

***Sustainable Management of Natural Resources
in Central Vietnam***



IMPACT MONITORING REPORT

**FACT FINDING MISSION ON
POVERTY REDUCTION**

**in the Pilot Communes of
Tuyen Hoa and Minh Hoa Districts
Quang Binh**



May 2008



1. SURVEY SUMMARY

Regarding the indicator “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)”, in the phase II (04/2007- 03/2010) the project has identified 8 pilot communes in two districts: Tuyen Hoa (Dong Hoa, Thanh Thach, Duc Hoa and Kim Hoa) and Minh Hoa (Quy Hoa, Minh Hoa, Hoa Phuc and Hoa Hop) in order to develop annual database of poor households in 8 above-mentioned communes for assessment at the end of the project. In 2006-2007, the percentage of poor households in the two districts in general and in 8 pilot communes in particular has been considerably improved. However, in two communes of Quy Hoa and Minh Hoa in Minh Hoa district, this percentage tends to increase (referring to data of DOLISA). That’s why the project Management Board (PMB) conducted a rapid survey on preliminary information collection of poor households in these two communes to make appropriate operational plans for activities in the coming time, achieving the identified project objectives.

1.1. Survey purpose

The main purpose of the survey is to collect information of poor households in two communes of Quy Hoa and Minh Hoa in 2006-2007, which focuses on the followings:

- (1) Total number of poor households in two surveyed communes;
- (2) Information on households getting out of poverty as well as households becoming poor again;
- (3) Objective and subjective reasons of happening trend of poor households in 2 surveyed communes;
- (4) Recommendations for PMB in development of operational plans for the coming time.

1.2. Steps

- Collect information of poor households in 2006-2007 in communes of Quy Hoa and Minh Hoa from Minh Hoa district Section of Labor, Invalids and Social Affairs.
- Collect information of poor households in 2006-2007 from CPCs of the above communes.
- Interview some randomly-selected poor households in each of these communes.

1.3. Field survey and data analysis

- Field survey and interviews with poor households according to new poverty definition were conducted to find out reasons and their expectations.
- Refer to data of poor households of DOLISA.
- Give out findings observations, assertion and recommendations.

2. RESULTS OF INFORMATION COLLECTION

2.1. Situation of poor households in Minh Hoa district

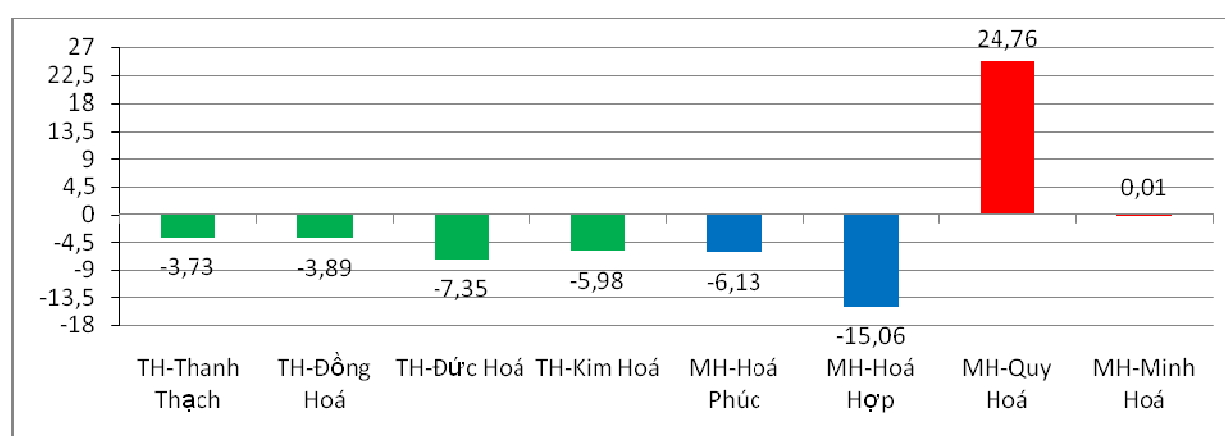
In 2006-2007, with the support of the National Program No. 135, projects of international organizations such as SMNR-CV project, ADB and other programs, as well as efforts of the locality and Minh Hoa people, the district has achieved significant achievements in poverty reduction. In general, the percentage of annual average poverty tends to decrease, with a reduction of about 4 % in 2007(see Annex 1).

2.2. Situation of poverty-reduced households in communes of Quy Hoa and Minh Hoa

Quy Hoa and Minh Hoa are two of 8 pilot communes selected by the project for implementation of the phase 04/2007 – 03/2010. Based on data of DOLISA, in 2007, the number of poor households in the two communes remarkably increased (Quy Hoa increased by 65 households and Minh Hoa 12 households).

Taking the available data of March 2007, and referring the reduction of the poverty rate in 9 months until 31/12/2008 to the baseline of March 2007, the change of the poverty rate can be illustrated as follows.

Pilot communes of SMNR-CV: Change of Poverty Rate in 2007 (April to December only)



As can be seen, all pilot communes in Tuyen Hoa district have managed to reduce the poverty rate significantly, even though the communes of Thanh Thach and Dong Hoa have not quite reached the minimum target of 4,5 % (referring to a full year though). In Minh Hoa district, the communes of Hoa Phuc and Hoa Hop are doing quite well, whereas the poverty rate in the communes of Quy Hoa and Minh Hoa has even increased. The really problematic case is the commune of **Quy Hoa** which has only recently been split off as a separate commune from the district town of Quy Dat. Apart from Quy Dat itself, Quy Hoa has had until early 2007 the lowest rate of poverty of all communes in the district, but has recently dropped down dramatically. Quy Hoa has become a kind of “suburb” to the district town with a very high percentage of the population consisting of civil servants and retired civil servants who know very well about the administrative procedures and the social benefits related to the status of “poverty”.

Collected information 1:

- Situation of poor households calculated till 12/2007 in Quy Hoa commune

Table 1: Situation of poor households in Quy Hoa commune

No	Village	Total population				Poverty situation			
		Total No. of hhs/ person				Total No. of poor hhs		Rate of poor hhs till 12/2007	
		HH	Person	In which		HH	Person	HH	Person
				Man	Women				
1	Village 1	90	363	195	188	40	165	44.4	43.1

2	Village 2	48	216	103	113	35	149	72.9	68.9
3	Village 3	81	346	177	169	60	257	74.0	74.2
4	Village 4	38	183	83	100	25	107	65.7	58.5
	Total	257	1,128	558	570	160	678	62.25	60.1

- Situation of poor households calculated till 12/2007 in Minh Hoa commune

Table 2: Situation of poor households in Minh Hoa commune

No	Village	Total population				Poverty situation			
		Total No. of hhs/ person				Total No. of poor hhs		Rate of poor hhs till 12/2007	
		HH	Person	In which		HH	Person	HH	Person
Men	Women								
1	Tan Thuong	91	439	213	226	57	261	62.5	59.6
2	Tan Trung	90	440	215	225	51	280	56.6	63.3
3	Tan Son	78	435	215	220	44	211	56.4	48.50
4	Lac Thien	87	425	210	215	71	346	81.6	81.4
5	Village 1 KB	71	351	178	173	21	109	29.6	31.05
6	Village 2 KB	69	350	160	190	17	102	24.6	26.28
7	Village 3 KB	80	435	212	223	27	129	33.8	29.65
8	Village 4 KB	82	420	216	202	44	208	53.7	49.52
9	Village 5 KB	65	347	172	175	21	144	32.3	41.5
	Total	713	3,640	1,791	1,849	353	1,790	49.5	48.90

- Data of poor households in 2007 provided by 3 managerial levels (1) DOLISA (2) DOLISA at district level (3) CPCs of Quy Hoa and Minh Hoa is very accurate. Currently, authorities at all levels have had information on unexpected situation of poor households and established a working group who verify the data before reporting to higher levels as regulated. In addition, all levels are guided to develop indicators (for example, the **indicator of Quy Hoa CPC is to decrease the average number of poor households to 10% annually**) and **specific measures (for example, short-term measure is to focus on cultivating short-term crops such as safe vegetable cultivation; and long-term measure such as cow /buffalo raising, forestry development)**. Moreover, local authorities seek supporting sources from projects and programs.

Collected information 2: Survey on poor households (1 representative) in Quy Hoa commune

- Preliminary information of head of surveyed household

Head of household	Commune	Village	Main job	Number of family members	Remark
Dinh Minh Tuyet	Quy Hoa	Village No.2	Farmer	05	Poor hh in 2007

- Income of the household in 2007 (quick survey): (*) price is calculated at the crop time of the year. According to the head of household, animal raising mainly provides pulling force and manure for agricultural production. Due to small profit, it is not included in their income. The total average income /person can be seen in the following table.

Items	Unit	Quantity	Price (*)	Amount	Average income per person
Rice production	Ton	1	3 mil./ ton	3,000,000	
Safe vegetable cultivation	Sao	2		10,000,000	
Cow raising	Con	1	-	-	
Pig raising	Con	1	-	-	
Chicken raising	Con	-	-	-	
Total				13,000,000	216,600 /person

The above figures show that in comparison with new poverty definition of 2006 (200,000 VND/person/month), the income of the surveyed household exceeds this level.

Collected information 3:

Households considered poor have following benefit:

- They are provided free health insurance cards (it is preference of the society for the poor). This has an important impact on the people's awareness. In fact, when they get serious illness and have to be treated in hospital but if they do not have health insurance cards, they cannot afford to pay hospital fees at market price. In addition to free health insurance cards, communes with the number of poor households over 70% will get benefit from the National Program No. 135 (the people get a lot of benefits from social welfares constructions provided by the program). This is good preference for the poor people and poor communes. However, if the people's awareness is not good, they will rely on others.

Collected information 4: Based on information from DOLISA of Minh Hoa district, Quy Hoa and Minh Hoa are two of 5 communes which will not get benefits of the Program No.135 in 2009. Hence, these two communes are included in communes having advanced in social security. However, based on the above data, the number of poor households tends to strongly increase (in Quy Hoa commune, the number of poor households in 2007 increases 65 households compared with 2006; in Minh Hoa 12 households).

Collected information 5: Interviewees in the 2 communes concerned claimed that continuous natural calamity caused serious damage for households in the two communes. In particular, long cold weather caused damage for spring-winter rice seedlings and made over 1/3 of cows/buffaloes die (see table 3). – In reality, however, the long cold spell only occurred from January 15 to early March 2008, and not in 2007. Consequently, any damage from this calamity cannot have any effect on the poverty data of 2007. The subjective answers therefore have to be seen as an attempt of the interviewees to explain the drastic increases of the poverty rates by reasons which objectively wrong.

3. REASONS OF INCREASING TEND OF POOR HOUSEHOLDS

3.1. Subjective reasons/ main reasons

The people in general and poor households in particular depend too much on support provided by the State for poor households (providing free health insurance cards). They do not want to be cut off from these specific subsidies, so they do not want to be taken out of the list of poor households. Based on observation and interviews with poor households, they emphasized the benefits of health insurance cards when they are treated in hospital. This is a difficult question for the local authorities in development of social security following the State policy.

3.2. Objective reasons

- Due to harsh natural calamity: in 2007, unfavorable weather and harsh natural calamity (especially the storm No.2) caused serious damage for property and rice seedlings of farmers (see pictures in lower row of the cover page: destroyed houses and crops). Since many of poor households cannot afford to buy new seedlings, productivity reduces and these households cannot get out of poverty.
- Due to family tradition: children of poor households of the period 2006-2007 get married and live apart from their parents while they do not have enough conditions to ensure their minimum living standard according to new poverty definition. According to communal staff, new poor households which occupy 3-5 households/ commune are children of poor households get married and live apart from their parents. Currently, these households are considered poor households which contribute to the increase the number of poor households in the communes.
- Due to reformation of agricultural - forest enterprises: based on the report of CPC of Quy Hoa commune, 3 cases of poor households used to be workers in forest enterprises before. After those enterprises were dissolved, they went back to their hometown and are poor households. This is one of the reasons for increasing the number of poor households.

In summary, the objective reasons can only account for a smaller part of the increase in poverty the 2 communes concerned. Far more relevant are the subjective reasons (pretending to be poor for the purpose of getting continued benefits).

4. RECOMMENDATIONS

The survey shows that the number of poor households tends to remarkably increase (especially Quy Hoa communes). Referring to the indicator "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) at the reporting time, these two communes do not achieve the project indicator. Main reasons for increasing poor households unexpectedly are mentioned as above. The project, when selecting these communes for pilot implementation, did not develop a plan focusing on agricultural-forestry activities to help poor households get out of poverty.

Currently, the local authorities guide more flexibly specialized staff, social unions to facilitate poor households to practice household economy in order to help them get out of poverty in the coming years (the indicator of Quy Hoa commune is to decrease the average number of poor households to 10% per year). However, in order to achieve this identified indicator, it is necessary for these communes to be given support from other sources, of which the SMNR-CV project plays an important role. This is the project impact indicator. It is proposed that the project should discuss and select one of the two following measures:

Option 1:

- Since pilot communes are selected randomly by the project, in order to ensure the project impact indicator, Quy Hoa commune is to be excluded from the list of pilot communes (can be replaced by 1 commune in Le Thuy district, which involves in activities of the pepper value chain). - Baseline data has been developed since 2007.
- For Minh Hoa commune, in 2007, although the number of poor households increases 12 households (mainly due to subjective reasons as mentioned above), the commune has advantages and experiences in animal raising such as cow/ buffalo/ goat raising, etc. The project should draw out lessons learnt from models of cow or pig fattening implemented by the working area No. 2 and PAFEC; select 12 poor households in the commune to be given experiences of models implemented by the project in 2007.

Option 2:

- If Quy Hoa commune continues to be 1 of 8 pilot communes, it is necessary to focus on activities of short-term crops:
 - Develop at least two safe vegetable models for poor households following participatory method. Based on the report of CPC and field survey, Quy Hoa is a commune which is near round the town provides 15 % of safe vegetable for Quy Dat market (the remaining provided by other locations such as Quang Trach district and Ha Tinh province). At present, safe vegetable models of Quy Hoa have high economic effectiveness (quick rotation of capital, big consuming market, few initial capital and suitable with poor households). At the reporting time, models of colocynth cultivation, green pumpkin cultivation and cucumber cultivation have developed quite well.

5. CONCLUSIONS

Based on the above findings and recommendations, a meeting of the PMB of the SMNR-CV including all technical staff of the project, took place on May 15, 2008. After a very lively debate of more than 3 hours, with initially controversial opinions about the consequences to be drawn, the following decisions were taken:

- Qui Hoa will be excluded from the list of pilot communes of the SMNR-CV. Main reasons are that neither the DOLISA nor the district administration itself believe that the results of the poverty survey of December 2007 reflect the true status of poverty in this commune, and that to a very large extent people pretend to be poor in order to reap the related social benefits. This behavior is not to be rewarded by the SMNR-CV, financed mainly from German tax payers' money. The CTA's opinion regarding this matter prevails with the major argument that this behavior of the Quy Hoa people is not very likely to change, and that this very behavior threatens the success of the whole project (as seen by the donor, as measured with the poverty indicator). -The project director is to inform the DPC of Minh Hoa about this decision with an official letter.
- As a pilot commune, Quy Hoa will directly be replaced by another commune. However, one or two other communes (one in the pepper cluster in Le Thuy district, the other possibly in the rubber cluster of Bo Trach) will be considered for poverty monitoring, without specific additional activities.
- For the communes of Thanh Tach, Dong Hoa and Minh Hoa where the reduction of the poverty rate has not quite reached the project target of 4.5 %, specifically targeted **community development action** plans will be launched. As a first step, project staff will collect detailed information about poverty in all villages in these communes. As a second step, a participatory needs analysis will be done in the most effected villages in these communes. Finally, poverty related community development activities will start soonest,

ANNEX 1

N	Province / District / Commune	Number of poor households as of 31.3.07 (households)	Percentage of poor households as of 31.3.07 (%)	Number of poor households as of 31.12.07 (households)	Percentage of poor households as of 31.12.07 (%)	Change of 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	Châu Hoá	316	28,34	286	25,58	-2,76
2	Thanh Thạch	240	58,97	232	55,24	-3,73
3	Hương Hoá	613	46,08	248	35,84	-10,24
4	Cao Quảng	281	49,30	270	45,92	-3,38
5	Lê Hoá	322	61,45	311	55,54	-5,91
6	Nam Hoá	218	59,73	228	58,46	-1,27
7	Thuận Hoá	289	51,42	278	45,57	-5,85
8	Tiến Hoá	319	18,20	342	19,49	1,29
9	Đồng Lê town	210	15,86	105	7,38	-8,48
10	Sơn Hoá	257	35,06	219	29,01	-6,05
11	Thạch Hoá	317	47,59	567	43,75	-3,84
12	Mai Hoá	527	32,04	477	26,99	-5,05
13	Thanh Hoá	550	42,21	572	42,62	0,41
14	Phong Hoá	461	35,96	410	31,11	-4,85
15	Văn Hoá	404	44,59	360	38,01	-6,58
16	Lâm Hoá	144	73,10	132	63,16	-9,94
17	Ngư Hoá	41	39,42	38	35,19	-4,23
18	Đồng Hoá	298	41,10	275	37,21	-3,89
19	Đức Hoá	530	45,61	476	38,26	-7,35
20	Kim Hoá	649	59,27	600	53,29	-5,98
II	Minh Hoá	5.121	55,70	5.090	51,33	-4,37
1	Trung Hoá	592	59,70	562	53,63	-6,07
2	Hoá Phúc	48	43,20	43	37,07	-6,13
3	Hồng Hoá	534	87,10	490	69,80	-17,30
4	Dân Hoá	501	87,70	543	94,93	7,23
5	Quy Đạt town	437	33,90	71	5,19	-28,71
6	Hoá Tiến	257	51,90	348	60,95	9,05
7	Tân Hoá	154	28,50	162	28,47	-0,03
8	Hoá Hạp	378	53,80	282	38,74	-15,06
9	Hóa Thanh	135	60,50	148	56,49	-4,01
10	Thượng Hoá	313	50,00	318	49,46	-0,54
11	Yên Hoá	395	54,30	577	67,41	13,11
12	Quy Hoá	95	37,50	160	62,26	24,76
13	Xuân Hoá	349	61,20	351	55,71	-5,49
14	Minh Hoá	341	49,50	353	49,51	0,01
15	Hoá Sơn	153	52,00	175	56,82	4,82
16	Trọng Hoá	439	87,30	507	88,32	1,02