utilization of NTFPs. It requires sustainable management.
  - Poor farmers rarely adopt full technological packages or farm models, they adopt parts that they feel comfortable with and that they understand. Existing activities should be secured first, then intensified and then diversified.
  - Different livelihood improvements and options must be identified and then sufficient support services provided in order that technology is effectively transferred through extension and also credit facilities. These will include agroforestry, and forestry activities.
  - The Commune Development Fund will be able to provide some form of "health insurance," or more accurately, protection against economic shock.
  - It is better if poor communities can enter into an existing marketing system rather than start on something new, that is, by feeding into an existing activity or industry that needs additional and constant raw materials. Hybrid maize for animal feed is a good example. Smallholder woodlots for pulp where factories are nearby and need raw material, or timber for the growing furniture industry are other opportunities to be explored.
  - Other needs that will be more difficult for FLITCH to address are those concerning education, vocational training and health. The FLITCH does not directly deal with these constraints. But it will flag where these are needed, and facilitate linking up with other Government and/or externally aided projects.

107. The LIEMDP is based on these findings, which reflect the current levels of poverty and constraints faced by ethnic minorities in improving their overall livelihoods in the Central Highlands. The LIEMDP is fully integrated into the Project, in all its components and outputs, with specific investments under the livelihood component. It is expected that the Project itself will become the vehicle for the implementation of the plan.

108. **LIEMDP Components and Outputs and Ethnic Minority Participation.** The goal of the LIEMDP is to reduce the incidence of poverty and improve food security among ethnic minority communities who form the poorest sections of the population in the project area.

109. The immediate objective is to increase benefits from forest management and use by grassroots communities, in partnership with the state and non-state agencies, for improved livelihoods of people in forest dependent communes in the 60 target communes in the selected provinces. These communes are taken from the MOLISA list of the 137 poorest communes in the six provinces. These communes have ethnic minority populations ranging from approximately 50% to 100% of the population, and have levels of poverty ranging from

approximately 40% to 60% and higher. These communes also have productive forestlands available for allocation for use under the Project.

110. The intended beneficiaries are ethnic minority and other poor households, communities, village/commune forest protection boards among others.

## J. Components and Outputs

111. Forest land management planning. In keeping with Forest Land planning in accordance with the new Land Law and Forest Protection Law at provincial, district, and commune level in the Central Highlands to provide a framework for sustainable forest resource management, restructuring of SFEs, and speed up land allocation at Commune level to households, individuals, covering the 425 communes that have significant forestland.

- Participatory definition, delineation, assessment, and valuation of forest resources in Central Highlands over a total area of about 3.177 million ha in 6 provinces and development of forest management plans covering 4.119 million ha

112. The Project will address one of the fundamental issues of both forest management and poverty reduction in the central highlands, i.e. access to forests and sustainable use with a clear understanding of tenure and cost and benefit sharing arrangements. Participation in Forest boundary demarcation, land allocation, and project forestry activities will provide EMs both wage generating and skills development and upgrading opportunities including numeracy.

113. It will also build the capacity of concerned state agencies to implement ethnic minority sensitive participatory planning and implementation in forestry. Through these measures it is expected that the 60 selected communes would have approximately an area over 180,000 ha under their management, with increased forest resources available for livelihoods improvement. Local community and all stakeholders will be involved during the surveying to obtain a consensus about the location of forest boundaries.

114. **Small and Fragmented Forest Tracts.** Small forest tracts will generally be allocated to communities to manage, and a similar set of activities will be undertaken for such blocks, as part of the preparation of the commune investment plans (CIP), but procedures will be simplified as much as possible to keep paperwork to a minimum.

115. The management of such areas will be achieved by implementing the following sub-components:

- (i) Participatory rehabilitation and management of **protection forests** by Protection Forest Management Boards and **Special Use Forests** involving the following activities
- (ii) Participatory Protection of Protection forest areas with usufruct sharing
- (iii) Planting of indigenous and local tree species
- (iv) Enrichment planting in degraded areas

116. **Community forest** planting by village communities and improved forest management and increased valuation of forest resources under village community ownership or tenure in at least 60 selected communes covering a total area over 180,000 ha. Participatory protection of forests shall also be done over the area planted by communes as well as those with which have

entered into contractual obligations with state agencies. The proposed activities under community forestry for the selected 60 communes will include:

- i) Planting of indigenous species
- ii) Forest restoration/enrichment planting in degraded natural forests
- iii) Creation of village woodlots with fast growing tree species for meeting local fuelwood and small timber needs as well as for commercial purpose
- iv) Agro-forestry practice
- v) Farm forestry /homestead planting (especially for fruit bearing trees)
- vi) Participatory protection of natural forest, and
- vii) Development of basic infrastructure for overall development of the commune.

**117. Business development for sustainable forest management**

- Promotion of small and medium scale business and household economic development opportunities in support of forest related productive sector adding value to forest based goods and services in the Central Highlands
- Support to SFEs restructuring for setting up efficient forest related enterprises and to release land for community use
- Support to pilot measures promoting clean development mechanism (CDM), ecotourism, renewable energy in the Central Highlands

**118. Livelihood improvement (Community Support)**

- Establishment of a Commune Development Fund in each of the 60 communes with an initial seed capital of \$20,000 per CDF and management of the CDF as a revolving fund handling its own income generation as well as project investment funds on a sustainable basis.
- Commune Development plans (CDP) relating to small-scale infrastructure and forestry activities in 60 target communes covering about 400,000 people in over 80,000 households are prepared and implemented by the beneficiaries and supported with functioning and sustainable Commune Development Funds.
- The Commune Development Fund scheme proposed under this Project is to be seen as a self-funding mechanism to distribute the benefits of forest land and resource allocation throughout the beneficiary community and will actively drive poverty reduction at the local level. It will not be just a project account at the Commune Level, for channelling project funds, but should be an active fund for the beneficiaries to receive both project funds, under public (Government) programs, and other income or revenue that the beneficiaries at village community/commune level may generate through various economic activities and sale of products from the community forest. Therefore the concept of the CDF is a “revolving” fund for the commune with two accounts as described below. It is not a “sinking” fund, where money is poured in and gets depleted by expenditure on project activities.
- There will be TA (grant) support to assist the communes in building up capacity to manage the CDF and to provide the selected communes with farming systems advice as well as carry out planning and monitoring.

**119. Small-scale community infrastructure support.** The Project will support the funding of small scale rural infrastructure which will assist the communes in improving social amenities (e.g. drinking water, school rooms, health clinic rooms, community house), access to main

roads or markets (repair and improvement of village roads) and utilizing potential for small scale irrigation (construction of small dams and irrigation channels). An indicative listing of various types of infrastructure investments is given below:

120. Each commune selected under the Project for receiving community support will receive investment funds up to \$275,000 from the proposed loan, of which up to 30% can be invested in small infrastructure. The remaining 70% will be invested in forest related activities. Adjustments can be made freely between activities within each category as the beneficiaries think fit by using the mechanism of an annual work plan, which will adjust proposals and targets already laid down in a Commune Investment Plan that has been approved by the District and Provincial authorities.

121. **Capacity development.** Strengthening institutional capacity at the Commune and District level through staff training and the provision of equipment to provide extension and enterprise support services to communities, households, and small and medium enterprises. There has to be strengthening of capacity building of EMGs in village communities as well as commune/village officials in establishing the Community Development Fund, handling finances and producing simple financial statements and physical target monitoring.

## **K. Monitoring and Evaluation**

122. The LIEMDP will be monitored as part of the overall monitoring of Project implementation. Impact assessment of the LIEMDP will form part of the overall M&E process. EA quarterly progress reports will include reporting on LIEMDP implementation. At midterm review and at project completion, external monitoring will be carried out in a manner acceptable to the Government and ADB. The external monitoring will be based on both quantitative and qualitative research. Participatory research will be carried out in order to fully involve ethnic minority communities, women, in assessing the extent to which the strategies visualized under the LIEMDP and the Project have delivered the expected benefits to them. A terms of reference (TOR) for external monitoring is attached.

123. The indicators for measuring achievement of this goal include some related to income improvements. Others relate to better health outcomes and greater degree of informed participation by the marginalized sections in community decision making. There are others that relate to non tangible things such as self esteem, sense of vulnerability, sense of control and inclusion among others. Many of these will be locally determined according to ethnic groups' sociocultural contexts. Broadly speaking however a list of indicators including both quantitative and qualitative ones may include among others:

- Increase in total beneficiary households
- Increase in average forest based incomes
- Increase in employment
- Increased wages and incomes of forest enterprise workers
- Increase in forest areas legally owned/managed by households
- Improved food security (Increase in food availability at household level across the year, intra household food allocation, nutritional adequacy)
- Increased asset value of social infrastructure in rural communities
- Increased household forestry based enterprises
- Increased savings at household and community levels
- Increased percentage of communities and households with access to safe water

- Better levels of training of workers in forest related industries
- Increased participation of ethnic minority women and men in community-based decision making on forest land demarcation, allocation, and utilization.
- Use of NTFPs by communities

### **III. CONCLUSION**

124. In conclusion it must be noted that the LIEMDP is a generic document, which it can be adapted to a variety of situations at commune level. Although it represents a sum of community choices, in project implementation, validation of the LIEMDP with communities at the time of implementation will heighten the sense of local ownership, thereby improving its effectiveness. LIEMDP has been mainstreamed into all project components, particularly the livelihood improvement component. The same is reflected in Government's pre-feasibility study which is the Government's guiding document for project implementation.