

Report

OPPORTUNITIES FOR DEVELOPMENT

COOPERATION FOR POVERTY REDUCTION

BETWEEN VIET NAM, BENIN AND MOZAMBIQUE

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Hanoi, 12/2005

Abbreviation

ADB:	Asian Development Bank
AGOA:	African Growth Opportunity Act
BOAD:	Bank of African Development
CPRGS:	Comprehensive Poverty Reduction and Growth Strategy
ECOWAS:	Economic Community of West African States
EU:	European Union
ESAF:	Extended Structural Adjustment Fund
FAO:	United Nations Food and Agriculture Organisation
FAD:	Fund for Development Assistance
GDI:	Gender Development Index
GDP:	Gross Domestic Product
HDI:	Human Development Index
IMF:	International Monetary Fund
NAASP:	New Asia-Africa Strategic Partnership
NEPAD:	New Partnership for African Development
ODA:	Official Development Assistance
SPFS:	Special Programme for Food Security
SAC:	Structural Adjustment Credit
SADC:	South African Development Community
SOEs:	State-Owned Enterprises
TICAD:	Tokyo International Conference on African Development
UNDP:	United Nations Development Programme
UNHCR:	United Nations High Commissioner for Refugees
UNICEF:	United Nations Children's Fund
WB:	The World Bank
WFP:	World Food Programme

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PREFACE

Introduction

In the last few decades, poverty has increasingly attracted attention of governments and international academics. Some developing countries have recorded high economic growth and successfully reduced poverty. However, the gap between rich and poor countries keeps widening and the number of people living on less than \$1 a day has only been reduced very slightly. Poverty is regarded as not only a national but also an international issue.

Therefore, in the past years, developed and developing countries as well as international institutions have exerted considerable efforts to fight poverty. The World Summit Conference in 1992 in Rio de Janeiro put forward Agenda 21 with 40 chapters, which lays a framework for international awareness and cooperation on sustainable development issues. Since 1992, international commitments on critical issues of sustainable development have been strengthened and the urgent need to fight poverty in different ways emerged. Since the Rio Summit, many international conferences have been organised by the United Nations to discuss the so-called International Development Goals. In September 2000, at the Millennium World Summit, 189 countries supported the Conference's Resolution and ratified the Millennium Development Goals, the first of which is to "Reduce by half the proportion of people living on less than a dollar a day and the proportion of people who suffer from hunger by 2015". Placing poverty reduction at the forefront is an indication of international community's profound concerns on poverty issue. However, this goal is not isolated but has close links with others and the achievement of one goal will help achieve others. The prerequisite for achieving the Millennium Development Goals is that developing countries must record high economic growth and ensure social equality in order to provide resources for poverty reduction, including human poverty. The main responsibility in tackling this challenge belongs to governments of developing countries.

As Viet Nam is a developing country facing many development challenges, the Government has recognised the importance of this issue and has made favourable policies for achieving high economic growth together with poverty reduction. The poverty reduction process in Viet Nam, which is a case when social policies are attached to economic policies in a suitable way based on the country's conditions, has brought about mutually supportive effects and remarkable results.

Since the launching of Doi moi (Renovation) in the mid-80s, Viet Nam has recorded impressive socio-economic achievements. The fruits of high economic growth (averaging 7.5% from 1990-2004) have been distributed relatively equal among different social groups. From 1993 to 2004, GDP per capita of Viet Nam has more than doubled. At the same time, the rate of poverty in general and that of food poverty in particular has dropped by more than

half from 58.1% and 24.9% in 1993 to 24.1% and 7.8% in 2004 respectively¹. Most of other development indices have also been considerably improved.

It can be said that development issues that Viet Nam has been facing are not exceptional. Economic development experiences of other countries are valuable lessons for Viet Nam. In its development process, Viet Nam has applied many development experiences of other countries. Viet Nam also wishes to share its experiences, both successful and unsuccessful, with other developing countries, especially traditional friends at relatively low level of development and at the same time, learn from their experiences. In the past years, through regional and international forums, Viet Nam has shared its experiences in poverty reduction with other countries². Particularly, with its experience in agricultural development, Viet Nam has been actively participating in FAO's South-South Cooperation Initiative as part of the Special Programme for Food Security-SPFS, in which recipient countries can benefit from expertise and experiences of other developing countries.

With an aim to strengthen mutual understanding and friendly cooperation between Viet Nam and African countries, the Government of Viet Nam, with support from the Perez-Guerrero Trust Fund of Group 77 and UNDP office in Viet Nam, has implemented the Project "Strengthening Development Cooperation for Poverty Reduction between Viet Nam, Benin and Mozambique". Within the framework of this Project, the Report "Opportunities for Development Cooperation for Poverty Reduction between Viet Nam, Benin and Mozambique" has been prepared in order to assess each country's poverty situation, current cooperation situation and determine opportunities and challenges in development cooperation among the three countries. The Report will also suggest potential cooperation areas to relevant agencies in the three countries for further study and implementation.

Objectives of the Report

This Report aims at improving knowledge of Government agencies, research institutes and the public on opportunities for development cooperation in areas in which Viet Nam has comparative advantages (such as agriculture, healthcare and education) and those of interest to African countries. Focusing on development cooperation for poverty reduction among the three countries, the Report is not confined to economic and commercial areas, but it also covers exchanges of experts, technical and development expertise that have impacts on poverty reduction and the successful implementation of the MDGs. The Report also aims at providing recommendations on the roles of United Nations' agencies (such as UNDP, UNICEF and FAO) as well as types of support in order to facilitate cooperation between Viet Nam and African countries through technical cooperation initiatives among developing countries.

¹ Government of the Socialist Republic of Viet Nam, Viet Nam Achieving the Millennium Development Goals, August 2005.

² Such as the Conference "Poverty Reduction: Experiences of Viet Nam and other countries", organised by Viet Nam Ministry of Foreign Affairs in the framework of the Asia Cooperation Dialogue, June 2004.

Research Methods

During the making of this Report, the research team undertook a number of desk and field studies in Benin, Mozambique and Viet Nam. In each country, the research team met and interviewed many Governmental and non-governmental agencies as well as relevant individuals to collect information on socio-economic situations, poverty situation and policies taken to tackle poverty issues in each country. The research team has analysed and compared data collected through the field trip and desk research to find out potential cooperation areas and provide relevant recommendations. The draft of the Report was put forward for comments at a workshop held in Hanoi on 29 December 2005. The research team also invited comments from UNDP offices in Benin and Mozambique.

From various angles, different researchers and groups have different understanding of the term “poverty”. Due to the availability of different concepts of poverty, it is agreed among the research team that poverty is approached in a broader manner and from a development perspective. Thus, poverty is defined as the deterioration of welfare. Traditionally, poverty is understood as material deficiency, which means living at low level of income and consumption, typically with malnutrition and poor living conditions. However, in most cases, income poverty is related to the so-called human poverty – poor health condition and low education level, both of which are the cause of low income. Income poverty and human poverty are often associated with social poverty such as vulnerability in adverse events (such as illness, economic crises or natural disasters), lack of rights in most social institutions and incapability of improving living conditions. This multi-discipline nature of poverty has been exposed through surveys with the poor and reaffirmed in special social studies.

This broader definition leads to a clearer understanding of the root of poverty and suggests more comprehensive policies for poverty reduction, which include economic growth and equitable distribution, as well as equal accessibility to healthcare services, education and development of social safety net.

Due to limitation of the scope of the Report and complexity of the issue of poverty, this Report focuses more on income poverty; other aspects of poverty are only discussed complementarily.

Structure of the Report

The Report consists of four main parts. After the Preface, Part 1 reviews poverty reduction situation in Viet Nam with focus on policies taken and lessons learnt. Part 2 assesses the situation and issues relating to poverty reduction in Benin and Mozambique. Part 3 examines cooperation foundations between Viet Nam, Benin and Mozambique. Finally, Part 4 concludes and proposes potential cooperation areas and relevant policies in order to enhance cooperation among the three countries.

During the Report-making process, the research team received support and encouragement from many organisations and individuals. The research team would like to take this opportunity to extend sincere thanks to Mr. Phan Duc Thang and Ms. Le Le Lan at the UNDP office in Hanoi for their valuable contribution and consultation. The team gratefully acknowledges active support from UNDP offices in Cotonou and Maputo during the study trip in Benin and Mozambique. Our thanks are also due to organisations and individuals in relating countries for their participation in various interviews, exchanges of opinions and provision of research and reference materials for the team.

This Report is the work of the research team. All comments, conclusions and recommendations in the Report are solely those of the research team and do not necessarily reflect the view of the Ministry of Foreign Affairs or the Government of Viet Nam.

PART 1
VIETNAM'S EFFORTS IN DEVELOPMENT
AND POVERTY REDUCTION

Last September, at the UN Summit reviewing the implementation of the Millennium Development goals, Viet Nam was considered as a case of success in implementing the Millennium Goal on poverty reduction. In 2002, the number of people living in poverty in Viet Nam was reduced to 29%, half of that in 1993 (58.1%)³. In 2004, this rate was 24.1%. Viet Nam has committed to reduce further the current rate of poverty by 40% by 2010⁴.

So, what is the poverty situation in Viet Nam and what has the Government of Viet Nam done to successfully reduce poverty?

This part starts by summarising changes in poverty in Viet Nam over the last 20 years, since the country started its reform policies in the mid 1980s. Then, to answer the question of what Viet Nam has done to reduce poverty successfully, the Report will explain relating policies and directions, actual implementation and objective and subjective causes. Last but not least, this part will also review difficulties that Viet Nam is facing in the course of poverty reduction, Government's policies and lessons learnt.

I- Poverty situation in Viet Nam before Doi moi (Renovation)

At the end of the 1980s, Viet Nam was one of the poorest countries in the world. According to World Bank estimate, in 1984, approximately 75% of the population was living in poverty⁵ and GDP per capita was less than USD 200. The Bank describes, "in the middle of the 80s, the country was facing hyperinflation, economic recession and wide-spreading poverty..."⁶. Objectively, these are understandable difficulties of a backward agricultural country with 80 years under French domination and 30 years struggling for national independence and reunification (1945-1975).

Looking back at the period before 1945, during more than 80 years under the French colony, the Vietnamese economy was wretched and backward, people were living in colonial conditions with both material and spiritual deficiency. Agriculture was underdeveloped, backward and totally dependent on manpower and nature. There were only 12 small irrigation works covering 15% of the cultivated land. Shortage of drainage systems led to frequent floods. Dykes collapsed almost every 2 years. Rice productivity was very low at 1.2 ton per hectare during the 1930-1944 period (compared with 1.8 ton per hectare in Thailand and 3.4 tons per hectare in Japan). Most of cultivated land was owned by landlords and French

³ Viet Nam Achieving the Millennium Development Goals, August 2005, Government of the Socialist Republic of Viet Nam

⁴ Viet Nam: Growth and Poverty Reduction, 2004-2005 Annual Report of the Inter-Ministries Group, Steering committee on implementation of the CPRGS, Hanoi Dec 2005.

⁵ David Dollar and Jennie Litvack: 1998 p.20

⁶ According to David Dollar and Jennie Litvack: 1998 p.19, until 1993, GDP per capita of Vietnamese people was only USD200

plantation owners. 97% of the population only used 36% of the land, 59.2% of the population had no land and lived by ploughing for others⁷. Each year, the French exported more than 1 million ton of rice but Vietnamese peasants, who produced the rice, were always in desperate hunger and poverty.

Objectively, with such underdeveloped economic situation before 1945 and after 30 years of fierce wars, it was difficult for Vietnam's economy to escape from backwardness and extreme imbalance.

On the subjective side, the 10-year period after the American war (1976-1986), the centrally planned economy based on agricultural cooperatives and state-owned factories resulted in low productivity. The economy in this period was characterised by: (1) low economic growth and actually no development: from 1976 to 1985, Gross National Product increased by 50.5%, averaging only 4.6% Gross Domestic Product increased by 38.8%, averaging only 3.7% while population increased by 2.3%. (2) There was no saving from the economy as national production met only about 80-90% of national consumption demand. (3) Hyperinflation during the 1976-1985 period, when year-on-year CPI was always at double-digit level, fluctuating between 19% and 92% and especially in 1986, inflation was at a record height of 774.7%; and (4) people were living in very difficult conditions and in shortage of everything⁸.

Apart from that, as a result of the Cold War, Vietnam's regional and international economic integration was hindered, placing Viet Nam in an isolated situation and thus, with less development opportunities.

II- Economic development reforms and poverty reduction

With recognition of the situation and decisiveness to bring the country out of backwardness and poverty, the 6th National Congress of the Communist Party of Viet Nam, held in December 1986, decided to undertake comprehensive reforms, especially reforms in economic thinking so as to gradually transform the economy to a multi-sector market-oriented economy and actively integrate national economy to regional and world economy. As a result, from the beginning, the goal of economic growth has always been attached to the goal of solving social issues at all stages from planning to implementing development strategies and policies.

1. Vietnam's position on poverty reduction and its policy

Since its independence in 1945, President Ho Chi Minh emphasized that poverty is an "enemy", just like illiteracy and foreign invaders. He therefore defined the nation's missions, which are to strive to enable working people to escape from wretched poverty and to be gainfully employed, "to make the poor have sufficient food, the rich getting rather richer and

⁷ 60 years of socio-economic development of Viet Nam

⁸ As in footnote 7

the rather rich getting richer”⁹. Poverty reduction is not only a basic social policy that gains special attention from the State but also an important part of the development goals.

Since the hard days of the defence and reunification wars, when all resources were mobilised to the front, the Vietnamese Government has already introduced policies to support people in poor and difficult areas with many concrete programmes such as the Settlement programme for mountainous people (1968) and the programme of Sending peasants to develop new land and new economic areas.

Over the past years, the Vietnamese Government has exerted great efforts to restructure the economy and promote high economic growth together with poverty reduction, social equality to minimise the income gaps between different social classes and regions.

To provide effective poverty reduction policies, the policy-making process is always based on the identification of the poor as well as their living and working conditions, and tries to answer the question “who are the poor and why are they poor?”.

Most of the poor live in rural areas (more than 90%) and on farming (more than 80%). In 1999, the rate of food poverty in urban areas was 4.6% while that of the rural areas was 15.9%. With very limited resources (land, labour and capital), their income was highly unstable, vulnerable against natural, social and family shocks¹⁰.

Table 1.1 Poverty rates in Viet Nam 1993-2004 (%)

	1993	1998	2002	2004
<i>Poverty Line</i>	58.1	37.4	28.9	24.1
<i>Urban</i>	25.1	9.2	6.6	10.8
<i>Rural</i>	66.4	45.5	35.6	27.5
<i>Food Poverty Line</i>	24.9	13.3	9.9	7.8
<i>Urban</i>	7.9	4.6	3.9	3.5
<i>Rural</i>	29.1	15.9	11.9	8.9

Source: Viet Nam Achieving the MDGs

Table 1.2 Poverty rates by ethnicity 1993-2002 (%)

	1993	1998	2002
<i>Poverty line</i>	58.1	37.4	28.9
<i>The majority group (Kinh group)</i>	53.9	31.1	23.1
<i>Other ethnic minorities</i>	86.4	75.2	69.3

⁹ Ho Chi Minh: The Complete Collection, Book 5, National Political Publishing House, Hanoi 1995.

¹⁰ Poverty, Viet Nam Development Report 2004, The World Bank.

<i>Food poverty line</i>	24.9	15.0	9.9
<i>The majority group (Kinh group)</i>	20.8	10.6	6.5
<i>Other ethnic minorities</i>	52.0	41.8	41.5
<i>Poverty gap</i>	18.5	9.5	6.9
<i>The majority group (Kinh group)</i>	16.0	7.1	4.7
<i>Other ethnic minorities</i>	34.7	24.2	22.1

Source: Viet Nam Achieving the MDGs

Most of the poor live in areas with very poor natural resources, very unfavourable natural conditions, poor infrastructure, and difficult living and production conditions. In 2000, about 20-30% of the total 1,870 specially difficult communes in Viet Nam had no road to commune centres, 40% were in shortage of classrooms, 5% had no health clinics, 55% no clean water, 40% no electric cables to commune centres and 50% did not have enough small irrigation systems¹¹.

Women and children are most affected when their families are poor. Gender discrimination is one reason that hinders the effectiveness of efforts to reduce poverty. Women account for nearly 50% of the rural working population but only account for 25% of participants in agricultural training classes on animal raising and 10% of classes on plantation. Women have less opportunity to access technology, financial credit and training, more housework burden, and do not have enough decision-making power in their families.

The rate at which income of the poor is improved is much less than that of the whole society and especially that of the high-income group. Statistics shows that in Viet Nam the income gap between the poorest 20% group and the richest 20% group rose slightly from 4.97 times in 1993 to 5.49 times in 1998 and 6.03 times in 2002¹².

With due recognition of the situation mentioned above, from economic perspective, Viet Nam always pays attention to development of agriculture, rural economy and remote areas to liberalise production forces, create jobs and increase income for rural population while encouraging them to make efforts to improve their own living conditions. Regarding policy options, Viet Nam has actively attacked poverty from two fronts: using direct poverty reduction policies on the one hand (for example, Programme 133 – National targeted poverty reduction programme for the period 1998-2000), and on the other hand, putting forward detailed targets for poverty reduction in short and medium-term socio-economic strategies (such as creating jobs for the poor, healthcare and education for the poor).

2. Agricultural and rural development policies

The deep purpose of attaching great importance to agricultural and rural development is to rapidly reduce poverty on a large scale and to strengthen the country's economic and

¹¹ Poverty, Viet Nam Development Report 2004, The World Bank.

¹² As in footnote 11.

social stability. This policy, together with the policy to develop infrastructure, aims at providing poor communes and regions with opportunities to access public services and development opportunities.

The core of the agricultural development policy is a product-based contracting system to each family, recognition of the family as an autonomous economic unit in rural areas. On 5 April 1988, the Politburo of the Communist Party of Viet Nam – the ruling Party – issued Resolution number 10 (10 NQ/TW) on reforming agricultural economic management. Together with Resolution 10, several other policies of the Party and State to promote agriculture and rural development towards a cash economy have resulted in significant and outstanding achievements. Viet Nam has fundamentally solved the food shortage problem, not only ensured national food security but also spared a large quantity for export. From a rice-importing country, since 1989 to now, Viet Nam has become the second largest rice exporter in the world. Grain output increased from 19.90 million tons in 1990 to 39.32 million tons in 2004 (an increase of 1.29 million ton per year on average). Viet Nam exported 1.42 million ton of rice in 1989, 4.06 million tons in 2004¹³ and more than 5 million tons in 2005¹⁴.

From 1991 to 2000, agricultural production increased at 5.6% per annum on average. Grain output per capita increased from 303kg in 1990 to 444kg in 2000. Agricultural product export increased by more than 4 times from more than USD 1 billion in 1990 to more than USD 4.3 billions in 2000¹⁵. In many regions, agricultural production structure has transformed towards higher efficiency. In particular, aquaculture and fishing industry have developed rapidly. Rural economy has become more diversified. Many large-scale agricultural cash-production areas with industry linkages have been formed; village industries have started to recover and develop; and large-scale farming has grown rapidly.

Livestock breeding has also developed rapidly. The value of livestock breeding in 2004 was 2.28 times that of 1990, an average growth rate of 6.06% per annum¹⁶.

Together with agriculture, the Government has also undertaken comprehensive policies to develop industries and encourage economic growth in all sectors (production, distribution and services) in order to create jobs, increase economic wealth, offer more choices and improve the quality of life for the whole people, including the poor. It also aims at modernising education and health and other social services in market economy not only to improve services but also to ensure social equality so that the poor are not at a disadvantage, and the environment is protected to maintain healthy life for the poor.

¹³ Statistical Yearbook, General Statistics Office

¹⁴ Ministry of Trade of Viet Nam

¹⁵ Statistical Yearbook, General Statistics Office

¹⁶ Statistical Yearbook, General Statistics Office

3. Targeted Programme for hunger eradication and poverty reduction

Despite budget constraints, the State has made adequate investment for national programmes that directly target poverty reduction. Up to the end of 2000, total Government investment for poverty reduction reached VND 21,000 billions¹⁷ (equal to about USD 1.3 billion), through the following main programmes:

- **National Targeted Programme for poverty reduction for the period 1998-2000 (Programme 133)** officially started in July 1998. In 2001, the programme was extended for the 2001-2005 period and combined together with the Programme for job creation (Programme 120) to become Programme 143. The main feature of this programme is that it targets households. The 9 main supporting elements of Programme 133 are infrastructure support for poor communes, support for ethnic people with special difficulties; living and cultivation settlement, resettlement to new economic areas, provision of business guidance for the poor, credit support; healthcare; education for the poor; support to develop village industries; and training for officers working for poverty reduction.

Box 1: Direct support activities to poor communes and households

- Investment support for 6,500 infrastructure works in poor communes
- Provide preferential credit for more than 5 million poor households, of which 90,000 ethnic minority households have been given credit without interests.
- Support for the living of 20,000 ethnic households with special difficulties.
- Provide land support for more than 3,000 households; provide guidance to develop non-agricultural industries for 40,000 poor households.
- Support for living and farming settlement of more than 118,000 households, resettlement to new economic areas for 38,925 households and settlement for 23,543 free household settlers.
- Provide guidance to do business, promotion of agriculture, forestry and aquaculture for more than 1 million people; set up more than 400 demonstration models.
- Buy and grant more than 1.2 million Health Insurance cards for the poor; grant free healthcare cards for nearly 3 million people; provide free consultation and treatment for about 2 million poor people.
- Reduce and exempt tuition fees for more than 1.3 million poor pupils; reduce and exempt other types of contribution for more than 1 million poor pupils; provide free textbooks for nearly 1 million poor pupils.

Source: Speech by Mme Nguyen Thi Hang, Minister of Labour, Invalids and Social Welfare at the Forum on national targeted programmes on poverty reduction and job creation for the 2001-2005 period, Hanoi, 3 December 2001.

- **The socio-economic development programme for specially difficult, remote and mountainous communes** (Programme 135) targeted 2,235 poorest communes in the whole countries, with focus on upgrading infrastructure for poorest communes and households to

¹⁷ Viet Nam: Growth and Poverty Reduction, 2002-2003 Annual Report of the inter-ministries Group of the Steering Committee for the implementation of CPRGS.

facilitate production activities and increase accessibility to development resources. The objective of Programme 135 is “To rapidly improve material and spiritual life for ethnic people living in special difficult, remote and mountainous areas, provide conditions to bring peasants in these areas out of poverty, backwardness and low development and integrate them into the common development cause of the whole country, contributing to social stability and national security”.

Box 2: Identification of Beneficiaries

In principle, the method to select beneficiaries of Hunger Eradication and Poverty Reduction programmes is a combination of a statistical approach and a participatory approach. The statistical part is based on a rudimentary survey mainly aimed at estimating household income and applied to those generally considered poor or nearly poor. However, consultation is an essential part of the process. This was confirmed by a qualitative survey conducted in 2004, which involved 3,700 households in 20 provinces scattered across all regions. More than 98 percent of respondents reported that the list of poor households had been drawn after holding meetings with villagers and local organizations. Such meetings amount to a participatory classification of households according to their poverty status, which is often more influential than the statistical classification. A previous study on poverty measurement at the community level found that the result was remarkably reliable, certainly more reliable than any classification based only on statistical methods.

The poor communes participating in Programme 135 are selected based on a combination of criteria. Remoteness is one of them: communes in border areas or distant more than 20 km from a development centre are qualified. Infrastructure is another important criterion. The programme also covers communes with significant transport problems, with no access by car, and with little electricity supply, irrigation, clean water, schools or health centres. A third criterion involves communes where the poverty rate exceeds 60 percent, the illiteracy rate exceeds 60 percent, or health problems are prevalent. Unfavourable production conditions or the use of shifting cultivation and reliance on forest products for a significant proportion of household income also make communes eligible for support.

Source: Governance, Viet Nam Development Report 2002

Poverty reduction is also reflected in other plans and programmes to improve socio-economic conditions for peasants in specific areas such as: National Strategy on clean water and rural sanitary and environment, National programme on maternity healthcare, National Strategy on nutrition, National targeted programme on job creation, Programme 327 to plant 5 million ha of forest.

4. Economic development and poverty reduction strategy of Viet Nam

In order to maintain rapid and sustainable economic growth and implement poverty reduction strategy effectively, the Government of Viet Nam has developed the Ten-Year Socio-Economic Development Strategy for the 2001-2010 Period, together with strategies for sectoral and industrial development, many of which directly aim at improving living conditions for the poor such as Strategy for People’s Healthcare and Protection, National Strategy for Rural Clean Water Supply and Sanitation, National Strategy for Reproductive

Healthcare, Population Strategy, National Strategy for Nutrition, National Action Programme for Vietnamese Children, National Strategy for the Advancement of Vietnamese Women to 2010, sectoral strategies for the 2001-2010 period for education, science and technology, and environmental protection. Apart from that, the goals and targets of the Ten-Year Socio-Economic Development Strategy for the 2001-2010 period are further elaborated in the Five-Year Socio-Economic Development Plan for the 2001-2005 period and the National Targeted Poverty Reduction and Job Creation Programme for the 2001-2005 period.

In June 2001, the preparation of the Comprehensive Poverty Reduction and Economic Growth Strategy (CPRGS) was started. The Ministry of Planning and Investment took the lead in this undertaking in collaboration with concerned ministries and agencies and was supported by a group of national and international consultants and representatives of the donor community as well as other parties such as the Poverty Working Group (composed of donors, government agencies and NGOs). Moreover, its drafts were discussed at many conferences and among mass organisations and local government of 61 provinces and cities (including numerous discussions at village and commune levels). This consultation reflected the Government's determination and practically helped create a feasible strategy, at the same time improve people's understanding of the strategy in order to implement it effectively in the later stage.

The CPRGS is a detailed action programme that translates the Government's Ten-Year Socio-Economic Development Strategy, Five-Year Socio-Economic Development Plan as well as other sectoral development plans into concrete measures with well-defined roadmaps for implementation. This is an action programme to achieve economic growth and poverty reduction objectives. The CPRGS is closely related to the national annual socio-economic development plans developed by different ministries, agencies and sectors. The national annual socio-economic development plan that is approved by the National Assembly serves as a tool for bringing the policies and measures contained in the CPRGS into practice. The links between the Government's Ten-Year Strategy and socio-economic development plan and the CPRGS are shown below:



The CPRGS sees a harmony between economic growth and measures to solve social problems. The tasks and objectives contained in the CPRGS not only call for targeted measures to support specific poverty groups but also see linkages within the matrix of policies that range from macro-economic policies, policies on structural adjustment, sectoral development policies and solutions to social welfare policies of all sectors and levels that must work in tandem to ensure sustainable development. In the CPRGS, besides the goal to reform and modernise the economy to make full use of all resources, basic objectives in terms of poverty reduction are specified as follows¹⁸:

- Provide poor households with opportunities to raise their income by accelerating broad-based growth of agriculture, industry and services; expand and develop markets to distribute consumer goods; improve socio-economic infrastructure; and ensure equal access to basic productive and social services.
- Promote high and sustainable economic growth coupled with attainment of social progress and equity aimed at improving the material conditions and quality of life of all population strata; maintain rapid development of the dynamic areas and create favourable conditions for them to achieve high economic growth rate. At the same time concentrate on agricultural and rural development to ensure food security, create jobs, increase rural income; more attention will be given to investment and other support to disadvantaged areas; reduce the development the development gap between regions, pay attention to the living conditions of ethnic minority people.
- Encourage human development and reduce inequality; give priority to the development of healthcare, education development, environmental protection, prevention of HIV/AIDS transmission and infection, promote gender equality and improve the lives of ethnic minority people. Solve the particular problems of urban poverty concerning employment, income and housing. Ensure that urban poor people have equal access to resources, basic public and social services. Improve access of migrants, especially their children to these resources.
- Develop and expand social safety nets for the poor and for people suffering from natural calamities, and minimise people's vulnerability. Increase the participation of mass and social organisation in developing the social safety net.
- Undertake public administration reform in 4 areas: institutional reform; administrative apparatus reform, renovation and improvement of the quality of civil servants, public financial reform to enable civil servants and the administration to change their working styles and heighten their sense of responsibility towards their work, to provide the people with better access to public services, and to ensure social equity. Fully

¹⁸ Comprehensive Poverty Reduction and Growth Strategy, The Socialist Republic of Viet Nam, Nov 2004.

implement the Degree on Democracy at Grassroots Level to improve citizens' participation in the planning and implementation of decisions about community socio-economic development; and enhance the transparency of the budget process and of the production of macroeconomic statistics.

- Strengthen system of qualitative and quantitative socio-economic development and poverty reduction indicators (with breakdown by gender and ethnicity) to monitor and supervise the progress of implementing the CPRGS.

The system of policies, mechanisms and solutions for poverty reduction which has been implemented such as soft credit, business guidance, health care and education support, support to ethnic minority people with special difficulties, support to investment in basic infrastructure, living and farming settlement, resettlement to new economic areas and legal aid, etc, constitute a favourable legal framework for reducing poverty and increasing investment in poor communes to develop production and improve quality of life of the people, especially in mountainous, border, island, remote communes and communes with ethnic minority people.

5. Major results

Regarding the whole economy, average GDP growth rate during 10 years from 1990 to 2000 was 7.5%, per capita savings and income increased 2.5 folds in 2000 compared to 1990, per capita GDP increased by 1.8 folds. Gross savings per GDP increased from 14.4% in 1990 to 29% in 2000 and 35.5% in 2004¹⁹.

Compared to 1990, industrial production in 2004 grew 6.5 folds at an average annual growth rate of 14.3%. Apart from high growth, industrial production in the late 90s became more diverse in terms of industries and products with participation of state, non-state and foreign invested enterprises. Industry has become a leverage to push up agricultural industrialisation, provide jobs and income for millions of rural labourers. Besides, agriculture expansion enables peasants to increase income to buy industrial goods, invest and expand production and industrialise their farming practice. The development of agriculture also allows more rural labourers to work in industrial sector, especially in light industries.

As far as external economic relations are concerned, the number of countries that have trade relations with Viet Nam increased from 50 in 1990 to more than 180 countries in 2004. In 2004, trade value reached USD 54.46 billion (an increase of 11.34 folds compared with USD 5.1 billion in 1990) of which USD 26.5 billion is export, an increase of 11.02 folds and USD 31.95 billion is import, an increase of 11.61 folds. The average annual growth rate of import-export value from 1991 to 2004 is 18.94%, in which the rate of export is 18.7% and import 19.14%. Up to now, Viet Nam has established diplomatic relations with 169 countries,

¹⁹ Overall assessment of results of Strategy for socio-economic stabilisation and development for ten years from 1991 to 2000, Ministry of Planning and Investment.

economic and trade relations with more than 180 countries and territories. Vietnam's economic and diplomatic relations have never been so developed and diverse.

The reform policy has had significant impact on people's life and development of the country. The World Bank acknowledged the importance of this policy: "The reform policy brought Viet Nam out of acute food shortages, transformed it into the second largest rice exporter in the world"²⁰. More importantly, the policy has improved people's life considerably. The poverty rate dropped rapidly and continuously to 58.1% in 1993, 37.4% in 1998, 29% in 2002 and 24.1% in 2004. With regard to other social development indicators, during the years 1990, 2000 and 2004, life expectancy increased from 64 to 68 and 70 years; rate of malnutrition on children less than 5 years old dropped from 51.1% to 33.1% and 26.7%; death rate on children less than 5 years old reduced from 8.1% to 4.2% and 2.3% (equal to that of countries with GDP per capita of 2 to 3 times higher than that of Viet Nam). Many other human development indices as well as people's accessibility to social services have been improved remarkably²¹. Although Vietnam's GDP per capita in 1999 was at low ranking (ranked 167), but the human development index (HDI) ranked 101, in the average group with the index of 0.682 (in 1990, Vietnam's HDI was 0.456, ranked 121). In 2001, UNDP's Human Development Report ranked Viet Nam at 89 out of 162 countries in terms of Gender Development Index (GDI). Women account for 26% total members of the National Assembly, one of the 15 highest-ranking countries in the world in terms of the rate of women in Government authorities.

However, Viet Nam is still one of the 60 poorest countries in the world with low GDP per capita (USD 560 in 2004). Using the poverty standard of the new National Programme for poverty reduction, in 2000 there were 2.8 million poor households, accounting for 17.2% of the total households in Viet Nam.

The economic development and integration process also have had adverse impacts on the poor. The investment structure is inappropriate. The level of investment in agriculture and rural areas is still low and mostly in irrigation systems. The reform of state-owned enterprises and their financial difficulties has led to a loss of nearly 800,000 jobs in the first phase of the process. A large number of workers who lost their jobs had difficulties in finding new jobs and became impoverished. Most of them are women, people with low educational level and the elderly people²². Despite many Government policies to enable equal distribution of the fruits of economic development among different social groups, in absolute terms, income of

²⁰ WB: Accelerating Rural Development In Viet Nam (6/2005)

²¹ Viet Nam Achieving the Millennium Development Goals, August 2005, Government of the Socialist Republic of Viet Nam.

²² Viet Nam: Growth and Poverty Reduction. 2002-2003 Annual Report of the Inter-Ministries Working Group, Steering Committee for the implementation of the CPRGS.

the rich has risen faster than that of the poor, thus widening the income gap (in 2002, the 20% richest' spending was 6.03 times that of the 20% poorest. In 2004, the rate was 6.27%)²³.

III. Lessons from Vietnam's Experience

1. National Government's determination, consistency and activeness play a decisive role

The policy formulation and implementation process in Viet Nam shows that the most important lesson of success in poverty reduction in Viet Nam is the Government's determination and consistency in leading poverty reduction, its activeness in policy formulation and initiative provision as well as mobilisation of resources for poverty reduction.

This principle is expressed consistently during all the economic development and poverty reduction process in Viet Nam. Soon after independence, the Government of Viet Nam gave poverty reduction special attention. After several decades of war, in early 1980s, the Government of Viet Nam started economic reform with the foremost objective of "making people better-off". The economic reform policies in this period were based on Vietnam's special conditions with focus on agriculture and rural areas to free up domestic production forces in order to provide resources for economic growth and poverty reduction. This policy had significant impact on Vietnamese people's lives. The poverty rate fell from about 75% in 1984 to 58.1% in 1993. It is noteworthy that these results were achieved during the period when Vietnam's economy was in special difficulty. Besides, foreign aid from and foreign markets in former socialist countries in Eastern Europe were gradually reduced and eventually cut off. The relationship with international donors had not been normalised (Viet Nam officially started receiving ODA after the first Donor Conference for Viet Nam in November 1993). In this context, the Government and people of Viet Nam mobilised and made good use of all domestic sources, studied and searched for policies suitable to its special conditions.

The national ownership in policy formulation and implementation was maintained with a series of initiatives such as national targeted programmes for poverty reduction including Programme 133, 135 and many others.

With regards to resources, in the period from the early 1980s to 1993, poverty reduction was implemented mainly through the reform and liberalisation policies that enabled people to improve their living conditions. In November 1993, Vietnam's relations with the international donor community were normalised. However, ODA only accounted for less than 5% of total investment for development and was used mostly in infrastructure development, capacity and institutional enhancement and policy advice. The resources that directly support

²³ Taking Stock: Updated Report of the World Bank on the Socio-economic development and reform of Viet Nam at the Meeting of the Consultative Group for Viet Nam, December 2005.

poverty reduction projects were very limited and mostly provided through international NGOs. The main source of funding for poverty reduction programmes in Viet Nam still comes from domestic sources.

It can be confirmed that the determination and activeness of the Government and people of Viet Nam has proven a decisive role in the success of poverty reduction in Viet Nam. This is an important lesson for countries in the process of formulating poverty reduction policies as the poor and their Government are those who most understand why they are poor and how to escape poverty. International experience is important but should not be applied in a simple way without taking into account local conditions.

2. Policy of attaching economic growth with poverty reduction

Over the last two decades, economic reforming efforts have resulted in extensive changes in terms of economic development, which is a vital precondition for putting poverty reduction policies into practice. Economic reforms have provided people with opportunities to earn more income and helped to expand governmental revenue, which can be subsequently used to realize social programmes targeting directly the poor. In fact, in Viet Nam, for many years, economic growth has always gone along with job creation. As economic growth rate is increased, unemployment rate in urban areas has significantly decreased while the degree of working time used in rural areas increased. The reverse is also true. Alongside economic growth, people's earnings are increased and poverty rate is decreased by the same token. The fact that poor people themselves are earning more shows that the poor are benefiting from the outcomes of economic growth.

Furthermore, in order that the benefit of economic development can be trickled down equally among social groups in the society, the Government of Viet Nam has paid special attention to social policies that are aimed at ensuring better social welfare for the poor. An appropriate amount of the revenue resulted from economic progress has been set out especially for the task of alleviating poverty. In 2003, governmental expenditure for poverty reduction targeted national programmes reached VND 4,816 billion (more than USD 300 million), which was equal to 3.05% of the total governmental expenditure of the year. This figure was 2.8% in 2002²⁴. Attention had been paid to developing the system of social safety net supporting the poor, in which principal beneficiaries were poor and vulnerable people in the society²⁵. Due to the clear classification of principle beneficiaries, the poor have benefited relatively better from this system than those who have higher income do. The Government of Viet Nam also took notice of those who suffer from reform policies, particularly those who

²⁴ Viet Nam, Growth and Poverty Reduction: 2002-2003 Annual Report of Trans-sector Task Force, Steering Committee for implementing Comprehensive Strategy for Growth and Poverty Reduction, Hanoi, November 2003.

²⁵ Four main components of this system are: (i) social safety net system, (ii) social safety fund, (iii) emergency aid fund and (iv) several national programmes targeting the poor and (ethnic) communes in remote areas.

lost their jobs due to programmes of restructuring state-owned enterprises. Those people were assisted by lump sum payment of compensations and training support that could help them to explore new job opportunities.

To put it briefly, Vietnam's poverty reduction policy is founded on two main pillars, namely economic development policies and social policies of direct support to the poor. Consistent linkage between these two groups of policy is the essential source of encouraging achievements in poverty alleviation efforts over the last period.

3. Agricultural and rural development policies

With nearly 90% of poor people living in rural areas and about 80% of the population making their livelihood by agricultural work, agricultural and rural policies play a crucial role in the poverty reduction course in Viet Nam.

Acknowledging this characteristic, the economic reform process in Viet Nam has been started from agricultural sector. The Government decided to give agricultural and rural development the investment priority, such as investment for irrigation development, for transferring the right of land use to people, for economic structural adjustment, and for applying scientific and technological advancement into agricultural production, etc. Such a direction has been itemized into governmental intensive development policies for rural, mountainous, remote and other distinctively disadvantaged areas. A range of national targeted programmes were formulated and implemented such as Programme 133, 135, National targeted programme on job creation, National strategy on clean water and rural environmental sanitation, etc, which provided farming households with opportunities for economic development, employment and better living standards.

Reform policies in agricultural sector and rural areas have initiated new momentum and resources, which in turn enabled poverty reduction to succeed on a large scale. Living conditions of farming households in rural areas – where the huge proportion of the poor population is living on – have been evidently improved. Outstanding progress achieved in agricultural sector during the early period of reform course has helped to build up people's faith in the reform policy of the Government. The guiding principle of giving priority to agricultural and rural economic development is the prerequisite for alleviating poverty at large scale and delivering reform benefits to the majority of the population. This is vital to maintain social stability and to gain people's support to and belief in the reform policy of the State.

4. Participation of local people

In practice, poverty reduction programmes always appeal the participation of all social groups. Authorising the local governments the power of self-management is considered a critical means to enhance the effectiveness of the use of governmental funds. During the process of implementing the CPRGS, the activeness and creativity of local governments and the determination to confront poverty of local people are tremendously encouraged. As a

result, some poor localities could obtain excellent achievements in terms of poverty reduction regardless of limited financial support from the Government²⁶. Localities are encouraged to draw out their own poverty reduction models, which are suitable to their local circumstances. For that reason, one can find many effective models and new tactics that contributed to many breakthroughs in the field of poverty reduction²⁷.

Programme 135 of the Government has been carried out based on community supervision. Local people have the right to make decisions regarding the priority order and the structure of investment in order to ensure that such investment meet the livelihood and production needs of their localities. People's Committees at district level act as “the owners” of local infrastructure projects while People's Committees at commune level are responsible for overall planning, monitoring and mobilising people's contributions (normally in the form of labour contribution) in implementing projects²⁸. The participation of local people in carrying out the poverty reduction policy of the Government can also be seen in the ways women are encouraged to do business, earn income and perform managerial duties. Poor women and poor men are supported equally.

It is the decentralisation of management power and of the community participation mentioned above that has helped to improve the effectiveness of aid use and ensure investment efficiency for the poor.

5. The role of the international donor community

Viet Nam officially normalised its relations with the international community in 1993. Since then, the total of ODA funds that international donors have pledged for Viet Nam has reached USD 33.5 billion, of which disbursement has reached USD 14.83 billion²⁹. In using such ODA funds, the Government of Viet Nam gives priority to the areas that are believed to play important roles in socio-economic development like infrastructure development. Thus, ODA funds have actively contributed to improving living standards of people.

Beside financial assistance, representatives of the donor community are also contributing directly to the formulating of development and poverty reduction policies of Viet Nam, especially the formulating and implementation of the CPRGS. The organisations of the UN, bilateral and multilateral donors are also actively contributing to economic development

²⁶ For instance, Ha Tinh province could eliminate all thatch houses, Hai Duong province and Ho Chi Minh city could also bring almost all low income households out from poverty (according to Viet Nam, Growth and Poverty Reduction: 2002-2003 Annual Report).

²⁷ For example, the successful model of “one roof, one water tank, one cow” of Ha Giang province which has been employing widely in Lao Cai and Son La provinces; the model in which business firms, collectives and farming households cooperate to build up material zones and preserve output market for products in Cao Bang, Tuyen Quang, Thanh Hoa, Đac Lac provinces; the model of opening the business of “housing support to the poor” to public participations in Bac Lieu, Ben Tre, Ha Tinh and Ha Tay provinces... (see Viet Nam: Economic Growth and Poverty Reduction: 2002-2003 Annual Report).

²⁸ Governance – Viet Nam Development Report 2005 (General Report of Donors for the Consultative Group Meeting for Viet Nam 12/2004).

²⁹ Source: Ministry of Planning and Investment (MPI) of Viet Nam.

policies of Viet Nam with their discussions during annual Consultative Group Meetings and negotiation rounds on assistance programmes as well as their comments to drafts of government policies.

During the period of 2006-2010, in order to make full use of such ODA funds for the purpose of poverty reduction, the Government of Viet Nam has determined the first priority areas to be “agriculture, irrigation, forestry, fishery and rural development aimed at poverty reduction”³⁰. Those are also priority areas of almost all donor organisations and countries in Viet Nam including WB, ADB, and UNDP.

³⁰ The Government of the S.R. of Viet Nam, 2005: Advancing socio-economic reform in order to bring Viet Nam out of underdeveloped situation – Report of the Government to Consultative Group Meeting 2005.

PART 2

POVERTY IN BENIN AND MOZAMBIQUE: SITUATION AND ALLEVIATION EFFORTS

I. Poverty situation in Benin

1. Reality and causes of poverty in Benin

Benin is a small country in West Africa with total area of 110,620 km² and total population of 7 million people. Lacking strategic resources such as oil and rare metals, the country still has an agrarian economy based on advantages in terms of topography, cultivation area and favourable climate. As one of the few African countries capable of maintaining political stability during the process of democratisation and opening-up after the Cold War, Benin has made efforts in developing the economy with support from the IMF and WB. However, the results have fallen under expectation. Benin is still one of the least developed countries with the HDI of 0.42, ranking 158 out of 173 countries³¹ and per capita income of USD440³².

Benin's outdated command economic model, which was maintained until the early 1990s was not efficient and led to stagnation and unsustainability. Reform and adjustment policies adopted before 1989 were inefficient, too. Although Benin's adjustment policy backed by the IMF and WB during the 1989-1998 period was important to fostering economic growth, it also widened the development gap as part of the population was impoverished. In 1998, the Government put forward a new macroeconomic programme aimed at promoting both economic reform and social development. As a result, economic growth rate has been maintained at 5% annually, inflation kept under control at around 3% and economic and financial indicators improved.

However, these achievements are not sufficient to improve social indicators as poverty rate has declined in urban areas but kept rising in rural areas.

- Poverty rate in northern provinces (Borgou, Alibori, Atacora, Donga) and southern provinces (Atlantique, Cuffo) is above average. Among urban areas, Cuffo, Atacora and Ouémé and, to a lesser extent, Atlantique, Borgou, and Donga have the largest number of poor people. Poverty rate in rural areas is 59%, much higher as compared with 34.7% of urban areas.
- Poverty rate is higher in households having many children as compared with those having fewer. Poverty situation is even more severe in households with high average age and households run by female as well as those with low educational level.

³¹ UNDP, *Millennium Development Goals Report 2004*.

³² World Bank, *Country Data & Statistics 2005*.

- Regarding gender, the rate of poor male is higher than poor female. However, female poverty is more severe, especially in terms of non-monetary poverty.
- Statistics indicate that the rate of non-monetary poverty in Benin increased from 43.4% in 1996 to 49% in 2001. In 2001, the province of Atacora had the highest poverty rate of 60%, followed by Borgou with 57.9%.
- Basic public services such as healthcare, food, education, and clean water do not meet people's needs. During the 1996-2001 period, the number of people having no access to health care and clean water rose sharply although the mortality rate of children at the age of 1-4 decreased from 29.2% to 22.9%.
- Regarding education, although the rate of enrolment increased from 67% in 1995 to 80% in 2000, gender inequality and education gap among regions have worsened. Atacora and Borgou have the lowest rate of universal education, at 63.1% and 52.4% respectively as compared with the average level of 81% in the whole country. The rate of female illiteracy is higher as compared with male illiteracy. The rate of illiterate children below the age of six has increased from 59.5% to 67.2%.
- Healthcare services remain underdeveloped despite achievements in terms of initial medical care. The rate of infant mortality is very high (498/100,000). Most of people infected with HIV are at the age of 20-29. Malaria has not been kept under control.

Research on poverty in 2003 indicated that agricultural sector had the higher rate of poor people as compared with industrial and service sectors, at 37.9 and 23.1 percent respectively. The Gini coefficient is 0.263 in urban areas and 0.503 in rural areas.

The UNDP 1997 Report argued that climate and weather conditions have direct impact on poverty in rural areas.

Table 2.1: Poverty rate fluctuates in accordance with seasonal changes

Region	Poverty Rate	
	<i>Difficult time (month)</i>	<i>Increased poverty rate/Lowest poverty rate in the year</i>
Far North	12 - 2	1.6
Cotton-growing area in the North	12 - 2	2.2
Rice-growing area in South Borgou	12 - 2	1.3

West Atacora	9 - 11	1.6
Cotton-growing area in the central highland	9 - 11	2
Alluvial land region	9 - 11	2.4
Low land region	6 - 8	2.6
Fishing region	3 - 5	2.6

Source: UNDP Report on Human Development (1997)

According to the above table, poverty rate doubles in 5 out of 8 regions during the months with tough weather conditions. Rice growing becomes difficult during the period from December to February because of increased heat, dryness and dry wind. Meanwhile, weather conditions are good during the rest of the year thanks to rainfalls. Consequently, irrigation plays a vital role for agricultural production. Generally speaking, harmonisation between agricultural production and natural conditions is key to poverty reduction.

The research also indicates that the impact of poverty is more severe on female and craftsmen in rural areas, landless peasants, people in remote areas, hapless children (orphans, young mothers and illiterates), unemployed teenagers, and homeless elderly, who are the main targets of poverty reduction. Poverty in rural areas causes migration to urban areas, thus worsening the situation of poverty and inequalities.

Benin's poverty reduction strategy in 2002 identified the main causes of poverty as follows:

- Lack of funds and access to micro-finance.
- Lack of income-creating activities.
- Unresolved land problems in southern provinces.
- Some production areas are isolated.
- Agricultural and fishing tools and techniques are underdeveloped.
- Heavy social and cultural burdens.
- Limited access to clean water and healthcare service.
- Water resources are contaminated and exhausted.
- Migration of young people from the countryside to cities.
- Illiteracy and re-illiteracy.
- Poor control of rural population.
- Environmental degradation (draught, erosion, flood).
- Lack of programmes to re-integrate handicapped and HIV-infected people and to provide medical care for elderly people and patients.
- Poor management of development projects and community funds.

Based on field study and experiences of other countries, the research group is of the view that *these above difficulties are faced by not only Benin but also by many African and developing countries*, which can be generalised as: (i) Limited resources and capital; (ii) Backwardness and underdevelopment; (iii) Poor macro-economic management. The lessons from many countries show that it requires much time and a sound combination of solutions and measures for each period in order to overcome these difficulties.

2. National Strategy on Poverty Reduction: Implementation and Results

In realising the Millennium Development Goals, the Benin Government sets the target of reducing poverty rate by 50% by 2015, which means a decrease in poverty rate from 30% at present to 15%.

The two policy thrusts are: (i) Strengthening macroeconomic policies and institutional reforms, improving public management, and encouraging private investment; and (ii) Promoting social progress through sound budget allocation, wider participation by people in decision-making process, and enhanced resource management capacity at both central and local levels.

It can be seen, however, that this well-drafted National Strategy on Poverty Reduction is not a plan with high feasibility. Many governmental agencies do not receive clear guidelines on implementation due to shortage of financial and human resources as well as inefficient management mechanism.

According to the Report on Socio-economic situation in Benin by UNDP (2002), poverty in the country has still been widespread despite the fact that economic reform has fostered economic growth at an annual rate of 5% since 1994. During the 1994-2001 period, poverty situation was not improved as the poverty index rose to 8.

Table 2.2: Poverty in Benin (2002)

	Rural areas (59%)	Urban areas (41%)	The whole country (100%)
Population	3,984,016	2,768,553	6,725,569
Poor people	1,314,725	645,073	1,959,825
Poverty rate	33%	23.3%	29%

Source: Report on Socio-economic situation in Benin, UNDP (2002).

These problems are also present in many other developing countries. Regarding solutions, a concrete and realistic development policy is required to capitalise on existing potentials. Given Benin's advantages in terms of natural conditions and the high percentage (70%) of population living on cultivation and livestock breeding, the realisation of agricultural potential is important to poverty reduction.

It can be said that the National Strategy of Poverty Reduction of Benin has a comprehensive and long-term approach with priorities given to social security. However, its feasibility is not ensured because of the following reasons:

- The Government does not view food crop planning as urgent to meeting food demand, which results in lack of investment and relevant policies. In reality, giving priority to cotton growing is not an efficient measure because of competition in cotton export from other countries.
- Investments for agricultural and rural infrastructure are low and unfocused while agricultural projects are still in the experimental phase and not implemented at a large scale.
- Policies to mobilise domestic (including private investment) and foreign investments in the agricultural sector are inadequate.

3. International cooperation programmes in Benin

Like many other countries in the region, bilateral aid for Benin mostly comes from developed countries like France and other Western European countries. Development projects are mainly implemented by development agencies or non-governmental organisations. Each donor has developed a clear-cut sector strategy in order to avoid overlapping. Benin has close cooperation with France (in the areas of cotton and palm oil production) and with Germany, Denmark, FIDA, Belgium, and the Netherlands in the agricultural sector. 47.7% of aid is in the form of investment projects. Major partners are EU, AID, Germany, China and BOAD. 83.4% of investment projects are concentrated in transportation, social security, human resources, healthcare, agriculture, forestry and fishery.

Technical aid, mostly in the form of grants, accounts for 36.3% of total ODA. Prioritised areas are development management, healthcare, regional development, transportation and social security with major donors being AID, FMI, France, and FAD.

ODA for Benin has declined since 2002. According to the Annual Report on ODA of the Ministry of Planning, Future and Development, ODA in 2002 decreased by 18.3% as compared with 2001 (of which 73.2% were grants and 26.8% were loans). This declination results from slow disbursement of large-scale projects. Statistics indicate that in 2002 the total disbursement was USD123.76 million, decreasing by 12.2% as compared with 2001. Food aid also declined by 14.4% and budget aid by 66%. Meanwhile, the increase of emergency and humanitarian aid indicates greater vulnerability of Benin's development capacity. Food aid for Benin takes the form of grants with most important partners being USAID, Japan, CRS, and PAM. Emergency aid is mainly provided by HCR, China, and Switzerland.

It can be seen that the decline of aid in recent years is due to low capacity in the management, coordination, utilisation, and implementation of cooperation projects. In Benin, the following agencies are involved in aid management:

- Ministry of Interior Affairs, Security and Decentralisation (MISD), in charge of emergency aid.
- Ministry of Planning, Future and Development (MCPD), in charge of financial and food aid.
- Ministry of Finance and Economy, in charge of loans.
- Ministry of Foreign Affairs and Integration, in charge of technical assistance and cooperation agreements in collaboration with the Ministry of Planning.

Because of overlapping functions and widespread corruption, coordination among those agencies has been ineffective. To solve this problem, the Government has set up an information system on aid management and established the mechanism of Planning – Programming – Budget – Monitoring. The National Committee on Development and Poverty Reduction (CNDLP) was formed in November 2000 to serve as a dialogue forum for development partners within the framework of the National Development Policy.

It should be noted that expense on technical assistance has increased by 27.7%, an indication of greater donors' interests in capacity building. Technical assistance is being provided under the 2+1 model - a form of cooperation between two developing countries and a donor. Viet Nam is now an important partner of Benin in the agricultural sector.

Since 1997, under FAO's assistance, Viet Nam and Benin have cooperated under the framework of the Special Programme of Food Security (PSSA). The programme aims at facilitating and encouraging sustainable production of poor households through the application of basic and low-cost techniques and assurance of social equality, especially for women and poor people. PSSA is implemented in two phases, namely an experimental phase (1999-2006) and an extension phase (since 2006) and is funded by the Bank of African Development (BOAD). At present, participant countries are finalising the experimental phase. This programme symbolises the success of the 2+1 cooperation model in agricultural field, which receives great interests of African countries and has also been applied in other countries such as Senegal, Burkina Faso, Mali, Madagascar, and etc.

II. Poverty Reduction in Mozambique

1. Reality, characteristics and causes of poverty in Mozambique

After gaining independence in 1975, Mozambique experienced 17 years of civil war. Since the signing of the Rome peace agreement in 1994, Mozambique has focused on economic reconstruction and reform. At present, however, the country still faces war legacy as economic infrastructure was damaged, production stagnated and population structure shifted. Through the implementation of the 10-year economic reform programme, Mozambique was considered as a successful reform model in Africa with annual growth rate reaching 9%.

Nonetheless, the country is still listed as one of the least developed countries with its HDI ranking 170 out of 173 countries.³³

According to a survey in 1996-1997,³⁴ 69.4% of the population lived below the poverty line. Per capita income is currently USD210 (Annex 1). Furthermore, development gap between rural and urban areas is widening as 71.2% of the poor people are in rural areas as compared with 62.1% in urban areas. Provinces with highest poverty rate are Sofala (87.92%), Inhambane (82.60%), and Tete (82.27%), as compared with 47.8% in the city of Maputo (Table 2.3).

According to Table 2.3, more than 60% of Mozambican population are illiterate. Although the number of enrolled children has increased remarkably in recent years, Mozambique is still far from the goal of accomplishing universal education before 2015. The literacy gap is huge among regions. Northern and central regions have higher illiteracy rate as compared with Southern ones, at 71.9%, 62.8%, and 32.1% respectively. The illiteracy rate is 72.2% in rural areas, much higher as compared with that in urban areas (33.3%). The interrelation between education and poverty is also obvious. Those individuals and families getting access to education have better chance to improve their lives. Gender and location also have an important impact as women in the countryside get limited access to education, which lowers their chance of improving living standards.

Regarding healthcare, according to two surveys conducted in the 1996-1997 and 2002-2003 period, malnutrition of children under 5 years of age was severe. According to the latest Report of Mozambique News Agency, at least 289 children died of malnutrition in the first 9 months of 2005, an increase of 29% as compared with the previous year. The degradation of medical infrastructure, especially in rural areas and the lack of medical staff are some of the main causes.

More than 99% of the rural population have no access to safe water – a major cause for high child mortality rate. Although the rate of under-five mortality declined from 27.7% to 24.6% in the 1994-1997 period, Mozambique is unlikely to achieve the goal of reducing child mortality by 75% given the underdeveloped social security networks. The mortality rate of under 12-month children amounts to 14.57% in the whole country and 18.32% in Zambezi in particular. Besides, HVI/AIDS and malaria are additional causes for high child mortality. 57% of the total number of people infected with HIV, which account for 12.2% of the population (data in 2000), are women.³⁵ Meanwhile, malaria causes 30-40% of the total deaths.

The surveys also revealed that poverty rate, birth rate, and family scale are interrelated. Generally speaking, poor households have numerous children and they start to have children at an early age. According to 1997 data, the annual population growth rate was 2.4% and has

³³ UN, Reporting on the Millennium Development Goals – Republic of Mozambique, pp. 4.

³⁴ Participatory Poverty Appraisal in 18 regions conducted by the Demographic Centre, University of Eduardo Mondlane in cooperation with the Ministry of Planning and Finance and other agencies

³⁵

not declined ever since. So far, the Government has yet to formulate population and family planning policy.

Table 2.3: Indicators of social welfare

Provinces	Poverty rate	Illiteracy rate (above 15)	Population having no access to clean water	Infant mortality (under 12 months)
Rural areas	71.2	72.2	99.1	160.2
Urban areas	62.0	33.3	68.9	101.2
Cabo Delgado	57.4	75.0	96.6	174.4
Nampula	68.9	71.7	93.4	172.8
Niassa	70.6	69.0	97.1	150.7
Northern areas	66.3	71.9	95.7	-
Zambezi	68.1	70.3	98.5	183.2
Tete	82.2	66.8	95.8	127.4
Sofala	87.9	57.7	85.4	143.8
Manica	62.6	56.2	96.5	134.0
Central highland	73.8	62.8	94.1	-
Inhambane	82.6	54.2	98.3	114.1
Gaza	64.7	52.7	89.8	117.7
The province of Maputo	65.6	34.3	68.8	85.4
The city of Maputo	47.8	15.0	51.0	60.5
Southern areas	65.8	39.1	76.5	-
The whole country	69.4	60.5	91.5	145.7

Source: UNDP 200, Poverty and Well-Being in Mozambique : The Second Assessment (2002-2003)

Regarding the causes of poverty, the research focuses on the followings:

- Low economic growth rate until 1990s due to socio-political instability after gaining independence. The current poverty situation can be regarded because of the civil war.
- Low educational level of people, especially of women, which restraints opportunities to get access to technological advance and consumption markets.
- High rate of dependency as a result of high unemployment and high population growth, especially in rural areas. A single labourer could not afford to feed the whole family given his/her low educational level.

- Low agricultural productivity, which causes severe food shortage. According to a Report in August 2005 of the Secretariat on food and nutrition security, at least 801,000 people, equal to 4.4% of the total population, in 56 districts throughout the countries will suffer from famine this winter. Low productivity mostly results from limited application of production and irrigation technology. In rural areas, poor people could not afford to use production tools and irrigation systems while draught occurs frequently.
- Lack of job opportunities in both the agricultural and non-agricultural sectors. The paradox is that while agricultural potential has not been fully exploited, the unemployment rate has increased to 21% (UNDP 2003). This can be resolved only through the implementation of sound regional development strategies in order to fully capitalise on the human resource potential.
- Poor infrastructure, especially in rural areas. Hence, it is necessary to emphasise on the role of the government in establishing infrastructure for economic development and poverty reduction.

2. The National Strategy on Poverty Reduction: Implementation and Results

The National Strategy for Poverty Reduction (NSPR) in the 2001-2005 period sets the target to reduce poverty rate through capacity building and opportunity creation for Mozambican people, particularly for poor people. Specifically, the plan aims at reducing poverty rate from 70% in 1997 to below 60% in 2005 and below 50% by the end of this decade. Annual economic growth is set to increase by 8%.

The NSPR is based on the principle of maintaining social and political stability, improving the investment and business environment, and enhancing labour productivity and economic efficiency. The strategy has mid-term and long-term visions, which focus on promoting fast, equitable, and sustainable economic growth in order to support the fight against poverty.

The second principle holds that growth must serve a large number of people. Consequently, policies will be adopted with a view to facilitating people's access to and effective utilisation of capital and production tools, especially for those in rural areas. Besides, private sector development is also encouraged for the sake of job creation. Equitable development among regions with priority given to regions with high poverty rate is put on the high agenda.

As economic growth and human development are interrelated, the Mozambican Government plans to implement short-term assistance programmes for poor people at the same time with fostering long-term economic development to serve the cause of poverty reduction.

The NSPR defines six areas of priority, namely education, healthcare, agricultural and rural development, infrastructure, public management, and macroeconomic and financial management. Improvements in these areas are crucial to economic growth and poverty reduction given their profound impact on social development. Besides, social security, housing, sector development, and calamity prevention are also emphasised.

- In terms of education, the goal is to achieve universal education and improve the quality of secondary level and vocational training. HIV/AIDS will also be included in the curriculum.

- In terms of healthcare, the goal is to facilitate access to and improve quality of basic healthcare services through special programmes for such targeted groups as women and children and programmes on preventing HIV/AIDS, malaria, diarrhoea, tuberculosis, and leprosy. Policies on healthcare will be aligned with those on safe water supply and food security.

- Regarding rural development, the goal is to increase long-term income for farming households. The implementation policies focus on assistance in terms of production capital and market access. Productivity growth is to be achieved through subsidies for the planting of key crops and provision of agricultural technologies. Besides, the Government will formulate a programme on regional development with a view to develop certain areas into main sources of food supply for the whole country and Southern African region. The programme to develop Zambezi valley can be regarded as an example.

- In terms of infrastructure development, the Government will take measures to upgrade the road and communication systems and ensure water and energy supply for all regions, with priority given to regions with large population and high poverty rate.

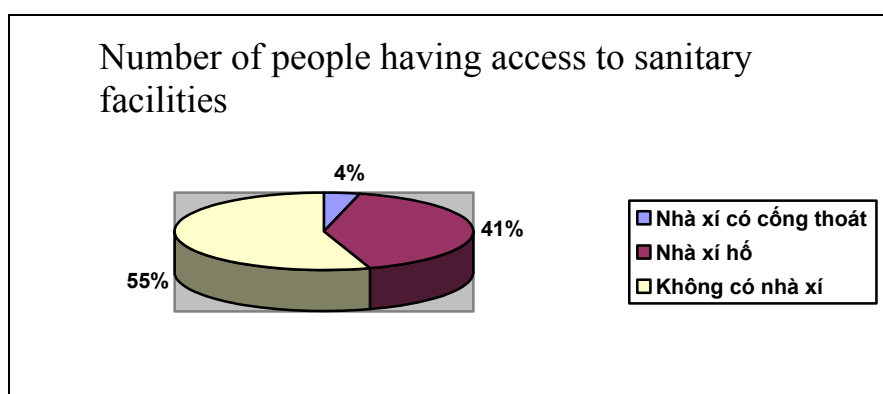
- Improvements in terms of public administration are vital to poverty reduction. To this end, the Government will adopt policies on decentralisation, reform of public institutions, streamlining of administrative procedures, strengthening of the legal system and public security, and prevention of corruption and red tape.

- Regarding financial and macroeconomic management, the following policies will be adopted: (i) Controlling inflation and enhancing economic competitiveness; (ii) Ensuring budget balance; (iii) Improving the quality of budget expenditure management; (iv) Safeguarding and expanding financial markets, especially in rural areas through the encouragement of small and medium enterprises and micro-finance projects; (v) Intensifying trade liberalisation and international integration and; (vi) Keeping domestic and foreign debts under control.

During the 1996-1999 period, Mozambique gained important achievements in terms of macroeconomic development. Inflation rate was kept at a single-digit number while GDP growth amounted to over 10% and investment rate was 27% of GDP. However, natural

calamities and flood in Central and Southern areas in 2000 wrecked havoc of the economy. For the past few years, the economic situation has been improved as GDP growth reached 7.8% in 2003 and 7.2% in 2004 respectively. Except for construction industry, all major economic sectors have recorded spectacular growth rate, including agriculture (8.9%), transportation (16.4%), and public utilities (9.4%). The growth of the export sector, at 15.4% in 2004, helped reducing trade deficit. The above indicators demonstrate the prospect of economic development in Mozambique, which is important to poverty reduction at the national level.

According to the national Report on poverty reduction and social security in Mozambique released in 2002-2003, poverty rate was sharply reduced during the periods of 1996-1997 and 2002-2003. The goal of reducing poverty rate to below 60% in 2005 has been obtained. The Report also indicated, however, that poverty rate remains high despite recent achievements. Most of the population have not gained access to basic social services such as supply of safe water, clean toilets, schools, and medical care.



Source: National survey on social security 2002-2003

Thus, huge challenges still lie ahead for Mozambique despite remarkable achievements recorded in the past years. Poverty reduction in the country still requires a sound combination of political commitment, economic development and poverty reduction.

International experts specialising in development issues are impressed by the determination and accountability of Mozambican people and line government agencies in fostering economic development and implementing the NSPR. The good behaviour and discipline of Mozambican people have also persuaded donors to believe in a bright future for the country despite the current low living standards. The present economic growth strategy of Mozambique is highly valued for its long-term vision.

From the above analysis, it can be concluded that both Benin and Mozambique are facing serious challenges in terms of poverty reduction. The challenges in the areas of food security, education, medical care, and institutional building are also shared by other poor and

developing countries all over the world. Given their different potential, historical, and socio-cultural background, they need to adopt relevant policies on poverty reduction. To this end, Benin and Mozambique have formulated comprehensive strategies and action plans on poverty reduction. What matters now is the development and implementation of sound policies and measures.

PART 3
**FOUNDATIONS FOR DEVELOPMENT COOPERATION BETWEEN VIET NAM,
BENIN AND MOZAMBIQUE**

I. Traditional friendship between Viet Nam, Benin and Mozambique

Vietnam's traditional relationships with Benin and Mozambique are characterized by friendliness, solidarity and mutual support. Such relationships derived from the sympathy between the countries during the period of striving for national liberalisation and have been nurtured during their cause of national defence and development. Some important landmarks in these traditional relationships are as follows:

Viet Nam – Benin relationship: Benin has experienced major political changes after its independence in August 1960. However, the ruling parties in Benin have always expressed their sympathy towards and raised their supportive voice for the Vietnamese people's struggle against foreign invaders for national reunification. In the fiercest period of the American War, the Government of Benin affirmed its support by establishing diplomatic relations with Viet Nam in March 1973. Since then, the Viet Nam – Benin relationship has been unceasingly consolidated and developed. A number of Vietnamese delegations have made official visits to Benin, including those led by Vice Presidents (in 1978 and 1995) and Deputy Prime Ministers (in 1980 and 1996). Following the visit by Benin's Foreign Minister in March 1997, Benin's President, M. Kerekou paid an official visit to Viet Nam in November 1997. During the visit to Benin in November 2003 by Vice President Truong My Hoa, the two sides released a joint declaration confirming the determination of boosting cooperation between the two nations up to the level of traditional political relations. At present, Viet Nam has appointed one Ambassador to Algeria-cum-Benin, and Benin has appointed one Ambassador to China-cum-Viet Nam.

Viet Nam – Mozambique relationship: Viet Nam was among the first countries establishing diplomatic relations with Mozambique, since its independence day on June 25th 1975. However, FRELIMO party – the current ruling party – has built relations with Viet Nam since 1960 and considered Viet Nam a symbol and bright example of national liberation movements. In 1971, when FRELIMO was in preparation for launching the armed struggle to seize the government, FRELIMO's Leader Samora Machel paid a visit to Viet Nam to learn about Vietnam's experience. In 1984, Samora Machel visited Viet Nam again in his capacity as Mozambique's President. Viet Nam also sent many delegations to visit Mozambique, including the delegations led by the Vice President (in 1978) and the Deputy Prime Minister (1980). Viet Nam and Mozambique have closely coordinated and cooperated at the forums of the Non-Alignment Movement, the United Nations and other international organizations as well as supported each other at the hardest time of the two countries' revolutions. To share with Mozambique's difficulties in the early 1980s, Viet Nam sent to Mozambique people

2,000 tonnes of rice while the country was also in difficulty due to blockade and embargo. Recently, during the visit to Mozambique by Vietnam's Vice President Truong My Hoa in November 2003, the two sides reaffirmed the determination to strengthen the traditional political relations and intensify cooperation to support mutual development. The President and Foreign Minister of Mozambique are expected to pay visits to Viet Nam in 2006. At present, Viet Nam has appointed one Ambassador to South Africa-cum-Mozambique, and Mozambique has appointed one Ambassador to China-cum-Viet Nam.

Political relations are always the essential premise and set orientations for economic relations. According to the research team, traditional political relations between Viet Nam - Benin and Viet Nam - Mozambique provide important motivations that favour and support cooperation between Viet Nam and the two countries. This can be seen in the following aspects:

- Political commitments and cooperation desires of the two sides' leaders give directions for cooperation. Two sides' governments can help industries and entrepreneurs overcome difficulties arising in early periods of cooperation. Besides, frequent visits by leaders of the two sides are also the opportunities for reviewing and evaluating cooperation effectiveness, as well as defining cooperation orientation and framework.
- The economy of Viet Nam, Benin and Mozambique is mostly agriculture-based. From centrally planned economies, the three countries have taken reforms and the open door policy. Viet Nam is considered a successful example in economic renovation and development, hunger elimination and poverty reduction. To different extent, current difficulties and challenges facing Benin and Mozambique are also those that Viet Nam used to experience in the past. Therefore, Benin and Mozambique can apply many lessons from Vietnam's experience through enhancing cooperation between the three countries.
- In their development strategies, the three countries pursue the policy of diversifying international relations with importance attached to traditional friendships. The cooperation between Viet Nam - Benin and Viet Nam -Mozambique has been built upon voluntary basis and the principle of mutual benefits, without being restricted by non-economic factors. Changes in each country's government do not influence political and cooperative relations among the three countries.

Sharing mutual benefits in multi-faceted relations, especially economic ones, among the three countries is also another favourable factor for further enhancement and advancement of political relations to meet the desires of the leaders and people of the three countries.

II – Economic foundations

In addition to political factor, there are economic factors that can help increase effectiveness of Vietnam's cooperation with Benin and Mozambique for the purpose of development and poverty reduction. These factors include:

- The three countries share similarities in agricultural economy, level of development and modes of production. Vietnam's experience and techniques in cultivation and agricultural production can be efficiently applied in Benin and Mozambique. This can be demonstrated by the results of Vietnamese experts' work in many African countries within the framework of the FAO-funded food security programme. The structure of rural economies in African countries is, in many cases, not suitable for the introduction of modern means of production as well as the application of advanced agricultural technology from developed countries.
- The legal frameworks have already been developed to pave the way for Vietnam's cooperation with Benin and Mozambique. Viet Nam and Benin signed the Framework Agreement on Economic, Trade, Cultural, Scientific and Technological Cooperation; and some other protocols and agreements on bilateral cooperation in Health, Education and Agriculture sectors as well as on cooperation between the two Foreign Ministries. Viet Nam – Benin Trade Agreement is being discussed. Viet Nam and Mozambique also signed the Framework Agreement on Economic, Trade, Cultural, Scientific and Technological Cooperation; Trade Agreement and Protocol on the two Foreign Ministries' Cooperation. Viet Nam also joined the Cooperation Agreement between the two Chambers of Commerce and Industry of Benin and Mozambique. Vietnam's Chamber of Commerce and Industry has already set up a website introducing opportunities for cooperation and trade exchanges between Vietnamese businesspersons and some Africa countries including Benin.
- Viet Nam, Benin and Mozambique have had certain experience in tri-lateral cooperation. In the early 1980s, hundreds of Vietnamese experts were sent to Mozambique to work in agriculture, healthcare and education sectors. Since 1999, many Vietnamese agricultural experts and technical workers have been working in Benin within the cooperation framework of Viet Nam – FAO – Benin. Vietnamese professionals have proved their competence and qualifications, thus gaining credibility from the two countries' people and colleagues.
- Healthcare and joint ventures in medicinal production is another feasible field of cooperation. The three countries have great potentials in commerce, but these potentials have yet been exploited. In fact, goods of one country on the other's market are mostly imported via intermediate partners.

- Developed countries such as Japan, France, Germany etc., through support programmes for Africa have expressed their interest and willingness in providing aid for viable projects in development cooperation and poverty reduction among poor nations. This is an advantage that should be tapped upon by Viet Nam, Benin and Mozambique during their cooperation to overcome financial difficulties in project implementation.

III – New favourable factors for cooperation and challenges

1. At present, the open policies and struggles against poverty in developing countries attract interest and assistance from developed countries, the United Nations and international organizations. Besides, many new factors have emerged in Africa, Asia and each country, creating favourable conditions for development cooperation and poverty reduction between Viet Nam, Benin and Mozambique in particular and among developing countries in the two continents as a whole. These factors include:

- In September 2000, the United Nations adopted the “Millennium Development Goals”, among which poverty reduction and sustainable growth are the most important goals. To realise these goals, many resources are mobilised; a number of UN bodies, particularly UNDP and FAO are coordinating in project implementation to help many countries including Viet Nam, Benin and Mozambique have improved their capacity in management, policy formulation and implementation of food security, clean water, and epidemic diseases prevention programmes.
- In addition to the efforts of African countries and the international community to put off hot spots of conflict, in July 2001, African countries agreed to launch the “New Partnership for African Development” (NEPAD) with a view to unifying African countries in cooperation to overcome the common challenges to the continent, the most urgent of which include poverty, diseases, environmental pollution and the danger of desertification. NEPAD has gained support commitments from G8 countries and international financial institutions such as the WB and IMF. To implement NEPAD, many African countries are accelerating the implementation of committed reforms and economic restructuring, improving their investment environment and promoting transparency in governance. Many regional organisations, including the South African Development Community (SADC) of which Mozambique is a member country and the Economic Community of West African States (ECOWAS) of which Benin is a member state, have been brought back to action after years of stagnation, making important contribution to the implementation of NEPAD.
- G8 and other developed countries are now more active in supporting economic reforms and fighting against poverty in Africa. EU has committed to double its development assistance for Africa, reaching USD 50 billion a year by 2010 and planned to work with African countries to launch the “New European Union – African

Partnership” at the EU-African Summit to be held next year. The United States continues to extend the African Growth Opportunity Act (AGOA) passed in 2000 and enlarges the list of eligible countries. Japan is implementing with remarkable effectiveness its Tokyo International Conference on African Development (TICAD) programme. Recently, a USD 40-billion-worth debt of 18 poor countries, including Benin and Mozambique, has been written off by G8. This shows better confidence of the international community in the reforming process of the two countries, encouraging developed countries and international financial institutions to continue to cooperate with Benin and Mozambique by offering new credits and investments.

- Asia – Africa cooperation has also new opportunities for closer cooperation. At the Asia-Africa Summit in Indonesia (4/2005), Asian and African countries have approved the “New Asia-Africa Strategic Partnership” (NAASP) together with a NAASP Plan of Action with directions for cooperation between the two continents. The Summit also decided to hold regular Summit every four years, Ministerial Meetings every two years, and irregular line Ministers Meetings if necessary.



Photo 1: A Benin farmer is proposing a spray can to spray fertiliser instead of the rudimentary tools that he had used before (buckets and tree branches).



Photo 2: A food processing class instructed by Vietnamese experts (Tori Bossito, Benin). Today, they learn how to make pancake and biscuits from cassava powder.



Photo 3: A soybean farm cultivated using methods transferred by Vietnamese experts (Dangbo, Benin).



Photo 4 (left): A chicken house built with instruction of Vietnamese experts (Dangbo, Benin). The chicken house has two separate rooms to breed hens and chicken. The owner of this chicken house is a successful farmer in family agricultural production.

Photo 5 (right): Vietnamese experts in a cassava and maize planting field (Dangbo, Benin)





Photo 6 (left): Children at Tori Bossito (Benin)



Photo 7: The irrigation system that lead water running from a lake to a vegetable field. Only part of the system is built by concrete, the rest is dug down the surface.

The above factors are creating quite effective support for African countries in mobilising further resources to help the implementation of economic reforms and the fight against poverty. Improvements have been made in the investment environment, thus enhancing development potentials and opportunities in African countries.

Another favourable condition is the proactive approach to enhancing cooperation between Viet Nam and African countries. At the conference “Viet Nam – Africa: Opportunities for cooperation and development in the 21st century” in May 2003, Viet Nam and African countries agreed on four priorities in strengthening and expanding cooperation between Viet Nam and African countries, including:

- “Strengthening and expanding the traditional friendship, solidarity and cooperation between Viet Nam and African countries in all fields for mutual benefits, on the basis of mutual respect for each other’s independence, sovereignty and territorial integrity.
- Giving priorities to promoting and expanding economic relations, bilateral and multilateral cooperation, first and foremost in areas of trade, investment, agriculture, labour, experts, information, etc, enhancing the effectiveness and competitiveness of each economy, thus accelerating international economic integration and contributing to people’s better-off life.

- Promoting discussions and exchanges of experience in national building, poverty reduction and hunger eradication, development of medical system, preventing and curing of diseases, education and human resources development, environmental protection, disaster prevention and mitigation, and efficient exploitation of natural resources.
- Combining bilateral and multilateral cooperation, strengthening collaboration in multilateral and international forums, thus helping to promote closer relations between respective organisations in the two continents, striving for peace, cooperation for development, and equal international political and economic relations.”

Based on these four directions, the Government of Viet Nam has formulated the “Plan of Action to promote Viet Nam – Africa relations” in the 2004 – 2010 period, which sets out missions and steps for ministries, sectors and businesses to expand and enhance the effectiveness of cooperation with important traditional African partners, including Benin and Mozambique.

2. Challenges posed to cooperation between Viet Nam, Benin and Mozambique are mainly due to problems of domestic management structure and economic activities in the three countries. As developing countries, Viet Nam, Benin and Mozambique are making efforts to remove obstacles to the structural completion and efficiency improvement of socio-economic development activities. These problems include combating corruption, enhancing transparency of public administration, improving taxation management mechanism, etc. The Report points out some issues that can hinder cooperation among the three countries as follows:

First, informing social, political, cultural and economic situation of each country to the others is limited, if not to say almost undone. For most people of each country, understanding on the others is limited to the 70s and 80s period and not updated. Even management and research agencies, which should be frequently updated with the latest developments, have inconsistent information. Due to lack of direct and regular cooperation channels, information on Benin and Mozambique on Vietnamese newspapers is usually about disasters and diseases and is not popular. Meanwhile, the image of Viet Nam in these two countries is usually mixed with some other Asian countries.

Second, financial resources that each country can allocate for implementing South-South cooperation models are limited, making it difficult to conduct a long-term large-scale cooperation strategy. In fact, some Vietnamese individuals went to Benin and Mozambique to try opportunities in these new lands, however, without support from the Government, they were unsuccessful as their activities were too risky and scattered.

Third, there still exist suspicion and lack of enthusiasm toward South-South cooperation among most government agencies and individuals. This situation is caused by

inadequate understanding and passiveness that rooted in the North-South cooperation in the 80s and 90s period.

According to the research team, the above-mentioned problems are the main challenges posed to cooperation for development and poverty reduction between Viet Nam, Benin and Mozambique. Other problems that involve public administration, economic structure and political model can be found in regular country reports of the UNDP.

PART 4

CONCLUSIONS AND RECOMMENDATIONS

Based on the analyses of each country's socio-economic situation as well as their policies towards development and poverty reduction, the history of friendly and cooperative relations among the three countries, the findings of the field trips to Benin and Mozambique, and discussions and exchanges with representatives of ministries and sectors, businesses of each country as well as with Vietnamese experts working in the two countries, the research team has come up with a number of conclusions and recommendations as follows:

I – Conclusions:

1. Fields of cooperation:

The potentials for cooperation between Viet Nam and Benin and Mozambique are enormous and cover a wide range of sectors; therefore, making full use of such potentials and each country's comparative advantages will supplement the poverty reduction process in all countries. Based on thorough analysis in the previous parts, the research team also notes that in addition to financial constraints, lack of information and lack of understanding of others' economic situations, needs and cooperation opportunities are some of the main obstacles to utilise existing cooperation potentials. These could take root from the lack of direct and frequent contacts and partnership between ministries, sectors and companies of the three countries. Feasible fields of cooperation between Viet Nam and Benin and Mozambique include:

- Agriculture: cooperation activities should be incorporated in comprehensive rural development plans. In this spirit, the common objectives of cooperation programmes are to improve the people's living conditions and to increase rural productivity. Viet Nam, Benin and Mozambique – with their own strengths and advantages – can learn from each other's rural development plans and experience in rural organisation to apply in their situations. In its study, the research team notes that Viet Nam, Benin and Mozambique are all facing common problems in building rural infrastructures – especially rural irrigation systems, finding markets for agricultural produces, and natural disaster prevention and relief. Cooperation among the three countries can start from cultivation techniques, producing and providing tools and equipments, selecting, supplying and preserving seeds and species, production planning and organising, encouraging husbandry and

household economic activities, to irrigation, preservation and processing techniques etc. Cooperation in agriculture and rural development directly supports poverty reduction activities, playing an important part in the strategies for economic development and addressing social issues of the three countries. In this area, Viet Nam has made impressive achievements and be able to cooperate effectively with Benin and Mozambique.

- Trade: Yet being prioritised partners to each other, each country has certain goods of comparative advantages that can be traded with others. Viet Nam can meet the import demand of Benin for pharmaceuticals, agro-machineries and tools, garments and clothing, grains and oily fruits, etc., and import from Benin cotton, wood and some wooden products, and cashew nuts. With Mozambique, Viet Nam can trade rice, wooden products, household appliances for cashew nuts, cotton and natural fibre etc. (trade in these goods between the three countries has usually been conducted via third parties). In 2005, the two-way trade volume of Viet Nam and Benin was estimated at nearly USD 3 millions, while that of Viet Nam and Mozambique at about USD 35 million. Benin and Mozambique can also access the market of ASEAN countries via Viet Nam while Viet Nam can connect to SADC markets through Mozambique and to Western African countries in ECOWAS via Benin.
- Healthcare: Viet Nam can work jointly with Benin to produce vaccines against malaria and other tropical diseases, medicines from local vegetation to substitute imports; send Vietnamese doctors, nurses and technical staffs to the other two countries within ministerial or sectoral cooperation programmes. Experience Viet Nam has earned in setting up its grassroots medical system and community healthcare system can be applicable in Benin and Mozambique as well.
- Education: Three countries can formulate projects to conduct research, exchange lecturers and trainees. Direct cooperation relations between research institutes and universities of the three countries should also be established. Mozambique is proposing to renew cooperation with Viet Nam in education after a period of fruitful programmes in the 1981 – 1989 period.
- Given current financial constraints, investment into each other seems not readily possible, but the three countries may consider setting up joint ventures to produce machineries and tools for agriculture production in Benin and Mozambique to substitute imported ones.

2. Modes of cooperation:

The research team holds the view that cooperation among Viet Nam, Benin and Mozambique on development and poverty reduction can only be effectively implemented by combining bilateral and multilateral frameworks with suitable focuses, priorities and modes of cooperation. Parties involved should be active in allocating appropriate funding for prioritised areas and urgent programmes and projects, offering preferential incentives to mobilise available domestic resources and external assistance. A number of specific areas, programmes and modes of cooperation can be suggested as follows:

- Expanding cooperation in exchanging experts, technical staff in agriculture, health care and education, with agriculture as the first priority.
- Combining various methods and scales of cooperation, from direct cooperation between governments to cooperation between ministries, sectors and businesses... Combining bilateral, tripartite and multilateral cooperation with the involvement of developed countries and international organisations.
- Encouraging direct cooperation between local provinces from the three countries.
- Considering the barter method in promoting trade among the three countries.
- Transferring technologies and setting up joint ventures in agro-product preserving and processing, manufacturing of production tools, fertilisers, seeds and household equipments in each country to supply to domestic markets and export to neighbouring countries.
- Working together in formulating cooperation projects conforming to the requirements of other frameworks by developed countries or international organisations to get their support.

3. Exchange of experience

Through the appraisals and discussions with representatives of ministries and sectors in Benin and Mozambique, the research team believes the experience of Viet Nam in fostering economic development and poverty reduction can be usefully applied to Benin and Mozambique, including:

- In formulating strategies and policies, growth targets should be associated with addressing social problems, ensuring social equality and progress in the cause of development across areas and regions throughout the country, setting specific targets of each development phase and striving to realise such targets.

- In addition to improving the economic and legal environment to attract external investment, it is crucial to mobilise internal resources by adopting nurturing policies to make full use of all available domestic resources for economic development.
- In reducing poverty, priorities in resources allocation should be given to most disadvantaged areas and vulnerable groups of the population. Poverty reduction targets and programmes should also be integrated into regional and national socio-economic development strategies.
- Agriculture should be treated as an imperative area, a key to poverty reduction. The policies of direct provision of capital and techniques to help people overcome poverty should be associated with investment in rural infrastructure (roads, irrigation, healthcare, education and cultural aspects), promoting gradual mechanisation in agricultural production, thus facilitating the self-help of the poor.
- Creating mechanisms and incentives to encourage people of all social strata to participate in poverty reduction, thus mobilising available resources of the society to the fullest. In this regards, poverty reduction is not only the responsibility of the Government or involved localities but also a major duty of all ministries, sectors, associations, community organisations, businesses and the people themselves.

II. Recommendations

From the above findings, the research team recommends the Governments and ministries, sectors and companies of the three countries the following steps to enhance and expand cooperation in development and poverty reduction between Viet Nam, Benin and Mozambique:

1. First and foremost, cooperation in agriculture should be enhanced:

This recommendation is based on such findings as: (i) agriculture is directly related to poverty reduction in agriculture-dependent economies like Viet Nam, Benin and Mozambique, (ii) agriculture development was the breakthrough, the key to success of Viet Nam when it started its economic reforms and restructuring, and the experience Viet Nam has gained in agricultural development can also be effectively applied in Benin and Mozambique, (iii) Viet Nam has implemented successfully a number of effective cooperation programmes in agriculture with African countries, therefore has specific experience to implement future agriculture cooperation with Benin and Mozambique.

Recommendations of the research team on modes of cooperation in agriculture:

- Forming groups of experts from the three countries to conduct comprehensive review of the current situation of agriculture in each country to planning cultivation areas for each type of food crops (rice, corn, cassava, vegetables...), husbandry and aquaculture areas suitable with local land and climate conditions; and irrigation systems for such areas.
- Setting up research centres for plant hybrids and adoption of high-yielding seeds of rice and vegetables, breeds of poultry and freshwater aquatic produce in each country for application in mass production and substituting imported hybrids for all three countries. Research areas could also cover tools enhancement and gradual mechanisation of agriculture production in Benin and Mozambique.
- Bringing Vietnamese agriculture experts and technical staff to the two countries to conduct technical training courses and provide direct instructions in each locality in Benin and Mozambique, as well as organising study tours for agriculture delegations (administrators, technical workers and peasants) from these countries to Viet Nam to witness household-economic-activity models and planning and development activities in rural areas.
- Bringing into full play the role of peasants in international cooperation through conducting pilot models of establishing farmstead in and bringing Vietnamese peasants to the two countries for farming, thus promoting the spill-over effects of production methods and techniques to local farmers.

With Benin: Agriculture cooperation among Viet Nam – FAO – Benin has produced impressive success, with two- to three-fold yielding and productivity increase in pilot models. In this success, Vietnamese experts have affirmed their effective roles in cooperation as well as their credibility with Benin peasants. However, due to limited financial support of FAO given to Benin, the number of Vietnamese experts and technical workers in Benin is less than 20 at a time; therefore, they are able only to work in pilot models.

In order to expand this mode of cooperation, apart from persuading FAO to increase its funding for the projects, Benin and Viet Nam should take proactive steps to increase the number of Vietnamese experts and technical staff working in Benin by about 200 to work at district and commune levels. Various tasks of planning, irrigation, hybrid research and tools enhancement should be simultaneously implemented, thus bringing

about substantial progresses in agricultural cultivation and husbandry in the whole country, aimed at food self-sufficiency, enhancing food reserve and export.

With Mozambique: The Government of Mozambique is formulating the Development Project of Zambezi Valley, and considers it the central task in the national strategy of poverty reduction and economic development (the project contents and figures are presented in annexes). Professor Vieira, Project Director and a Cabinet Member have confirmed the needs to cooperate with Viet Nam in the project implementation. In discussions with him, the research team noted that the proposals for cooperation of Professor Vieira are feasible and Viet Nam can meet such needs, including:

- Viet Nam sends engineers to work with Mozambique in making irrigation planning for the whole Zambezi region. First and foremost, such a plan will include the restoration of the once-well-developed infrastructure for irrigation and flood control, which had been seriously damaged in the previous 10 years of civil wars.
- Viet Nam sends agriculture experts and technical workers to train and instruct Mozambique peasants directly about techniques in planning, cultivation, preservation and processing of farm produce.
- Setting up research programmes about paedology, seeds and breeds; and training courses about cultivation techniques in Mozambique.
- Allocating some arable areas for Vietnamese peasants to come and cultivate in rural areas in Mozambique.
- Adopting experience of Viet Nam in formulating policies and measures to encourage agriculture development, experience in mobilising, spending and managing rural credits.

The advantageous features of agriculture techniques of Viet Nam, among others, are simplicity and efficiency. Inventions of production tools enhancements are usually discovered by experienced peasants and have been efficiently applied their production in past years. These tools can also be produced with simple technology and low costs. The research team suggests that, based on the concluded framework agreements on scientific and technical cooperation between Viet Nam and Benin and Mozambique, a channel for agricultural technical cooperation should be established, starting from convening seminars to exchange experience and explore enhancements suitable for the situations of each locality. Next, regional training sessions to disseminate techniques to peasants

should be held. Businesses should also be involved in producing tools to supply on a large scale for agriculture production. Besides, that Mozambique has repeatedly asked for imports of buffaloes from Viet Nam as production tools opens up the opportunity for import, hybridisation and breed buffaloes both as for agriculture production tools and for husbandry activity expansion.

From the study, the research team notes that some species of Vietnam's plant have adapted to the natural conditions in Benin, producing high yields and good quality. These species have been brought to Africa in small quantity through hand luggage of Vietnamese experts. The initial successful adaptation some species of tomatoes, beans, cassava etc. from Viet Nam in Benin indicates good prospects for further in-depth cooperation among competent agencies.

Irrigation is considered by the research team a prospective cooperation area of the three countries. While Benin usually suffers from draught, Mozambique is often affected by floods, especially in Zambezi area. Viet Nam has had certain experience in cultivating rice and other crops both in dry and flooded areas. Both African countries lack a minimal irrigation infrastructure to support rice cultivation and regulate water flows. The research team proposes to extend the scope of expert exchange, which is now limited to cultivation, husbandry and food processing areas, to cover irrigation issues. It should also be emphasized that cooperation in irrigation must be directed and managed by high-level agencies, due to its specificities and large scale.

2. Expanding cooperation to other fields:

From the results of cooperation in agriculture, Viet Nam, Benin and Mozambique can expand their cooperation programmes to other fields with good potentials in the following directions and approaches:

- The application of Vietnam's cultivation techniques requires simple, easy-to-use and effective tools – including push-by-leg rice plucking tool, crescent-shaped sickle, pump, rice husking machines, cassava-slicing tools, flour laminating tools etc – in place of backward and ineffective tools used by peasants in Benin and Mozambique. This can pave the way for direct trading relations between Viet Nam and the two countries to boost trade in other commodities.
- *Cooperation in education* is both a part of and a complement to agriculture cooperation in setting up research cooperation between Agriculture Research Institutions in planning, irrigation, seeds and breeds production; delivering pre-

departure language classes for experts and workers; and organising training sessions of techniques in cultivation and aquaculture in the three countries...

- The development of the agriculture sector will increase the demand of Benin and Mozambique markets for cultivating machines, tools and spare parts, fertilisers, pesticides, animal feeds as well as other technologies, technical equipments for preservation and processing of farm produce. This is an opportunity for sectors and companies from the three countries to cooperate in technological transfer and establish joint ventures to provide such products to the local market. Such production facilities do not require large investment but can quickly create positive effects.

3. The roles of Governments and donors

The current economic relations between Viet Nam and Benin and Mozambique are far below their potentials and needs. The causes are not only limited capabilities of sectors and businesses of the three countries but also lack of information about the markets, the needs for cooperation and understanding of business regulations and practices in each other's economy.

Any breakthrough in promoting cooperation requires strong commitment and support from the Governments. Moreover, considering the cooperation among three countries are to reduce poverty and achieve the MDGs – a central task of all Viet Nam, Benin and Mozambique, the Governments of the three countries should be active in allocating appropriate budget portions for this scheme while working proactively with donors to encourage their participation.

Roles and responsibilities of each Government

The research team holds the view that at the macro level, the Governments play a decisive role in determining the scale and scope of cooperation among the three countries in the time to come. The roles and responsibilities of the Governments can be described as follows:

- Determining the importance and the relations of this cooperation project with the fulfilment of development goals, poverty reduction as well as the implementation of each country's external economic policies, serving as the basis for taking decisions on investment and allocation of government budget and resources for the project.

- Collaborating with each other in calling for external assistance to expand the project in on a larger scale. Focus should be placed on donors having ongoing cooperation programmes with any of the three countries, including UN agencies (UNDP, FAO, WFP, etc); regional organisations including SADC, ECOWAS, AU; developed countries including EU, France, and Japan (TICAD) etc.
- Instructing relevant ministries and sectors of each country to perform duly their duties to create conducive environment for cooperation and business, including the negotiation and conclusion of needed Governmental agreements and treaties to set legal frameworks for such cooperation and business activities. Establishing direct partnership and information exchange mechanisms among each other's line ministries to understand the needs for cooperation and deal promptly with any problems that could arise.
- The Government of each country has the responsibility to direct, supervise and facilitate its bodies to duly implement the commitments and agreements in all the areas. For example, in agriculture cooperation, Viet Nam has the responsibility to supply in full the number of experts in requested fields with good language command to work independently. In their parts, Benin and Mozambique has the responsibility to provide experts with decent living and working conditions to help them fulfil their cooperation duties successfully.

Development cooperation and poverty reduction should serve as a starting point of the renewed cooperation among the three countries. To achieve effective implementation, furthering cooperation in other areas, the Government of each country should assign relevant agencies to discuss, plan, implement and supervise the projects. From the perspective of the research team, the focal point of each country should be the Ministry for Foreign Affairs, and participating agencies should include the Ministry for Agriculture, Ministry for Planning and Investment, Ministry of Health and Ministry of Education.

Roles of donors

As mentioned in Part 3.III, development cooperation, poverty reduction and economic reforms in developing countries are not only implemented by the participating countries themselves but also supported and assisted by the United Nations, international financial institutions and developed countries. The participation and assistance of these institutions and countries are of great importance because most of the developing countries, especially poor ones, face financial constraints. For many years, the United

Nations system, through its member agencies including the UNDP, FAO, UNIDO, UNICEF, WFP, etc., has been implementing various effective projects to help developing countries in a wide range of themes/sectors, from building national capacity for good governance and management, policy making, addressing social issues to specific programmes like the Food Security for Africa Program, emergency relief, HIV/AIDS prevention programmes and etc. Developed countries, especially G8 ones, have committed increased development assistance and offered various grant programmes to help the poor countries. Given increased funds, these projects and programmes have not always reached the target groups or produced effective results due to varied reasons (corruption, poor planning and mis-management, etc.).

International organisations play a crucial role in helping cooperation among developing countries. Developing countries have great potentials for cooperation in a wide range of topics including coordination in international forums, cooperation in trade, investment, experience exchange in addressing international and social issues etc. However, the greatest challenge in such cooperation these countries are facing, just as Viet Nam, Benin and Mozambique are, is the lack of information and financial resources. Most of developing countries are aid recipients. Even if some of them can offer financial support for less developed countries, such support is of limited scale. Therefore, international organisations can have an effective role to play in promoting cooperation among developing countries through providing financial assistance as well as giving policy advice and information, serving as a bridge between those countries in development cooperation. In many cases, although such financial assistance is modest in quantity, it serves as "seed money" or plays a catalyst role in triggering off new, interesting project ideas and attracting additional funding resources from other interested bilateral partners.

International donors can participate in various forms as follows:

Financial support: Allocate an appropriate amount from Africa-supporting programmes of the UN and developed countries, regional and international financial institutions to fund development cooperation and poverty reduction projects in the South-South cooperation framework. The participation of donors may take various forms. Each donor may involve in various components of the projects, including rural infrastructure, irrigation, seeds research and production ...; or provide financial support for the implementation of the project in a specified area (communes, districts, regions) in each country. This support will help Viet Nam, Benin and Mozambique resolve the financial difficulties and enable them to implement the projects on a large scale in each country. In

fact, this form of participation has produced fruitful results of the “2+1” cooperation mechanism, which has been applied in Senegal, Benin and will be applied in Mali.

Technical assistance cooperation: International organisations should help cooperation and management agencies of Viet Nam, Benin and Mozambique in the identification and formulation of poverty reduction cooperation projects among the three countries, i.e. in identifying the focus areas of cooperation activities, with a view to obtaining most optimal results within the specified financial limits. Technical assistance should also aim to enhance the cooperation capabilities of related parties, especially in communication ability (languages training), project monitoring, management and organisation capacity (in-depth professional skills training on cooperation with African countries).

Consultancy assistance: Cooperation ideas could be formed in discussion forums to exchange experience among the three countries and international organisations, or in field study trips in the three countries. At present, all the three countries have the needs to visit other countries to study their situations, exchange experience, thus broadening their vision and exploring cooperation opportunities. Moreover, they could extend their support to the formulation of projects based on the results of such trips. The effectiveness of such trips as well as the quality of the projects will be enhanced by the participation of international cooperation organisations.

International organisations shall act as a bridge to connect South-South cooperation in general and that of Viet Nam, Benin and Mozambique in particular. Their participation, which may take an indirect form, could be conducted in information dissemination campaigns, popularising the cultural, social and economic situations of Viet Nam in Benin and Mozambique and vice versa (through seminars, training sessions, composing campaigns etc.).

As a matter of fact, while developing countries are in urgent needs for financial resources to fund development cooperation and poverty-fighting projects, financial resources allocated to assistance programmes for developing countries are disbursed at a slow pace due to lack of feasible projects. Besides, some developing countries are also receiving various development assistance projects from different partners, but such projects are run independently and lack harmonisation, which limits their effectiveness.

The research team suggests that the UNDP, with its experience and advantages in information resources and global network of offices, will participate in coordinating and

collaborating with the Governments of Viet Nam, Benin and Mozambique to mobilise financial supports for the prompt and effective implementation of the project.

Annex 1: General indices

Formal Country Name	Republic of Mozambique	Republic of Benin	Socialist Republic of Viet Nam
Area	799.380 km ² (land: 788.380 km ²)	112.620 km ² (land: 110.620 km ²)	329.560 km ² (land: 325.360 km ²)
Location	In the South Eastern of South Africa, between latitude 10°27' and 26°52' south and between longitude 30°12 and 40°51 east.	In West Africa, bordering the Bight of Benin, between Nigeria and Togo, between latitude 9°30 south and longitude 2°15 east.	In the South-eastern Asia, bordering the Gulf of Thailand, Gulf of Tonkin, and South China Sea, alongside China, Laos, and Cambodia
Independence Day	25-6-1975	01-8-1960	2-9-1945
Date of current Constitution	30-11-1990	12/1990	15-4-1992
Population	17.242.240 (2005)	7.460.025 (2005)	83.535.576 (2005)
Capital	Maputo	Porto Nouvo (official), Cotonou (the seat of government)	Hanoi
Main cities	Beira (Sofala region), Chimoio (Manica region), Inhambane (Inhambane region), Linchinga (Niassa region), Matola (Maputo region), Nampula (Nampula region), Pemba (Cabo Delgado region), Qualimane (Zambezie region), Tete (Tete region), and Xai-Xai (Gaza region).	Parakou, Abomey, Ouidah.	Ho Chi Minh city, Hai Phong, Da Nang.

Climate	Tropical to subtropical, winter from May to August.	tropical; hot, humid in south; semiarid in north	tropical in south; monsoon in north
Languages	Portuguese (official) 13 major languages: Emakhuwa, Xitsonga, Ciyao, Cisená, Cishona, Echuwabo, Cinyanja, Xironga, Shimaconde, Cinyungue, Cichopi, Bitonga, Kiswahili.	French (official) 2 major languages: Fon and Yoruba (see Annex 3 for tribal languages)	Vietnamese (official)

Development Indices (UNDP 2002, CIA The World Factbook 2005, World Bank 2005)

Population growth rate	1,48% (2005)	2,89% (2004)	1,04 (2005)
Average life expectancy	40,32 (2002)	50,81 (2004)	70,61 (2005)
GNP per capita	210 US\$ (2003)	440 US\$ (2004)	553,3 US\$ (GDP per capita, 2004)
Foreign debt (as % of GNP)	148,7% (2000)	51,4% (2003)	34,5% (2004)
Population below poverty line	69,4% (2000)	29% (2002)	24,1% (2004)
Rate of malnutrition among under 5-year old children	26% (2000)	23% (2004)	28,4 % (2003)
Rate of girl to boy at primary school	75,6% (2000)	-	91,6 % (2003-2004)
Infant mortality rate	130,79‰	85,88‰	18‰ (2004)
Rate of people with HIV/AIDS	12,2%	1,9%	0,11%
Adult literacy rate	47,8% (2003)	40,9% (2000)	91,07 % (1999)

Source: UNDP 2002, CIA The World Fact book 2005, World Bank 2005

Annex 2: Development program for Zambezi region, Mozambique

(According to “The Zambezi Valley Windows of Opportunity”, Gabinete do Vale do Zambezi, October 2002.)

With an area of 225,000 km² and a population of about 3.755 millions, Zambezi valley is a region with lowest HDI in Mozambique. On 22 August 1995, the Council of Ministers of Mozambique passed a Resolution to establish the Zambezi Planning and Development Bureau (GPZ) with the mandates of planning, promoting, managing, coordinating and overseeing development strategies of this region. Another Decree no. 16/98 dated 16 August 1998 allows the establishment of a special tax regime to promote investment in the region. Zambezi region has large potential in land, mineral resources, favourable climate for agriculture and hydroelectric development.

GPZ has created a development strategy based on two pillars as follows:

- Projects in hydroelectricity and thermoelectricity, mineral exploitation (coal, granite, and titan), electricity transfer, electricity-consuming industries.
- Development of agriculture, forestry, animal raising, fishing and processing.

Regarding agricultural potential in Zambezi, out of the areas of 225,000 km², Zambezi has 2.5 km² of land for cultivation and 2.2 km² of land for forestry and animal raising. At the moment, 1.5 million hectare has been planned for specialised agriculture with irrigation development.

An incentive policy framework was created to promote production in Zambezi. Although the State has ownership of the land but the land-use right are granted on a long-term basis (at least 50 years) to those who want to set up business.

Zambezi region's environmental condition is very favourable for rice cultivation. Since long time ago, local people have cultivated land in an area of about 600,000 hectare of land in the coastal areas of Sofala in Zambezia provinces and along Zambezi River from Mutarara province.

With this potential, together with competitive advantage of low salary of local workers and the agricultural technique of Viet Nam, Zambezi can be developed as a rice field for the whole South Africa region, which currently imports USD 300 million value of rice each year.

The main objectives of the rice development strategy of Zambezi region are as follows:

- Restore irrigation and flood-control infrastructure. Zambezi used to have a relatively complete irrigation system developed with the assistance of China. However, after 10 year of civil war, this infrastructure system was destroyed.
- Promote research and technical training in agriculture. This is an area that GPZ wishes to cooperate with research institutes in Viet Nam.
- Promote rural credit. In this regards, Mozambique wishes to learn from Vietnam's experience in mobilising, utilising and managing rural credit.
- Promote private investment
- Promote public investment in human and community
- Promote trading of agricultural products from rice and creation of local jobs.³⁶.

Viet Nam and Mozambique has a good traditional relation for over 40 years. GPZ has always laid emphasis on cooperation with Viet Nam as a major priority in its cooperation policy. Mozambique wishes to cooperate with Viet Nam in three areas: irrigation, rice cultivation and buffalo raising. Zambezi's natural condition is considered ideal for agricultural production. However, the abundance of water and structure of the water system in this region requires a suitable irrigation system to regulate the supply and reservation of water for agricultural production. Mozambique believes in the experience of Vietnamese farmers in planning the field and control water. In addition, Mozambique highly appreciates Vietnam's experience of using buffaloes and believes that Vietnamese buffaloes will become suitable and effective agricultural production instruments in Mozambique.

Annex 3: Viet Nam-Benin-FAO agricultural cooperation

Context

In December 1998, a three-party Cooperation Agreement was signed between the Government of Viet Nam, the Government of Benin and the Food and Agriculture Organisation. In order to put this Agreement in to practice, a delegation of Vietnamese agricultural experts was set up to implement the Special Program for Food Security (SPFS) in Benin. Since August 1999, 52 experts have been sent to Benin, completing the experimental phrase (1999-2004). The expansion phrase has now started.

³⁶ According to "The Zambezi Valley Windows of Opportunity", Gabinete do Vale do Zambezi, October 2002.

Operation activities

The technical guiding and support of Vietnamese experts are implemented in 15 villages of four regions:

	<u>Models</u>
Candi (North):	Rice in dry land, vegetable, other crops, animal breeding
Glazoué (Highland)	Rice in dry land, vegetable, other crops, animal breeding
Tori-Bossito: (near city):	Vegetable, other crops, animal breeding, fishing
Dangbo (river silt) :	Rice in wet land, vegetable, other crops, animal breeding, fishing

Results

Contents of each model

Plantation	Intensive farming of wet rice, dry rice, maize, cassava, bean, vegetables (eggplants, cucumbers, carrots, cabbages, lettuces, onion, tomatoes, chillies, ...)
Breeding	Chicken, pigs, goats, sheep, intensive farming of tilapia.
Processing of agricultural produce	Making soy milk and tofu from soy bean; making dry pancake, vermicelli and alcohol from cassava, making glutinous rice chupatties, vermicelli and dry pancakes from igname , making everyday food from young bamboo and banana flowers.
Intra-field irrigation planning	- Intra-field irrigation models for low and flooded areas. - Intra-field irrigation models for non-flooded by-river areas.

- The number of farmers participated in demonstrations: nearly 1000
- Areas of planting demonstration and irrigation: 145 ha
- Areas of irrigation and planting expansion: 110 ha
- The Vietnamese rice variety used in Benin: DT10, DT12, HYT77
- The Vietnamese vegetable variety used in Benin: tomato HF1 and long chillies.
- Working instruments used in Benin: machine to pull-off the seeds from rice ears by foot, vermicelli making machine, cassava cutting machine, rice sickle.
- Productivities and economic efficiency in demonstration models in plantation increase from two to three folds, in animal breeding increase 2 folds and in fishing increase from four to five folds.

Annex 4: The diversity of ethnic groups and languages in Benin

Region	Ethnic groups
South-West	Adjás, Ouatchis, Guins, Houédas, Houlas
South	Fons, Aïzos, Holis, Toffins
South-East	Gouns et Yorubas
Highland	Fons, Mahis, Yorubas
North and North-East	Batombus, Dendis, Fulbés
North- West	Bétamaribés, Waabas, Yowas

Languages	Number of speaking people	%	Provinces
Fon	1 400 000	24,2 %	Atlantique, Zou
Yourouba	465 000	8 %	Ouémé, Zou
Bariba	460 000	7,9 %	Central, Borgou (nord)
Adja	360 000	6,2 %	Atlantique, Mono
Goun	320 000	5,5 %	Porto Novo, Ouémé
Ayizo	227 000	3,9 %	Atlantique, Mono
Nago	175 000	3 %	Ouémé, Atakora
Gen	126 000	2,1 %	Atlantique, Mono
Ditamari	120 000	2 %	Atakora
Ouatchi	110 000	1,9 %	Mono
Cabé	80 000	1,3 %	Borgou, Zou
Boko	70 000	1,2 %	Borgou
Pila	70 000	1,2 %	Atakora
Mahi	66 000	1,1 %	Zou
Tofin	66 000	1,1 %	Atlantique, Ouémé
Mokolé	65 500	1,1 %	Borgou
Ouémé	60 000	1 %	Ouémé

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