

# VIETNAM

Swiss Agency for Development and Cooperation (SDC)

## PUBLIC SERVICE PROVISION IMPROVEMENT PROGRAMME IN AGRICULTURE AND RURAL DEVELOPMENT (PS-ARD)



**The programme addresses both the demand and supply sides of local planning and public agricultural services in rural areas of northern Vietnam with the intention of improving livelihoods, incomes and further reducing poverty of ethnic minorities.**

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### BACKGROUND

Despite Vietnam's high economic growth rate in recent years with impressive achievements in poverty reduction, significant disparities remain between regions and ethnic groups in terms of poverty. The Northern Highlands are among the poorest areas of the country. Cao Bang and Hoa Binh, two poor upland provinces in the north of Vietnam, have a population of almost a million people, a large majority of which are ethnic minorities (60% and 90% respectively). These provinces retained record-high poverty rates of 38% and 31% respectively in 2010. Agricultural production accounts for more than 80% of household income in Cao Bang and

70% in Hoa Binh.

In both Cao Bang and Hoa Binh some important root causes of poverty have not been addressed. These are: (i) limited institutional capacity to deliver public services, in particular those related to agricultural production; (ii) limited decentralised decision-making power at commune level (i.e. the closest level to the people) on planning and financial management; (iii) un-coordinated and overlapping investment at commune level causing an excessive management burden on communes which detracts attention from the common objective of poverty reduction.

In Phase One (2008-2011), 55% of interviewed people living in the project areas of Cao Bang and 80% of those living in Hoa Binh reported an improvement in public services relating to agriculture and rural development. Participatory commune planning was applied in 37 and 66 communes in Cao Bang and Hoa Binh respectively. The numbers of people participating in commune planning increased from 10% to 50%. A total of 3,400 commune development projects implemented in 103 communes in both Cao Bang and Hoa Binh benefited 77,000 households overall. For micro-infrastructure projects, on average, people contributed 40% of the total project cost.

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### GOAL

To contribute to province- and district-wide mainstreaming of participatory local planning, financial decentralisation and improved public service delivery in agriculture, in order to reduce poverty and improve livelihoods in disadvantaged areas of Cao Bang and Hoa Binh provinces.

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### APPROACH

The project focus on two main pillars:

(1) **strengthening commune level** planning and financial management; and (2) **developing the capacity of the public service delivery system** to become more effective and responsive to the requirements of farmers. The Commune Development Fund, as seed money from the project, will directly (i) contribute to poverty reduction at the local level, (ii) improve the financial management skills of local government and therefore, increase the confidence of the government in decentralising further its budget to commune level, and (iii) motivate local people to contribute to development projects that benefit their communities.

To ensure its sustainability, the project implementation is **integrated into government systems and works through government partners**. All project activities are implemented by government partners on commune, district and provincial levels. All guidelines, methodologies, tools, mechanisms and procedures are approved by provincial authorities for broad application in the provinces.

beneficiaries in the communes being ethnic minority households

- 100% communes are capable of managing Commune Development Funds
- The Farmer Field Schools methodology will be approved by the provincial governments as a standard extension method by the end of 2014.

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## CONTACT

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## TARGET GROUPS

- Over 194,000 households in 285 communes in 17 districts in Cao Bang and Hoa Binh
- 285 commune governments
- 17 district governments
- Provincial departments of Agriculture and Rural Development, Planning and Investment, and Finance in Cao Bang and Hoa Binh provinces

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## EXPECTED RESULTS

- One standard, commune-level participatory planning procedure is applied in all communes in Cao Bang and Hoa Binh provinces
- At least 80% of households in the villages implementing Commune Development Funds will benefit from such funds with at least 30% of




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## Programme at a glance:

Title	Budget	Partners	Project Provinces
Public Service Provision Improvement Programme in Agriculture and Rural Development (PS-ARD)	Previous phases (04/2008-12/2010): • CHF 8,200,000  Current phase (04/2011-04/2015): • SDC: CHF 13,200,000 • Vietnamese Government: CHF 3,200,000	Provincial, district and commune governments of Cao Bang and Hoa Binh; Helvetas Swiss Intercooperation	Cao Bang Hoa Binh