

THE GOVERNMENT

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SOCIALIST REPUBLIC OF VIET NAM

Independence - Freedom - Happiness

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RESOLUTION

ON THE SUPPORT PROGRAM FOR FAST AND SUSTAINABLE POVERTY REDUCTION IN 61 POOR DISTRICTS

THE GOVERNMENT

Hunger elimination and poverty reduction is a major guideline of the Party and State, aiming to improve the poor's material and spiritual life and narrow the development gap between regions, localities, ethnic groups and communities. Vietnam's achievements in hunger elimination and poverty reduction over the past years have contributed to sustainable economic growth and social justice, which have been highly appreciated by the international community. However, the country's poverty reduction achievements remain unstable, the rich-poor gap between regions and communities has not been narrowed yet, especially in districts with high poverty rates.

According to the Labor, War Invalids and Social Affairs Ministry's statistics, by the end of 2006, 61 districts (comprising 797 communes and townships) of 20 provinces nationwide had been left with a poverty rate of over 50%. The Party and State have implemented policies and prioritized resources to develop this region, but progress remains slow; ethnic minority groups still face numerous difficulties and the region's poverty rate is 3.5 times higher than the national average.

Such situation is attributed to many reasons, but mainly to the fact that these districts are all located in mountainous regions with divided terrains and large natural areas but little cultivation land; weather conditions are unfavorable with frequent flashfloods and sweeping floods; over 90% of the population of 2.4 million are ethnic minority people who live scatteredly and earn low incomes largely from backward agricultural production (VND 2.5 million/person/year on average); infrastructure is lacking and poor; annual budget revenues reach an average VND 3 billion/district. State supports remain dispersed, incomprehensive and inefficient while supports for production development are still low; qualification of grassroots cadres is poor and scientific workers and technicians are lacking; investment in socioeconomic development remains low. In addition, that a segment of cadres and people tend to rely on state investment and support has restricted internal resources and self-reliance of localities.

To further step up the hunger elimination and poverty reduction, at its meeting on November 18, 2008, the Government discussed and resolved the implementation of the support program for fast and sustainable poverty reduction in 61 districts of 20 provinces, struck with a poverty rate of over 50% (below referred to as poor district support program) as follows:

Part I

VIEWPOINTS, OBJECTIVES

I. VIEWPOINTS

1. Hunger elimination and poverty reduction is a major and consistent guideline of the Party and State and the cause of the entire nation. Resources of the State, society and people shall be

mobilized to make efficient use of the potential and advantages of each locality, especially forestry and agricultural production, for hunger elimination and poverty reduction as well as sustainable socio-economic development. Together with investment and support from the State and society, poor people's own efforts to get out of poverty will be decisive to the success of the cause of hunger elimination and poverty reduction.

2. Fast and sustainable poverty reduction for poor districts constitutes a leading political task under the direct leadership of Party committees of all levels, close, specific and uniform management of local administrations of all levels, and active coordination of the Fatherland Front and mass organizations; at the same time, people's active involvement in the Program, from planning, implementation, supervision to assessment, shall be promoted.

3. Together with continued implementation of general poverty reduction policies nationwide, the central government shall mobilize resources for investment in and support for fast and sustainable poverty reduction in 61 poor districts. In the spirit of this Resolution, provinces and centrally run cities shall additionally select other poor districts in their localities, especially those with ethnic minority inhabitants, and mobilize local resources for investment in these districts for fast poverty reduction and sustainable development.

II. OBJECTIVES

1. General objectives

To create a swifter change in the material and spiritual life of poor and ethnic minority people in poor districts, ensuring that they will reach the level of other districts in the region by 2020. To support sustainable agro-forestry production towards commodity production and well tapping local advantages. To build socio-economic infrastructure suitable to each district's characteristics; to restructure local economies and shift to effective production forms under planning; to build a stable rural society imbued with national cultural identity; to raise people's intellectual level and protect the eco-environment; and to firmly maintain security and defense.

2. Specific targets to 2010

To lower the poverty rate to under 40% (according to the poverty line set in Decision No 170/2005/QĐ-TTg of July 8, 2005): to basically rid people of makeshift houses; to basically complete the land and forest assignment: to provide food as support for inhabitants in border areas and areas lacking production conditions. To create initial change in agro-forestry production and rural economy and improve people's living conditions on the basis of boosting agricultural development and forest protection and development and stepping up construction of rural socio-economic infrastructure; to increase scientific and technological advance research and transfer, creating a breakthrough in human resource training; to initially implement the program on building rural areas of new type: to raise the rate of trained rural laborers to over 25%.

3. Specific targets to 2015

To lower the poverty rate to the provincial average. To build capacity for people and communities to effectively use invested essential infrastructure works and step by step take geographical advantages to efficiently exploit natural resources; to initially develop production towards small- and medium-scale commodity production, to provide people with convenient access to production services and sale outlets; to lower the agricultural labor rate to under 60% of the social labor; to raise the rate of trained rural laborers to over 40%.

4. Specific targets to 2020

To lower the poverty rate to the regional average. To basically tackle matters concerning production, employment and income in order to raise the living standards of inhabitants in poor districts by 5-6 times the current level. To lower the agricultural labor rate to around 50% of the social labor; to raise the rate of trained rural laborers to over 50%; to have around 50% of communes met the standards on rural areas of new type. To develop comprehensive rural socio economic infrastructure, firstly irrigation systems to irrigate the entire area under rice for two crops while increasing irrigation for areas under secondary and industrial crops; to ensure round-the-year transport access to most communes and basically have motor roads to villages as planned; to supply daily-life electricity for most inhabitants; to ensure basic conditions for learning, healthcare, cultural and spiritual activities and preservation of national culture.

Part II

MECHANISMS. POLICIES AND SOLUTIONS FOR POVERTY REDUCTION SUPPORT

I. TO FURTHER THE CURRENT REGIMES AND POLICIES on direct support for the poor in poor districts, which shall be amended and supplemented towards increasing beneficiaries and raising the support and investment levels.

II. PARTICULAR MECHANISMS AND POLICIES FOR POOR DISTRICTS

A. PRODUCTION SUPPORT, JOB CREATION AND INCOME RAISING

1. Policies on support through contracting forests for tending and protection and assigning forests and land for production forest plantation:

a/ Households which are contracted to tend and protect forests (special-purpose forests, protection forests, closed natural forests being production forests with rich and medium reserves) will receive VND 200.000/ha/year;

b/ Households which are assigned production forests (production forests under planning, but not being those contracted for tending and protection under Point a) and land to plant production forests under planning, will:

- Enjoy all products on the area of assigned and planted production forests;

- Receive VND 2-5 million/ha as initial support in forestry saplings according to the production forest plantation process (presidents of provincial-level People's Committees shall decide on specific support levels based on sapling prices in each locality);

c/ Poor households which are contracted to tend and protect forests or assigned forests and land to plant production forests will, apart from the supports specified at Points a and b, enjoy:

- 15 kg of rice/household/month during the time they cannot support themselves with rice (the support time shall be decided by presidents of provincial-level People's Committees, but must not exceed 7 years);

- VND 5 million/ha/household to build food-crop fields on the areas contracted for forest tending and protection or land areas assigned for production forest plantation;

- The 50%-interest state support for loans borrowed from state commercial banks for production forest plantation.

2. Production support policies

a/ To fund the review and elaboration of plannings on agricultural, forestry and fishery production as well as crop and livestock restructuring suitable to specific conditions of each district and commune, especially areas hit by harsh natural conditions and frequent natural disasters;

b/To provide the VND 10 million/ha support for land reclamation, VND 5 million/ha for land restoration; and VND 10 million/ha of terraced fields, on land which can be reclaimed, restored or turned into terraced fields for agricultural production;

c/ To provide a lump-sum support for the purchase of strains and fertilizer for restructuring crops and livestock of high economic values; to prioritize plantation of cross-bred rice and corn;

d/ To provide the 50% state budget support for interests on loans borrowed from state commercial banks for agricultural production development, processing facility investment and farm produce preservation and sale;

e/ Poor households may, apart from the supports specified in Clause 1 and Points a, b, c and d of Clause 2, receive support for animal raising, aquaculture and craft development:

- To borrow maximum VND 5 million/ household with a 0% interest rate (once) for two years to buy aquatic breeds or breeds of cattle (buffalo, cow and goat) or poultry for concentrated raising; to receive a lump-sum of VND 1 million/household support for building stables or farms breeding facilities or creation of aquaculture areas and VND 2 million/ha for purchase of grass varieties in case of cattle raising;

- To be subsidized all the costs for vaccination against dangerous epidemics for cattle and poultry;

- To borrow maximum VND 5 million/ household with a 0% interest rate (once), for households that do not have conditions to raise animals and wish to generate incomes through development of handicrafts or cottage industries.

- Poor households in border hamlets may receive 15 kg of rice/person/month during the time they cannot support themselves with food.

- To increase and provide agricultural, forestry and fishery extension workers and plant protection, veterinary, food hygiene and safety services for poor districts in order to build agricultural, forestry and fishery extension centers into science and technology transfer and service centers, boosting local production. To allocate funds for agricultural, forestry and fishery extension doubling the average level for other districts; to provide 100% support in strains and materials for building agricultural, forestry and fishery extension models; to supply training documents, provide 100% support for food, accommodation and travel costs and an allowance of VND 10,000/day/person for people attending training courses; to subsidize each village at least one agricultural extension package (including agricultural, forestry and fishery extension) at grassroots level.

5. To encourage and support enterprises, cooperatives and farms to invest in production, processing and business in poor districts:

a/To provide favorable conditions and highest incentives under the State's current regulations;

b/ To provide the 50%-state budget support for interests on loans from state commercial banks for agricultural, forestry and aquatic product processors in poor districts.

To annually provide each district with VND 100 million as support for trade promotion and advertisement and introduction of products, especially local agricultural, forest and aquatic specialties; and for supply of market information to farmers.

To encourage, create conditions and offer incentive policies for, organizations and scientists to directly conduct scientific and technological advance research, application and transfer in localities, especially the selection and transfer of plant varieties and livestock breeds for production in poor districts.

8. Labor export policies: To support vocational, foreign-language and orientation training and general education (including expenses for food, accommodation, travel, provision of initial equipment, and procedures, and soft loan provision) for laborers in poor districts to work overseas; to strive to send around 7,500-8.000 laborers from poor districts to work overseas (10 laborers/commune on average).

B. POLICIES ON EDUCATION, TRAINING, VOCATIONAL TRAINING AND RAISING OF PEOPLE'S INTELLECTUAL LEVEL

1. Policies on education, training and raising of people's intellectual level: To adequately supply teachers for poor districts; to support the construction of people-funded semi-boarding classes and housing for teachers in hamlets; to build district-level ethnic minority boarding schools towards education-level transferability in districts (including upper secondary boarding schools) to meet the demand for on-the-spot training of cadres for poor districts; to increase and expand incentive policies on training for ethnic minority pupils by enrollment assignment and address-based modes, to prioritize such disciplines as agriculture, forestry, health, family planning, hamlet teacher training and legal aid for raising legal awareness.

2. To increase vocational training associated with job creation: To invest in building in each district a general vocational training establishment which is entitled to incentive policies and has lodging for trainees to provide rural laborers with on-the-spot training in agricultural, forestry and fishery production and non-agricultural trades; and provide concentrated training for rural laborers to work at enterprises and overseas.

3. Policies on on-the-spot training of cadres: To have children in poor districts trained at Defense Ministry training institutions to become technicians and health workers; to select local demobilized soldiers for training to become local cadres.

4. Policies on training and capacity building of contingent of grassroots cadres: To provide hamlet, commune and district cadres with short-and long-term training in socio-economic management, program and project elaboration and management, and planning and plan implementation.

5. To increase resources for furtherance of population and family planning policies. To boost communication and propagation on family planning in combination with provision of family planning services to improve population quality in poor districts.

C. POLICIES ON CADRES FOR POOR DISTRICTS

1. To interchange and increase provincial- and district-level cadres for communes, who will hold key positions to organize the implementation of mechanisms and policies for poor districts; to

apply the initial support regime for cadres to be interchanged; to apply regimes on wages, allowances and appoint and arrange work for these cadres after fulfilling their tasks.

2. To work out support and incentive policies to attract and encourage young intellectuals to work for communes of poor districts.

D. POLICIES AND MECHANISMS ON INFRASTRUCTURE INVESTMENT IN HAMLETS, COMMUNES AND DISTRICTS

1. To speed up the implementation of plannings on residential clusters in natural disaster-prone areas and those where conditions permit; to raise investment efficiency.

2. To use annual budget allocations for development investment (including local budget allocations and central budget supports), government bond capital, program and project capital and ODA for investment in the following socio-economic infrastructure works:

a/ For district level: Upper secondary schools; district ethnic minority boarding schools (including housing for pupils) with sizes that can meet the demand of ethnic minority children in localities; district general vocational training establishments (including housing for trainees); district and regional hospitals; standard district preventive medicine centers; general centers for agricultural, forestry and fishery services; district-level and inter-commune irrigation works; roads connecting provinces with districts, and district centers with communes, and inter-commune roads; and commune cluster centers;

b/ For commune and lower levels: To invest in essential infrastructure works (including expenses for repair, upgrading and maintenance of invested works) in all communes of districts (other than townships), including schools (classrooms, schools, including preschools, kindergarten classes, people-funded semi-boarding classes, housing for teachers); standard commune health stations (including housing for health workers); inter-hamlet roads, roads leading to economic zones and consolidated production zones (including bridges and sluices); irrigation works in service of agricultural production (intra-field canals and small irrigation); electricity for production and daily life; daily life water supply works (concentrated or scattered, wells and tanks); commune marketplaces; commune radio relay stations; commune and hamlet cultural centers; waste treatment, ground leveling for industrial clusters and craft villages.

III. IMPLEMENTATION MECHANISMS

1. The Prime Minister shall decide on support levels and, when necessary, may adjust the support levels specified in this Resolution to suit realities in each period.

2. Localities and beneficiaries in 61 poor districts, which are enjoying incentive policies other than those specified in this Resolution, may continue enjoying those policies; if such policies coincide with those under this Resolution, but the incentive levels are different, they may enjoy the highest levels. All communes of poor districts are entitled to the mechanisms and policies applicable to communes meeting with special difficulties under Program 135 - Phase II.

3. To assign district-level People's Committees, based on general orientations, mechanisms and policies on poverty reduction support, actual demand of people in each hamlet and commune, and resources of local programs and projects, to decide on specific investment to ensure uniform and efficient investment.

4. To promulgate regulations on investment, bidding and financial mechanisms suitable to poor districts' characteristics and implementation capacity; to assign teams, groups and associations in

hamlets to implement small works; to ensure economical and efficient use of investment capital and work out open mechanisms that facilitate people's participation in the implementation thereof to raise incomes.

5. Funding sources for the Program include the state budget, ODA, government bonds, investment credit capital, contributions of enterprises and people, capital of existing programs and projects under annual and five-year plans.

Capital shall be allocated based on actual needs and planned schedules under poor districts' approved schemes.

Part III

ORGANIZATION OF IMPLEMENTATION

I. MINISTRIES AND CENTRAL AGENCIES

A. GENERAL TASKS

1. Pursuant to this Resolution, ministries and branches shall, within the ambit of their functions, elaborate and submit to the

Government or the Prime Minister detailing legal documents, organize the implementation of these documents and guide districts in elaborating their sustainable poverty reduction schemes in February, 2009.

2. Ministries shall prioritize resources from programs and projects under their management to invest in and earlier complete socio-economic infrastructure works for poor districts.

3. To assign the steering committee for poverty reduction programs to guide, direct, monitor, examine and assess the progress of these programs and annually report on the program implementation to the Government.

B. SPECIFIC TASKS

1. The Ministry of Labor, War Invalids and Social Affairs, which is the standing body for poverty reduction programs, shall assume the prime responsibility for, and coordinate with concerned ministries in, implementing, monitoring and assessing the Program; formulate a labor export scheme; propose and promulgate policies to support vocational training and labor export in poor districts; prioritize investment in vocational training establishments and organization of vocational training associated with job creation and labor export.

2. The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the steering committee for poverty reduction programs in, setting up inter-branch working groups to appraise schemes of 61 poor districts in the first quarter of 2009; with concerned ministries in studying, amending and supplementing the investment and bidding laws suitable to poor districts' characteristics and implementation capacity; and with the Ministry of Finance in balancing annual development investment capital for poor districts.

3. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment, the Ministry of Labor, War Invalids and Social Affairs and concerned ministries in, allocating non-business capital for poor districts; study and coordinate

with concerned ministries and agencies in amending financial mechanisms suitable to poor districts' characteristics and implementation capacity.

4. The Committee for Ethnic Minority Affairs shall assume the prime responsibility for and direct the implementation, elaboration, amendment and supplementation of current policies towards raising the norms in existing programs and policies on ethnic minorities (Program 135, commune cluster centers. Decision No. 134/2004/QĐ-TTg. Decision No. 32/2007/QĐ-TTg and Decision No. 33/2007/QĐ-TTg, policies on price and freight subsidy and the scheme on human resource development for ethnic minority areas) and at the same time supplement mechanisms and policies exclusively for 61 poor districts and submit them to the Prime Minister for decision.

5. The Ministry of Agriculture and Rural Development shall assume the prime responsibility for, and coordinate with concerned ministries in, directing and guiding the production planning in poor districts; the population distribution planning; and production development support policies for poor districts; and guide the implementation of existing mechanisms and policies, especially those on combined agro-forestry and Fishery production.

6. The Ministry of Defense shall assume the prime responsibility for, and coordinate with the Ministry of Public Security, the Ministry of Health and concerned localities in, providing professional training and retraining for grassroots medical doctors and workers in communes of poor districts and building army-civil health stations; coordinate with the Central Committee of Ho Chi Minh Communist Youth Union in mobilizing the youth and young intellectuals to work in communes of poor districts and economic-defense zones to create cadre sources for localities; direct border guard forces, defense economic groups and security forces in building infrastructure works; build vocational training schools for demobilized soldiers and local laborers; to organize cultural and art activities to help people build a new lifestyle, maintaining security and social order and safety in localities.

7. The Ministry of Construction shall assume the prime responsibility for, and coordinate with ministries in, studying and amending the construction law suitable to poor districts' characteristics and implementation capacity; and, together with the Central Committee of Vietnam Fatherland Front, direct, guide and allocate funds to basically meet the housing demand of poor households and ethnic minority people from now to 2010 in poor districts.

8. The Ministry of Transport shall review, supplement and complete regulations on transport development planning in districts; prioritize funds for investment in national and provincial roads and roads leading to commune centers in service of economic development and life in poor districts.

9. The Ministry of Education and Training shall assume the prime responsibility for, and coordinate with concerned ministries in, proposing and promulgating incentive policies for teachers and pupils; prioritize government bond funds to basically complete building material foundations for standard schools by 2010.

10. The Ministry of Health shall assume the prime responsibility for, and coordinate with concerned ministries in, proposing and promulgating incentive policies on healthcare: allocate government bond funds to complete investment projects on building district hospitals and regional general hospitals and national standard commune health stations by 2010; further direct the population and family planning work to raise the population quality.

11. The Ministry of Home Affairs shall assume the prime responsibility for, and coordinate with concerned ministries in, proposing and promulgating policies on interchange and increase of key cadres for communes of poor districts; incentive policies to attract young intellectuals and technicians to work in communes of poor districts.

12. The State Bank of Vietnam shall assume the prime responsibility for, and coordinate with the Ministry of Finance and concerned ministries in, proposing and promulgating preferential credit policies for poor households, production and business households, enterprises, cooperatives and farms investing in production and business development in poor districts.

13. The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with concerned ministries in, proposing and promulgating policies on industrial extension and attraction of industrial development investment and guiding trade promotion and advertisement and introduction of products of poor districts.

14. The Ministry of Science and Technology shall propose mechanisms and policies on technology transfer, research for development of plant varieties and livestock breeds efficient and suitable to particular conditions of each locality.

15. The Ministry of Justice shall assume the prime responsibility for, and coordinate with concerned ministries in, proposing and promulgating policies on legal aid for the poor and ethnic minority people to raise their legal awareness and understanding.

II. LOCALITIES

1. Pursuant to this Resolution, presidents of People's Committees of provinces having poor districts shall approve schemes of poor districts; take responsibility before the Prime Minister for directing the fulfillment of objectives and tasks of the program and allocating sufficient investment capital for poor districts within the total approved capital; direct the formulation and approval of annual plans of poor districts; annually supervise and assess the implementation of these plans and submit reports to the Ministry of Labor, War Invalids and Social Affairs for sum-up and report to the Government.

2. People's Committees of poor districts shall, based on the objectives, tasks, mechanisms, policies, norms and standards of the State, elaborate their support schemes on sustainable poverty reduction and submit them to competent authorities for approval; direct the formulation of annual plans of localities, summarize and place them in the priority order and submit them to provincial-level People's Committees for approval; direct and approve commune-level annual plans: set up district steering committees (which are composed of leaders of Party committees and local administrations and representatives of mass organizations and enterprises) to direct the scheme implementation.

3. People's Committees of communes shall elaborate annual plans with people's participation, submit them to district-level People's Committees for approval and organize the implementation thereof.

III. The Vietnam Fatherland Front Central Committee shall assume the prime responsibility for, and coordinate with its member organizations in, directing grassroots associations in conducting propagation and mobilizing their members and people to support and join campaigns in support of poor districts for fast and sustainable poverty reduction such as day for the poor, the entire people building a cultured lifestyle in residential areas, and building new-type rural areas; raising and promoting people's sense of self-reliance to free themselves from poverty. The Ho Chi Minh Communist Youth Union shall well organize the campaign to mobilize the youth and young intellectuals to voluntarily work in communes of poor districts.

The Vietnam Chamber of Commerce and Industry and professional associations shall assume the prime responsibility for mobilizing their members to participate in movements to sponsor and support poor districts in infrastructure development for production and daily life and in product processing and sale, vocational training and job creation. Economic groups and state

corporations are encouraged each to support at least 1 poor district in infrastructure investment; production support and technology transfer; free vocational training and recruitment of local laborers to raise their incomes, contributing to fast and sustainable poverty reduction.

The mass media shall propagate and disseminate the State's guidelines and policies on support for fast and sustainable poverty reduction in districts with high poverty rates, creating consensus in the society to fulfill the country's poverty reduction objectives.-

**ON BEHALF OF THE GOVERNMENT
PRIME MINISTER**

Nguyen Tan Dung