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ACHIEVEMENTS AND CHALLENGES IN THE PROGRESS OF REACHING MILLENNIUM DEVELOPMENT GOALS OF VIETNAM

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Abstract

After a decade implementing the Socio-Economic Development Plan (SEDP) for the period 2001-2010, Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and Millennium Development Goals (MDGs), Vietnam has successfully achieved its goals, and has been praised for this by the international community. Vietnam has embarked on the final stage of implementing the Millennium Development Goals. During the recent year, there are a large number of challenges such as economic slowdown, chronic poverty, rising inequality, and climate changes that can slow down the progress of MDGs. These report documents the successes and challenges in the achieving the MDGs of Vietnam.

Key words: Economic slowdown, poverty, livelihood, enterprises, labor, labor shift, climate change.

JEL classification: O10, E17, E24

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LIST OF ABBREVIATIONS

ABR	Adolescent birth rate	MICS	Multiple Indicator Cluster Surveys
ADB	Asian Development Bank	MIIC	Ministry of Information and Communications
APEC	Asia-Pacific Economic Cooperation	MMR	Maternal mortality rate
ASEAN	Association of South East Asia Nations	MOC	Ministry of Construction
ASEM	The Asia–Europe Meeting	MOH	Ministry of Health
CPR	Contraceptive prevalence rate	MOIT	Ministry of Industry and Trade Website
EPI	Expanded Program on Immunization	MONRE	Ministry of Natural Resources and Environment
EU	European Union	MSM	Men who have sex with men
FDI	Foreign direct investment	MST	Ministry of Science and Technology
FSW	Female sex workers	MWID	Men who inject drugs
FTA	Free Trade Agreement	NMR	Neonatal Mortality Rate
GDP	Gross Domestic Product	NTP	National Tuberculosis Program
GOV	Government of Vietnam	ODA	Official development assistance
GRID	Global Resource Information Database	OPEC	Organization of the Petroleum Exporting Countries
HCMC	Ho Chi Minh City	PMTCT	Preventing Mother-to-Child Transmission
HFMD	Hand, foot and mouth disease	R&D	Research and Development
IBBS	Integrated Biological and Behavioral Surveillance	SAVY	Survey on Adolescents and Youth
IDA	International Development Association	U5MR	Under-five Mortality Rate
IEC	Information, education and communications	UNEP	United Nations
IMF	International Monetary Fund	UNEP	United Nations Environment Programme
IDU	Injecting drug use	VHLSS	Vietnam Household Living Standards Survey
IMR	Infant Mortality Rate	VNFORE ST	Vietnam Administration of Forestry
IRF	International Rhino Foundation	WB	The World Bank
ITU	International Telecommunication Union	WHO	World Health Organization
MARD	Ministry of Agriculture and Rural Development	WTO	The World Trade Organization
MARPs	Most At Risk Populations	WWF	World Wildlife Fund
MDG	Millennium Development Goals	GSO	General Statistics Office
VDG	Vietnam Development Goals	CPV	Communist Party of Vietnam
MPI	Ministry of Planning and Investment	ARV	Antiretroviral
CHS	Commune Health Station	VHW	Village health workers
MoCST	Ministry of Culture, Sport and Tourism		

1. Introduction

After a decade implementing the Socio-Economic Development Plan (SEDP) for the period 2001-2010, Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and Millennium Development Goals (MDGs), Vietnam has successfully achieved its goals, and has been praised for this by the international community. Vietnam has embarked on the final stage of implementing the Millennium Development Goals. The period 2010-2013 has significant meaning in the socio-economic development of Vietnam, marking the completion of the Socio-economic Development Strategy 2001-2010 and transition to the period 2011-2020. Vietnam is currently facing a number of challenges. The economic slowdown in Vietnam and macroeconomic instability has reduced decent work opportunities and lowered average income. Moreover, Vietnam is also encountering increasing problems including climate change, inequality in living standards, poverty among ethnic minorities, urban poverty and migration, the quality of education and training unable to catch up with demand from the growing economy, and a weak and uncompetitive private sector in the context of rigorous economic integration. These challenges can slow down the progress of MDGs.

In the context of socio-economic challenges, the Government of Vietnam (GOV) has implemented different macro-economic policies and measures to stabilize the economy, maintain a reasonable growth rate, and prioritize poverty reduction, as well as support activities in social, economic and environmental fields. These efforts have brought about positive results. *Firstly*, Vietnam has gradually stabilized its macro-economy, and controlled inflation. Exports display strong growth and agriculture continues to play an important role in economic growth. GDP per capita reached USD1.596 in 2012, which was four times higher than GDP per capita in 2000. *Secondly*, poverty reduction efforts have obtained positive outcomes. The national poverty rate fell from 14.2 percent in 2010 to 9.6 percent in 2012.² The poverty rate in the economically disadvantaged regions such as 62 poor communes in Program 30a (a program for supporting the 62 poorest districts nationwide) fell from 58.3 percent in 2010 to 43.9 percent in 2012. *Thirdly*, Vietnam has built up the National Strategy for Gender Equality 2011-2020. This establishment marks groundbreaking change in the national approach towards gender equality in Vietnam. Vietnam has a relatively high Gender Equality Index as compared to nations with similar growth. *Fourthly*, Vietnam has succeeded in implementation of environmental protection policies, while building a comprehensive policy and legislative framework to tackle climate change.

Vietnam has *mostly* completed three MDGs: MDG 1 to eradicate extreme poverty and hunger, MDG 2 to achieve universal primary education, MDG 3 to promote gender equality and empower women. In the period 2010-2013, Vietnam has continued to maintain and improve these achievements. Vietnam has made significant progress in the remaining MDGs. MDG 4 and MDG 5 are close to completion. Three other MDGs, including MDG 6 to combat HIV/AIDS, malaria and other diseases³, MDG 7 to ensure environmental sustainability, and MDG 8 to develop a global partnership for development, have obtained positive progress.

² Poverty rate is calculated based on the Government's poverty line for the period 2011-2015

³ Vietnam has succeeded in controlling malaria and tuberculosis

Progress made in the MDGs has been due to a combination of many factors. The GOV has demonstrated strong commitment towards the realization of MDGs, shown by its proactiveness in integrating MDG content into national development programmes and policies. Huge efforts made by local and central organizations and agencies, as well as support from the community, have contributed significantly towards achieved results. Tremendous financial and technical support from international development partners and many other agencies play an essential role towards the success of Vietnam.

2. MDG 1 - Eradicate extreme poverty and hunger

Millennium Development Goal

- Reduce by half the proportion of people living on less than a dollar a day
- Achieve full and productive employment and decent work for all, including women and young people
- Reduce by half the proportion of people who suffer from hunger

SUMMARY OF PROGRESS

Vietnam is one of the success stories with regards to poverty reduction for the period 2000-2012. According to the government poverty line for the period 2005-2010, poverty rates dropped from 15.5 percent in 2006 to 10.7 percent in 2010. During the period 2011-2015, poverty rates declined from 14.2 percent in 2010 to 9.6 percent in 2012. Vietnam's impressive rate of poverty reduction is the result of strong economic growth and trade liberalization, as well as poverty reduction policies directly targeting disadvantaged groups.

Despite its impressive achievements in poverty reduction, the country still faces multiple challenges in its poverty reduction efforts. The rate of poverty reduction varies across different ethnic groups and geographical regions. Poverty reduction is difficult to sustain in many cases. Some ethnic minorities and rural residents in remote areas still suffer from chronic poverty and have benefited little from economic growth and support policies. Urban poverty appears to be an emerging problem due to the high influx of rural migrants and rapid urbanization. Of increasing concern is the multidimensional poverty rate for children, which reached 29.6 percent in 2010, equivalent to 7 million children.

PROGRESS

Poverty reduction

Vietnam has achieved extreme poverty reduction and hunger eradication. The rate of poverty reduction in Vietnam is impressive, with more than 43 million people having been lifted out of poverty during the period 1993-2008. The poverty rate has fallen dramatically from more than 50 percent in the 1990s to less than 20 percent in the past decade. Over the period 2006-2010, the poverty rate dropped substantially by 4.8 percent, according to the 2005-2010 government poverty line. During the period 2010-2012, the poverty rate fell by 4.6 percent, during the

period 2011–2015. Poverty reduction has been achieved across all of the geographic areas of Vietnam, with the highest rate occurring in the Red River Delta and the South East regions (Table 1.1).

Table 1. 1: Poverty rate using government poverty line for 2006–2010 (%)

	2006	2008	2010	2010*	2011*	2012*
<i>National average</i>	15.5	13.4	10.7	14.2	11.8	9.6
<i>By area</i>						
Urban	7.7	6.7	5.1	6.9	–	–
Rural	18.0	16.1	13.2	17.4	–	–
<i>By region (6 regions)</i>						
Red River Delta	10.0	8.6	6.4	8.3	–	–
Northern Midland and Mountainous Areas	27.5	25.1	22.5	29.4	–	–
North Central and Central Coastal Area	22.2	19.2	16.0	20.4	–	–
Central Highlands	24.0	21.0	17.1	22.2	–	–
South East	3.1	2.5	1.3	2.3	–	–
Mekong River Delta	13.0	11.4	8.9	12.6	–	–
<i>By region (8 regions)</i>						
Red River Delta	–	–	–	–	6.5	4.9
North East	–	–	–	–	21.0	17.4
North West	–	–	–	–	33.0	28.6
Central Coast	–	–	–	–	18.3	15.0
South Central Coast	–	–	–	–	14.5	12.2
Central Highlands	–	–	–	–	18.5	15.0
South East	–	–	–	–	1.7	1.3
Mekong River Delta	–	–	–	–	11.4	9.2

Note: The 2010* poverty rate is estimated as the Government poverty line for the period 2011–2015

Source: VHLSS 2004, 2006, 2008, 2010 by GSO and MOLISA

A significant decreasing trend is evident for two of the most important poverty measurements: poverty incidence and the poverty gap.⁴ This indicates that not only has the quantity of poor households decreased, but the intensity of poverty has also lessened. The poverty gap has dropped from 7 percent in 2002 to 3.5 percent in 2008, however this figure rose to 5.9 percent in 2010. In 2010, the poverty gap is higher than in 2008 for every demographic and geographic classification (Table 1. 2). Poor households in rural areas and in the Northern Midland and Mountainous Areas, the Northern Central and Central Coastal Area, and the Central Highlands (mostly ethnic minorities) have lower living standards as compared to poor households in urban areas and in other geographic regions and in poor Kinh households.

⁴ The poverty gap index is a measure of the intensity of poverty. It is defined as the average poverty gap in the population as a proportion of the poverty line. The poverty gap index estimates the depth of poverty by considering how far, on the average, the poor are from that poverty line.

Table 1. 2: Poverty gap (%)

	2002	2004	2006	2008	2010
National average	7.0	4.7	3.8	3.5	5.9
<i>By area</i>					
Urban	1.3	0.7	0.8	0.5	1.4
Rural	8.7	6.1	4.9	4.6	7.8
<i>By ethnicity</i>					
Kinh	4.7	2.6	2.0	1.7	2.7
Non-Kinh	22.8	19.2	15.4	15.1	24.3
<i>By region</i>					
Red River Delta	–	–	–	1.4	2.6
Northern Midland and Mountainous Areas	–	–	–	8.8	15.6
North Central and Central Coastal Area	–	–	–	4.4	6.3
Central Highlands	–	–	–	7.5	11.5
South East	–	–	–	0.3	1.7
Mekong River Delta	–	–	–	2.3	4.4

Source: VHLSS 2002, 2004, 2006, 2008, 2010 by GSO

The standard of living for households at the national level has improved drastically over the past decade. Between 2002 and 2010, household expenditure (per person per annum) has more than doubled. Expenditure levels across every geographical area and ethnic group have risen consistently over the years, indicating significant improvements in living standards at the national level. The more economically disadvantaged regions, such as the Northern Midlands, the Northern Central and Central Coastal Area, and the Central Highlands also experienced significant improvements in living standards as measured by expenditure (Table 1. 3).

Table 1. 3: Expenditure per person per annum ('000VND)

	2002	2004	2006	2008	2010
National average	3,524	4,445	4,800	6,123	7,399
<i>By area</i>					
Urban	5,970	7,304	7,619	9,622	11,171
Rural	2,785	3,521	3,770	4,787	5,807
<i>By region (8 regions)</i>					
Red River Delta	3,602	4,679	4,991	6,289	8,809
North East	2,890	3,640	3,891	4,874	5,853
North West	2,309	2,810	3,048	3,838	4,648
Central Coast	2,522	3,088	3,285	4,328	5,708
South Central Coast	3,204	4,104	4,255	5,459	6,660
Central Highlands	2,596	3,599	4,045	5,184	5,934
South East	5,785	6,995	7,678	9,988	10,139
Mekong River Delta	3,418	4,213	4,557	5,481	6,466
<i>By region (6 regions)</i>					
Red River Delta				6,373	8,790
Northern Midland and Mountainous Areas				4,312	5,291
North Central and Central Coastal Area				4,825	6,206
Central Highlands				5,184	5,934
South East				10,674	10,539

	2002	2004	2006	2008	2010
Mekong River Delta				5,481	6,466

Note: Values are adjusted to January 2002 prices

Source: VHLSS 2002, 2004, 2006, 2008, 2010 by GSO

Housing conditions, transport and access to information have improved significantly. Over the period 2004–2010, the percentage of households owning permanent housing more than doubling, from 20.8 percent to 49.2 percent. Motorbikes have become a basic transport vehicle for households with ownership increasing from 55.3 percent in 2004 to 96.1 percent in 2010, and 80.3 in 2012. Improved access to media and information, is evident through ownership of televisions, computers and videos. Ownership of other types of durable goods has also increased over the same period (Table 1. 4).

Table 1. 4: Possession of durable goods per 100 households

	2004	2006	2008	2010	2012
Permanent housing	20.8	23.7	27.8	49.2	–
Car	0.1	0.2	0.4	1.3	1.7
Motorbike	55.3	68.6	89.4	96.1	80.3
Telephone	28.5	51.4	107.2	128.4	81.3
Refrigerator	16.6	23.0	32.1	39.7	49.2
Video	32.8	44.5	53.4	54.2	52.9
Colour television	69.8	82.0	92.1	85.9	90.4
Stereo equipment	1.0	12.8	14.9	12.6	13.5
Computer	5.1	7.7	11.5	17.0	17.3
Airconditioner	2.2	3.7	5.5	9.4	9.2
Washing, drying machines	6.2	9.3	13.3	17.6	22.5
Water heater	5.4	7.6	10.1	13.3	17.1

Source: VHLSS 2004, 2006, 2008, 2010, 2012 by GSO

Success in poverty reduction in Vietnam is the result of rigorous economic growth as well as the government’s strong policy focus over the past two decades. Firstly, liberalization has opened Vietnam to international markets and promoted international trade and foreign investment. Vietnam’s joining the World Trade Organization in 2007 has eliminated trade barriers and facilitated the export of goods with comparative advantages, which in turn has created decent jobs. Rapid economic growth and trade liberalization, supported by macroeconomic policies, such as land and trade reforms, have created millions of jobs, provided income and lifted millions of people out of poverty.

Poverty reduction programmes and policies have enabled the most vulnerable to participate more actively in the nation’s economic development. The government has established a large number of policies specifically targeting disadvantaged groups, including the ethnic minorities. With comprehensive policy coverage for the critical aspects of people’s living conditions and steady targets for the most vulnerable and deprived populations in remote communes, national poverty reduction policies have achieved their poverty reduction objectives, increasing income levels and improving the living standards of the target population. By 2010, 77.2 percent of poor

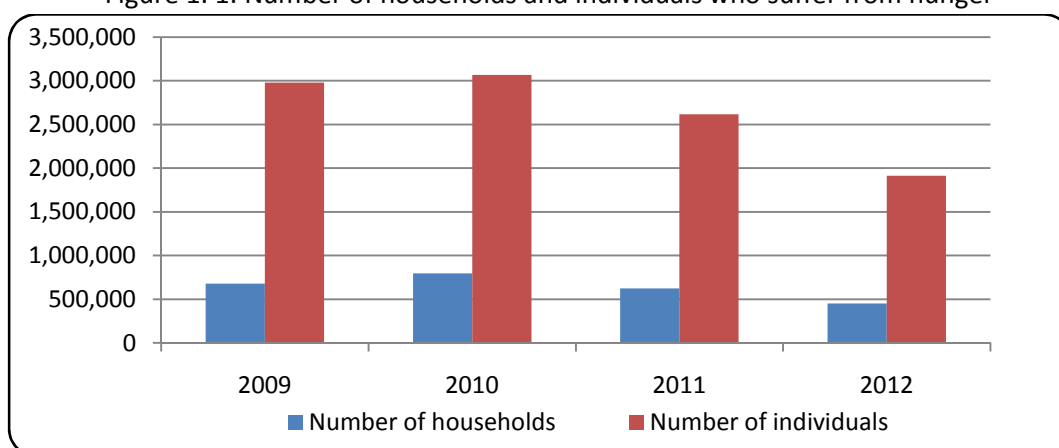
households had benefited from the government’s support programmes and policies, indicating wide policy coverage throughout the country.⁵

Sustainability has been strongly incorporated into poverty reduction policy in most national programmes for the period 2011-2020. Sustainable poverty reduction programmes for the period 2011-2020 deliver support across a variety of key indicators including health, education, nutrition, housing, legal services, culture and information, as well as vocational training support, job creation for the disadvantaged, as well as investment in public infrastructure in especially poverty-stricken areas.

Hunger eradication

The reduction in poverty rates and improvements in living standards have been complemented by a reduction in the hunger rate. During the period 2009-2012, the number of individuals suffering from hunger dropped by more than 1 million. In the same period, the number of households suffering from hunger also declined by more than one third (Figure 1. 1). While the rate of hunger is low in regions such as the Red River Delta, South East and Mekong River Delta, it is high throughout the Northern Midland and Mountainous Areas, certain provinces in the Central Highlands and the Northern Central and Central Coastal Area.⁶

Figure 1. 1: Number of households and individuals who suffer from hunger



Source: GSO, 2012

Vietnam has made rapid progress in eliminating malnourishment among children under five years of age evidenced by the noticeable decline in numbers of underweight children within this age group from about 41 percent in 1990 to about 33.8 percent in 2000 (a drop of 7.2 percent). It declined by a further 17 percent during the period 2000-2011 to about 16.8 percent. By 2010, Vietnam had realized its 2015target of 20.5 percent (Figure 1.2).

The most significant improvements in reducing the rate of underweight children under five years of age were experienced the South Central Coast, Red River Delta and South East regions,

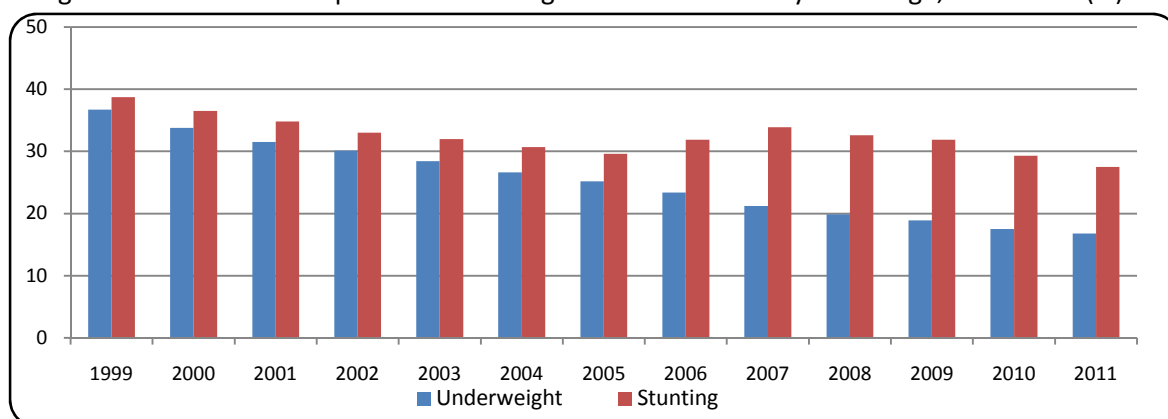
⁵ WB, 2012

⁶ GSO

which all recorded a reduction of more than 45 percent during the period 2000-2010. The slowest progress was reported in the North West, Central Highlands and North East regions.⁷

Significant effort has been made to reduce the rate of stunting among children under five years of age. The annual average reduction rate over the last 10 years is estimated at 1.4 percent. Between 2000 and 2010, the prevalence of stunting decreased by approximately 32 percent. Progress has been made in reducing the stunting rate across all regions within this period. The Central Highlands region experienced the highest reduction in the rate of stunting.⁸

Figure 1. 2: Malnutrition prevalence among children under five years of age, 1999-2011 (%)



Source: National Institute of Nutrition⁹

The declining trend of underweight and stunting prevalence is continuing, which is a reflection of Vietnam’s growing commitment and attention to promoting child nutrition. However, a number of challenges remain, especially with regard to the disparity in nutrition status across regions and different social groups. For instance, the stunting rate is significantly lower in the wealthier group (12.9 percent) as compared to the poorer group (38.7 percent). The prevalence of stunting in small cities is estimated at 24.2 percent, which is nearly three times higher than for large cities (8.9 percent). By region, the highest rates are in the Northern Midland and Mountainous Areas and the Central Highlands, which are the two regions where children’s access to basic health care and nutrition is limited, and community awareness, especially among the ethnic minorities, about the role of nutrition is generally low.¹⁰

Employment

Active job creation and employability for the disadvantaged are among the government’s key poverty reduction and economic growth strategies. National employment and vocational training programmes have helped increase workers’ employability, as well as their access to employment. *The Labour and Employment Survey 2012* shows that multiple government support programmes helped create 1,540,000 jobs in 2012.

The participation of labourers 15 years of age and older in the labour force has been increasing at a slow rate over the past five years, easing the burden of achieving job creation through the

⁷National Institute of Nutrition (NIN) and UNICEF. (2011). *General Nutrition Survey 2009-2010*. Medical Publishing House

⁸National Institute of Nutrition (NIN) and UNICEF. (2011). *General Nutrition Survey 2009-2010*. Medical Publishing House

⁹National Institute of Nutrition (NIN). (2011). *Nutrition Program Report 2011*.

¹⁰National Institute of Nutrition (NIN) and UNICEF. (2011). *General Nutrition Survey 2009-2010*. Medical Publishing House.

economy. In 2012, the unemployment rate decreased steadily from 2.9 percent in 2009 to 2 percent, and in urban areas it stood at 3.3 percent, while in rural areas it was 1.4 percent (Table 1. 5).

Even though 2012's unemployment rates showed a slight decrease in comparison with the 2011 figure, the percentage of labour in the informal sector in 2012 increased from 34.6 percent in 2010 to 35.8 percent in 2011, and 36.6 percent in 2012 (Table 1. 6). This indicates that social protection systems in Vietnam have not developed and a large proportion of labourers are engaged in predominantly unstable and low-income jobs instead of either receiving unemployment welfare benefits or finding decent work.

Table 1. 5: Rate of working labour aged 15 and older out of the total population aged 15 and older (%), 2008-2012

	2008	2009	2010	2011	2012
National average	72.6	74.2	74.6	75.5	75.4
<i>By area</i>					
Urban	64.3	63.9	66.0	67.3	67.9
Rural	76.0	78.8	78.5	79.4	79.2
<i>By ethnicity</i>					
Kinh	–	–	73.2	73.7	73.8
Non-Kinh	–	–	83.8	85.2	84.4
<i>By region</i>					
Red River Delta	–	–	82.6	83.9	83.7
Northern Midland and Mountainous Areas	–	–	73.2	72.9	72.7
North Central and Central Coastal Area	–	–	75.6	76.5	76.2
Central Highlands	–	–	80.8	82.7	81.8
South East	–	–	68.1	69.0	69.6
Mekong River Delta	–	–	74.4	75.7	75.9

Source: GSO, 2012

Table 1. 6: Unemployment rate (%), 2009-2012

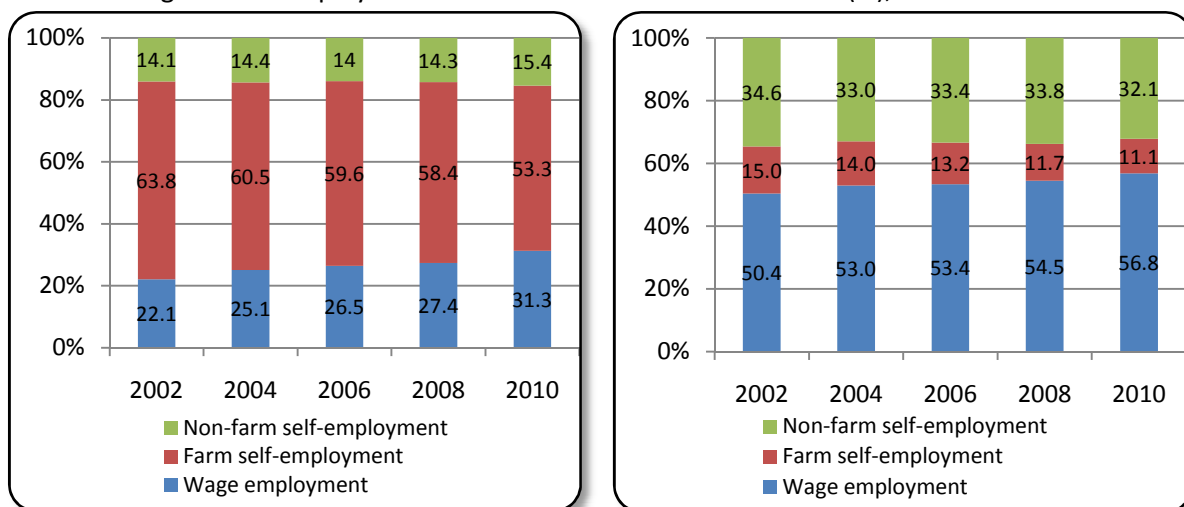
	2009	2010	2011	2012
Total	2.90	2.88	2.27	1.99
Urban area	4.60	4.43	3.60	3.25
Rural area	2.25	2.27	1.71	1.42

Source: GSO, 2012

There has been a gradual shift from self-employment into wage employment. During the period 2002-2010, the rate of wage employment increased by 10.2 percent.¹¹By area, there is a distinct difference in employment structure between rural and urban areas; farm self-employment accounts for the largest employment share in rural areas (53.3 percent in 2010), while wage-employment is the main form of employment in urban areas (56.8 percent in 2010). The shift from self-employment in the farm sector to wage employment for both areas was slow (Figure 1. 3). Moreover, the economic slowdown during the period 2011-2012 resulted in a large proportion of the labour force returning to agriculture, which has slowed the process of shifting labour from the informal to the formal sector.

¹¹ VHLSS 2010, GSO

Figure 1. 3: Employment structure in rural and urban areas (%), 2002-2010



Source: VHLSS 2002, 2004, 2006, 2008, 2010

Despite the ongoing improvements to employment structure, the majority of workers in the economy are concentrated in agriculture and informal employment. In 2011, 20.4 million low-skilled labourers accounted for 40.4 percent of the total employed population.¹²

CHALLENGES

Inequality and chronic poverty within the most vulnerable groups. National policies and sustained high economic growth have resulted in a substantial reduction in the poverty rate, but the level and speed of poverty reduction varies across geographic and demographic groups due to different levels of participation in the social and economic development process. The rate of poverty reduction has slowed down over time and most of the remaining poor households are concentrated in rural and mountainous areas, which are mainly populated by the ethnic minorities. Ethnic minorities account for 50 percent of the total number of poor households. Ethnic minority household incomes are one-sixth of the national average.¹³ The Central Highlands and the Northern Midland and Mountainous Areas have the highest national poverty rates. The poverty rate in the Central Highlands was 1.5 times higher than the national rate in 2010, and 1.6 times higher in 2012. In the Northern Midland and Mountainous Areas, the poverty rate was 2.3 times higher than the national average in 2010, and 2.5 times higher in 2012.

Inequality in living standards tends to increase across geographic regions and ethnic groups. Disparity in living standards among ethnic minority households also increases. The Gini Index (by expenditure) for ethnic minorities increased from 0.28 in 2002 to 0.33 in 2010 (Table 1.7). In urban areas, more developed regions such as the Red River Delta and the South East experience high levels of inequality, but a slower rate of increasing inequality as compared to the rural areas and less developed regions.

¹² Labor and Employment Survey 2011, GSO

¹³ CEMA Report

Table 1. 7: GINI Index (by expenditure)

	2002	2004	2006	2008	2010
National average	0.37	0.37	0.36	0.36	0.39
<i>By area</i>					
Urban	0.35	0.33	0.33	0.35	0.39
Rural	0.28	0.30	0.30	0.31	0.33
<i>By ethnicity</i>					
Kinh	0.36	0.35	0.34	0.34	0.37
Non-Kinh	0.28	0.31	0.30	0.31	0.33
<i>By region (8 regions)</i>					
Red River Delta	0.36	0.35	0.35	0.35	0.40
North East	0.33	0.34	0.34	0.34	0.36
North West	0.35	0.36	0.37	0.38	0.42
Central Coast	0.30	0.31	0.32	0.31	0.34
South Central Coast	0.33	0.34	0.32	0.32	0.34
Central Highlands	0.36	0.36	0.36	0.35	0.37
South East	0.38	0.35	0.35	0.36	0.40
Mekong River Delta	0.30	0.32	0.30	0.31	0.32
<i>By region (6 regions)</i>					
Red River Delta	–	–	–	–	0.40
Northern Midland and Mountainous Areas	–	–	–	–	0.37
North Central and Central Coastal Area	–	–	–	–	0.34
Central Highlands	–	–	–	–	0.37
South East	–	–	–	–	0.40
Mekong River Delta	–	–	–	–	0.32

Source: VHLSS 2002, 2004, 2006, 2008; GSO, 2010

Sustainability in poverty reduction. Poverty reduction is difficult to sustain because a large proportion of households that are lifted out of poverty are at high risk of falling back into poverty. The proportion of non-poor households in 2010 that fell into poverty in 2012 was 4.2 percent, accounting for 36.5 percent of the total number of poor households in 2012.¹⁴ Poor and low-income households are highly vulnerable to external and internal risks at the community, household and individual levels. Natural disaster, extreme weather events and illness are among the highest threats to household living standards. Moreover, growing exposure to economic crises, unemployment, as well as illness, natural disaster and climate risk increases the level of household risk of falling back into poverty. This is particularly true for households in disadvantaged areas such as the Northern Midland and Mountainous Areas and the North Central and the Central Coastal Area where extreme weather events are occurring at increasing frequencies and households have limited access to social protection and financial support. It is important to develop adequate measurements to prevent these households from falling back into poverty.

Urban poverty. While urban poverty has substantially decreased, rapid urbanization and the influx of immigrants from rural areas in recent years has challenged the raising of living

¹⁴ Author's calculation using VHLSS 2010, 2012

standards and socio-economic development in urban areas. Poor urban residents suffer from a shortage of social capital, the capacity to find alternative livelihoods, limited access to public services and a lack of social integration. The local and migrant poor particularly have limited access to social protection systems, as they are predominantly employed in the informal sector. The high cost of living and rising prices in urban areas tend to exaggerate the economic situation of vulnerable groups. Urban poverty, especially for migrants, adversely affects sustainable poverty reduction at the national level.

Child poverty. The well-being of children not only depends on their guardians' income but also the environment they live in. Their comprehensive development is determined by their physical, spiritual and intellectual well-being. Therefore, the measurement of child poverty involves not only economic dimensions but also eight other areas of developmental need, including education, health, nutrition, housing, clean water and sanitation, child labour prevention, entertainment and social integration, and social protection. Children are classified into the category of multidimensional poverty when their access to at least two of these eight needs is not guaranteed.

The methodology for measuring multidimensional poverty provides a more specific and comprehensive picture of children's deprivation and poverty status compared to the child poverty rate, which is calculated on income alone. The proportion of children under 16 years of age within the multidimensional poverty category based on six domains was 20.6 percent in 2010. Although this represents a relatively rapid decrease of 28.9 percent compared to 2008, it is still a significantly high level. Multidimensional poverty based on seven domains in 2010 for children under 16 years of age was estimated at 29.6 percent. This figure amounts to more than 7 million children living with certain forms of deprivation. The two regions with the highest rates of multidimensional poverty among children are the Northern Midland and Mountainous Areas and the Mekong River Delta. Multidimensional poverty rate for ethnic minority children is particularly high.

3. MDG 2: Achieve universal primary education

Millennium Development Goal

- Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

SUMMARY OF PROGRESS

Vietnam has achieved universal primary education (by the national standard). By 2012, the net enrolment rate in primary education reached 97.7 percent and the net enrolment rate in lower secondary education was 87.2 percent. Inequality in access to education and quality of education still exists between ethnic majorities and ethnic minorities, between rural and urban areas. Education reform with a focus on the improving the quality of teaching and learning, as well as school facilities is essential to ensuring that Vietnam's education system can meet the rising demand of a rapidly changing economy.

PROGRESS

Quality education is an essential factor in establishing productivity, growth and social development. Rigorous implementation of education policies and programmes over the past few years has resulted in significant improvements in access to and quality of education at every education level. In order to embrace a fast-growing economy, the government demonstrated strong commitment and determination towards systematically building a well-rounded education system with a focus on knowledge, innovation, equity and applicability during the period 2011-2020.

The net enrolment rate in primary education has slowly risen over the period 2006-2012. By 2012, the net enrolment rate in primary education reached 97.7 percent (Table 2. 1), with a total of 60 out of 63 provinces having obtained the national standard for universal primary education.¹⁵

Recognising these achievements, the country is moving towards universal lower secondary education. Universal education programmes in both primary and lower secondary education have been actively reinforced at the local level. The net enrolment rate for lower secondary education has increased consistently over the period 2006–2012, from 81 percent in 2007 to 87.2 percent in 2012. All 63 provinces have obtained the national standard for universal lower secondary education.¹⁶

Table 2. 1: Net enrolment rate by education level (%)

	2006-2007	2007-2008	2008-2009	2011-2012
Primary education	96.0	96.1	97.0	97.7
Lower secondary education	81.0	82.7	83.1	87.2

Source: Ministry of Education and Training

Literacy rates for those aged 10 and over improved slightly during 2009-2012. Literacy rates reached 94.8 percent in 2012, with 97.5 percent in urban areas and 93.6 percent in rural areas. Huge disparities exist between the Kinh and ethnic minorities despite the gap having narrowed over time. In 2012, the literacy rate among ethnic minorities was 13 percent below their Kinh counterparts (Table 2.2).

Table 2. 2: Literacy rates for population aged 10 and older (%)

	2009	2010	2011	2012
Total	94.0	94.0	94.4	94.8
<i>By areas</i>				
Urban	97.1	97.0	97.2	97.5
Rural	92.6	92.6	93.1	93.6
<i>By ethnicity</i>				
Kinh	96.2	96.2	96.5	96.8
Ethnic minority	79.8	81.4	82.6	83.8

Source: GSO, 2013

Primary school completion rates were relatively high at 92.1 percent in 2012, which represents an increase of 4.2 percent from 2008 (Table 2. 3). Primary completion rates remained the lowest

¹⁵ Annual Report on Socio-economic Development 2012 by the Government of Vietnam

¹⁶ Definition of universal lower secondary education at provincial level is found at 129/KH-BGDĐT

in the Central Highlands (83.6 percent in 2012) and in the Mekong River Delta (86.4 percent in 2012).

Table 2. 3: Primary completion rates (%)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Total	87.9	88.5	91.5	92.2	92.1
<i>By region</i>					
Red River Delta	–	–	98.7	99.1	98.8
Northern Midland and Mountainous Areas	–	–	87.4	89.5	89.4
North Central and Central Coastal Area	–	–	93.8	94.5	94.6
Central Highlands	–	–	81.8	83.3	83.6
South East	–	–	96.2	96.6	96.1
Mekong River Delta	–	–	85.5	86.1	86.4

Source: GSO, 2013

Completion rates for lower secondary education have improved at a faster pace than for primary education, albeit at a lower level. During the period 2007-2012, completion rates for lower secondary education increased by 5.7 percent (Table 2. 4).

Table 2. 4: Completion rates for lower secondary education (%)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Total	76.4	77.6	78.0	79.1	81.3
<i>By region</i>					
Red River Delta	–	–	92.9	91.8	93.2
Northern Midland and Mountainous Areas	–	–	79.7	81.3	84.0
North Central and Central Coastal Area	–	–	80.0	81.0	83.8
Central Highlands	–	–	69.3	71.9	74.4
South East	–	–	77.3	80.1	82.1
Mekong River Delta	–	–	62.3	64.5	66.9

Source: GSO, 2013

Significant progress has been made in building schools and improving school facilities at every education level. Substantial increases in the number of newly built schools for both basic and advanced education has helped to lift school enrolments and improve the quality of education. The government has also provided targeted support to ethnic minorities, such as education fee discounts and exemptions, and building schools in remote mountainous areas where most ethnic minorities reside. Notably, the government introduced a separate policy to support education fees for students in poor areas and for ethnic minority students throughout their schooling duration over the period 2010-2015. There have been successful in integrating multiple education support components into various socio-economic development and poverty reduction policies. More schools are able to meet the increasing demand for access to all levels of education (Table 2. 5). Every commune has one or more primary schools and lower secondary schooling is available in every district.

Table 2. 5: Number of schools at each education level

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Kindergarten	11,629	12,190	12,357	12,908	13,172
Primary education	14,939	15,051	15,172	15,242	15,337
Lower secondary education	9,768	9,902	10,060	10,143	10,243
Upper secondary education	2,167	2,192	2,242	2,288	2,350
Professional secondary education	209	227	230	226	215
Undergraduate	160	169	173	188	204

Source: Ministry of Education and Training

The quality of education has improved in various ways. In addition to the increase in school numbers, the availability of teachers and school facilities has improved. At the nursery and kindergarten levels, the child to teacher ratio has decreased consistently over the period 2007-2012. This reduction implies that children at lower education levels received better care and attention from their teachers. The teacher-to-class ratio climbed significantly over the period 2007-2012 for upper secondary education, having increased by 12.9 percent. Teacher-to-class ratios also increased substantially for lower secondary education and remained relatively stable for primary education (Table 2. 6).

Table 2. 6: Teacher and class room availability by education level

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
<i>Children/teacher ratio</i>					
Nursery	11.52	10.90	10.32	10.12	10.45
Kindergarten	20.86	20.36	19.79	19.32	18.79
<i>Teacher/class ratio</i>					
Primary education	1.29	1.30	1.30	1.30	1.30
Lower secondary education	1.95	2.06	2.09	2.07	2.12
Upper secondary education	2.01	2.08	2.13	2.20	2.27
<i>Class/classroom ratio</i>					
Primary education	1.08	1.08	1.08	1.12	1.12
Lower secondary education	1.10	1.05	1.17	1.19	1.14
Upper secondary education	1.17	1.12	1.20	1.16	1.11

Source: Ministry of Education and Training

Government policies have paid adequate attention to capacity building in schools in distant locations, by improving pedagogical skills, developing suitable teaching syllabuses for teachers and education officials, and building accommodation for teachers working in these locations. The rate of qualified teachers at every education level increased considerably over the period 2007-2012 (Table 2. 7). This is evidence of positive changes in the quality of teaching and learning at both the basic and advanced education levels.

Table 2. 7: Percentage of teachers with standard qualifications and above (%)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Nursery	79.6	79.6	89.5	89.7	91.1
Kindergarten	94.3	94.7	95.4	96.0	97.1
Primary education	97.4	98.6	99.1	99.5	99.6
Lower secondary education	97.4	97.4	98.3	98.8	99.2
Upper secondary education	97.5	98.0	98.9	99.1	99.6

Source: Ministry of Education and Training

Education is an increasing priority for the government as well as individual households. Between 2008 and 2011, the national education budget increased by 150 percent (Table 2.8). Similarly, household expenses on education increased steadily and substantially between 2002 and 2010, and between 2008 and 2010 average household spending on education increased 64 percent.¹⁷

Table 2.8: National expenditure for education and training (billion VND)

	2008	2009	2010	2011
Total	74,017	80,554	95,534	106,586
Central	18,912	20,288	24,266	26,268
Local	55,105	60,266	71,268	80,318

Note: Values are adjusted to January 2008 prices

Source: Ministry of Education and Training

Ongoing national policies and programmes (2010-2015) are providing tremendous support to delivering facilities for schools located in remote mountainous areas and improving teacher qualifications. The government has set out a comprehensive list of national policies that provide support to both kindergarten and secondary education. The government's determination to build a quality education system is highlighted in the *Socio-Economic Development Strategy 2011-2020* and the *Education Strategic Development Plan 2011-2020*.

CHALLENGES

Education quality. Vietnam has achieved universal primary education and access to primary education improves annually. Nevertheless, ensuring that every child completes a full course of primary schooling by 2015 is proving to be a highly challenging task. The success in primary education enrolment does not guarantee the quality of education or continuous study to higher levels. Even though the net enrolment rate for primary education has reached an impressive 97.7 percent, completion rates only stood at 92.1 percent in 2012, indicating 7.9 percent of students did not complete primary education. In lower secondary education, about 20 percent of enrolled students did not complete lower secondary education. This suggests that the payoffs to universal primary and secondary education are limited if students are not acquiring the necessary knowledge and skills for higher education and are unable to meet the changing demands of a growing economy.

Reducing school dropout rates, especially in remote areas, has been critically challenging. The main reasons for students dropping out of school are financial problems within the family and the learning capacity of students. In highly remote and disadvantaged areas, many students

¹⁷ Ministry of Education and Training

leave school because their parents do not encourage their children to attend school, and instead persuade them to stay home and support the family. Language barriers are among critical factors that affect learning outcomes of ethnic minorities groups. Ethnic minorities who cannot speak fluent Vietnamese encounter great difficulties in comprehending learning materials; this language barrier makes them lag behind other students in terms of learning and they dropout eventually when they find they cannot catch up with their classmates. In general, Vietnam's education system still faces low-quality teaching and learning, particularly in disadvantaged areas. Low-quality schooling contributes significantly to insufficient learning outcomes and high dropout rates.

Low education quality can be partly attributed to inadequate school facilities, learning and teaching equipment, as well as the limited capacity of teachers and management staff within schools. In Vietnam, many school facilities are not able to cater for large student intakes. Class-to-classroom ratios at both the primary and secondary education levels are higher than one, indicating that not every class has its own classroom. The infrastructure of many public universities and colleges across the country fails to meet standard regulations.¹⁸ Much of the time, school facilities and equipment, such as laboratories and libraries, are insufficient and outdated.

Education inequality. Clear disparities exist in access to education between rural and urban areas, between ethnic majorities and ethnic minorities, and among geographical regions of Vietnam. Certain regions are consistently worse-off than other regions across all of the education indicators. By region, the 2012 completion rates at primary education level were especially low in the Northern Midland and Mountainous Areas, Central Highlands and Mekong River Delta regions (at 89.4 percent, 83.6 percent and 86.4 percent respectively). For the same period, the Central Highlands and the Mekong River Delta continued to experience the lowest completion rates at lower secondary education level (at 74.4 percent and 66.9 percent respectively). By ethnicity, literacy amongst non-Kinh groups experienced a negligible level of improvement in 2012, and it remains relatively low at 83.8 percent. In 2012, the literacy rate for ethnic minority women and girls was even lower at 78.5 percent. Some provinces faced significantly low literacy rates in 2012 including Lai Chau (69.3 percent), Dien Bien (73.5 percent), Ha Giang (76 percent) and Son La (77.2 percent).¹⁹ Despite considerable improvement in access to education and education quality, educational performance for the most economically and socially disadvantaged groups remains consistently lower than the national average.

4. .MDG 3: Promote gender equality and empower women

Millennium Development Goal

Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015:

- Ratio of girls to boys in primary, secondary and tertiary education
- Share of women in wage employment in the non-agricultural sector
- Proportion of seats held by women in national parliament

¹⁸ Results from a survey conducted by Moet for 200 public universities and colleges throughout Vietnam in 2010

¹⁹ GSO, VHLSS 2012

SUMMARY OF PROGRESS

Vietnam has gained remarkable results in promoting gender equality and women's empowerment. A level of gender equality has been achieved in terms of access to primary education and mostly achieved for lower secondary education. But for higher-level education, gender equality becomes more apparent. Gender equality in employment has made significant progress; in 2012, women accounted for 48.7 percent of the national labour force, taking up 48 percent of newly created jobs. Even though women's representation in the National Assembly has experienced a slight decline in recent years, Vietnam is in the top five developing countries in Asia with the highest number of women in the National Assembly (24.2 percent in 2011).

The government has demonstrated a strong commitment to gender equality and women's empowerment-related activities. Following the introduction of gender equality legislation in 2006, the government established a national strategy to raise awareness about the importance of gender equality and promote the role of women in the social, economic and political arenas.

PROGRESS

Vietnam has made remarkable progress in multiple aspects of gender equality, particularly in education, employment and politics. The country has eliminated gender inequality in terms of access to primary education and women's participation in the labour force has improved. Women's representation in the National Assembly was 24.2 percent in 2011, a slight decrease compared to previous terms. When compared to other countries in the region or countries at similar stages of development, Vietnam has a relatively high gender equality index. The country was placed in 48th position by the Gender Inequality Index²⁰ ranking in 2012²¹, and ranked 58th by UNDP's gender development index in 2008.²²

Rigorous legislative changes and social programmes aimed at institutionalizing gender equality have helped Vietnam to make a positive impact on gender equality. The importance of gender equality in socio-economic development has been acknowledged by the government through the foundation of numerous national-scale programmes and strategies on gender equality for the period 2011-2020. It has established the National Program on Gender Equality 2011-2015 and National Strategy on Gender Equality 2011-2020, to support the roll-out of the law on gender equality enacted in 2006. These initiatives exemplify the ground-breaking change that has occurred in the national approach towards gender equality in Vietnam. The year 2012 marked the first time that a national budget was allocated for implementation of the national general equality programme for the period 2011-2015.

Gender equality in education

Vietnam has eliminated gender disparity in access to primary and mostly obtained gender equality in access to lower secondary education. Between 2006 and 2010, there was no significant difference in the net enrolment rate between boys and girls in primary and lower secondary education (Table 3. 1). The difference in the net enrolment rate fluctuated between

²⁰ The Gender Inequality Index relies on indicators in the areas of maternal mortality and health, adolescent fertility, parliamentary representation, education attainment and labor force participation, the ranking is representative of women and girl's opportunities.

²¹ Human Development Report 2013: the Rise of the South, UNDP

²² Vietnam Country Gender Assessment 2011, the World Bank

1–2 percent, indicating equality in access to education. Net enrolment rates for boys and girls in primary education in 2010 were 92.3 percent and 91.5 percent respectively. Likewise, the difference in net enrolment rates for lower secondary education between boys and girls stood at 2.5 percent in 2010.

Table 3. 1: Net enrolment rates by education level and gender

	2006	2008	2010
Primary education			
Boys	89.3	88.7	92.3
Girls	89.2	87.9	91.5
Lower secondary education			
Boys	78.3	77.3	80.1
Girls	79.2	79.5	82.6
Upper secondary education			
Boys	51.5	50.3	53.7
Girls	56.4	58.5	63.1

Source: VHLSS 2010

Disparity in access to education becomes more apparent in upper secondary education, with the gap in net enrolment rates between boys and girls widening overtime (Table 3.1). Girls experienced a significantly higher-level of access to upper secondary education than boys over the period 2006-2010.

Inequality in access to advanced levels of education is relatively low. The percentage of women and girls at every education level is comparable to that of men (Table 3. 2). Even at higher education levels, such as the undergraduate level, the percentage of enrolled women and girls was consistently high at 48 percent over the period 2007-2012. In professional secondary education, the rate of enrolments for girls was higher than the rate for boys.

Table 3. 2: Percentage of female students by education level

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Kindergarten	48.7	47.7	47.4	46.2	46.7
Primary education	46.2	47.9	47.3	47.3	48.6
Lower secondary education	48.8	47.8	49.8	48.2	48.5
Upper secondary education	51.7	52.6	52.7	52.6	53.2
Professional secondary education	50.8	51.2	53.0	53.2	52.1
Undergraduate	48.4	48.5	48.6	48.3	48.2

Source: Ministry of Education and Training

Inequality in access to education for ethnic minorities has gradually narrowed. Among ethnic minority groups, school attendance rates in primary education and lower secondary education for boys and girls aged 6–14 are almost the same. The difference in school attendance rates between boys and girls dropped dramatically from 6 percent in 2002 to 0.2 percent in 2010 (Table 3. 3).

Table 3. 3: School attendance rates for ethnic minorities aged 6–14 (%)

	2002	2004	2006	2008	2010
Average	86.0	88.0	88.0	88.0	89.8
Boys	89.0	89.0	89.0	87.0	89.7
Girls	83.0	87.0	88.0	89.0	89.9

Source: GSO, 2013

Not only has equality been achieved in terms of access to education but women are also well-represented in teaching positions at higher education levels, including professional secondary and undergraduate level education. The proportion of female teaching staff rose steadily over the period 2007-2012, surpassing the participation of men. A similar trend was observed for undergraduate level education, reaching a high of 47 percent in the school year 2011–2012 (Table 3. 4). By 2012, women in teaching roles accounted for 25 percent of doctoral degree holders and 47.1 percent of master’s degree holders.²³ The improvement in the representation of women among teaching staff indicates that the women’s qualifications have improved in terms of both quantity and quality.

Table 3. 4: Percentage of female teaching staff by education level

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Professional secondary education	49.1	49.9	48.7	51.0	53.7
Undergraduate	43.1	44.3	45.4	45.7	47.0

Source: Ministry of Education and Training

Children’s education is an increasing priority for parents and Vietnamese society in general. There has been a positive change in the perception of education and training with respect to gender. Equal opportunities to access education are given to both boys and girls by parents and the education system. Educational expenses per household on average are comparatively similar for both boys and girls; and educational expenses for girls were higher than for boys in 2010 for the first time since 2002 (Table 3.5). This indicates that the importance of education for both boys and girls is being acknowledged, and both households and the government have spent substantial amounts on education for both boys and girls.

Table 3. 5: Average expenditure on education and training per student per household (‘000 VND)

	2002	2004	2006	2008	2010
Average	627	826	1211	1844	3028
Boys	641	847	1240	1879	3025
Girls	611	803	1180	1806	3032

Source: VHLSS 2010, GSO

Gender equality in employment

²³ Report on implementation of National Target on Gender Equality 2012, GOV

One of the key national targets on gender equality is to reduce gender gaps in the economy, labour, and employment. Over the past decade, a series of programmes creating job opportunities and promoting the employability of women have been implemented; and they have achieved remarkable results. Decision 295/QD-TTg, which was approved by the government as part of the project entitled “Providing vocational training, creating jobs for women during the period 2010-2015”, has helped improve women’s competitiveness in the employment market, and enabled them to find more stable and better-paid jobs, securing their source of income. Women took up more than 48 percent of the newly created jobs in 2012, according to *The Labour and Employment Study 2012*.

Employment improved consistently for both men and women during the period 2010-2012. The labour participation rate for the population aged 15 years and older experienced a slight increase between 2010 and 2012; although the gender gap narrowed, it remained wide at 8.9 percent with a higher level for men. During the period 2010–2012, a minor decrease was experienced for both men and women in the percentage of own account and family workers for the population aged 15 years and older (Table 3. 6). Nevertheless, own account workers and family workers remain the most common forms of employment. The significant progress made in gender equality in employment is illustrated by substantial increases in the participation rate of the population aged 15 years and older in wage employment in the non-farm sector for both men and women during the period 2002-2010 (at 12.4 percent and 28 percent respectively). By 2012, 46percent of workers had undergone training.

Table 3. 6: Percentage of labour aged 15 years and older by type of employment (%)

	2010			2011			2012 (Preliminary)		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Percentage of labour aged 15 and older who has a job over population aged 15 and older	74.6	79.4	70.2	75.5	80.3	70.9	75.4	80.0	71.1
Percentage of own account worker or family worker over the population aged 15 and older who has a job	63.2	56.6	70.3	62.4	55.9	69.4	62.5	56.3	69.1

Source: GSO, 2013

The difference in average working hours per person aged 15 years and older per week for his or her main job increased consistently over the period 2002-2010. On average, men spent more than two hours per week in their main job, compared to women in 2010. This might indicate that men experience lower rates of underemployment than women. For wage employment in non-farm employment, men and women worked the same average hours per week in 2010 (Table 3.7).

Table 3. 7: Average working hours by type of employment

	2002	2004	2006	2008	2010
<i>Percentage of population aged 15 and above working as wage employment in non-farm employment</i>					
Male	27.8	32.6	34.2	35.5	40.2
Female	16.8	20.0	22.4	24.2	28.0
<i>Average working hours per week per person aged 15 and above in wage employment in non-farm employment (hour)</i>					
Male	39.3	39.6	40.5	41.1	41.1
Female	40.3	40.9	41.3	41.8	41.1
<i>Average working hours per week per person aged 15 and above in main job (hour)</i>					
Male	32.8	32.2	33.2	33.5	33.7
Female	32.6	31.6	32.7	32.7	31.7

Source: VHLSS 2010, GSO

By the final quarter of 2013, the number of men in skilled labourer jobs was higher than the corresponding figure for women (5,133,900men compared to 3,749,700women). Some 19.1 percent of men aged 15 years and older employed as labourers were skilled workers and the corresponding rate for women was 14.9 percent. The number of men working in wage employment was substantially higher than for women (10,959,700men compared to 7,373,200women). Among the population aged 15 years and older who had a job, 40.9 percent of men were working in wage employment; women accounted for 29.3 percent of the total number of women aged 15 years and older who had a job. The difference between percentage of wage employment workers for men and women was as high as 11.6 percent. Moreover, with regard to wage employment workers, the average monthly salary for men employed as labourers in wage employment aged 15 years and older was substantially higher than women (Table 3.8). This indicates a clear disparity in the quality of employment between men and women employed as labourers; with women at a higher disadvantage in terms of employment.

Table 3. 8: Employment situation in the fourth quarter of 2013 ('000people)

	Number of skilled labourers	Number of wage employment workers	Population aged 15 and above	Population aged 15 and older that have job	Average monthly salary of wage employment workers ('000VND)
Men	5133.9	10959.7	33449.6	26773.6	3952.0
Women	3749.7	7373.2	35372.3	25157.3	3586.0
Total	8883.6	18332.9	68821.9	51930.9	3805.0 (average)

Source: GSO, 2013

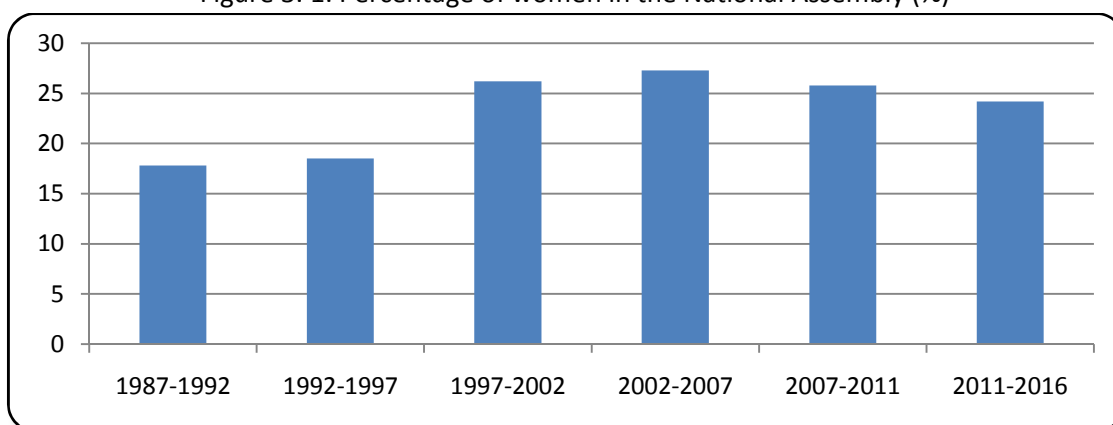
Gender equality in management and leadership

Women's roles in management and leadership positions in both corporations and government agencies have strengthened over recent years, which is the result of government and community efforts to empower and engage women in social and economic activities. Women now have greater opportunities to develop their careers, and fortify their place in society. According to the latest government report, 46.6 percent of central and governmental agencies have women in leadership positions, indicating a 6.6 percent increase from 2011. The

percentage of women holding the highest position in enterprises increased from 20.8 percent in 2009 to 24.7 percent in 2011.²⁴

Women’s representation in the National Assembly has improved significantly over the last two decades. The proportion of seats held by women has remained relatively high over the last four terms. Even though the proportion of seats held by women in the National Assembly has decreased by 1.6 percent during the 2007-2011 term to 24.2 percent during the 2011-2016 term, Vietnam is one of five developing countries in Asia that has the highest proportion of seats for women in the National Assembly (**Figure 3. 1**).

Figure 3. 1: Percentage of women in the National Assembly (%)



Source: National Assembly

CHALLENGES

Gender inequality in higher education and among disadvantaged groups. Even though Vietnam has achieved universal primary education and almost eliminated gender inequality in access to lower secondary education, enrolment rates for girls in higher level education in rural and remote areas, and among ethnic minority communities, is much lower than for boys. A substantial gap existed in literacy rates between ethnic minority boys and girls aged 10 years and older during the period 2009-2012. In 2012, the literacy rate for ethnic minority girls aged 10 years and older was 10.8 percent lower than that of men. In highly disadvantaged areas such as the Northern Midland and Mountainous Areas, boys demonstrated higher levels of literacy than girls; although this gap has narrowed, it remained at a relatively high 7.8 percent in 2012.

Gender inequality in employment. Gender inequality persists in the labour market. The rate of participation in the labour force is higher for men, who have better access to decent employment opportunities. In 2011, labour participation rates for women stood at 72.6 percent, which is 9.1 percent lower than men.²⁵ Women account for the majority of labourers in vulnerable types of jobs, particularly in the informal sector. Women in the informal sector have fewer skills and limited access to skill development and training programmes compared to men. Over the period 2009-2011, women accounted for 64 percent of family workers²⁶—this type of employment does not provide any form of social security nor job guarantee in the longterm.

²⁴ GSO, 2013

²⁵ Labor and Employment Survey 2011, GSO; UNDP Human Development Report 2013 displayed labour force participation rates for those aged 15 years and older at 73.2 percent for women, 81.2 percent for men

²⁶ Labor and Employment Survey 2011, GSO

Over the same period, women accounted for only 40 percent of the total wage employment labour force, 20 percent lower than men's participation in wage employment.

Representation of women in the National Assembly. Women's representation in the National Assembly remained relatively high at 24.2 percent for the term 2011–2016, which is the lowest rate recorded in the last four terms. In general, fewer women have reportedly run for official positions and they have also experienced lower election rates compared to men. The 2011 figures show female candidates accounted for only 34.1 percent of the whole candidate pool and rates of election for women are 20 percent lower than for men.²⁷

Gender-based domestic violence. Domestic violence has been a growing problem in Vietnamese society, creating obstacles to the development of both families and the society as a whole. Domestic violence has serious consequences for the physical and mental health of its victims. Some 33,914 people were reported to be victims of domestic violence in 2012²⁸, of which 85.1 percent were women. The National Study on Domestic Violence against Women in Vietnam 2010 reported that one in every three women who have ever been married have suffered from physical or sexual violence caused by their husbands, and 58 percent of Vietnamese women reported experiencing at least one among three types of domestic violence in their lifetime (physical, sexual or emotional violence). The study also highlights a concerning increase in the rate of victims (87.1 percent) failing to seek help from any agency or person in authority for three main reasons: the perception that violence is not a serious problem; the fear that seeking helping might harm their family's reputation; and feeling ashamed. It is therefore essential to encourage victims of domestic violence to speak out and seek help from society.

Gender-biased perception. Gender-biased perception with a preference for men contributes to the ample evidence of continuing gender inequality. Despite the government's adoption of the Law on Gender Equality and the Law on Domestic Violence Prevention and Control, limited knowledge and access to legal information persists which contributes to the perpetuation of gender inequality. Gender bias causes men and boys to be more highly respected and given more privileges than women and girls in family and society. Many families still have preference for sons, especially in rural and ethnic minority households, and this situation seems to have worsened over recent years. Three main reasons for increasing the sex ratio at birth have been identified, including a preference for sons in society; the development of medical facilities that allow for gender prediction during pregnancy and abortion; and family planning and economic and social protection factors. Disparity in the boy-to-girl ratio at birth amplified significantly between 2010 and 2012. In 2010, the ratio stood at 111.2 to 100, while in 2011 and 2012 it reached 111.9 to 110 and 112.3 to 100 respectively.²⁹ The gender prediction before birth reflects the gravity of gender inequality. This situation poses a potential threat to improving the gender balance in the future population structure, and disrupts demographic characteristics in family structures and the marriage system.

²⁷ Inter-parliamentary Union

²⁸ Report on the Implementation of National Target on Gender Equality in 2012, the Government of Vietnam

²⁹ Annual Report on Socio-economic Development 2012 by the Government of Vietnam

5. MDG 4: Reduce child mortality rate

Millennium Development Goal

- Between 1990 and 2015, reduce the under-five mortality rate by two thirds

SUMMARY OF PROGRESS

The under-five mortality rate and infant mortality rate declined from 58 percent and 44.4 percent in 1990 to 23.3 percent and 15.5 percent respectively by 2011. By 2012, the infant mortality rate was estimated at 15 percent, which is only 0.2 percent above the 2015 target. The under-one immunization rate for measles substantially increased from 55 percent in 1990 to 97.1 percent in 2005, and has remained above 90 percent ever since.

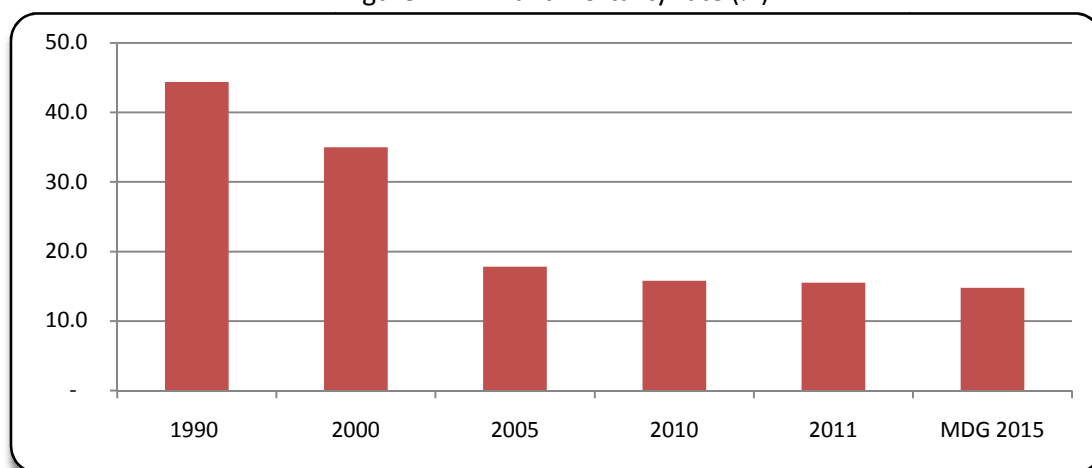
Despite recent achievements, Vietnam still faces great challenges with regard to inequitable levels of access among children to healthcare across regions, ethnicities and income quintiles. The implementation of free healthcare insurance for children under six years of age remains ineffective, while the quality of child healthcare in terms of services, medicines and vaccines is declining, causing rising public concern.

PROGRESS

Infant mortality rate

The infant mortality rate declined substantially from 44.4 percent in 1990 to 15.8 percent in 2010. By 2011 it had reached 15.5 percent, and by 2012 it was at 15 percent. Given the 2015 goal is 14.8 percent, Vietnam is only 0.2 percent from its target. If current progress is sustained, there is the high possibility that Vietnam will obtain its goal for reducing infant mortality (Figure 4. 1).

Figure 4. 1: Infant mortality rate (%)



Source: GSO

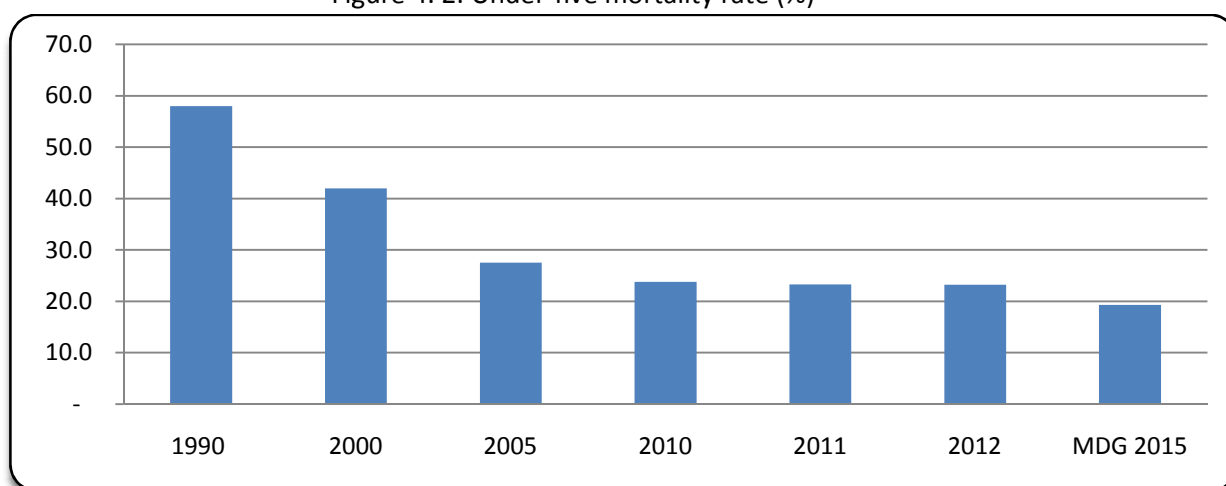
A downward trend in child mortality is apparent in all regions across the country. The national annual infant mortality reduction rate during 2001-2011 was estimated at 1.3 percent. Nevertheless, the rate of reduction varies from area to area. The Central Highlands has the

highest rate of reduction, at around 3.1 percent per year, whereas the Red River Delta reports the lowest annual rate of reduction (at approximately 0.7 percent).³⁰

Under-five mortality rate

There has been a significant reduction of more than 50 percent in the under-five mortality rate over the past two decades. Having fallen from 58 percent in 1990 to 23 percent in 2010, Vietnam’s under-five mortality rate is one of among four ASEAN nations with the lowest rate.³¹The under-five mortality rate continued to decrease to 23.3 percent and 23.2 percent in 2011 and 2012 respectively (Figure 4. 2); however the rate of reduction has slowed since 2005. Therefore, to achieve its 2015 goal, greater efforts are needed to address factors causing deaths among children under five years of age.

Figure 4. 2: Under-five mortality rate (%)



Source: GSO

Neonatal mortality rate or newborn mortality³²

Newborn mortality or the neonatal mortality rate significantly contributes to both the infant mortality rate as well as the under-five mortality rate. The neonatal mortality rate has not been tracked as a national indicator. There are some available data sources for Vietnam but there are inconsistencies between existing data, which is partly explained by the fact that not all newborns are registered immediately after their birth, and more than half of the infants who die within one month of birth are unregistered.³³A 2011 report prepared by WHO, UNICEF, The World Bank and the UN’s Population Division reveals that the Vietnam’s neonatal mortality rate has dropped from 23 percent in 1990 to 12 percent in 2010. Overall, the reduction is not as significant as those for the under-five mortality rate and the infant mortality rate. Health statics yearbook data suggests a noticeably lower rate, with the 2007-2008 neonatal mortality rated as low as 7percent nationwide.

³⁰ Ministry of Health, (2012). Health related Millennium Development Goals Vietnam, 2012: Equity Analysis. Hanoi.

³¹ Annex

³² Neonatal mortality rate (NMR) is the number of deaths during the first 28 completed days of life per 1,000 live births in a given year or period.

³³ Knowles, J. C., S. Bales, et al. (2008). Health equity in Vietnam: A situational analysis focused on maternal and child mortality “Equity in Access to Quality Healthcare for Women and Children” Ha Long, Vietnam, UNICEF Vietnam.

Figures on neonatal deaths differ greatly between existing sources. While data from the Health Management Information System reports 6,263 cases in 2010, this figure is far below the figure estimated by WHO, which reports it to be almost three times higher at 18,000 cases per annum. This indicates an under-reporting issue for health-related indicators, which creates difficulties in official analysis, monitoring and evaluation.

Child immunization

Initiated in 1981, Vietnam's Expanded Programme on Immunization has been extended to cover every commune the country to introduce six vaccines against dangerous infectious diseases (BCG, diphtheria, pertussis, tetanus, measles and polio) from 1985. At present, eight types of vaccine have been provided free to children under the age of one year to protect them from tuberculosis (TB), diphtheria, pertussis, tetanus, hepatitis B, measles, polio and pneumonia/meningitis caused by Hib.³⁴ Wide coverage and continuous provision of advanced vaccines have actively contributed to recent dramatic reductions in the mortality rate among children under five years of age.

By 2011, full immunization for children under one year of age had reached the target of more than 90 percent coverage of children in 59 out of 63 provinces (93.6 percent). In the four remaining provinces, more than 83.3 percent of children had received full immunisation.³⁵ The proportion of children under one year of age immunized against measles significantly rose from 55 percent in 1990 to 97.1 percent in 2005, and remains higher than 90 percent. The Expanded Programme on Immunization has achieved polio eradication within 10 years and neonatal tetanus elimination within five years, and has enabled Vietnam to realize its target for reducing the number of cases of vaccine-preventable diseases. Vietnam is moving closer to realising its goal to eliminate measles.^{36,37}

Breastfeeding

Breastfeeding is believed to be the best source of nourishment for infants and young children and is one of the most effective ways to ensure child health and survival. If every child was breastfed within an hour of birth, given only breast milk for the first six months of its life, and continued to be breastfed up to the age of two, about 220,000 child lives would be saved every year.³⁸

Despite the obvious positive effects of breastfeeding on child health, the number of babies breastfed within one hour of birth in Vietnam remains relatively low, at 57.8 percent in 2005,

³⁴ National Institute of Hygiene and Epidemiology (NIHE). (2010). 20-year achievements of EPI (1985-2010). Accessed on 05/08/2013 on <http://www.nihe.org.vn/new-en/chuong-trinh-tiem-chung-mo-rong-quoc-gia-703261429/1096/20-year-achievements-of-EPI-1985-2010.vhtm>

³⁵ National Institute of Hygiene and Epidemiology (NIHE). (2012). EPI: Annual review report 2008-2011.

³⁶ National Institute of Hygiene and Epidemiology (NIHE). (2010). 20-year achievements of EPI (1985-2010). Accessed on 08/05/2013 on <http://www.nihe.org.vn/new-en/chuong-trinh-tiem-chung-mo-rong-quoc-gia-703261429/1096/20-year-achievements-of-EPI-1985-2010.vhtm>

³⁷ Taking into account the indicator of proportion of under-1-year-old children immunized against measles, the data from MICS4 showed lower coverage than other vaccines at 84.2 percent. The highest coverage rate was for BCG at 95 percent; the first dose of DPT was 93.5 percent and decreased for the second and the third doses at 86.2 percent and 73 percent, respectively. With regard to full immunization for children under-one-year, the data from MICS4 showed just two out of five children between 12 and 23 months are fully immunized.

³⁸ WHO. (2013). *10 facts on breastfeeding*. Accessed on 05/08/2013 <http://www.who.int/features/factfiles/breastfeeding/en/index.html>

with an increase to approximately 68 percent in 2010. The figure is still far from the 85-percent target set by the Safe Motherhood Action Plan.^{39,40}

WHO recommends exclusive breastfeeding for the first six months after birth. Since the breastfeeding programme was implemented in Vietnam more than two decades ago, the rate of exclusive breastfeeding has been low and has not significantly increased overtime. *The National Institute of Nutrition's Annual Report 2010* suggests that only 12 percent of infants were exclusively breastfed at six months old in 2005, and this figure rose to approximately 19.6 percent in 2010.⁴¹ The rate of exclusive breastfeeding among infants under six months is only half of the global rate and among the lowest rates in South-East Asia.⁴² This situation calls for more adequate breastfeeding counselling and support in order to ensure optimal breastfeeding practices. According to Vietnam's labour legislation, maternity leave has been extended from four months to six months so that mothers can practice exclusive breastfeeding in the first six months, reflecting the government's strong commitment to improving maternal and child healthcare.

CHALLENGES

Inequality in healthcare opportunities

Substantial decreases in child mortality and enhancement in child nutrition demonstrate notable healthcare improvements, yet disparities still exist among ethnicities, regions and income groups, and this gap tends to widen over time. The under-five mortality rate varies across regions throughout Vietnam. It is roughly three times higher in the region with the highest rate (Central Highlands at 37%) compared with the region with the lowest rate (South East region at 13.9%) (Figure 4.3).

Urban and rural areas also show disparities in child mortality indicators with an infant mortality rate in rural areas 1.6 times higher than in urban areas. The urban-rural disparity has tended to increase over recent years. Progress in reducing the child mortality rate has been made in almost every region, but the reduction rate differs across geographical areas (

Table 4. 1). The underlying cause of this is explained by socio-economic disparities among different geographical regions, resulting in a striking discrepancy in living conditions in terms of sanitation and hygiene, and access to healthcare services.

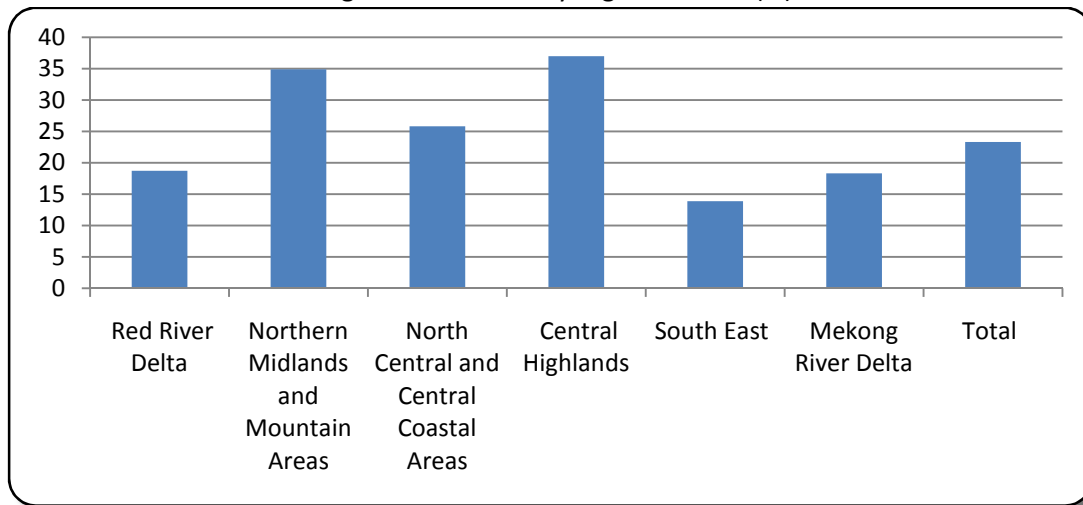
³⁹ National Institute of Nutrition annual report 2010

⁴⁰ According to MICS3 and MICS4, the proportion of mothers that initiate breastfeeding in the first hour decreased from 57.8 percent in 2006 to 39.7 percent in 2010.

⁴¹ National Institute of Nutrition (NIN). (2010). Annual report 2010.

⁴² WHO estimates that globally, nearly 40 percent of infants under six months are exclusively breastfed (WHO, (2013). *10 facts on breastfeeding*. Accessed 05/08/2013 <http://www.who.int/features/factfiles/breastfeeding/en/index.html>)

Figure 4. 3: U5MR by region in 2011 (%)



Source: GSO

Table 4. 1: Infant mortality rate, 2001–2011(%)

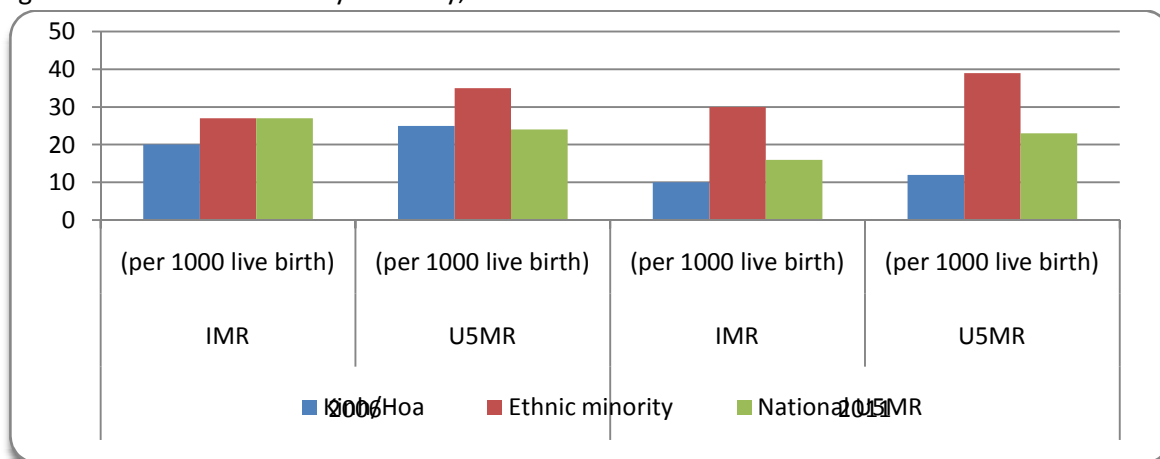
	2001	2003	2005	2007	2009	2011
<i>By areas</i>						
Urban	20.0	13.0	–	–	10.0	8.5
Rural	33.0	21.0	–	–	18.7	18.1
<i>By geographical regions</i>						
Red River Delta	20.0	15.0	11.5	10.0	12.4	12.5
Northern Midland and Mountainous Areas	37.3	30.6	26.1	23.5	24.5	23.0
North Central and Central Coastal Area	34.6	20.0	22.2	18.8	17.2	17.1
Central Highlands	58.0	29.0	28.8	27.0	27.3	24.3
South East	21.0	10.0	10.6	10.0	10.0	9.3
Mekong River Delta	28.1	13.0	14.4	11.0	13.3	12.2
<i>Total</i>	30.0	21.0	18.0	16.0	16.0	15.5

Source: GSO

While there are persistent decreases in the infant mortality rate and the under-five mortality rate at the national level and for the Kinh and Hoa, these rates have risen among ethnic minority groups.⁴³ The gap between majority and minority groups has tended to widen from 2006 to 2011. In 2006, the infant mortality rate and the under-five mortality rate among ethnic minorities were approximately 1.4 times higher than those for their Kinh and Hoa counterparts. This gap increased threefold in 2011 and the rates for minority groups have become increasingly higher than the national averages (Figure 4.4).

⁴³ MICS3 and MICS4

Figure 4. 4: IMR and U5MR by ethnicity, 2006-2011



Source: MICS3 and MICS4

Ineffective implementation of children's health insurance

Children under the age of six have free access to healthcare as stipulated by Decree No 36/2005/ND-CP (issued in March 2005). Free health insurance cards have been distributed to children under six since 2009. However, 2012 statistics from the Ministry of Health suggest that around 2 million children under six years of age around the country who remain without the protection of health insurance because of ineffective coordination between the relevant government departments and insurance agencies in the localities. Most of these children reside in remote areas or in households with migrant parents. When admitted to hospital for medical check-ups or treatment, children without insurance cards are required to present their birth certificates. In such circumstances, healthcare costs have to be borne by parents or caregivers.⁴⁴

Other concerns regarding quality of childcare services

Emerging issues in child healthcare involves a number of accidents in newborn care services, medicines and vaccines and especially the declining ethics of a small group of health workers. Some accidents have been recently reported in childcare services, in which negative reactions to vaccines have caused a number of child deaths, and a provincial vaccine centre used expired vaccines for children. These recently exposed incidents triggered deep public concern⁴⁵; they erode public trust, challenge national health schemes and threaten the success of immunization programmes.

⁴⁴ Vietnam News Agency. (2012). Problematic Health Insurance for Children under 6 years old in Vietnam. Accessed on August 6th 2013 on <http://www.vietnamplus.vn/Home/Bao-hiem-y-te-cho-tre-duoi-6-tuoi-con-nhieu-bat-cap/20127/151479.vnplus>

⁴⁵ Vietnam News. (2013). Vaccine frauds threaten national health schemes. Accessed on August 6th 2013 on <http://vietnamnews.vn/talk-around-town/239986/vaccine-frauds-threaten-national-health-schemes.html>

6. MDG 5: Improve maternal health

Millennium Development Goal

- Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio
- Achieve, by 2015, universal access to reproductive health

SUMMARY OF PROGRESS

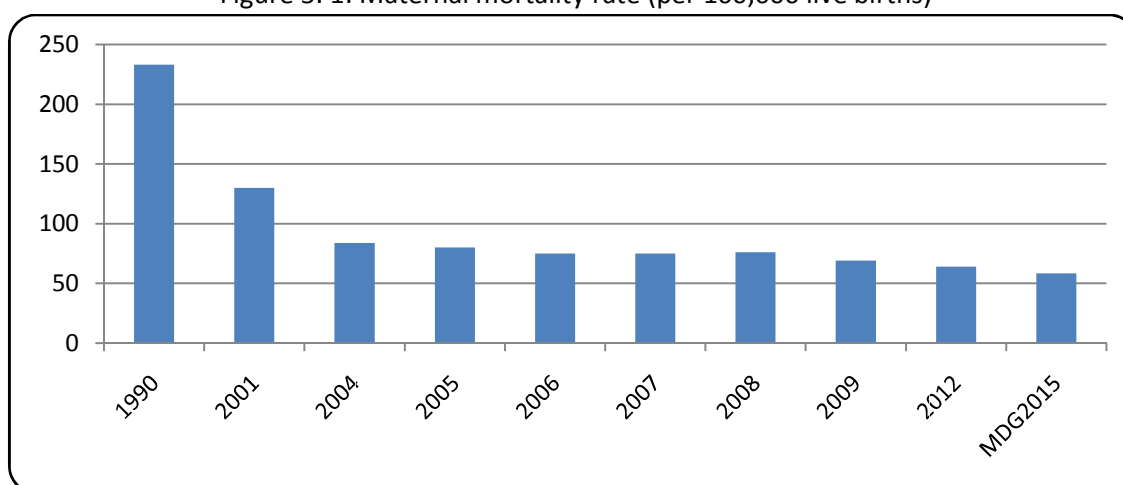
The maternal mortality rate in Vietnam had substantially dropped by more than two-thirds, from 233 per 100,000 in 1990 to 64 per 100,000 in 2012. Vietnam has made noticeable progress in improving maternal healthcare services and ensuring better access to adequate healthcare, especially antenatal care at all levels across the country. In 2011, it was reported that 86.5 percent of pregnant women receive an antenatal check-up in each trimester, which is only 0.5 percent below Vietnam's 2015 goal. The proportion of deliveries attended by trained health personnel rose from 86 percent in 2001 to 96.7 percent in 2011.

The reduction in maternal mortality has slowed since 2006. Disparities remain in the health status of women across geographical regions, ethnicities and income quintiles persist. The adolescent birth rate keeps rising while the unmet need for family planning is at a high level. The situation highlights the necessity for more rigorous policies and programmes in order to improve maternal and reproductive healthcare services, especially in remote and most economically disadvantaged areas.

PROGRESS

*Maternal mortality rate*⁴⁶

Figure 5. 1: Maternal mortality rate (per 100,000 live births)



Source: GSO, 2012

Rapid progress in reducing the rate of maternal mortality has been recorded during the past two decades. The maternal mortality rate⁴⁷ has substantially dropped by more than two-thirds

⁴⁶The maternal mortality ratio is the ratio of women who die from causes related to pregnancy and childbirth in the period from pregnancy until 42 days after delivery, on average 100,000 children born during the study period, usually a calendar year.

⁴⁷The maternal mortality ratio is the ratio of women who die from causes related to pregnancy and childbirth in the period from pregnancy until 42 days after delivery, on average 100,000 children born during the study period, usually a calendar year.

from 233 per 100,000 in 1990 to 64 per 100,000 in 2012. However, progress has slowed since 2006 when the annual decline reached about 1.5 per 100,000, compared to the high annual rate of nearly 10 per 100,000 during the previous years (Figure 5.1). To achieve the 2015 goal of 58.3 per 100,000, it is estimated that the maternal mortality rate should decrease at an annual rate of 1.7 per 100,000. There is a need for more rigorous policies and programmes, especially for targeted remote areas to ensure access to maternal healthcare, as well as to improve service quality to women of reproductive age.⁴⁸

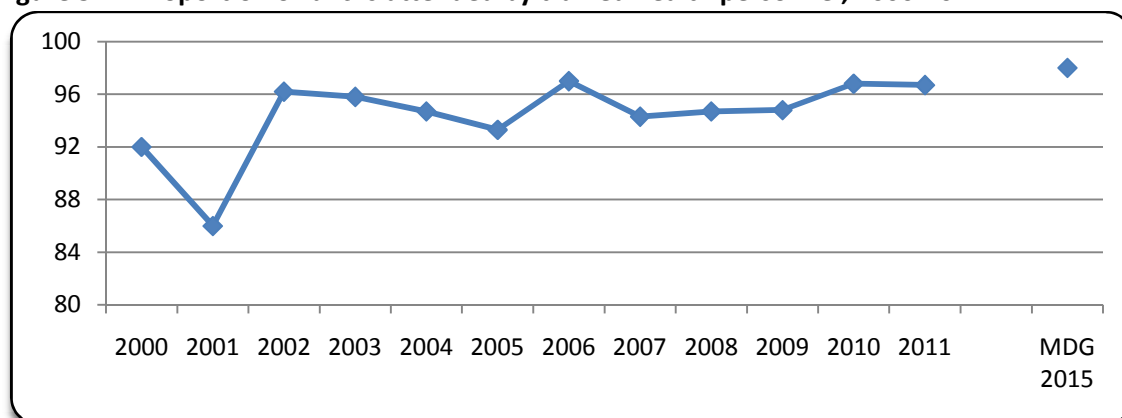
Antenatal care coverage and proportion of births attended by skilled health personnel

Antenatal care and attendance of skilled health workers at births significantly contributes to improving maternal health, reducing the risk of death at birth and promoting the health and well-being of infants. Growing attention has been paid to antenatal care as an intervention to improve both maternal and newborn health in Vietnam. As a result, the proportion of pregnant women receiving at least three antenatal check-ups and the proportion of deliveries attended by trained health personnel have notably improved over recent decades.

WHO recommends four antenatal clinic visits during pregnancy to ensure all benefits are available to women and their unborn babies.⁴⁹The *2011 Multiple Indicator Cluster Survey* estimated that in Vietnam the proportion of pregnant women receiving at least one antenatal check-up is around 93.7 percent, while about 59.6 percent made four antenatal visits during their last pregnancy. The rate of women that made three antenatal visits per pregnancy was reported at 86.5 percent in 2011, which is a substantial recovery from 2010, and only 0.5 percent below the 2015 goal.

The proportion of deliveries attended by trained health personnel rose from 86 percent in 2001 to 96.7 percent in 2011⁵⁰ (Figure 5.2). The coverage is much higher than other countries in the Western Pacific region (about 75 percent).⁵² Vietnam nearly reached the MDG 5 (97 percent) in 2006 when the national figure reached 97 percent, but after that the proportion fell by 3 to 4 percent in the following years and has only showed improvements since 2009.

Figure 5. 2: Proportion of births attended by trained health personnel, 2000-2011



⁴⁸ Ministry of Health (2012). *Health related Millennium Development Goals Vietnam, 2012: Equity Analysis*. Hanoi.

⁴⁹ WHO (2007). *Standards for Maternal and Neonatal Care. Department of Making Pregnancy Safer: Geneva*. 2007.

⁵⁰ UNFPA (2007). *Skilled attendance at birth: Making motherhood safer*.

⁵¹ MOH (2009). *Safe Motherhood Program: Maternal Mortality in 14 provinces of Safe Motherhood Program*. Programme with support from the Dutch Government.

⁵² United Nations (UN) (2012). *The Millennium Development Goals Report 2012*.

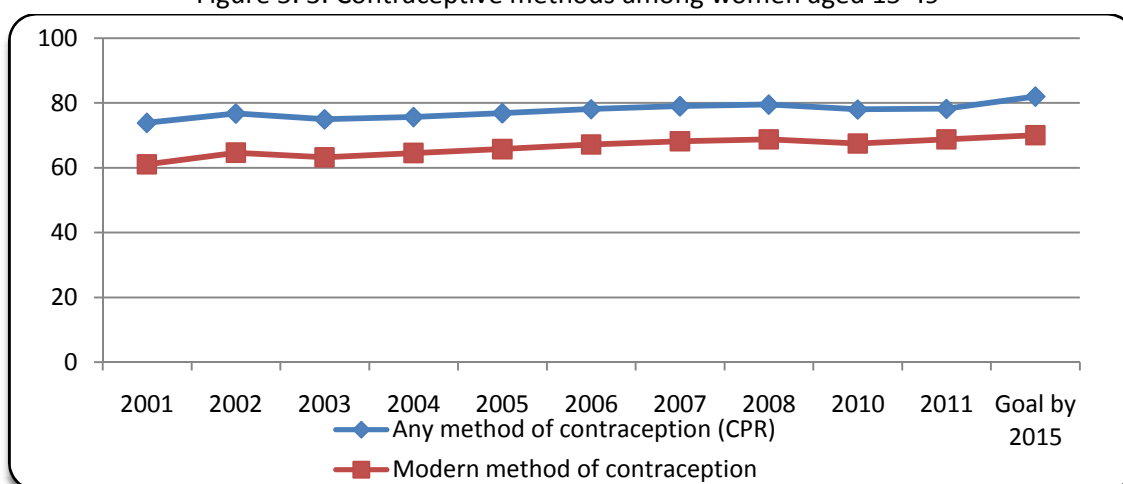
Source: HMIS and MOH

Regionally, the 2000, 2006 and 2010 Multiple Indicator Cluster surveys⁵³ revealed increases in the number of births involving skilled health staff across all regions. Accordingly, by 2011 some regions such as the Red River Delta, North Central and Central Coastal Area, South East and Mekong River Delta reported that more than 90 percent of women were assisted by skilled attendants at their deliveries. These rates have climbed to almost 100 percent in the Red River Delta and Mekong River Delta regions. These rates have risen at a dramatic pace in other areas including the Central Highlands and the Northern Midland and Mountainous Areas, though they remain relatively lower than those of other regions and the national average.

Contraceptive prevalence rate

Contraceptive prevalence rate is calculated as the proportion of women who are using any contraception methods among women aged 15-49, married or with partners. The prevalence of contraception use moderately increased from 73.9 percent in 2001 to 78.2 percent in 2011 (Figure 5.3). Intra-uterine devices remain the most popular contraception method; in 2011 they accounted for more than 60 percent of women who reported using modern contraceptive methods. The rate of traditional contraceptive use is 12.1 percent. The percentage of women who use more effective methods, such as the pill and condoms, has increased over recent years but remains relatively low.

Figure 5. 3: Contraceptive methods among women aged 15-49



Source: GSO⁵⁴

Over the period 2001-2011, the contraceptive prevalence rate in Vietnam rose at an annual rate of nearly 0.81 percent, while that of modern methods increased by approximately 0.9 percent annually. Given the 2015 goal to increase the annual contraceptive prevalence rate and the adoption of modern contraceptive methods are 0.95 percent and 0.37 percent respectively, it is vital to accelerate the contraceptive prevalence rate to a faster pace.

Adolescent birth rate

⁵³ GSO. (2011). The Multiple Indicator Cluster Surveys 4 (MICS4), GSO. (2006). The Multiple Indicator Cluster Surveys 3 (MICS3), GSO. (2000). The Multiple Indicator Cluster Surveys 2 (MICS2)

⁵⁴ GSO. (2011). The 1/4/2011 Population change and family planning survey 2011: Major Findings

Although Vietnam has no specific target with regard to the adolescent birth rate⁵⁵, it is essential to investigate this indicator when reporting progress towards improving maternal health. According to WHO, complications from pregnancy and childbirth are a leading cause of death among girls aged 15-19 in low-income and middle-income countries.⁵⁶ The risk of maternal death is twice as high among adolescents aged 15 to 19, and four times as high among girls under 15, compared with those giving birth over the age of 20.⁵⁷ Concerns persist about adolescent birth in Vietnam because of early marriages, pre-marital sex, improper sexual and reproductive health counselling, and inadequate services for adolescents and youth. In 2011, the overall adolescent birth rate in Vietnam was 46 per 1,000 births⁵⁸, which is higher than many other countries in the region, including Myanmar, Malaysia and Singapore.⁵⁹

CHALLENGES

Disparities in women's health status. Every maternal health indicator suggests a far more disadvantaged situation for women residing in rural, remote and mountainous areas, women with lower levels of education, poor households and ethnic minorities than other women. With regard to maternal mortality rates, the Northern Midland and Mountainous Areas and the Central Highlands have the highest rates, while the Red River Delta and the South East have the lowest rates. The gap between these regions has narrowed, but it remains large, the former exceeding the latter by approximately 2.5 times in 2007. The *2010 Multiple Indicator Cluster Survey data* also indicates that maternal mortality rates vary vastly between the most economically disadvantaged/poorest districts and the national average. Accordingly, maternal mortality rates are twice as high as the national average in 225 economically disadvantaged districts (104 per 100,000 live births) and five times higher in the 62 poorest districts (157 per 100,000 live births). Likewise, the maternal mortality rate in rural areas is 2.5 to 3 times that of urban areas over the period 2002-2006.⁶⁰ By education level, ethnicity and occupational status, the maternal mortality rate of illiterate mothers is four to six times higher than the literate group, while those among ethnic minorities (Mong, Thai, Ba Na, Tay, Dao and Nung) are approximately four times higher than the Kinh group, and those among women in the agricultural sector are four to six times higher than those engaged in civil work.⁶¹

When it comes to the amount of antenatal care and the number of births attended by skilled health personnel there is a clear disparity among ethnicities, socio-economic levels and geographical regions. Accordingly, the rates of antenatal care visits among pregnant women residing in urban areas, women with higher education, women in rich income quintiles and the Kinh group are remarkably higher than those in rural areas, where they have lower education, are in poorer income quintiles or belong to ethnic minority groups.⁶² Similarly, women of the poorest quintile and minority groups are less likely to give birth with the assistance of trained health workers than those of higher income and majority groups. Only 63 percent of ethnic

⁵⁵ ABR measures the annual number of births to women 15-19 years of age per 1,000 women in the same age group. This is also referred to as the age-specific fertility rate for women aged 15-19.

⁵⁶ WHO. (2012). *Adolescent pregnancy*. Accessed on 08/08/2013 <http://www.who.int/mediacentre/factsheets/fs364/en/>

⁵⁷ UNDP Vietnam (2012). *Advocacy Brief: Adolescent Birth Rate in Vietnam*

⁵⁸ MICS4

⁵⁹ UNDP Vietnam (2012). *Advocacy Brief: Adolescent Birth Rate in Vietnam*

⁶⁰ Source: MOH 2001

Health Strategy and Policy Institute (HSPI) MOH 2006

⁶¹ MOH (2010). *National Maternal and Neonatal Mortality Survey in Vietnam 2006-2007*. Health Strategy and Policy Institute.

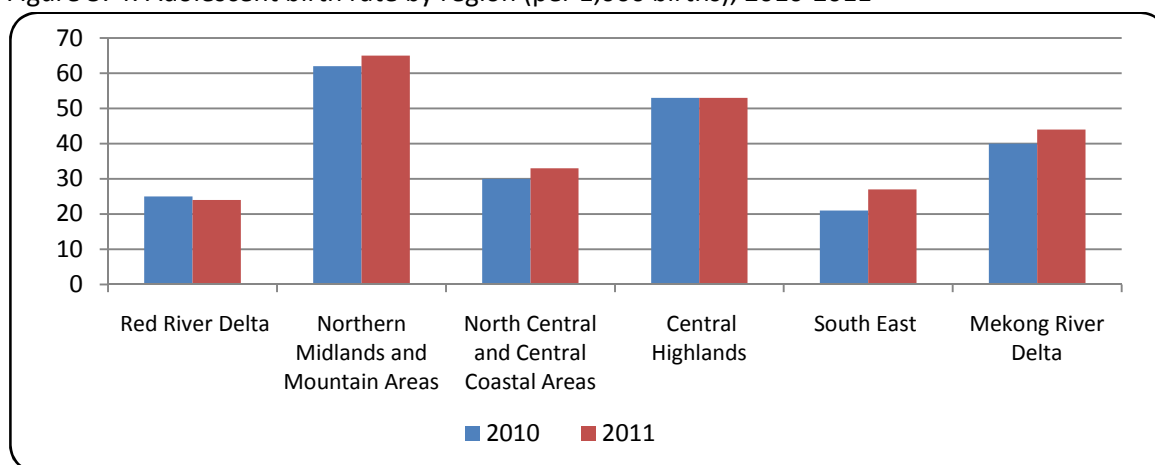
MOH. (2002). *Maternal Mortality Survey 2002*. Maternal and Child Health Department.

⁶² MICS3 and MICS 4, MOH. (2010). *Health Statistical Yearbook*

minority women have their deliveries attended by skilled staff, in comparison with 98 percent of their majority counterparts.⁶³

With regard to the rate of adolescent birth, there were also notable variations among geographical regions of Vietnam. At 65 per 1,000 births, the adolescent birth rate was by far the highest in the Northern Midland and Mountainous Areas, which is nearly 2.5 times higher than that in the Red River Delta where it was lowest (at around 25 per 1,000) in 2011 (Figure 5. 4).

Figure 5. 4: Adolescent birth rate by region (per 1,000 births), 2010-2011



Source: GSO⁶⁴

Besides the different economic status of the various regions of Vietnam, one of the most important factors contributing to disparities in maternal health indicators is the prevalent adoption of poor traditional healthcare practices, especially among ethnic minorities, remote and most economically disadvantaged communities. To address this problem, it is vital to expand awareness-raising campaigns targeting women of disadvantaged groups to abandon old-fashioned customs and encourage modern healthcare uptake during pregnancy and childbearing periods.

Although close attention has been paid to maternal health services, healthcare infrastructure, medical facilities and competent medical staff are still limited. Poor healthcare infrastructure and a severe shortage of staff at the local level results in overcrowding at national and provincial hospitals. Obstetric human resources are a concern. A recent Ministry of Health review suggests that only 53 percent of healthcare workers can provide active management of the third stage of delivery the number of providers able to perform manual removal of a placenta is limited. Three-year training programmes covering 30 core competencies of skilled birth attendants only target obstetric specialists and college midwives.⁶⁵ There is a need to deliver training for other health providers at the national level. With regard to antenatal care, the quality of antenatal care remains relatively poor despite the recent improvements in target coverage. Only 42.5 percent of women receive blood pressure, urine and blood tests.⁶⁶

⁶³ MICS3 and MICS4

⁶⁴ General Statistics Office Vietnam, The 2011 population change and family planning survey. Major findings. 2012.

⁶⁵ Ministry of Health and United Nations in Vietnam. (2011). *Review of Skilled Birth Attendants in Vietnam*. Hanoi.

⁶⁶ MICS4 2011

*Unmet need for family planning.*⁶⁷ Family planning is an essential human right. Family planning programmes can significantly contribute to reducing poverty and hunger, and have the potential to prevent 25 percent of all maternal deaths and nearly 10 percent of childhood deaths.⁶⁸ Despite rising awareness amongst women of the importance of family planning and the growing prevalence of contraceptive use in recent years, the high level of demand for contraception that is not being met, especially among unmarried women, and particularly for modern contraceptives, indicates that the options for Vietnamese women are often limited. In general, the unmet need for family planning among married women is 4.3 percent. Women from the poorest quintile and from ethnic minority groups also have the highest unmet need compared to those from other income quintiles and majority groups.⁶⁹

The proportion of unmet family planning needs among unmarried women remains at a very high level. It is estimated that more than one third (34.3 percent) of unmarried women have an unmet need for contraception and the unmet need for modern methods is remarkably higher at 50.4 percent.⁷⁰ Constraints in accessing contraception methods result in a significant number of unwanted pregnancies and unsafe abortions every year.

Substantial cultural and social barriers exist to accessing family planning in Vietnam. Misconceptions on reproductive health, as well as on the use of condoms, are still prevalent in society. In many regions and communities, family planning is seen as the sole responsibility of women. Women have to make their own decisions regarding family planning matters. Provision of information on reproductive health remains inadequate, especially among young women.

7. MDG 6: Combat HIV/AIDS, malaria and other diseases

Millennium Development Goal

- By 2015, halt and begin to reverse the spread of HIV/AIDS
- Achieve, by 2010, universal access to treatment for HIV/AIDS for those who need it
- By 2015, halt and begin to reverse the incidence of malaria and other major diseases

SUMMARY OF PROGRESS

The reported number of HIV cases in 2012 dropped by 22 percent, and the number of deaths decreased almost threefold, compared to 2011. The number of newly identified HIV cases declined by 31.5 percent during the period 2001-2012. Overall, Vietnam has reduced HIV prevalence to under 0.3 percent. By the end of 2011, approximately 57,663 adults and 3,261 children had received antiretroviral therapy, almost 22 times higher compared to 2005, and 1.5 times higher than in 2009.

In 2011, Vietnam achieved its goal for controlling malaria. Vietnam also surpassed the global target regarding TB control when it successfully reduced the number of new cases and deaths by 62 percent from 1990 levels.

⁶⁷ Unmet need for family planning is the proportion of women who have unmet need for family planning among women aged 15-49, married or in union (percent).

⁶⁸ UNDP Vietnam. (2012). *Advocacy Brief: Unmet need for family planning in Vietnam*.

⁶⁹ MICS4

⁷⁰ UNDP Vietnam. (2012). *Advocacy Brief: Unmet need for family planning in Vietnam*.

Vietnam faces significant challenges if it is to sustain its rate of progress, the biggest of which is the decline of financial support from international donors once Vietnam reaches the status of a low-middle-income country. A severe shortage of human resources and the unpredictable movement of many epidemics also pose great difficulties for the country on its way to obtaining its 2015 goals.

PROGRESS

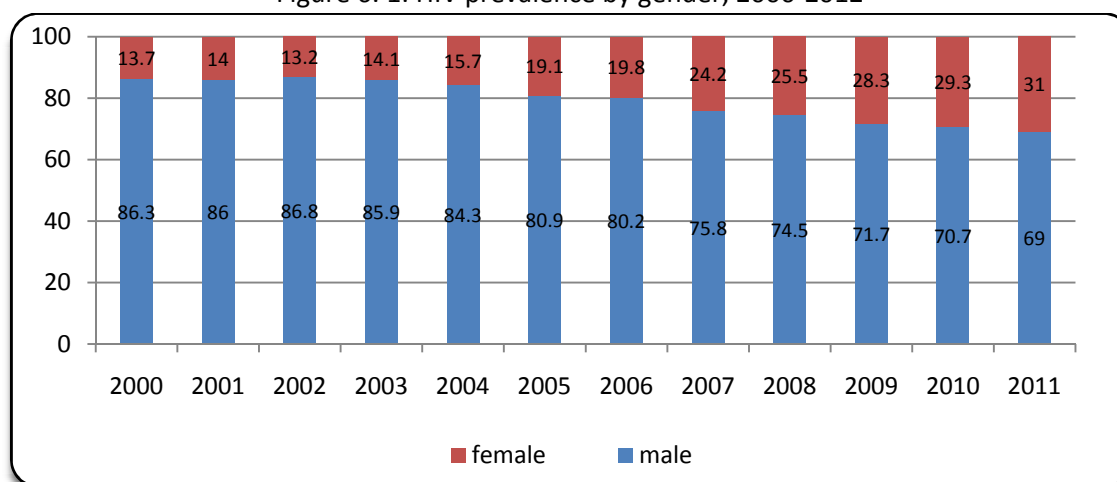
Combating HIV/AIDS

HIV prevalence

Statistics from November 2012 show that there were 208,866 HIV-positive cases, 59,839 AIDS patients and 62,184 AIDS-related deaths in Vietnam. Over an 11-month period in 2012, the number of reported HIV cases dropped by 22 percent and the number of deaths decreased nearly threefold. However, statistics on HIV-related deaths at the commune level have not been fully reported.⁷¹

Overall, Vietnam has contained HIV prevalence to under 0.3 percent, which is lower than the target set by the now superseded national 2004-2010 strategy. The medium estimates and projections scenario shows that HIV prevalence in both adults and children will remain below 0.3 percent until 2015. The number of new HIV cases declined by 31.5 percent between 2001 and 2012,⁷² however Vietnam will need to overcome great challenges before it obtains its target of reducing the number of new cases of HIV infection by 50 percent in 2015.

Figure 6. 1: HIV prevalence by gender, 2000-2012



Source: MOH (2013)

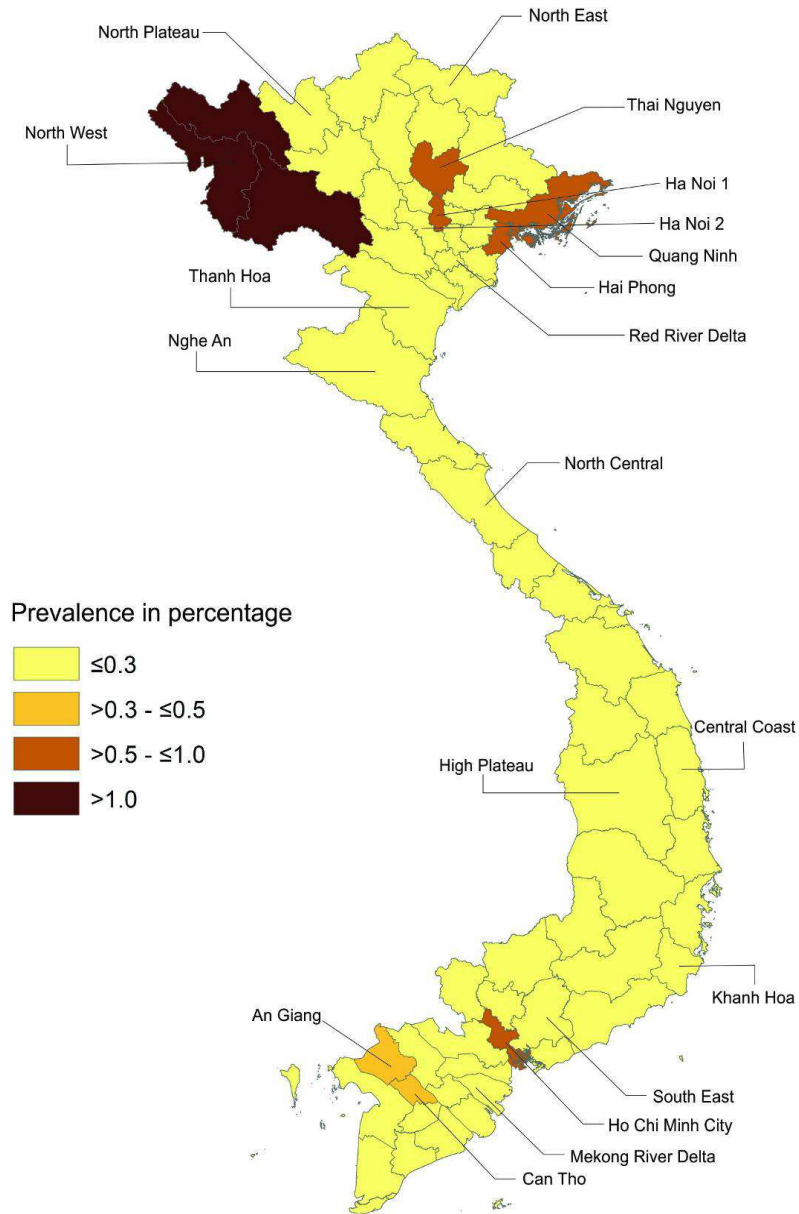
By gender, there is a large disparity in HIV prevalence between men and women whereby men are three times more likely to be living with HIV than women (0.45 percent compared to 0.15 percent). However, the proportion of women among people living with HIV has risen since 2005

⁷¹ Ministry of Health (MOH). (2013). Report on the progress of achieving health-related Millennium Development Goals.

⁷² Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2012). Vietnam HIV/AIDS Estimation and Projection Project, 2011-2015: Hanoi.

(Figure 6.1). In 2012, women accounted for 31.5 percent of people living with HIV, an increase of 0.5 percent as compared to 2011.⁷³ Transmission from high-risk men to their spouses or regular sexual partners contributes to half of newly reported HIV cases among women.

Figure 6. 2: Vietnam HIV epidemic map, 2011



Source: EPP⁷⁴

Three population groups have been identified as having the highest HIV-transmission risk, including men who inject drugs, men who have sex with men and female sex workers. According to sentinel surveillance in 2011, HIV prevalence among men who inject drugs and female sex workers reached 13.4 percent and 3 percent respectively⁷⁵, while the 2009 Integrated Biological

⁷³Ministry of Health (MOH). (2013). Report on the progress of achieving health-related Millennium Development Goals.

⁷⁴Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2012). Vietnam HIV/AIDS Projection and Estimation, 2011-2015: Hanoi.

⁷⁵Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2011). *Sentinel Surveillance Survey 2011*: Hanoi.

and Behavioural Surveillance data indicates that the rate among men that have sex with men is 16.7 percent. The sexual transmission of HIV has recently been on the rise. In 2012, the proportion of sexually transmitted cases of HIV was 45.5 percent, which for the first time exceeds those related to drug injections. On the contrary, the prevalence of HIV cases among men who inject drugs continued to decrease to 11 percent in 2012 compared to 13.4 percent in 2011. A similar pattern was witnessed among the female sex worker group, which has seen a decline from 2.9 percent who are HIV-positive in 2011 to 2.7 percent in 2012.⁷⁶ With regard to the men who have sex with men group, a mean 2011 HIV-prevalence was estimated at 4 percent, recording the highest levels in urban areas such as Ho Chi Minh City (HCMC), Hai Phong and Ha Noi.⁷⁷

By geographical region, the North West, Thai Nguyen, Ha Noi, Quang Ninh, Hai Phong, HCMC, Can Tho and An Giang are among the areas with the highest prevalence of HIV cases (Figure 6.2). The highest prevalence of more than 1 percent of the population is in the North West region.

Comprehensive national harm-reduction interventions, including the provision of condoms and clean needles and syringes, and detoxification using alternative drugs have been introduced and continuously expanded in cities and provinces across the Vietnam. These measures have yielded positive behaviour changes in the use of condoms among the most-at-risk populations (Figure 6.3). Accordingly, condom use during high-risk sex such as commercial sex or sex between men showed an increase between 2009 and 2010, and appears stable from 2010 to 2011 in all three most-at-risk groups (men who inject drugs, men who have sex with men and female sex workers).

Figure 6. 3: Condom use during last high-risk sex among the most-at-risk populations (%)



Source: Integrated Biological and Behavioural Surveillance and Integrating behavioural survey into HIV sentinel surveillance (HSS+)⁷⁸

Improving HIV/AIDS knowledge

⁷⁶ Ministry of Health (MOH). (2013). Report on the progress of achieving health-related Millennium Development Goals.

⁷⁷ Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2011). *Sentinel Surveillance Survey 2011*: Hanoi.

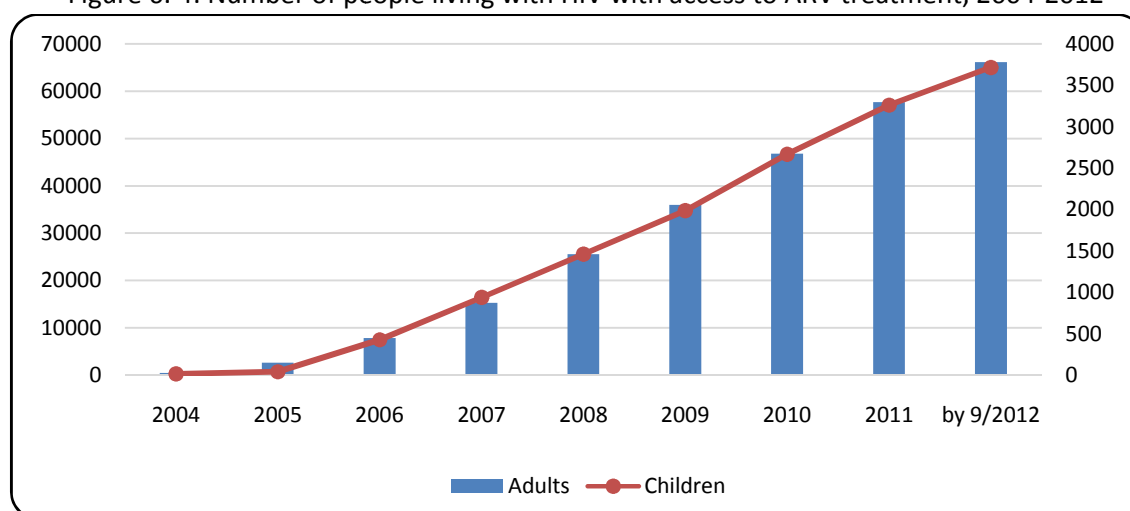
⁷⁸ National Institute of Hygiene and Epidemiology (NIHE) and Ministry of Health. (2012). Integrated Biological and Behavioral Surveillance (IBBS) in Vietnam Round II 2009: Hanoi.

Information, education and behaviour change programmes have been widely implemented across Vietnam. When introduced alongside harm-reduction programmes, they significantly contribute to changing behaviour among young populations towards the adoption of safe practices to protect against HIV. Results from many large-scale surveys reveal a rising proportion of youth aged 15-24 that are able to identify HIV transmission modes, as well as three common misconceptions regarding HIV transmission.⁷⁹

Access to antiretroviral drugs

National antiretroviral therapy services have been rapidly scaled up in Vietnam since 2005. By the end of 2011, there were an estimated 57,663 adults and 3,261 children receiving antiretroviral therapy, which is almost 22 times higher than 2005 levels, and 1.5 times higher than those in 2009 (Figure 6. 4).

Figure 6. 4: Number of people living with HIV with access to ARV treatment, 2004-2012



Source: MOH, 2013

Between 2002 and 2012, the proportion of HIV-positive pregnant women who receive antiretroviral prophylaxis for preventing mother-to-child transmission increased significantly from 2 percent in 2003, to more than 40 percent in 2011.⁸⁰ The coverage of both pregnant women tested for HIV and who know their results, and positive pregnant women who received antiretroviral therapy prophylaxis for preventing mother-to-child transmission increased from 480,814 and 1,372 in 2009 to 846,521 and 1,707 in 2011 respectively. Out of the 1,909 pregnant women identified as HIV-positive during pregnancy in 2011, 1,707 mothers and 1,733 babies received antiretroviral prophylaxis.⁸¹ Overall, the coverage as of the end of 2011 is still low compared with the existing need.⁸²

⁷⁹ GSO. (2011). The Multiple Indicator Cluster Surveys 4 (MICS4)

GSO. (2005). National Survey on Adolescents and Youth in Vietnam (SAVY1)

GSO. (2005). National Survey on Adolescents and Youth in Vietnam (SAVY2)

GSO. (2006). Vietnam Population and AIDS Indicator Survey (VPAIS)

⁸⁰ Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2012). *HIV/AIDS program reporting data by Decision 28*: Hanoi.

⁸¹ Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2012). *HIV/AIDS program reporting data by Decision 28*: Hanoi.

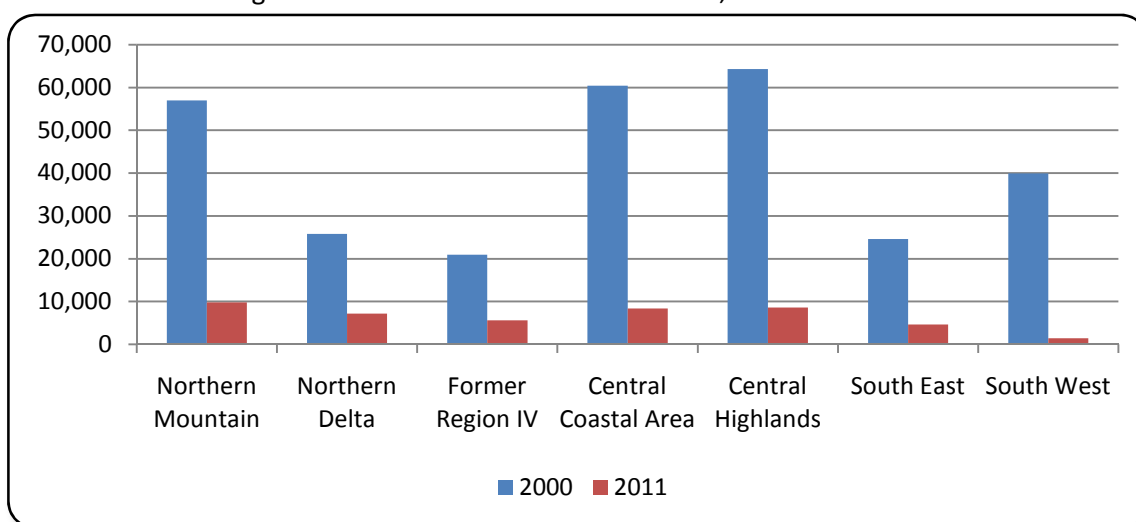
⁸² Vietnam Administration of HIV/AIDS Control and Ministry of Health. (2012). *Vietnam HIV/AIDS Projection and Estimation, 2011-2015*: Hanoi.

Malaria, tuberculosis and other diseases

Malaria

The National Program on Malaria Prevention and Control has yielded good results in reducing the number of malaria-infected cases and deaths caused by malaria. The number of people infected with malaria has decreased by 85 percent, while there has been a 90 percent drop in the number of malaria-related deaths between 2000 and 2011. The number of newly found cases of malaria is continuously on the decline. By 2011, the proportions of malaria-infected cases and malaria-related deaths were estimated respectively at 5.2 per 100,000 people and 0.016 per 100,000 people. Decreases in the number of new cases and deaths were witnessed across all regions of Vietnam (Figure 6.5). Given Vietnam's progress in reducing the number of malaria-infected cases and deaths every year during the period 2001-2011, in 2011 it realized its goal to control malaria.

Figure 6. 5: Malaria infection distribution, 2000 and 2011



Source: MOH (2013)

Note: 'Former Region IV' includes six provinces: Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri and Thua Thien Hue

Tuberculosis

In 2006, Vietnam was ranked 12th among the 22 tuberculosis highest burden countries by WHO. According to the latest global estimate, by 2011 the estimated prevalence of all forms of TB (including people living with HIV) was 323 per 100,000 people, and the estimated TB mortality rate was 33 per 100,000 people.⁸³ Between 2000 and 2010, the notification rates for cases of TB (Table 6. 1) showed a declining trend for both new smear-positive and all forms of TB. The smear-positive notification rate fell faster than the rate for all forms of TB by 1.7 percent per year, as compared to 0.8 percent per year.⁸⁴

⁸³ WHO. (2012). Global Tuberculosis Control.

⁸⁴ Paula I. Fujiwara et al. (2011). *End Term Evaluation National Tuberculosis Control Program Of Vietnam 2007-2011*.

Table 6. 1: Notified TB cases and rates in Vietnam, 2000-2010

	2003	2004	2005	2006	2007	2008	2009	2010
New smear positive	55,937	58,394	55,570	56,437	54,457	53,484	51,291	52,145
Notification rate (/100,000 people)	68	71	66	67	64	62	59	59
New and relapse	92,741	98,173	94,994	97,363	97,400	97,772	95,036	94,867
Notification rate (/100,000 people)	107	111	106	107	106	105	101	99

Source: WHO (2011). *Annual report from National Tuberculosis Program NTP Vietnam, 2011*

Vietnam surpassed the global goal regarding TB control when the country successfully reduced the number of new cases and deaths from TB by 62 percent since 1990. However, in order to meet the West Pacific target, Vietnam still needs to make more effort to obtain a reduction of more than 10 percent in new TB cases and 12 percent in TB-related deaths between 2013-2015, which highlights the importance of increasing investment and more effective use of national resources.⁸⁵

Other diseases

Hand, foot and mouth disease. By the end of 2012, 157,654 new cases of hand, foot and mouth disease were recorded across 63 provinces, among which 15 provinces and cities reported 45 deaths. The number of new cases increased by 39.4 percent, while the number of deaths declined by 73.5 percent from 2011. There was fivefold decrease from 0.15 percent to 0.03 percent in the ratio of deaths among new cases, which is notable.

Dengue. Some 87,202 new cases of dengue infection and 79 deaths were reported in 2012. Compared to 2011 there was an increase by 24.8 percent in the number of newly identified dengue cases, while the number of deaths increased by 18 cases. The ratios of new cases of dengue per 100,000 people, and dengue-related deaths per 100,000 people significantly decreased by 24.1 percent and 23.3 percent respectively between 2006 and 2010. However, the ratio of deaths per newly infected cases rose by 1.1 percent during that period.

H1N1 and H5N1 influenza. There were 11,214 cases of H1N1 across 63 provinces and cities, and of those 58 people died within 14 months between 2009 and 2012. Consequently the authorities implemented strong controls and quarantine measures throughout the country. As a result, no epidemic hub was found in 2011 and 2012. Though the infection is rarely transmitted between humans, when people do become infected, the mortality rate is worryingly high at about 60 percent.

CHALLENGES

Combating HIV/AIDS

Control the outbreak. While Vietnam has successfully reduced the number of new cases of HIV infection as well as HIV-related deaths over recent years, without more effective prevention and control measures there is still high risk of an outbreak within some communities. Larger-scale interventions need to be implemented in big cities such as HCMC, Hanoi, Son La and Thai

⁸⁵ MOH (2013)

Nguyen where HIV prevalence remains at a high level. The coverage of HIV screening programmes is quite poor in remote and economically disadvantaged areas, leaving many people who are HIV-positive unidentified and unable to access adequate treatment, which increases the risk of transmission within the communities.

Limited access to interventions. Despite efforts in scaling up interventions targeting most-at-risk populations throughout the country, patient access to support programmes is still limited. It is estimated that the Needle and Syringe Programme can only reach an average of 50-60 percent of the people living with HIV, while the coverage of the Condom Use Programme is around 40-50 percent. Among the most-at-risk populations, the fact that men who have sex with men is seen as the group with relatively lower access to preventive interventions (7.3 percent of HIV prevalence was recorded in HCMC in 2012) underscores the importance of mobilizing stronger support for this high-risk group. Another reason leading to poor access to interventions among people living with HIV/AIDS is the inadequate number of specialized centres, especially at the district and lower levels. Methadone treatment programmes have 43 centres providing treatment for 9,572 patients, which is far below the target of 61 units and 15,600 patients being treated. There are a total of 308 HIV/AIDS treatment centres of which 162 are at the district level. Meanwhile, there are 162 medical centres focussed on preventing mother-to-child transmission, with 133 district centres making up a proportion of 20 percent of total districts.

Provision of HIV/AIDS treatment and medication. Less than half of the existing treatment centres are qualified under Circular 09/2011/TT-BYT which regulates the antiretroviral treatment provided by medical centres. This limits the provision of necessary treatment for people living with HIV/AIDS based on medical insurance schemes. A large proportion of medical centres have not fully recognized their duty to admit HIV-positive people, causing significant difficulties in tracking and monitoring patients. With regard to the distribution of medication, problems emerge concerning the replacement of d4T.⁸⁶ Many medical centres show their inefficiency in following guidelines on replacing d4T, leading to the excessive stock of d4T and a shortage of d4T substitutes.

Financial sustainability. A significant challenge facing national efforts on controlling the HIV/AIDS epidemic is the heavy reliance on international funding. The majority of funding for government programmes and strategies comes from international donors. As Vietnam reaches low-middle-income status, donors will likely discontinue or reduce their financial support.⁸⁷ It is important to mobilize and allocate more internal resources to sustain progress. Building up and strengthening local partnerships to better engage different sectors is crucial to ensuring the effectiveness and efficiency of implementing HIV/AIDS prevention and control programmes.

Controlling malaria, TB and other diseases

Vietnam's progress towards controlling malaria, TB and other diseases is threatened by a severe shortage of medical staff, especially in remote and mountainous areas. Low incentives, unfavourable working conditions and high exposure to contagious diseases without adequate protective measures are among the most common reasons for this human resources shortage.

⁸⁶ WHO is now recommending that national treatment programmes phase out the use of d4T in first-line treatment due to the high frequency of serious toxicity. The drug has been the mainstay of antiretroviral treatment scale-up in resource-limited settings due to its low cost and its availability in cheap, generic fixed-dose combinations.

⁸⁷ USAID (2010). Vietnam: HIV/AIDS Health Profile

Malaria and TB prevention and control programmes have also encountered shrinking financial and technical support amidst the recent global economic crisis and the changing status of Vietnam to a low-middle-income country. More complications are emerging with regard to the rising prevalence of drug-resistant TB. The ratio of new drug-resistant TB cases is relatively low, creating significant difficulties in developing appropriate control measures. Hand, foot and mouth disease and dengue movement, as well as the emergence of new morbidity patterns and new diseases such as the hantavirus and meningitis caused by *Naegleria fowleri*, have recently posed great challenges for the country's progress in managing highly contagious epidemics.

8. MDG 7: Ensure environmental sustainability

Millennium Development Goal

- Integrate the principles of sustainable development into country policies and programmes
- Reverse the loss of environmental resources, achieving a significant reduction in the rate of loss
- Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation
- Achieve significant improvements in the lives of at least 100 million slum dwellers

SUMMARY OF PROGRESS

During the 2010-2013 period, Vietnam made a huge effort to sustain and build on previous environmental achievements. The government's socio-economic policies and programmes have taken consideration of the principles of sustainable development, and dedicated considerable resources to preserving and enriching natural resources, especially biodiversity. By 2013, international environmental organizations recognized eight World Biosphere Reserves, five Ramsar sites, three International Biodiversity Zones and six Plant Biodiversity Centres in Vietnam. The proportion of land area covered by forest increased steadily to 40.7 percent in 2012. The proportion of terrestrial and aquatic areas protected has also witnessed a gradual increase over the years, reaching 24,605.82 million km² in 2012. The consumption of ozone depleting substances has been controlled and reduced by 6 percent in 2011.

Vietnam also strives to improve sanitary and housing conditions, and provide clean water for its people. In 2012, 80 percent of the rural population had access to clean water, and 58 percent of households had sanitary latrines. By 2010, the proportion of the population living in temporary housing across the country had decreased to 5.6 percent.

However, these monitoring indicators have not come close to the targets for 2015. Moreover, Vietnam has to endure the pressure of a low-middle-income country with a large population. Economic targets remain at the top of the priority list, over environmental concerns. Therefore, the goal of ensuring environmental sustainability by 2015 requires more effort from the government, as well as cooperation and collaboration with international partners.

PROGRESS

Integrating the principles of sustainable development into policies and programmes

Despite having the economic pressures of a developing country, the government has long considered sustainable development as a core objective in the country's strategic socio-economic development. In committing to its goals, particularly achieving environmental sustainability, the government was encouraged to integrate sustainable development into its policies and programmes using a comprehensive and expeditious process. Confronting a rudimentary environmental legal system as well as the absence of a specialized government agency, Vietnam has established a relatively complete institutional, legal, strategic and policy framework for the protection of the environment and sustainable development, which ultimately deliver practical outcomes.

Vietnam has aligned its environmental protection objectives along side economic growth for more than 20 years. The Ruling Party officially introduced this viewpoint in the *Strategy for Socio-economic Stabilization and Development until 2000* at its 7th National Congress in 1991. Since then, this approach has been further supported, adopted and developed through government policies and programmes at all levels. Resolutions from succeeding sessions of the National Congress continue to assert the goal of economic growth, whilst achieving the objective of environmental protection. In June 1998, the first independent and detailed directive on protection of the environment was issued (Politburo Instructive No.36-CT/TW). This directive put environmental protection at the top of priority list, placing sustainable development next to socio-economic development, at both the national and local levels.

Politburo Resolution No.41-NQ/TW, issued in November 2004, reiterates the importance of environmental protection, in the context of accelerated national industrialization and modernization. The resolution from the 9th National Congress and the Strategy for Socio-economic Development (2011-2020) reaffirm this orientation and make sustainability one of three key development criteria, along with effectiveness and rapidity. Together with the growth of the economy, sustainable development has evolved from a development objective to a guiding principle for government policy in Vietnam.

This more comprehensive orientation has resulted in a multi-level and consistent environmental legal and regulatory system, which is continuously reviewed, amended, updated and improved to meet the requirements of the rapidly changing development environment. At the highest level, the *1992 Constitution of Vietnam* asserts that conforming to environmental protection regulations is the responsibility of every citizen and organization. This constitutional regulation lays the foundation for the Vietnam's system of environmental law and regulation. In 1993, the Law on Environment Protection paved the way for other environmental protection legislation including the Law on Water Resources (1998), the Law on Land (2003), the Law on Forest Protection and Development (2004), the Law on Biodiversity (2008), the Law on Royalties (2009), the Law on Environmental Protection Tax (2010) and the Law on Economical and Efficient Use of Energy (2010).

Environmental protection regulations are not only set out in environmental laws but are also triggered by other laws where necessary, such as the Law on Customs (2001) which was amended in 2005, the Law on Construction (2003), the Enterprise Law (2005), the Law on Investment (2005) and the Youth Law (2005). Moreover, existing laws and regulations are regularly revised, adjusted and updated to respond to the fast and diversified development of

the country during its economic integration period, such as the amendments to the Law on Environment Protection (2005), the amendment of and supplement to the Law on Petroleum (1998 and 2000) and the promulgation of the new Law on Water Resources in 2012. Prime Ministers and the Ministry for Natural Resources and Environment (MONRE), together with other ministries and government agencies, have issued a number of environmental protection regulations, concentrating on environmental standards, criteria and procedures; environmental impact assessment; environmental licensing and inspections; administrative sanctions on environmental violations and environmental protection institutions. Generally, Vietnam's environmental law framework covers the necessary and vital environmental matters and demonstrates sufficient effectiveness, which largely satisfies the demands of environmental sustainability in the process of the country's development.

Besides maintaining and developing its national legal and regulatory system for environmental protection, Vietnam has also actively participated in international conventions and treaties on the protection of the environment. The ratification of these conventions is a strong expression of Vietnam's efforts in international law integration, taking part in the global commitment to sustainable environment. Over the last 20 years, important international environmental conventions and treaties have been signed with Vietnam's full participation and implementation, such as the Ramsar Convention on Wetlands of International Importance (1989), the Vienna Convention on the Protection of the Ozone Layer (1994) and the Stockholm Convention on Persistent Organic Pollutants (2002).

In terms of development policies, the government has not only integrated sustainable development, particularly environmental protection, into macro socio-economic development strategies, but also specialised policies and programmes related to environmental issues. Documents such as the *Strategic Orientation for Sustainable Development in Vietnam* (2004), the *Vietnam Sustainable Development Strategy for 2011-2020* (2012), the *National Environmental Protection Strategy until 2020, with a vision to 2030* (2012) and the *National Strategy for Green Growth* (2012) have set forth the goals and specific objectives for a number of sustainable development issues with detailed guidelines for government authorities at all levels. These policies also establish the foundation for many other implementation programmes at lower levels and policies in other areas so that indicators of sustainable development are used throughout the entire planning, implementation and evaluation process; for example, the *Strategic Orientation for the Mining Industry Through 2020* (2011) sets out the objectives for replacing pollution-causing mineral processing plants.

Regarding institutionalization, the government has established, maintained, strengthened and developed a comprehensive system of government organizations to administer environmental protection. At the early stage of the economic renovation process initiated in 1986, environmental matters were overseen by the Ministry of Science, Technology and Environment, which was founded in 1992. Through years of structural change, environmental bodies have become more effective and inclusive, having been divided into two areas at two levels including specialized government agencies under the management of MONRE, and other environmental government agencies under other ministries at both national and local levels. The establishment of environmentally specialized agencies and departments within other ministries and state departments creates a useful link and effective coordination mechanisms for agencies to implement the state management of natural resources and the environment. An example of this

was the establishment of the Environment Police Department (C49) under the Ministry of Public Security in 2006 to prevent, detect and stop environmental violations.

In addition to having state agencies in charge of environmental protection, environmental protection and sustainable development principles have been integrated into the operation of a number of socio-political organizations and enterprises, such as the Vietnam Women's Union and the Vietnam Farmer's Union. The Vietnam Women's Union has made the environment one of its priorities for its 2012-2017 term, specifically through its mission of mobilizing and supporting women in economic development, sustainable poverty reduction and environmental protection.

The budget for environmental protection has increased at a reasonable rate. Since 2006, the government has allocated a separate environmental budget of not less than 1 percent of the total budget, which reached VND2,900 billion in 2006 and VND9,050 billion in 2012.⁸⁸ To meet its development vision, the government is considering a proposal to raise its environmental budget to at least 2 percent of the total budget for the 2015-2020 period. Moreover, the government has created a cooperation mechanism (whereby government agencies manage funds, implement policies, monitor activities and connect stakeholders through a number of different activities) to attract international and domestic support for environmental development. From 2010 to 2012, funds from international sponsors and loans for the response to climate change in Vietnam reached more than USD500 million.⁸⁹ The government has also established the Environmental Protection Fund to manage the investment of about VND500 billion from the state budget and mobilize funds from other resources to finance environmental protection activities and projects nationwide.

Reversing the loss of environmental resources

During the economic slowdown, Vietnam still devoted considerable and sustained efforts towards conserving natural resources. Although some environmental indicators were slightly under the adapted targets, they are strong evidence of Vietnam's commitment to environmental protection and the need for further international support and cooperation in this essential area.

Increasing forest coverage

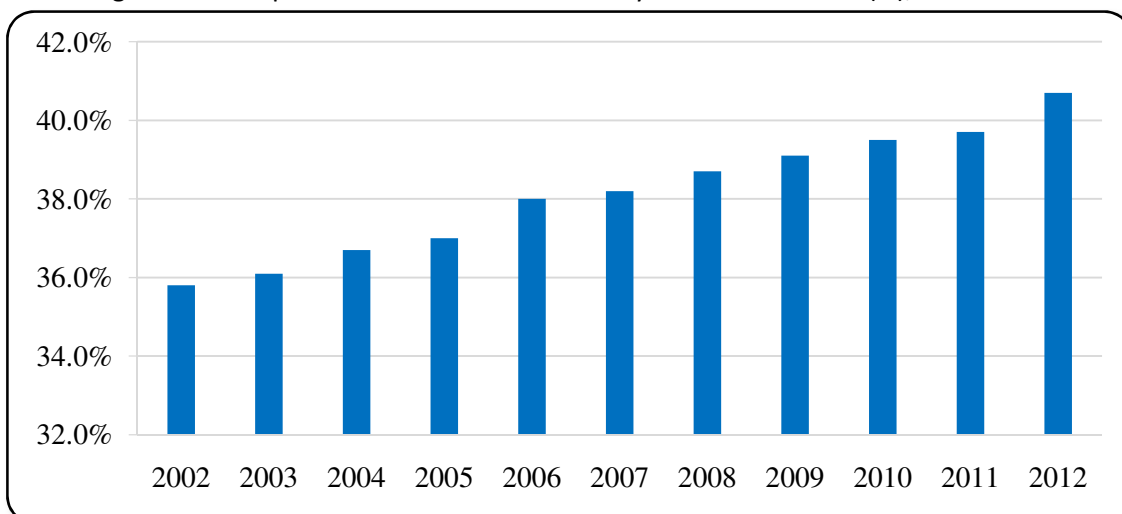
In recent years, the area of Vietnam's forest coverage has steadily increased (Figure 7. 1). The latest figures indicate that in 2012, the total forest area was 13,862,043 ha, of which 10,423,844 ha was natural forest, or 75.2 percent of the total area. The area of planted forest was 3,438,200 ha or 24.8 percent of the total. The proportion of Vietnam's land area covered by forest was 40.7 percent, representing a consistent increase of 5.2 percent over the last five years, which was just short of the target of 42-43 percent by 2015.⁹⁰

⁸⁸ MONRE

⁸⁹ Dara and the Climate Vulnerable Forum (2012) Climate Vulnerable Monitor 2nd Edition. *A Guide to the Cold Calculus of a Hot Planet*.

⁹⁰ Resolution No. 10/2011/QH13 of National Assembly on November 08th 2011 on the *Five-year Socio-economic Development Plan, 2011-2015*

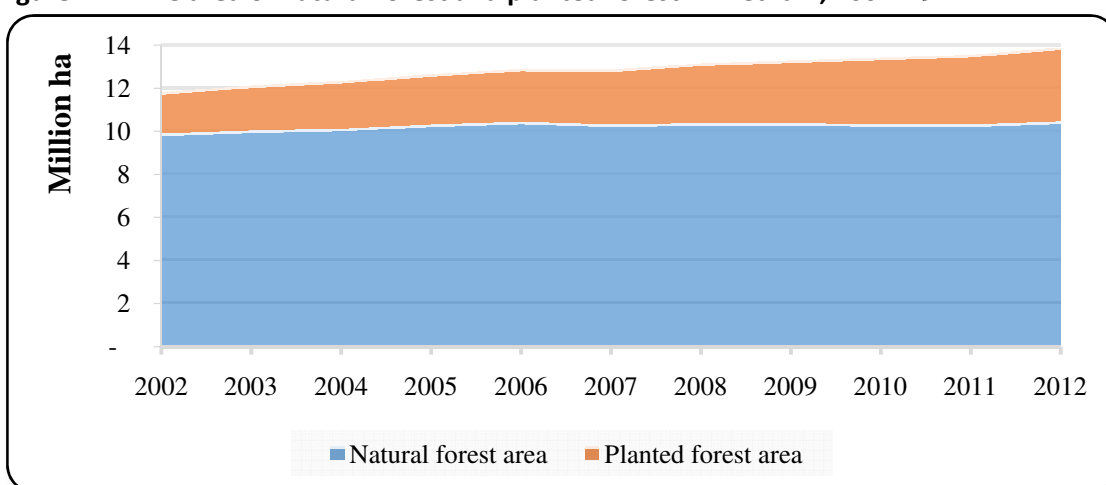
Figure 7. 1: Proportion of land area covered by forest in Vietnam (%), 2002-2012



Source: VNFOREST

Vietnam has shown strong commitment to protecting, restoring and replanting forests by introducing and implementing a wide range of forest development programmes. Forests play an important role in Vietnam’s development policies, schemes and action plans such as the *Plan on Land Use till 2020*, *Plans on Land Use for 2011-2015*, *the Action Plan for 2011-2016*, *Vietnam Sustainable Development Strategy for 2011-2020*, *Vietnam Socio-Economic Development Strategies for 2011-2020*. One of the largest national programmes for forests was the Five Million Hectare Forest Reforestation Programme (1998 to 2010) (Figure 7. 2). During the 2006-2010 period, the programme was responsible for the planting of 1,140,630 ha of forest, accomplishing 114 percent of the target; of which 253,265 ha was special-use and protective forest, reaching 101 percent of the target; and 887,365 ha was productive forest, achieving 115 percent of the target. The area of forest rehabilitation and restoration was 922,768 ha, reaching 115 percent of the target.⁹¹ These encouraging outcomes demonstrate the effectiveness of the programme.

Figure 7. 2: The area of natural forest and planted forest in Vietnam, 2002-2012



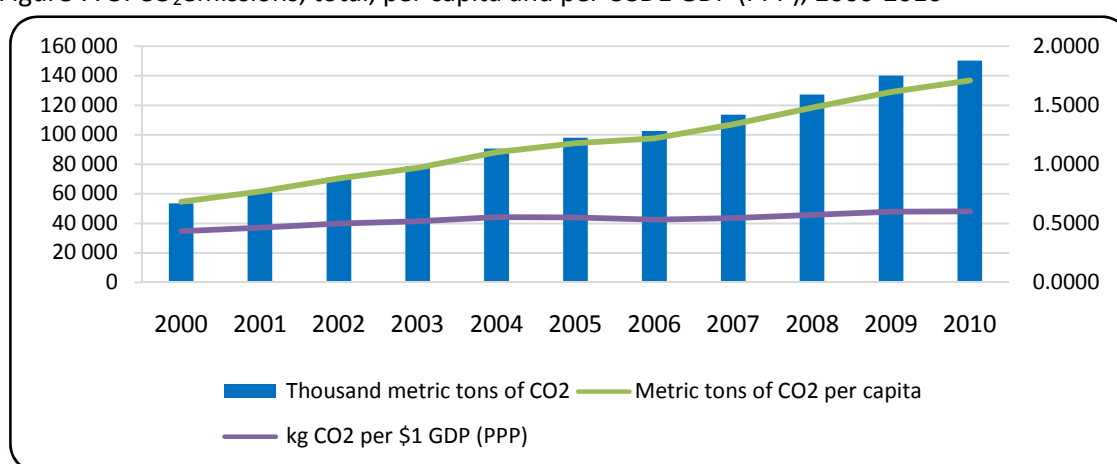
Source: VNFOREST

⁹¹ Report No.128/BC-CP of the government on the summary of the 5 million hectare reforestation programme and forest development and protection plan for the period 2011-2020

Slow reduction in the emissions of CO₂

Although Vietnam has increased its forest coverage, which significantly helps absorb a large amount of CO₂, emissions have continued to steadily increase between 2000 and 2010 (Figure 7. 3). Thermal power is the main source of CO₂ emissions in Vietnam. In 2009, coal thermal power contributed 54 percent of CO₂ emissions and gas thermal power contributed 40 percent of CO₂ emissions. However, as thermal power plays a key role in the national electrical system, it is difficult to solve this problem in the short term. In 2010, thermal power accounted for more than half of the electrical power with coal thermal power occupying 18.5 percent, and a further 36.6 percent being generated by other thermal power sources.⁹²

Figure 7. 3: CO₂ emissions, total, per capita and per USD1 GDP (PPP), 2000-2010



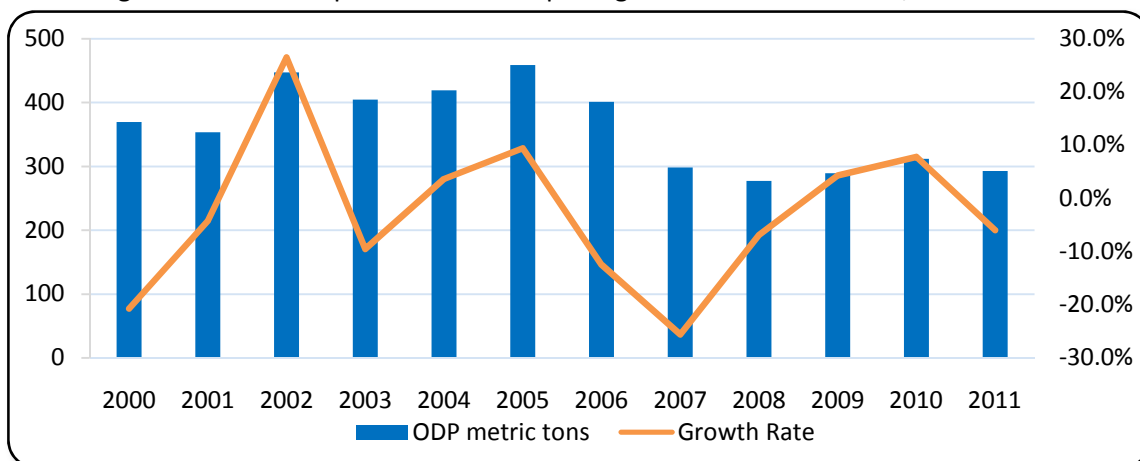
Source: UNDATA

Effectively eliminating the consumption of ozone-depleting substances

Vietnam has actively participated in international conventions and protocols on eradicating ozone-depleting substances. The government ratified the *Vienna Convention for the Protection of the Ozone Layer*, the *Montreal Protocol on Substances that Deplete the Ozone Layer* and the *London and Copenhagen Amendments in 1994*, and it has put the National Hydro-Meteorological Service of Vietnam in charge of fulfilling the objectives of these international agreements. Consequently, Vietnam has restrained the import of ozone-depleting substances, as well as the application of these substances in business establishments nationwide. According to UNDATA, by 2011 Vietnam consumed only 292.9 metric tonnes of ozone-depleting substances, a decrease of 6 percent compared to that of 2010, signalling the first drop after increasing two consecutive years (an increase of 7.7 percent in 2010, and 4.3 percent in 2009) (Figure 7. 4). In 2009, Vietnam imported only 10 tonnes of the ozone-depleting gas, R-12. Vietnam banned the import of CFCs at the beginning of 2012. By 2010, Vietnam had achieved a reduction of 500 tonnes of CFCs, 3.8 tonnes of halon and 40 tonnes of CTC.

⁹² Workshop on carbon capture and storage technologies in Vietnam by Asian Development Bank, Energy Task Force and Clean Energy Expert Group of Asia Pacific Economic Cooperation (APEC) and MPI in 2011

Figure 7. 4: Consumption of ozone-depleting substances in Vietnam, 1994-2011



Source: UNDATA

Moreover, Vietnam has mobilized financial assistance from different sources, such as multilateral funds for ozone and international development organizations, to promote technologies and equipment that are friendly to the ozone layer. The multilateral fund for the implementation of the *Montreal Protocol for the period 2012-2016* has approved USD9.7 million for the national HCFC phase-out management plan.⁹³

Preserving natural resources, especially biodiversity

In recent years, Vietnam has focused on developing and investing in natural resource conservation programmes. The proportion of terrestrial and aquatic areas that have been protected has increased moderately (Figure 7. 5). In 2012, this area reached 24,605.82 million km², an increase of 4.7 percent since 2011.

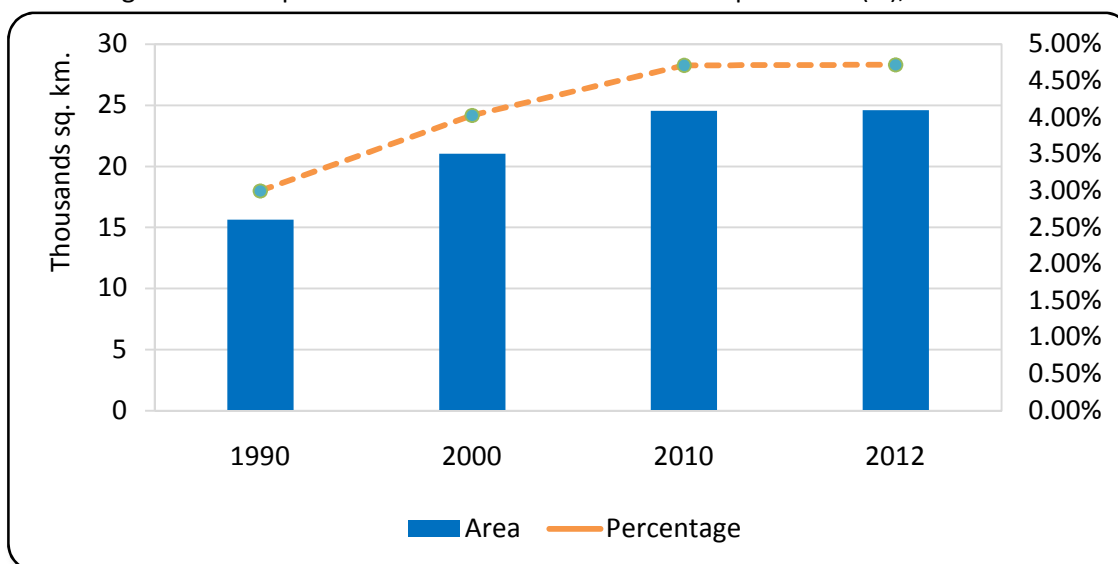
Vietnam has issued legislative documents on water resources protection, investing, upgrading and improving wastewater treatment, aligning water resource protection with forest protection and development. The government has also implemented many integrated natural resources and environmental management projects in a number of river basins, establishing national resources and environmental monitoring networks to increase the efficiency of resource management. Government agencies also regularly carry out the supervision and examination of the use of water resources, as well as implement education programmes and promotional campaigns on water resource protection to raise community awareness.

In terms of biodiversity, Vietnam has rich a biodiversity with a number of terrestrial, groundwater, freshwater and marine ecological systems, many of which are typical of regional and global systems. Vietnam's ecological systems are home to about 10 percent of the wild animal and bird species in the world. Currently, Vietnam has 3out of 200 eco-zones identified worldwide by the World Wildlife Fund, one area of habitat for an endemic bird recognized by Birdlife International, and six Centres of Plant Diversity approved by the International Union for Conservation of Nature (IUCN), six Centres of Plant Diversity recognized by the IUCN, eight Biosphere Reserves declared by UNESCO, five Ramsar sites declared by the Ramsar Secretariat and five ASEAN Heritage Parks. During the period 2011-2013 alone, international environmental

⁹³ General Department of Meteorology and Climate Change, MONRE

organizations recognized two Biosphere Reserves, five Ramsar sites and one ASEAN Heritage Park in Vietnam. These achievements are the results of a number of government strategies and plans related to biodiversity, particularly the *Action Plan for Biodiversity Protection of Vietnam 1995*, the *2010 National Action Plan for Biodiversity and Vision to 2020 (to carry out the Biodiversity Convention and Cartagena Protocol on Biosafety)*, *National Action Plan for Biodiversity 2020 and Vision to 2030*(to conserve and sustainably manage biodiversity resources).

Figure 7. 5: Proportion of terrestrial and marine area protected (%), 1990-2012



Source: UNDATA

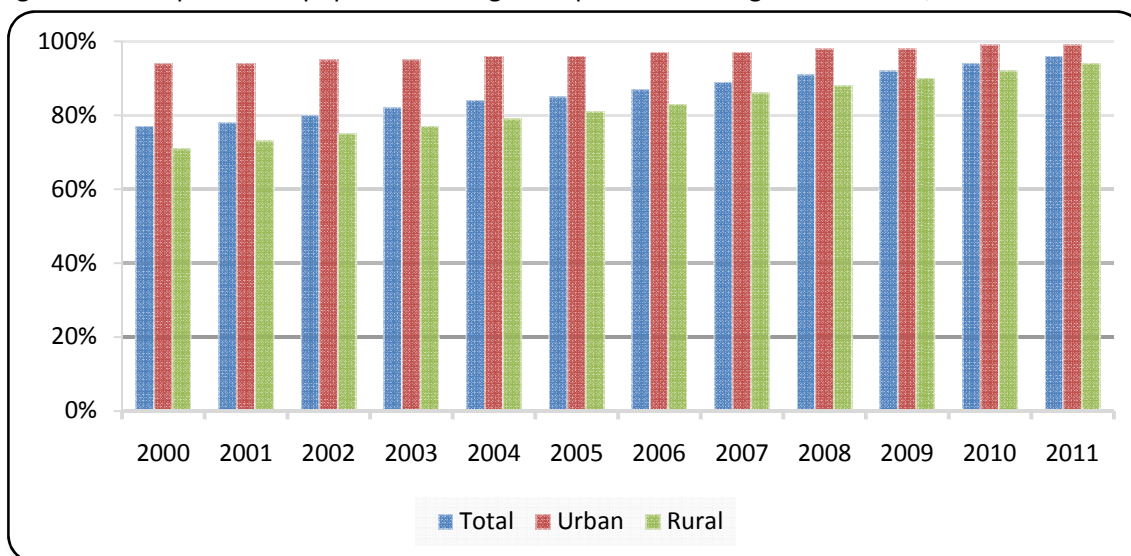
Access to safe drinking water and basic sanitation

Acknowledging the importance of clean water and sanitation, Vietnam has allocated a large amount of resources to improving the rural population’s access to these two essential factors. However, due to the size and distribution of the target population, as well as the complex nature of this problem, the goal of helping the rural population access clean water and hygienic latrines has not been fully achieved. To this day, the achievements of the programme have positively impacted the lives of millions of people in rural areas of Vietnam.

Improved rural conditions of health and environmental sanitation

To achieve this goal, the government has a dedicated national programme for clean water and environmental sanitation in rural areas, the first two phases of which were implemented during the periods 1999-2005 and 2006-2010 (Figure 7. 6). Although some targets were not fully accomplished, the programme produced spectacular results, significantly improving the living conditions as well as the health and environment of people in rural areas. At present, Vietnam is proactively implementing the National Target Program for Rural Water Supply and Sanitation for the period 2012-2015.

Figure 7. 6: Proportion of population using an improved drinking water source, 2000-2011



Source: UNDATA

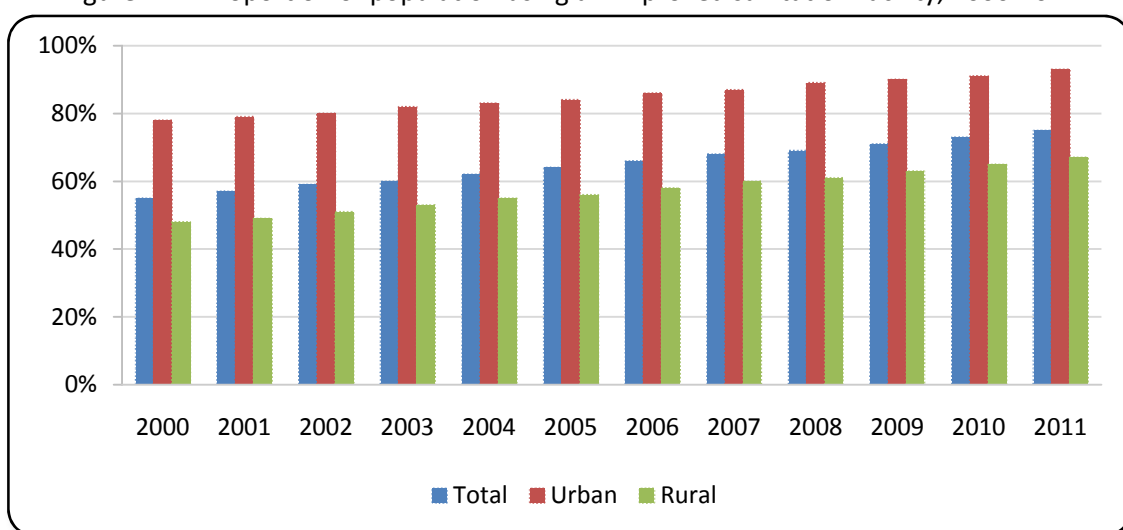
In 2010, the number of people in the rural population using clean water was 48,752,457, an increase of 8,630,000 people, compared to 2005. The proportion of the rural population using clean water increased from 62 percent to 80 percent, which is 5 percent less than the target. The average annual growth rate is 3.6 percent per year. The proportion of the rural population using domestic water that meets the requirements of the national regulation issued by the Ministry of Health which classifies various types of water (QCVN 02/BYT), was 40 percent, which is 10 percent below the target. Of the six ecological-economic zones, the South East region had the highest proportion of the rural population using clean water, at 90 percent, which was 10 percent above the national average. The Central Highlands and North Central and Central Coast Area had the lowest proportion of rural population using clean water, at 72 percent and 73 percent respectively.

In 2010 the number of people in the rural population using latrines was approximately 11,436,500 or 77 percent of the population, of which the proportion of rural households using hygienic latrines was 8,905,988. The average annual growth rate of those using an improved sanitation facility was 2 percent per year between 2000 and 2011 (Figure 7. 7). The proportion of rural households using hygienic latrines was 55 percent, which was 15 percent higher than that at the end of 2005, but 15 percent lower than the target.

By 2010, the number of schools delivering pre-school education and general education using clean water and latrines was 32,006, or 80 percent of the total, which was 20 percent below the target. The number of schools using clean water and latrines achieved an average annual growth rate of 2 percent. The number of health centres using clean water and latrines was 8,675, an increase of 24 percent compared to that at the end of 2005, with an average annual growth rate of 4.6 percent. The proportion of health centres using clean water and latrines was 80 percent, which was 20 percent lower than the target. The number of clean water supply and sanitation facilities in rural markets was 1,537, increasing from 17 percent at the end of 2005 to 48 percent, which is still 52 percent lower than the target.⁹⁴

⁹⁴ Final draft of the National Target Program on Rural Water Supply and Sanitation for the period 2011-2015

Figure 7. 7: Proportion of population using an improved sanitation facility, 2000-2011



Source: UNDATA

In 2011 and 2012, the two transitional years of the National Target Program on Rural Water Supply and Sanitation, these monitoring indicators either increased slowly or remained unchanged. In 2012, the proportion of the rural population using clean water was the same as it was in 2010 (80 percent). The proportion of the rural population with sanitary latrines increased slightly to 58 percent, a marginal increase from the 2010 rate.⁹⁵ These figures are still far from the rural population targets of 85 percent using clean water and 65 percent with hygienic latrines by 2015.

Housing conditions

In 2010, the proportion of households living in temporary and other non-permanent housing was 5.6 percent, which represents a dramatic decline of 57.3 percent, compared to 2008. The proportion of households living in temporary and other non-permanent housing in urban areas was 1.9 percent, which represents a substantial drop of 65.5 percent. The proportion in rural areas was 7.2 percent, which is a notable decline of 55.3 percent compared to 2008. Of the six economic–ecological regions, the Red River Delta had the lowest proportion of households living in temporary and other non-permanent housing at 0.1 percent, while the Mekong River Delta had the highest proportion at 16.8 percent.⁹⁶

The task of improving housing conditions for ethnic minorities is more challenging and costly due to the practice of shifting cultivation by wandering hill tribes, requiring coordination with the task of fixing cultivation and settlement. Vietnam has mobilized considerable resources to develop a comprehensive policy and programme to support ethnic minorities in cultivated and settlement land. From 2002 to 2011, there were more than 40 prime ministerial decisions, and over 50 ministerial decisions and circulars to assign cultivated and settlement land to poor ethnic minority households. These policies were transformed into 405 proposals and projects across 53 provinces.

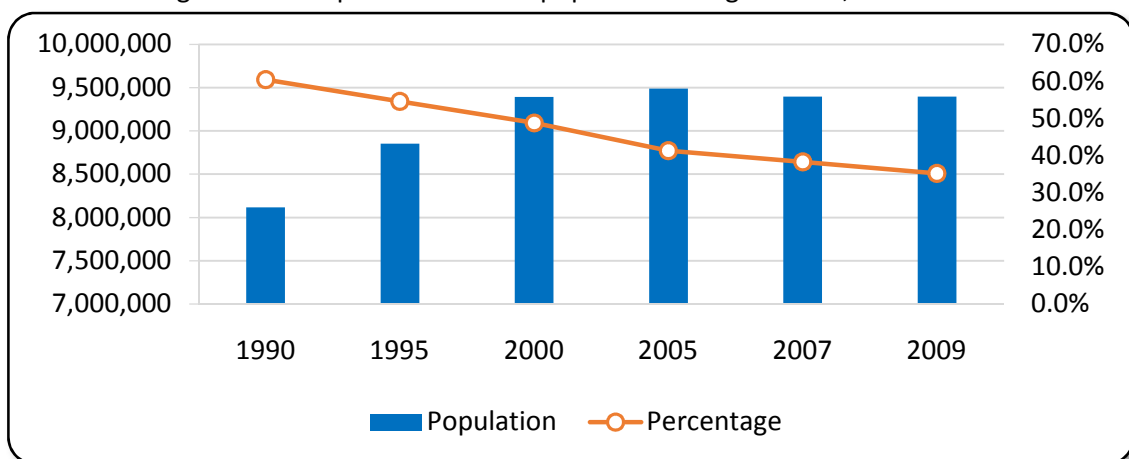
⁹⁵ MARD

⁹⁶ GSO (2013) *Statistical Yearbook of Vietnam 2012*

Although the number of ethnic minorities in need of support is still large, the results of these programmes are encouraging and have had profound social effects. During the period 2002-2011, the government allocated VND 23,023.37 billion from the state budget to assign cultivated and settlement land to 333,995 poor ethnic minority households, accounting for 59.8 percent of the target group. The proportion of funds provided from the central state budget was 99.9 percent, while the local state budget provision was 0.1 percent. If government bonds and preferential loans were taken into account, the total funding for these programmes climbed to approximately VND30,000 billion, an average of about VND3,000 billion each year. From 2007 to 2012, the government helped 9,827 ethnic minority households, totalling 46,187 people, to establish fixed cultivation and settlement, accomplishing 33.1 percent of the target.⁹⁷ These programmes have received strong support from local authorities and ethnic minorities, meeting their essential living and cultivation requirements, as well as strengthening the solidarity within the communities and laying the foundation for socio-economic development.

During the period 2009-2012, Vietnam successfully implemented a programme to support poor households to build houses in 63 provinces and cities across the country following a 2008 prime ministerial direction (Decision 167/2008/QĐ-TTg) (Figure 7. 8). By 2012, the programme supported 519,000 poor households, accounting for 105 percent of the target and reaching 96 percent of the target group.⁹⁸ The floor size of most houses surpassed the minimum area set by the programme. Most of the houses had an area of 28-32 square metres, many exceeding this with an area of 50-60 square metres in comparison with the minimum house area of 24 square metres.

Figure 7. 8: Proportion of urban population living in slums, 1990-2009



Source: UNDATA

However, while Vietnam monitors progress using indicators based on the classification of housing materials, the UN has developed a different indicator based on more integrated criteria, categorized on the basis of access to five basic services: improved water, improved sanitation, durable housing, sufficient living area and security of tenure. According to this more comprehensive indicator, the number of people living in slums in urban areas in 2009 was 9,396,278, which accounted for 35.2 percent, which is a decrease of 8.1 percent. These figures

⁹⁷ Report No.252/BC-UBTVQH13 of the National Assembly Standing Committee on the results of supervising the implementation of policies and laws on cultivated and settlement land for ethnic minorities

⁹⁸ Tran Dinh Ha (2013) De an ho tro ho ngheo ve nha o: Khoi dong giai doan moi. Bao Xay Dung No.30 (1479), page 7

reflect slow and challenging progress, which Vietnam has to deal with in order to improve the living conditions of its urban population.

CHALLENGES

Increasing environmental violations and the depletion of natural resources. Environmental violations are becoming more and more serious in terms of both number and magnitude. From 2006 to 2011, the Environment Police Department detected and brought to court 18,400 violation cases involving 6,973 organizations and 12,427 individuals.⁹⁹ The first six months of 2013 saw a 55.95 percent increase in the number of reported environmental violation cases in comparison to the same period in 2012. The most concerning violations are related to food trafficking and safety, waste treatment, the exploitation of natural resources and the environmental management of infrastructure projects.

Between 1992 and 2007, the total number of species threatened with extinction increased from 709 to 882 (Table 7. 1). The illegal wildlife trade is prevalent in Vietnam. The 'extinct' declaration of the Javan rhinoceros in Vietnam by the WWF and the International Rhino Foundation in 2011 was a strong signal indicating the alarming rate of rhino poaching in particular and the illegal trade of wild animals in general. In 2010, the Forest Protection Department captured 34,000 tonnes of approximately 13,000 illegally traded wild animals.¹⁰⁰ The perception that wildlife products such as rhino horns, tiger bones and bear bile are precious and highly effective medicines is widely held and deeply rooted in the minds of many Vietnamese consumers. This has led to soaring prices and the expansion of the illegal wildlife trade.

Illegal wildlife exploitation for the purposes of maintaining livelihoods, entertainment and commerce has brought many animal species in Vietnam to the brink of extinction in the wild. According to the official estimate, there are only 50 tigers left in the wild. They are highly endangered as they live in small tracts of isolated and degraded forest, which has resulted in inbreeding. In many northern mountainous provinces, the excessive gathering of rare medicinal wild plants for cross-border trafficking is commonplace.

Table 7. 1: The number of species threatened with extinction

	1992-1996	2004	2007
Total	709	857	882
Threatened animal species	359	407	418
Threatened plant species	350	450	464

Source: GSO

Increasingly high rates of forest loss. In recent years, the growth of thereof forest coverage has slowed. Over the last 10 years, the proportion of land area covered by forest saw the highest jump from 37 percent in 2005 to 38 percent in 2006, before plateauing from 39.5 percent in 2010 to 39.7 percent in 2011. The reasons behind this stagnant growth of forest area is not the

⁹⁹ Meeting on Summarizing five years of prevention and fighting environmental crimes and violations by Ministry of Public Security in 2011

¹⁰⁰ MONRE (2012) Draft of National Strategy on Biodiversity to 2020 with a vision until 2030

lack of investment in newly planted forests, but the notable increase of exploited forest areas (Table 7.2 and Figure 7.9). Moreover, non-compliant land use change, deforestation, and pests and diseases are the main reasons for the increasingly high rates of forest loss.

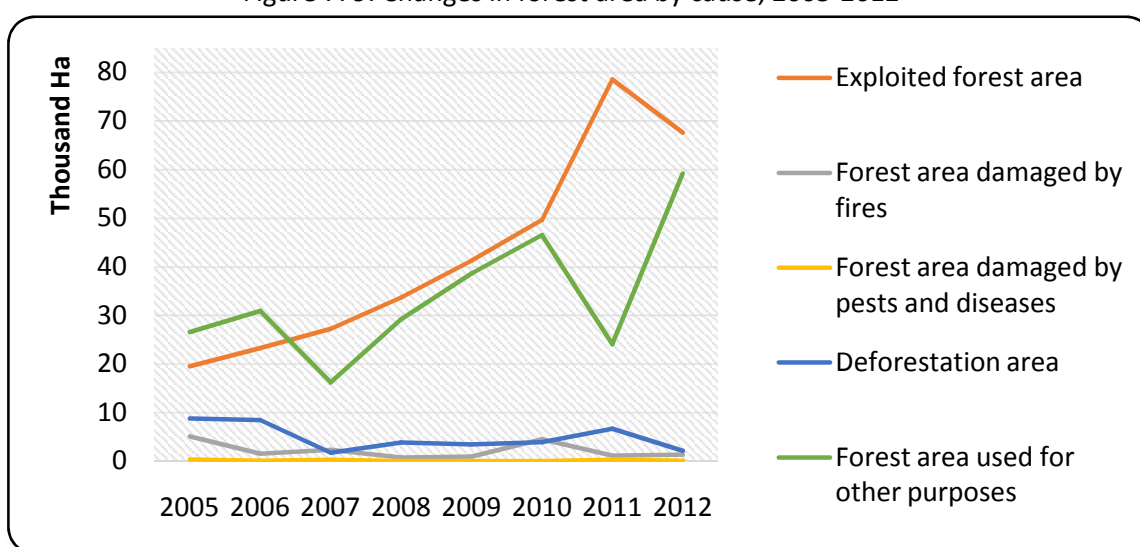
Table 7. 2: Changes in forest area by cause (ha), 2007-2012

Change	2007	2008	2009	2010	2011	2012
Newly planted forest area	157,511	158,180	194,574	197,571	132,331	173,813
Exploited forest area	27,231	33,710	41,238	49,635	78,532	67,572
Forest area damaged by fires	2,328	783	968	4,549	1,186	1,385
Forest area damaged by pests and diseases	337	18	38	39	286	95
Deforestation area	1,784	3,852	3,459	3,942	6,703	2,170
Forest area used for other purposes	16,263	29,236	38,636	46,519	24,069	59,172

Source: VNFOREST

Moreover, although the total forest area recently increased slightly, the quality or condition of natural forests is decreasing substantially. The area of primeval forests, which are seen only in protected forest areas and nature reserves, is declining at an alarming rate. Most of the natural forests have low tree-volumes. The area of mangrove forest has dropped by more than half in the last decade and this decline has not slowed at all in recent years.

Figure 7. 9: Changes in forest area by cause, 2005-2012



Source: VNFOREST

Inadequacies in the environmental legal system. Vietnam has not had much experience in environmental management, particularly environmental protection. Environmental conditions are changing rapidly, and there are many inadequacies loopholes in the legal system. This is illustrated by the amount of discrepancies, repetitions and oversights that exist in many legal documents. These shortcomings have in reality led to ineffective interpretations of the law. For example, the lack of detailed guidelines and procedures on the filing of environmental pollution lawsuits has led to lengthy litigation processes. Current lawsuit procedures do not reflect the complex and lasting effects of environmental pollution.

Insufficient investment in the environment. Government investment in environmental protection is still relatively low in comparison with other countries in the region and worldwide. While Vietnam has tried to spend at least 1 percent of its state budget on the environment, this ratio is far from the average 1 percent of GDP in ASEAN countries and 3-4 percent of GDP in developed countries. Estimates indicate that the current budget for the environment has only satisfied half of the environmental investment requirements. In addition to the lack of financial support, Vietnam's environmental budget has also faced inefficient spending and inequality among provinces and local regions.

9. MDG 8: Develop a global partnership for development

Millennium Development Goal

- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system, including a commitment to good governance, development and poverty reduction – both nationally and internationally
- Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

SUMMARY OF PROGRESS

Vietnam has made significant contributions to a global partnership for development. In recent years, Vietnam has played an increasingly important role in the region and a more visible role at the global level. Vietnam has proactively fostered bilateral and multilateral cooperative relationships with regional and global countries on the basis of mutual benefits and compliance with international laws. With the motto of active integration, Vietnam has successfully entered a number of free trade agreements (FTAs) and established partnerships with many countries. Vietnam is continuing to develop a comprehensive trade and financial system, and to facilitate greater economic integration.

The government has announced many policies to attract foreign capital and international labour cooperation and keep public debt under control. Vietnam has also tightened the control of drug prices to ensure that people have access to essential drugs at affordable prices. Information technology and communications are now widespread, as are improved living conditions and economic development. However, Vietnam needs to establish more active and effective cooperation with international development partners and international companies, particularly in the areas of medicine and technology to achieve significant growth in medical supplies and technology transfer.

PROGRESS

Bilateral trade relations of Vietnam

Vietnam has consistently followed the foreign policy of “independence, autonomy, multilateralism and diversification”, which has resulted in trade relations with nearly 230 countries and territories, investment relations with more than 84 countries and territories, and about 90 bilateral trade agreements. In addition to having bilateral FTAs with Japan and Chile, Vietnam is preparing and seeks to negotiate on FTAs with other countries such as Korea and Canada. Since 2012, Vietnam has been negotiating FTAs with Korea, the European Union, the Customs Union of Russia, Belarus and Kazakhstan and the European Free Trade Association (EFTA), which includes Iceland, Liechtenstein, Norway and Switzerland. These negotiations are expected to be completed in 2014 and 2015.

Recent developments in Vietnam’s bilateral relations have involved promoting and fostering existing relationships with major and strategic partners, emphasizing the sustainability and depth of these partnerships in order to take its foreign relationships to higher levels and strengthen regional and global economic partnerships. At present, Vietnam has formed strategic partnerships with 12 countries: Russia (2001), Japan (2006), India (2007), China (2008), Korea (2009), Spain (2009), the United Kingdom (2010), German (2011), Italy, Singapore, Indonesia and Thailand (2013). Moreover, its relationships with both Russia and China have elevated to the level of comprehensive strategic partnership.

Vietnam is occupying a more active position in South-East Asia. Over recent years, Vietnam has successfully reached agreement with a number of regional countries to take these relationships to a higher level. This year, has seen major improvements in the relationships between Vietnam and ASEAN countries, opening up tremendous opportunities for development. Vietnam and Thailand upgraded their bilateral relations as strategic partners, seeking to increase the trade turnover from the current figure of USD8.6 billion to more than USD15 billion by 2020. Vietnam and Indonesia, its fourth largest trade partner in South-East Asia, also elevated their long-standing relationship to a strategic partnership, a big step up from the *Framework of Friendly and Comprehensive Partnership Entering the 21st Century* (2003) and the *Indonesia-Vietnam Plan of Action for 2012-2015* (2011). Consequently, the two countries committed to the trade turnover target of USD5 billion by 2015 and USD10 billion by 2018. This partnership also created a number of opportunities for cooperation in research and development, food security and sustainable food production, which was initiated by the extension of the Memorandum of Understanding on Rice Trade to 2017. Vietnam and Singapore also agreed to establish a strategic partnership in 2013.

Globally, Vietnam is projecting a more visible image. It has made a sustained effort to improve and enhance its relations with its major partners, particularly Western countries including the United States. In the Shangri-La Dialogue 2013, Prime Minister Nguyen Tan Dung expressed Vietnam’s foreign policy platform, emphasizing its continuing efforts to develop strategic partnerships and mutually beneficial relationships with other countries, especially those in the UN Security Council. In 2009, Vietnam entered into a comprehensive partnership with Australia. In 2012, Vietnam officials established a comprehensive strategic partnership with Russia, promoting greater cooperation in trade, energy, petroleum, mining, science and technology, as well as education and training. As one of the three of Russia’s most important strategic partners in the Asia-Pacific region, Vietnam has more opportunities to contribute to international cooperation on development. In 2013, Vietnam formed a strategic partnership with Italy, holding initial strategic talks, and preparing for more effective and greater cooperation for the

period 2013-2015. This year also marked a milestone in the relationship between Vietnam and the United States, which formed a comprehensive partnership, fostering stronger cooperation across a wide range of areas, including trade, science, education and training, environment and health, culture, sport and tourism.

Vietnam's multilateral and regional trade relations

With the motto “Vietnam is willing to become a friend and reliable partner of all countries in the world community, striving for peace, independence and development”, Vietnam has expanded multilateral cooperation with other countries and territories, with great importance attached to neighbouring and regional countries, major powers, economic and political centres, and international and regional organizations on the basis of respect for principles of International Law and the United Nations Charter. Vietnam is currently an active member of more than 70 regional and international organizations such as ASEAN, APEC, ASEM and the WTO and has established diplomatic ties with 180 of the UN's 193 members.

Vietnam demonstrates its experience and capacity, as well as its ‘soft power’ to strengthen its regional role, contributing to the development of ASEAN, promoting internal solidarity and cooperation. After its solid performance as the president of ASEAN in 2010, Vietnam has supported the successive presidents, from Indonesia in 2011 and Cambodia in 2012, to lead ASEAN with a focus on its community. In 2011 in particular, Vietnam supported Indonesia in solving regional issues, some of which related to national matters of a few members. In 2012, Vietnam cooperated with Cambodia to implement the *Master Plan on ASEAN Connectivity* to narrow the development gap among countries in the region and foster internal cooperation. Vietnam has also been nominated as the General Secretary of ASEAN for 2013-2018.

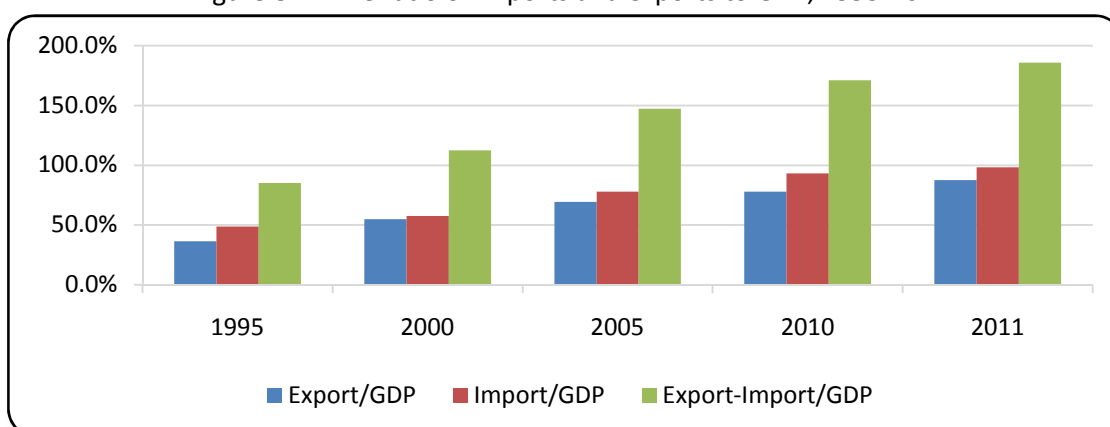
Globally, Vietnam has increased its efforts to promote the comprehensive integration of economic, political and socio cultural matter. In 2012, Vietnam hosted the Vietnam-Latin America Trade and Investment Forum, leading to the visits of 11 leaders from Latin American countries to promote cooperation and development. Vietnam's substantial contributions towards international cooperation and development in recent years – as a non-permanent member of the UN Security Council in the 2008-2009 term and the president of ASEAN in 2010–have helped increase its position and reputation in the international arena.

The aim of Vietnam's foreign policy for the period 2011-2020 is to proactively promote international integration, particularly in the economic area. Vietnam's priorities are to expand economic relations, widen and diversify markets and take advantage of capital, managerial experience and advanced technology for national industrialization and modernization. Up until now, Vietnam has entered six regional FTAs known as the ASEAN Free Trade Area, and FTAs between ASEAN and its partners: India (AIFTA), Australia and New Zealand (AANZFA), Korea (AKTFA), Japan (AJCEP) and China (ACFTA). Following the economic integration guidelines, Vietnam has actively negotiated towards other important FTAs such as the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership. Within the framework of the WTO, Vietnam is actively fulfilling its trade commitments. Vietnam has also conducted a comprehensive trade policy review and joined the WTO's *Agreement on Government Procurement* as an observer in its committee.

Vietnam's international trade

Since the 1980s, Vietnam has introduced a wide range of radical economic reforms, particularly ownership and trade liberalization policies, in order to move from a centralized economy to a market-oriented economy, and facilitate its integration into the global economy. These drastic changes have resulted in tremendous economic growth and a substantial increase in the openness of the economy. This openness has led to exponential increases in exports and imports (Figure 8. 1). In 1995, when Vietnam applied for WTO membership, export turnover was equivalent to 36.5 percent of GDP, import turnover was equal to 48.7 percent of GDP, and the percentage of import-export turnover to GDP was 85.2 percent. In 2011, 16 years later and four years after admission to the WTO, export turnover was equivalent to 87.6 percent of GDP, imports were equal to 98.2 percent of GDP and the percentage of import-export turnover to GDP rose drastically to 185.8 percent. In 2012, Vietnam had 18 export products with turnovers exceeding USD1 billion and is currently among the world's largest exporters of a number of agricultural products such as coffee, natural rubber and cashew nuts. Vietnam has not only expanded its export product range but has also diversified the market, establishing direct transactions in 72 major countries and in four key ASEAN, APEC, EU and OPEC areas.

Figure 8. 1: The ratio of imports and exports to GDP, 1995-2011

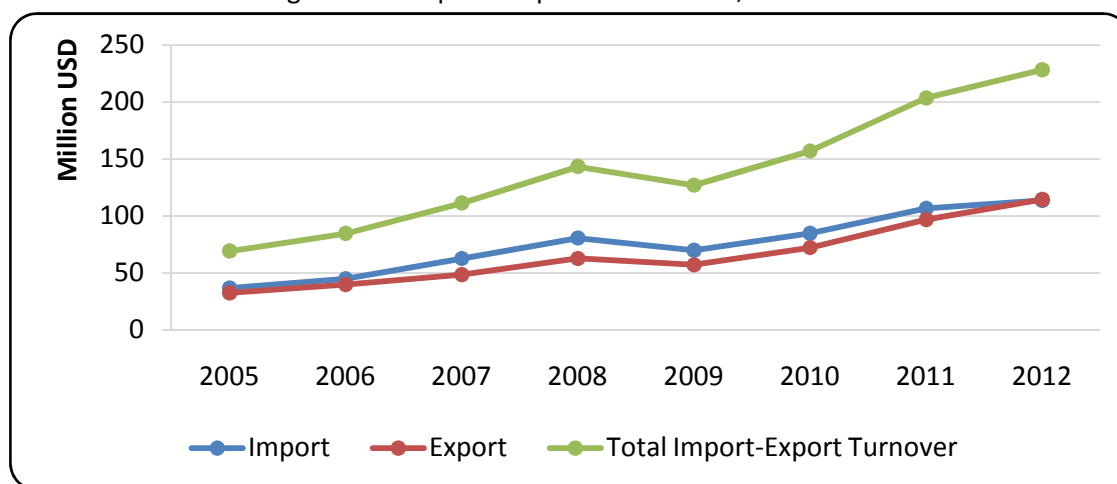


Source: GSO

In the process of international economic integration, Vietnam has actively implemented international economic commitments to establish an open, transparent and fair trade and financial system. By 2012, Vietnam met all of its commitments on in agricultural tariff reductions. The number of goods receiving tariff reductions on time accounted for 68 percent, of which there were 27 percent receiving more favourable tariffs than committed levels, and only four products receiving goods later than the committed time. By the beginning of 2012, the number of forestry products receiving tariff reductions on time or earlier than the committed time amounted to 81.8 percent, of which 22.7 percent received tariff reductions earlier than the committed time, 59.1 percent received tariff reductions on time and only four products had their tariffs reduced later than the committed time. By 2012, Vietnam successfully implemented the committed tariff-reduction roadmap for 100 percent of seafood products, many of which had tariffs cut earlier than the committed time. In the service sector, Vietnam has implemented its commitment to opening up the market quickly and without a transitional period. In investment, Vietnam's commitment to international economic integration is reflected in legal documents such as the Enterprise Law (2005) and the Capital Construction Investment Law

(2009), including its amendment and supplement. Vietnam is regarded highly by international organizations in terms of its international integration achievements, which has contributed to increased confidence amongst international investors¹⁰¹ and a significant increase in Vietnam's import-export turnover (Figure 8. 2).

Figure 8. 2: Imports-exports of Vietnam, 2005-2011



Source: GSO

Foreign capital

Official development assistance

Vietnam has successfully attracted a substantial amount of official development assistance, which helped to transform the country from one of the poorest countries in the world to a lower-middle-income country in 2010 (Figure 8. 3). This impressive milestone is proving to be a real challenge for Vietnam as part of its official development assistance will be shifted to other less developed countries, resulting in the reduction of aid and preferential loans and leading to the increase of commercial capital. This increased level of cooperation is clearly demonstrated in the renaming of the Consultative Group of Donors Meeting for Vietnam to Vietnamese Partnership Development Forum from 2013.

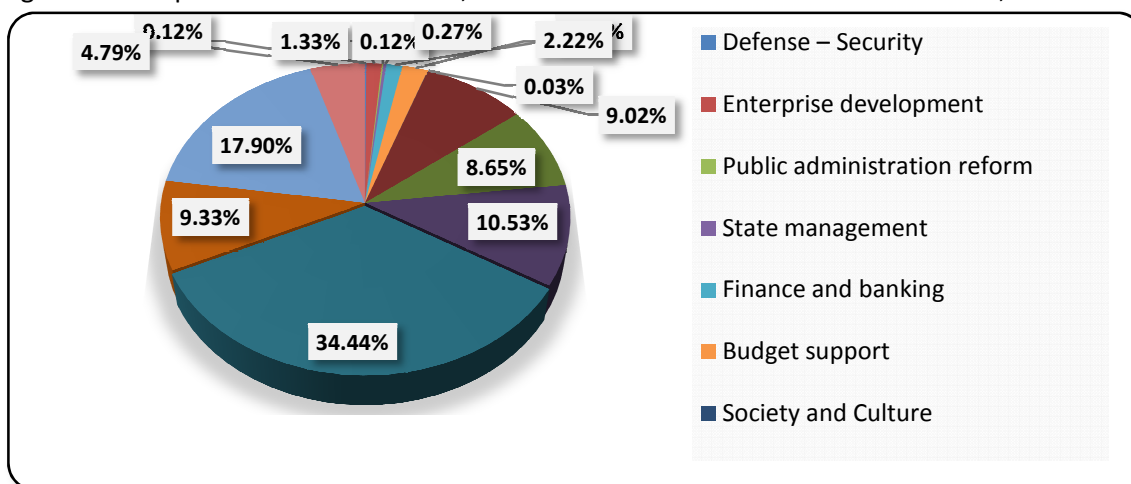
In the 2013/14 financial year, the official development assistance committed to Vietnam continues to decrease, reaching USD6.485 billion, and is targeted at helping Vietnam stabilize its macroeconomy and focusing on important socio-economic aspects, laying the groundwork for sustainable development. In terms of quantity, the amount of committed official development assistance in 2013 decreased by USD1 billion compared to 2012, marking three consecutive years of decline (USD7.9 billion in 2011, USD7.3 billion in 2012). However, in the context of the global economic recession and European debt crisis, this figure still demonstrates the level of trust and strong support that international donors have for Vietnam.

In response to this new situation, Vietnam has formulated a number of strategies and plans to sustain and scale up its socio-economic activities, as well as take advantage of the existing official development assistance, such as restructuring the economy to encourage public

¹⁰¹ MPI (2013) Comprehensive assessment of the socio-economic situations of Vietnam after five years of WTO admission (Summary Report)

investment, state-owned enterprises and the banking system, focusing on sustainable economic development, social security and poverty reduction. Vietnam has also endeavoured to improve its legal and regulatory framework for official development assistance, emphasizing simplification, harmonization and minimization. One of these activities is the development and implementation of the Vietnam Partnership Agreement for Effective Development, on the basis of the Busan Partnership agreement at the Fourth High Level Forum on Aid Effectiveness in 2011.

Figure8. 3: Proportion of total bilateral, sector-allocable ODA to basic social services, 2010-2012



Source: GSO

Foreign direct investment

In developing countries like Vietnam, foreign direct investment (FDI) plays an important part in the economy, becoming a key driver of growth. Therefore, attracting FDI has always been one of Vietnam's top priorities. Vietnam has established a comprehensive policy framework to attract FDI, resulting in the substantial amount of committed FDI each year. In 2012, Vietnam's total inbound FDI, including newly licensed and additional FDI, was USD16.3 billion, which is an increase of 4.7 percent compared to 2011. The first nine months of 2013 also saw a surge in the flow of FDI, totalling USD9.3 billion, which is an increase of 34.9 percent, compared to the previous year.¹⁰² This recovery from the decline in FDI resulting from the global financial crisis of 2007-2008 shows the tremendous effort of the government, as well as the attractiveness of the country to investors.

In terms of both quantity and quality, FDI has helped boost the economy. Currently, it accounts for a quarter of the total social investment capital, generates 60 percent of export turnover and has created 2 million direct jobs with the potential to expand this figure to 3 million in the near future. Companies undertaking FDI have also contributed to the transfer of new technology, modern and efficient management methodologies, as well as the restructuring of the economy towards a modern and sustainable economy. An increasing number of high-tech FDI projects commenced in 2012, notably phase two of the Samsung Vietnam investment project worth USD870 million, and the construction of Nokia's mobile phone manufacturing factory worth €200 million. In 2013, Samsung Vietnam invested USD2 billion in constructing a high-tech

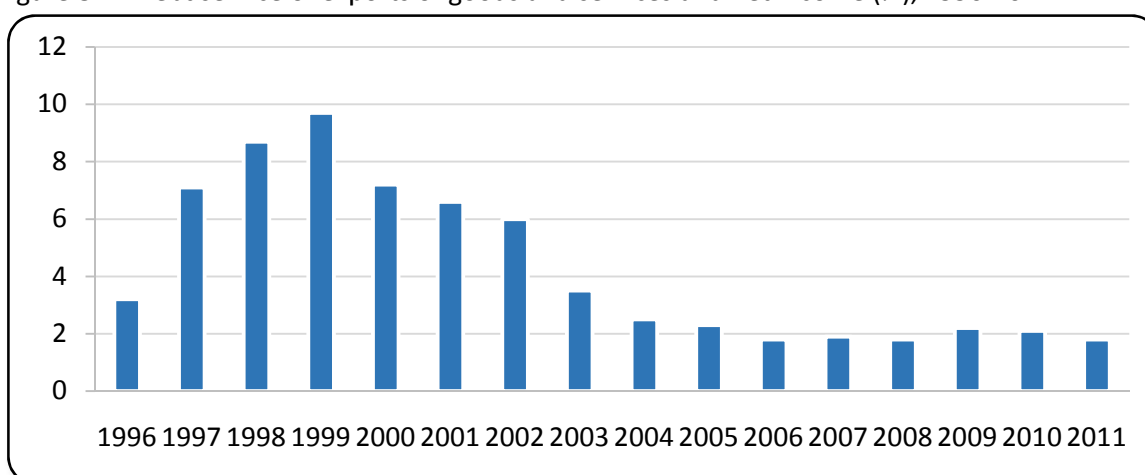
¹⁰² Foreign Investment Agency, MPI

complex in Thai Nguyen province and LG Electronics invested USD1.5 billion in a high-tech, digital electronic-product manufacturing factory in Hai Phong.

Vietnam's public debt

Vietnam's total public debt in 2010 and 2011 accounted for 56.3 percent and 54.9 percent of GDP, respectively, while its total foreign debt in 2010 and 2011 amounted to 42.2 percent and 41.5 percent of GDP, respectively. The ratio of debt service to the state budget was 17.6 percent in 2010 and 15.6 percent in 2011.

Figure 8. 4: Debt service of exports of goods and services and net income (%), 1996-2011



Source: UNDATA

According to the strategy on public debt and national foreign debt in the period 2011-2020, the target ratio of public debt and foreign debt to GDP is no more than 65 percent of GDP, of which government debt is no more than 55 percent of GDP and foreign debt is no more than 50 percent of GDP. The ratio of direct debt service to the state budget is no more than 25 percent and foreign debt service is under 25 percent of exports of goods and services.

Based on these targets, Vietnam's public debt remains within the international safe limit of debt. According to calculations by the IMF and World Bank in the first half of 2012, public debt in Vietnam was estimated to be 48.3 percent of GDP at the end of 2012, and 48.2 percent at the end of 2013. On the other hand, according to international practices, the ratio of debt service to state budget revenue is considered to be safe if it stays under 35 percent. Currently, the annual ratio of Vietnam's debt service to state budget revenue ranges from 14 percent to 16 percent.¹⁰³ In 2011, this figure was 15.6 percent, which is a drop of 11.36 percent.

International labour cooperation

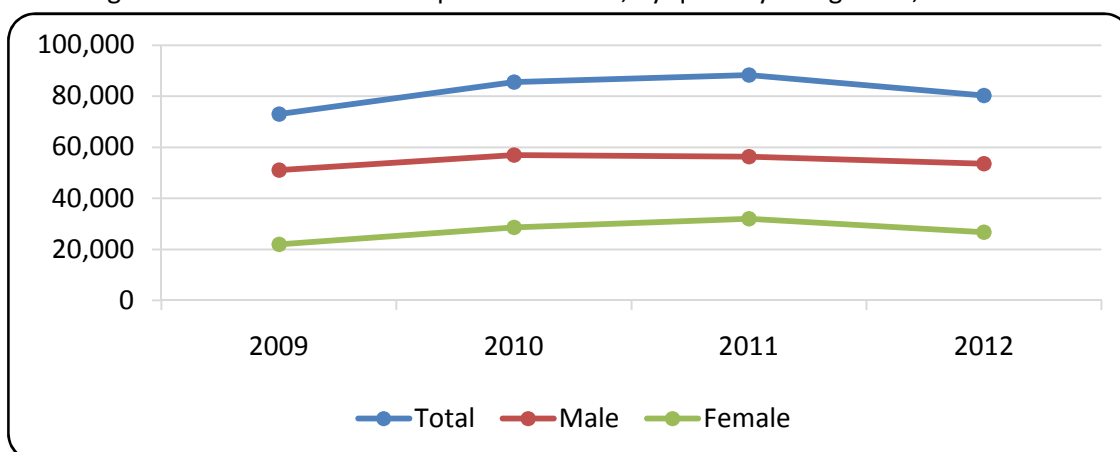
Labour export is an important long-term strategy for Vietnam's development progress. It quickly transforms cheap domestic labour into high-quality labour exports and significantly increases the income of its people. Consequently, it helps improve living standards and bring about a substantial increase in foreign exchange. In the context of globalization, labour exports have

¹⁰³ MOF (2012) Public debt bulletin No. 1

become an important component of international cooperation, fostering the relationships between Vietnam and its international counterparts.

Labour exports have made huge contributions to the growth of Vietnam over the last decade, and 2009-2012 figures demonstrate a steady increase in the number of exported workers, including both men and women (Figure 8. 5). In 2012, the total number of Vietnamese overseas workers was approximately 500,000. Due to the delays in some key markets, the number of exported workers dropped to 80,320 in 2012 from 88,298 in 2011, decreasing by 9 percent after three years of continuous growth. However, this figure is expected to return to an upward trend, with promising signs in the four key markets of Taiwan, Japan, Korea and Malaysia. On average, the salaries that exported labourers sent back to Vietnam reached over USD2 billion, and accounted for 25 percent of remittances. In 2012, Vietnam was ranked seventh among the world’s most remittance-receiving countries, attracting more than USD10 billion of remittances. This is a vital source of money, amounting to 60-70 percent of foreign investment in Vietnam since 1991, and plays an essential role in stabilizing the exchange rate and increasing the national foreign exchange reserves.

Figure 8. 5: The number of exported workers, by quantity and gender, 2009-2012



Source: GSO

Providing access to affordable essential medical care

The price of drugs has become one of the top priorities in the National Assembly over the last 15 years, and stabilizing drug prices is one of the Ministry of Health’s most critical tasks. Although the prices of drugs remain high, in 2012 Vietnam continued to tighten its regulations and management measures, which is showing some initial positive results. In 2012, the price of drugs increased by 5.27 percent, which is 1.54 percent less than CPI. By June 2013, the proportion of the population with insurance was about 70 percent.¹⁰⁴ Vietnam’s social health insurance policy has contributed largely to patients being able to access drugs at affordable prices.

With regards to drug price management, the relevant government agencies have issued the necessary legal documents and carried out regular price checks in order to regulate and stabilize

¹⁰⁴ MOH (2013) 2012 Health Summary Report and the missions and implementation solutions in 2013

the price of medicine. In December 2011, the Ministry of Industry and Trade, the Ministry of Finance and the Ministry of Health issued guidelines¹⁰⁵ on the state management of prices of medicine for human use. By September 2012, health departments in all provinces and cities investigated and reduced the price of 3.8 percent of the total number of drugs on the market.

In drug tendering systems, Vietnam's Social Insurance Agency has trialed the centralized bidding system, which appears to be more advantageous than other available systems. At present, there are 40 provinces and cities using centralized bidding systems, 10 provinces and cities applying representative bidding systems and 13 other provinces using separate bidding systems. Information on drug tendering is transparent and can be widely accessed via the Drug Administration of Vietnam's website. The government has recently made amendments to the Bidding Law in order to construct a more transparent and effective drug bidding system, such as the establishment of bidding service centres, a bidding marketplace, tender organizing and management companies, as well as the implementation of online bidding.

In terms of the pharmaceutical industry, domestic pharmaceutical manufacturers and drugs have developed in both quantity and quality, improving the capacity of Vietnam's pharmaceutical industry and satisfying the demands of patients at low prices. By the end of 2012, there were about 178 pharmaceutical companies in Vietnam, including 98 manufacturers of modern drugs, 80 companies and more than 300 production establishments manufacturing Eastern drugs. In 2009, Vietnam produced 234 out of 314 active ingredients on the National Essential Drugs List and all 29 pharmacological groups as recommended by WHO. In 2010, domestically manufactured drugs were worth USD919 million, accounting for more than 48 percent of domestic drug demand. WHO has certified a number of domestic drugs that meet international standards.

Harnessing the benefits of new technology

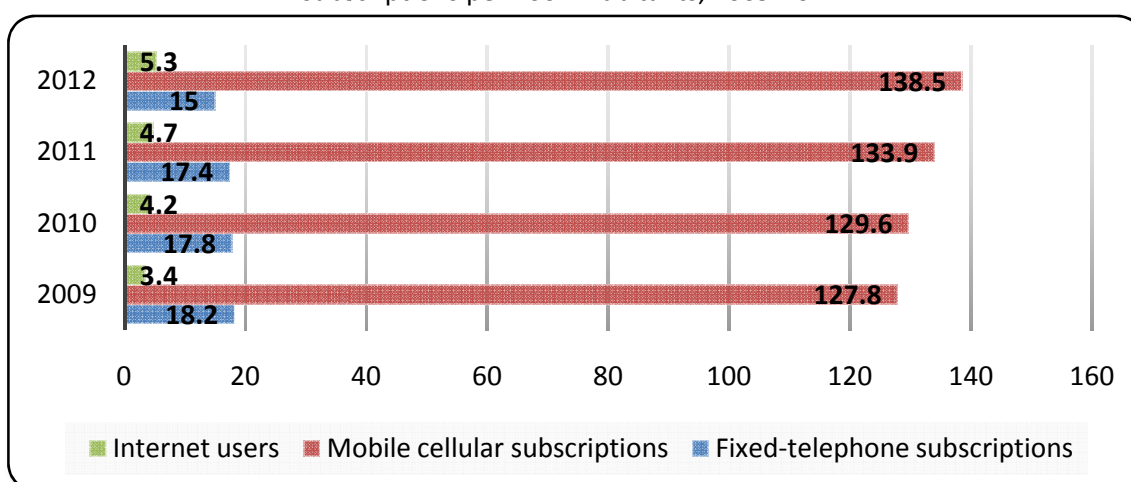
Vietnam has always considered technology to be one of the key drivers of growth. Therefore, the government has encouraged the development of new technologies in order to foster socio-economic growth. At the central level, Vietnam has integrated IT into its government operations to optimize the efficiency and productivity of public services, developed IT infrastructure and IT human resources. Consequently, government ministry websites with comprehensive and clear information on government policies and public services are easy to find. The level of IT and communication infrastructure has increased dramatically in recent years, with the steady growth of the Internet and mobile phones, and the gradual decrease of fixed telephone lines due to the popularity and affordability of cheap mobile phones (See Figure 8. 6).

In 2012, Vietnam ranked 83rd among 190 countries in the world and fourth in South-East Asia on the UN's government development index, which is an improvement from 2010 when it was ranked 90th. In terms of the development of communications and information technology, Vietnam ranked 81st among 155 countries in the world in a 2012 International Telecommunication Union study (up from its 86th ranking in 2011). Vietnam was also categorized as one of the top-10 countries with the most dynamic IT development by the International Telecommunication Union.¹⁰⁶

¹⁰⁵ These were contained in Joint Circular No. 50/2011/TTLT-BYT-BTC-BCT

¹⁰⁶ MIC (2013) Information Technology Application Report 2012

Figure 8.6: The number of internet users, mobile cellular subscriptions and fixed telephone line subscriptions per 100 inhabitants, 2009-2012



Source: MIC

CHALLENGES

The increase of international trade barriers. In the context of the global economic recession, Vietnam has had to respond to increasingly strong trade barriers, particularly non-tariff barriers. According to the Vietnam Chamber of Commerce and Industry, since 1994 there have been 47 anti-dumping investigations and five anti-subsidy investigations against Vietnam. In the last four years (with the exception of two investigations in 2010), the number of investigations has showed an upward trend. In 2011, there were nine anti-dumping and anti-subsidy investigations. In 2012, there were nine investigations related to anti-dumping against Vietnam. During the first half of 2013, a number of products, especially shrimp and *trafish* from Vietnam, continued to face anti-dumping and anti-subsidy investigations. By September 2013, 38 countries recognized Vietnam as a legitimate market economy. However, there are still a number of countries and territories, especially large economic partners like the United States and the EU, that do not recognize Vietnam's market economy. This has resulted in many disadvantages for Vietnam in the area of trade.

Such trade barriers have caused serious damage to Vietnam's import turnover. Every year, Vietnam bears the cost of over USD14 million for the return of exported products. The Institute of Development Studies stated that Japan, Australia and Vietnam are the top three countries with the highest refusal rate of seafood imports. During the period 2002-2010, Vietnam ranked first among the countries exporting to the United States and the EU, in terms of the number of seafood import refusals worth over USD1 million, at about 160 and 380 cases respectively. In Japan, Vietnam also ranked first on the same terms, recording 120 cases. In Australia, Vietnam ranked fourth with about 350 cases.

Steady decline in the flow of FDI and difficulties in attracting FDI to prioritized industries. Since 2012, the flow of FDI into Vietnam has slowed together with an increase in the number of withdrawn and delayed FDI projects. Many large enterprises in Japan have announced plans to expand in Thailand and Myanmar, while there have not been any signs of development in their factories in Vietnam. The number of Japanese enterprises in Thailand has risen to 7,000, whereas the number in Vietnam just reached 1,500. The amount of FDI disbursement has

remained stable at about USD11 billion during the period 2005-2012. However, the amount of committed FDI has fallen significantly since its peak in 2009.

The rapid development of Vietnam's economy has contributed the consequential growth of average income and minimum wage; however it has also contributed the depletion of natural resources. The strength of Vietnam's historic economic advantage (cheap labour, rich natural resources and a wide range of preferential investment policies) has weakened. Further, infrastructure is ageing, and bureaucratic procedures are complicated and time-consuming. Moreover, Vietnam has tightened its policies for attracting investment, focusing on high-tech and environmentally friendly industries. These changes have made it difficult for Vietnam to attract FDI in recent years. Attracting FDI in these prioritized industries, as well as supporting industries and infrastructure, is facing a number of challenges.¹⁰⁷ In the technology industry, investment policies still face some problems. Technology transfer activities remain weak, and are mainly taking place horizontally among enterprises. The level of foreign investment in technology projects is low, with 80 percent of foreign investment enterprises using technologies at an average level. In supporting industries, related ministries and government agencies have not updated and obtained specialized information, and the investment environment in supporting industries is still insufficient. Enterprises have not realized profits after meeting investment costs. With regard to infrastructure, policies and institutions have not been coherent, especially in the area of public private partnerships (PPP), causing concerns among investors about transparency. Additionally, Vietnam's macroeconomic conditions have not reached long-term stability, the effectiveness of site clearance for construction is still low and capital-mobilizing mechanisms have not been assured. Therefore, investors are not ready to invest in infrastructure in Vietnam. The implementation of foreign investment policies with an emphasis on prioritized industries will be a difficult challenge for policy makers.

Effective public and foreign debt management. In the past decade, public debt in Vietnam has increased rapidly, causing a number of concerns and exposing the economy to high levels of risk. Foreign debt is at its highest, resulting from the preferential and long-term loans for development from international financial organizations. As foreign debt accounts for a large portion of government debt, Vietnam is extremely vulnerable to international economic shocks. Moreover, foreign debt is also at the mercy of foreign exchange fluctuations. The advantage of preferential loans will be strongly influenced by the negative effect of the devaluation of the Vietnamese dong. Three of Vietnam's biggest creditors, including Japan (whose loans account for 34.3 percent of the total foreign debt), the International Development Association (24.9 percent) and the Asian Development Bank (15 percent) used strong currencies to provide loans to Vietnam including the euro, the US dollar and the Japanese yen. The increased value of these currencies by 12 percent, 13 percent and 26 percent respectively during the period January 2010 to June 2011 sent a serious warning to the government about foreign exchange risk and put pressure on the budget deficit and monetary policy.

On the other hand, the size of commercial loans with high interest rates in Vietnam's foreign debt has increased rapidly in recent years. By the end of 2010, the proportion of foreign debt with interest rates of 6-10 percent reached 6.8 percent, and the proportion of foreign debt with floating interest rates amounted to over 7 percent. Additionally, the length of the term of domestic public debt also involves high levels of risk. While foreign debt has long terms of

¹⁰⁷ MPI (2013) the Proceedings of Conference on 25 years of Foreign Direct Investment in Vietnam

several decades, the proportion of government bonds and government guaranteed bonds from two to five years is more than 88.7 percent. As a result, while servicing foreign debt is equally divided each year, reaching about USD1.5-2 billion per year, domestic debt service is accumulated in the near future, climbing at approximately USD4.5-5 billion each year over the next four years. Therefore, the challenge of debt management and effective utilization of government loans will be vital to the sustainable development of Vietnam in the coming years.

Ensuring people have access to essential drugs at affordable prices. The price of drugs in Vietnam has not been managed effectively, creating financial burdens for patients, particularly the poor and ethnic minorities. According to a 2010 WHO survey of seven popular drug groups, including antibiotic drugs, the price of drugs in Vietnam was 5 to 40 times higher than the average global price. Statistics from the Drug Administration of Vietnam shows that the average amount spent on pharmaceutical drugs per person in Vietnam has increased substantially over the years (Table 8. 1). From 2007 to 2011, the average amount per person increased by 106.12 percent from USD13.39 to USD27.60. In 2012, the average amount per person climbed to USD29.50, which is an increase of 6.88 percent. The total amount spent in Vietnam in 2012 reached USD2,600 million, an increase of 9 percent compared to 2011.

Table 8. 1: Average drug spending per person per year in Vietnam (USD), 2001-2012

	2001	2002	2007	2011	2012
Drug spending	6.0	6.7	13.4	27.6	29.5

Source: Drug Administration of Vietnam

The drug bidding management system still has many weaknesses. At present, there are too many drug bidding commissions across the country, ranging from 700 to 1,000 across 63 provinces and cities. The bidding system is different across provinces and among hospitals. Some provinces use the centralized bidding system while some provinces let each hospital call for the bid on their own, which results in differences in the winning bid-price of the same type of drug among hospitals and provinces. Even the same type of drug under different names has different bid-prices. This situation happens to both imported and domestically manufactured drugs and is shown clearly in the 2010 and 2011 bidding results. For example, in 2011, the winning bid price for Arginin (200mg) at Hue Central Hospital was 69.2 percent higher than at the Vietnam-Cuba Friendship Hospital in Dong Hoi, Quang Binh. The winning bid-price for Levofloxacin (500mg/100ml) manufactured by Glenmark of India at Da Nang C Hospital was 26.31 percent higher than at the Vietnam-Cuba Friendship Hospital in Dong Hoi, Quang Binh. These unreasonable differences in the winning bid-prices cost the Health Insurance Fund a large amount of money, adversely affecting the sustainability of the fund, the benefits to patients and the investment capital for health.

10. Conclusions

After more than a decade carrying out a series of programmes and policies to achieve its millennium development goals, Vietnam has made good progress, which has been regarded highly by the international community. The government continues to maintain progress in order to accomplish its goals and further develop socio-economic development priorities in the 'post-millennium-development-goal' period.

Vietnam has made strong progress and completed a number of its goals before the target of 2015. The living standards for millions of poor households have been improved significantly, particularly in rural and mountainous areas. Access to basic public services, such as health and education, has increased. During the period 2009-2012, more than 1 million people escaped hunger, and the poverty rate dropped to 9.6 percent. The living standards of households in general have been lifted, with an increase in households owning permanent housing, and durable goods such as motorbikes, phones and colour televisions. The unemployment rate has been kept at a low level. The achievement of gender equality has become a national priority. Child and maternal health standards have improved; and the prevention and control of epidemics have been carried out more effectively. Sustainable development, especially environmental protection, has been integrated into strategic development planning processes and policies across the board.

Vietnam has been facing multiple challenges in the latter period of millennium development goal implementation. The impact of the global financial crisis in 2008 has had strong impacts on Vietnam's economy, slowed economic growth and threatened economic sustainability in Vietnam, as well as undermined newly obtained socio-economic results. The government has made tremendous efforts to stabilize the macroeconomy, while at the same time ensuring good living standards at the national level, especially for households in rural and remote areas where there is high shortage of public infrastructure and basic public services.

Other difficulties encountered by Vietnam are unequal levels of benefits received by different ethnic groups, inequality in income and living standards between geographic regions. The disadvantaged groups require more attention and support. In such a multi-ethnic country, the ethnic minority groups play an important role. However, the ethnic minorities are scattered around the country; they usually reside in remote regions with rugged and difficult terrain, so their access and integration into the national socio-economic process is limited. By 2012, more than 200 communes and 8,000 villages had no access to the national power grid; nearly 16 villages had no nursery or kindergarten. The *2012 National Assembly Report* shows that the national average for regions facing extreme hardship in terms of income is one out of every six. In 69 poor communes across the country, almost 83 percent of households are ethnic minorities. During the period 2002-2011, 558,485 poor ethnic minority households faced land shortages for the purposes of living and agricultural production.

Climate change poses a critical challenge for the country. Vietnam is a natural disaster-prone country and this is compounded by the socio-economic pressure that comes with having a large population. Tackling climate change is going to be a huge undertaking for Vietnam. Initial research, as well as government programmes and policies, only help to build a national framework at macro level. A large proportion of poor and extremely poor households reside in highly segmented and steep terrain, with frequent occurrences of natural disasters and extreme weather events. The major livelihood of these poor households is agricultural activities, which is heavily dependent on weather and climatic conditions. This situation leaves the most vulnerable groups most susceptible to the risks of climate change, which in turn pose huge threats to the stability and sustainability of the millennium development goal results.

In order to face these challenges, Vietnam needs to improve many of its development programmes, integrating multidimensional elements and call for support from international

partners in order to build solutions and programmes that ensure “sustainable development, focusing on people and all for people”.¹⁰⁸ Research based on consultation with the community and international experts identify eight fundamental issues Vietnam needs to focus on in the ‘post-millennium-development-goal’ period: equality, vulnerability and social integration, management and community participation, change in population structure, high-quality health services treasonable cost, new development models with decent work opportunities, education and training, and environmental sustainability. Vietnam needs to sustain positive outcomes brought about by the achievement of the millennium development goals, coordinate more effectively with national and international organizations and agencies, and build on the successes and lessons from other countries while maintaining human rights, equity and sustainability.

¹⁰⁸ UNDP – Synthesis Report about the Consultation Process of Vietnam about development programme after 2015

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