

**Sustainable Management of Natural Resources
in Central Vietnam (SMNR-CV)**



Impact Monitoring Report

**Status of poor households from 2007- 2009
In 7 pilot communes of Tuyen Hoa and Minh Hoa districts**



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Impact monitoring towards poor households in 07 pilot communes

1. Brief summary on impact monitoring towards poor households

This report relates to the 4th criterium of the SMNR-CV project "In the pilot communes supported by the project, the percentage of households below the poverty line decreases annually by at least 4.5% (referring to data of DOLISA according to new poverty definition of 2006) - 1 out of 4 criteria that helps evaluating the completion of the project when it ends. In Phase II (04/2007- 03/2010) the Project identifies 8 pilot communes, in which: Dong Hoa, Thanh Thach, Duc Hoa, and Kim Hoa of Tuyen Hoa district and Quy Hoa, Minh Hoa, Hoa Phuc, and Hoa Hop of Minh Hoa district.

Followed up activities implemented in Phase I (04/2004- 03/2007), in Phase II (04/2007- 03/2010), the Project has focused most of its activities in these pilot communes. Together with other programs of the State and of the local authorities and of other Rural Development Projects, those activities of the Project have resulted in positive outcomes - there is an improvement in poverty status of these communes. However, through reporting figures, poverty rate in Quy Hoa commune of Minh Hoa district increased greatly (figures approved by DOLISA on 4/2008). Then on 5/2008, Project implemented the field survey (see Impact monitoring report of the project), and the main reason was that local households did not want to get rid of poverty to continue to receive preferential policies of the State. Thus, if the Project continued its activities in Quy Hoa, it would not end up with expected results, and finally the PMU of the Project decided that for the last 6 months of 2008 and the whole year of 2009, all of the project's activities would be implemented only in 7 remaining communes (except for Quy Hoa commune).

In late 2008 and in 2009, due to impacts of global economic downturn, Vietnamese economy has seen a rather high rate of inflation (over 20 %). Besides, severe weather conditions also caused dramatical damages towards farming households in project areas, especially towards poor households - poverty standard of 2006. In order to mitigate external negative impacts towards groups of poor households, the Project has continued to implement Community Development Program in 7 pilot communes (mentioned above). With the short-term impacts gained in the first 6 months of 2009, number of poor households in pilot communes has reduced remarkably (see report reviewing status of poor households in pilot communes). However, official poverty data of pilot communes was only available in late 2009.

In order to have the basis for assessing the completion of project's criteria, the PMU of the project decided to organize the survey to collect information on poor households in 2009 in 7 pilot communes and evaluate impacts towards poor households from 2007 to 2009 (reporting time 12/2009)

1.1. Objective of the survey for impact monitoring

The main purpose of the survey is to collect information on poor households in 2009 in 7 pilot commune, which shows the following issues:

- (1) Status of poor households in 2009 in 7 pilot communes;
- (2) Draw diagram on changes of poverty rate of different years and compare with the expected rate developed by the Project;
- (3) Understand the orientation of changes in poverty rate of pilot communes and raise out assumptions (if any);

1.2. Develop surveying plan

- Gather information on poor households in 2009 of 7 pilot communes from: CPCs, SOLISA of districts, and DOLISA of the province)

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- Study Impact monitoring Reports towards poor households of previous years 2007, 2008 (project report) and analyze current figures to develop report for 2009.

2. Status of poor households in pilot communes

2.1. Status of poor households in 2007.

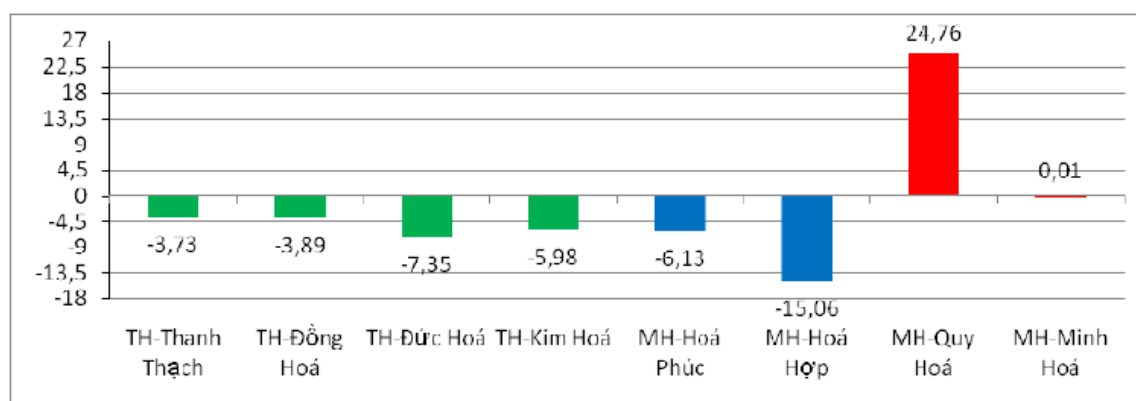
In general, there was a gradual reduction in annual rate of poverty of pilot communes, which reached approximately 4% in 2007 (see Table 1).

Table 1: Status of poor households in pilot communes in 2007

No.	Province/District/Commune	No. of poor HHs by 31.3.07 (HH)	% of poor HHs by 31.3.07 (%)	No. of poor HHs by 31.12.07 (HH)	% of poor HHs by 31.12.07 (%)	Changes in poverty rate in 9 months
	Quảng Bình	47,780	25.36	45,065	23.26	-2.10
I	Tuyên Hoá	6,986	39.36	6,426	34.91	-4.45
1	Thanh Thạch	240	58.97	232	55.24	-3.73
2	Đông Hoá	298	41.10	275	37.21	-3.89
3	Đức Hoá	530	45.61	476	38.26	-7.35
4	Kim Hoá	649	59.27	600	53.29	-5.98
II	Minh Hoá	5,121	55.70	5,090	51.33	-4.37
5	Hoá Phúc	48	43.20	43	37.07	-6.13
6	Hoá Hợp	378	53.80	282	38.74	-15.06
7	Quy Hoá	95	37.50	160	62.26	24.76
8	Minh Hoá	341	49.50	353	49.51	0.01

Based on available figures on 03/2007 and based on reference source on poverty rate within 9 months up to 31/12/2007 (also used as basal data for early 2008), the diagram on changes on poverty rate can be seen as follows:

Diagram on changes of poverty rate in 2007 (from 4 to 12/2007)



It can be seen from the diagram that 2/4 communes (Duc Hoa and Kim Hoa) of Tuyen Hoa district had a rather impressive rate of poverty reduction, while the two others (Thanh Thạch and Dong Hoa) did not meet the requirements for poverty rate reduction of at least 4.5% annually. In Minh Hoá, communes of Hoa Phúc and Hoa Hop implemented the activity of poverty reduction well. However, poverty rate in communes of Quy Hoa and Minh Hoa still

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increased. For **Quy Hoa** (separated from Quy Dat town), in 2007, its poverty rate increased by 24.76 % . Main reason is that local people did not want to escape from poverty in order to receive preferential policies of the State. It might be the case that Quy Hoa became an “outskirt” away from the centre of the district, and in the commune, there was a large part of its population who were retired staffs of different state organizations and they knew well about the administration procedures and the social benefits relating to the status of “being poor” (refer to Project’s Impact monitoring report towards poor households in 2007)

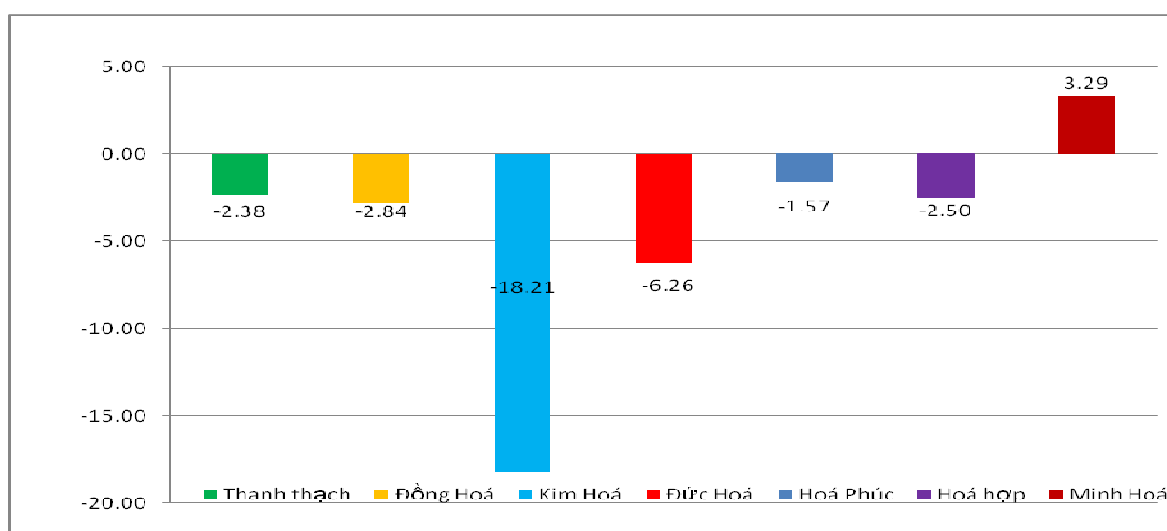
2.2. Status of poor households in 2008.

Table 2: Status of poor households in pilot communes in 2008

TT	Commune	Total No. of HHs	No. of poor HHs by early 2008	Poverty rate by 2007(%)	No. of poor HHs by 12/2008	Poverty rate by 12/2008 (%)	Changes in opverty rate in 2008
1	Thanh Thạch	420	232	55.24	222	52.86	-2.38
2	Đồng Hoá	739	275	37.21	254	34.37	-2.84
3	Kim Hoá		600	53.29	408	35.08	-18.21
4	Đức Hoá		476	38.26	401	32.00	-6.26
5	Hoá Phúc ^(*)		43	37.07	43	35.50	-1.57
6	Hoá hợp		282	38.70	271	36.20	-2.50
7	Minh Hoá	713	353	49.51	388	52.80	3.29

^(*) In 2008, regarding to Hoa Phuc communes, even though the number of poor households was unchanged, the poverty rate still changed as the total number of households of the commune increased (in 2007 116 households and in 2008 121 households).

Diagram on changes of poverty rate in 2008



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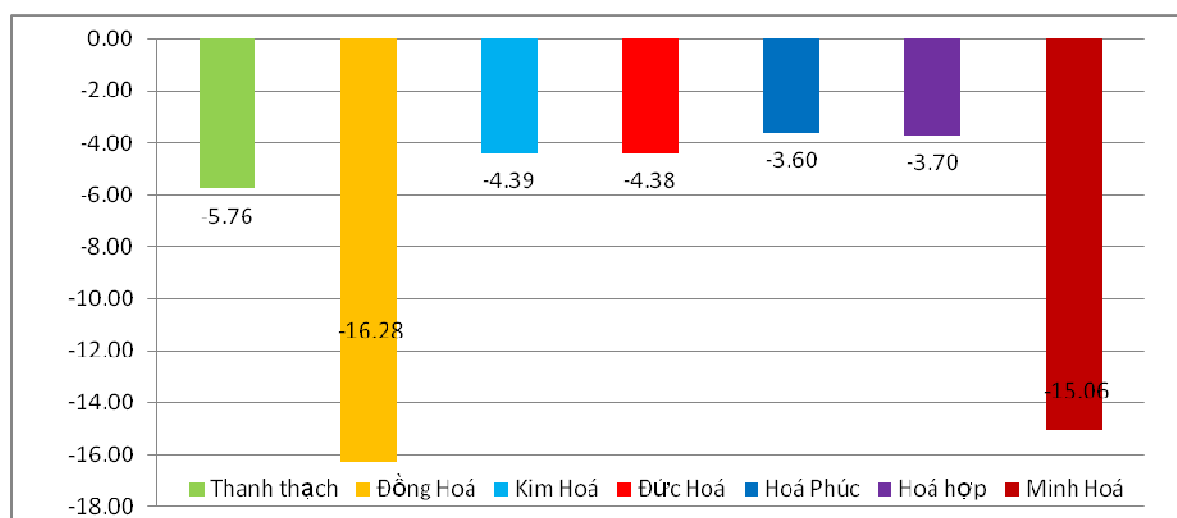
- In 2008, there was an orientation of gradual reduction in annual poverty rate of pilot communes, especially in Tuyen Hoa district (Kim Hoa reached a rather high reduction, see diagram). The reason was that in 2008, local farmer earned big profits from peanut (however, it was not sustainable impact)
- However, in Minh Hoa commune, there was an increase in poverty rate (see Table 2). As what was explained by commune staff, the increase was the result of having a year of severe weather conditions and great inflation rate. In fact, these reasons always affects in large scale and the reason mentioned by commune staff at that moment was not rational enough to answer the question why the poverty rate increased.

2.3. Status of poor households in 2009

Table 3: Status of poor households in pilot communes in 2009

No.	Commune	Total No. of HHS	No. of poor HHS by 2009	Poverty rate by 2008(%)	No. of poor HHS by 12/2009	Poverty rate by 12/2009 (%)	Changes in opverty rate in 2009
1	Thanh thạch		222	52.86	220	47.10	-5.76
2	Đồng Hoá		254	34.37	148	18.09	-16.28
3	Kim Hoá		408	35.08	373	30.69	-4.39
4	Đức Hoá		401	32.00	355	27.62	-4.38
5	Hoá Phúc		43	35.50	39	31.90	-3.60
6	Hoá hợp		270	36.20	257	32.50	-3.70
7	Minh Hoá		388	52.80	291	37.74	-15.06

Diagram on changes of poverty rate in 2009



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- In 2009, there is a reduction in poverty rate in all 7 pilot communes and in some communes this rate is even better than what being expected by the Project (reduction by 4.5% annually); for example: Dong Hoa commune, Tuyen Hoa district by 16.28% (against figures of 2008) and Minh Hoa commune, Minh Hoa district by 15.06 (against 2008) (see diagram of poverty status in 2009)

3. General evaluation/consideration on status of poor households in pilot communes

3.1. Evaluation and consideration

- Basically, poverty status of poor households in pilot communes decreases in surveyed years; however, the scope of decrease varies among each village, for example: (1) in 2007, 4/8 communes exceeded the expected criteria (Duc Hoa commune decreased by 7.34%; Kim Hoa 5.98%; Hoa Phuc 6.13% and Hoa Hop 15.06%) against with figures of 2006; (2) in 2008, only 2/7 communes exceeded expected figures (Kim Hoa decreased by 18.21%; and Duc Hoa 6.26%) against in 2007; (3) in 2009, only 3/7 communes exceeded the expected criteria (Thanh Thach by 5.76%; Dong Hoa 16.26 and Minh Hoa 15.06%) in comparison with figures in 2008.
- It can be seen that local staffs and local people are abusing administrative procedures that the State favours poor communes and households eligible for poor ones. They do not want to lose those preferential policies, i.e. the status of increase/decrease of number of poor households has not followed general rules even when external impacts are unchanged. This is a difficult issue relating to the State's policies on social welfare that provincial and district authorities have to solve.

3.2. Reasons for the fact that some communes do not reach criterium of poverty rate reduction of 4.5%/year on average.

- There is a reduction in number of poor households in pilot communes but this reduction is still lower than what the Project expects for. Impacts of severe natural disasters are considered main reason for this assumption: In 2007, unfavourable weather conditions, severe natural disasters (especially the storm No. 2 and the severe damaging cold spell) lasted longer than expected until the 1st Quarter of 2008, and caused great damages towards assets and rice seedlings of farming households, many poor households could not afford for buying new seedlings and had to reuse the old varieties which resulted in low productivity and chances for poor households to get rid of poverty were limited.
- In 2008, the economy of Vietnam faced with many difficulties, inflation increased rather quickly and high (nearly 28%). This affected negatively those households considered poor and those poor households in pilot communes were not exception. Then, even when the reduction of poverty rate was not as good as what (4.5%/annually) being expected by the Project, this rate could still be considered as a success