



**VIETNAM GOVERNMENT'S COMPENSATION
POLICIES FOR SMALLHOLDER FARMERS IN HATINH
PROVINCE AFTER 2010 FLOODS**

**Le Viet Thai
Ta Minh Thao
Nguyen Minh Thao**

Central Institute for Economic Management

Hanoi, 6/2011

EXECUTIVE SUMMARY

1. Main findings

Legal framework on post-disaster policies for affected groups is fairly comprehensive. Government stipulate specifically affected groups, support measures and support levels, policies on rescue and production recovery as well as advocacy policies for relief. Post-disaster recovery policies has top-down approach, thereby authorities at all levels respond timely and quickly to minimize loss of human and assets and specially not let the starvation happen aftermath of disaster. However, in the long run, policies on production recovery seem to be less drastic.

Provincial government has responsibility to actively support to its affected groups. For long-term recovery, especially for production recovery, Ha Tinh is funded 70% expenditure for disaster recovery from central state budget¹. Besides, in case, provincial state budget spending to affected farmers exceed 50% of its contingency budget then central state budget will complement².

Numbers of affected groups which are eligible objects to receive state supports but Ha Tinh People's Committee does not support, namely: (i) breeding smallholder farmers who have less than 10 sows, or 100 pigs, or 300 egged poultry, or 500 poultry (ii) aquatic production farmers with production area less than 02 ha and farmers who have at least of 02 ha but damage level less than 70% or (iii) fruit and industrial crops

Expenditure for disaster recovery in a province which is regularly suffered from disaster like Ha Tinh is a burden for provincial state budget. Observing data on disaster in Ha Tinh during 2006-2008 from VHLSS 2008 and supports from central and local governments show that recovery expenditure mainly put on state's shoulder. Under current regulations, provinces must be active to balance their post-disaster recovery expenditure, the central government will complement only in case of facing to extraordinary difficulties. Due to this, a difficult province like Ha Tinh in addition to regularly happened disaster, that is a real burden for provincial government.

Damages of surveyed households were severe after 2010 floods. 5 damage types with highest proportions of affected households are loss of cash crops (75.9%), loss of rice crops (64.5%), loss of poultry of smallholder farmers (37.5%), loss of pigs of smallholder farmers (29.8%) and loss of house (28.9%). If local authorities do not have appropriate support measures for smallholder farmers then they likely fall in poverty.

Monthly total income of surveyed households tumbled after floods, and until now it is just equal to 73% of that before floods. Monthly income reduced by half from VND 1.9 mill to VND 0.9 million in the period of three months after floods, in which

¹ Point c, Clause 2, Artical 4 of Decision 142

² Point d, Clause 2, Artical 4 of Decision 142

income from agriculture reduces from VND 1.15 million to VND 0.3 million. Thanks to various state support policies, supports from other organizations and efforts of households, the average income has gradually recovered. However after six months the new total income is just VND 1.4 million.

Poverty rates in Huong Khe and Vu`Quang have a dramatic increase in 2011 of all communes, the average poverty rate surging from 23.6% to 50% but we are not able to observe direct impacts of floods on poverty. Two reasons cause this dramatic increase. Firstly, because households are severely suffered from floods. Double floods killed 8 persons, injured 112 person, destroyed 1028 ha of rice, 570 ha of corn, 160 ha of sweet potato, 290 ha of vegetables cash crop, 395 tons of shrimp and fish³...so they face poverty. Secondly, since 2011, Vietnam apply the new poverty line, it is increased from VND 200,000/person/per month to VND 400,000/person/per month.

Support types stipulated by Ha Tinh People's Committee mainly have meaning of humanitarian, while production recovery in long run is still not satisfied. Household survey reveals that support types mainly have meaning of humanitarian (74% of respondents), only 30.8% of respondents answered support types help to recover agriculture production. Result of officer interviews show that 64/152 interviewees believe that the support is not satisfactory, as people need capital to restore production; and 88/152 interviewees believe that (i) the damage was too big to make satisfactory support; (ii) so far the level of support is the highest ever; and (iii) the support is satisfactory in terms of hunger support.

All support types is adequately informed by local authorities, however, only affected households who are approved by the screening procedure will receive the support.

The cultivation areas of surveyed households are nearly equal to those before the floods mainly thank to state supports. However external conditions had negative impacts on the winter-spring harvest season. Heavily cold weather, complicated worms and diseases development processes, partly recovered irrigation system, and high prices of seeds and fertilizers made it difficult to recover the production, therefore yields may be much less than before.

The livestock production after floods faced with difficult ties. The number of pigs and poultry of surveyed households reduced significantly. The number of new cattle is equal to 2/3 of that before floods, while the number of poultry is halved. It is possible to name some difficulties in livestock recovery, i.e. (i) pigs/poultry of small households are

³ Proposal to the Humanitarian Response to Central Floods Ha Tinh Province, Vietnam

not entitled to support; and (ii) it is hard to access to concessional loans, if households are not categorized as poor or near poor.

Need of surveyed households lean towards support for production recovery. 51.5% respondents need supports to recover their production, 44.4% need supports to recover living conditions. Demand for loan is very high, but capital source is limited.

There is policy gap on production recovery. To assess the efficiency of state policies, the research team requests households to give scores for rescue and recovery policies based on a scale of five with 1 being inefficient and 5 being very efficient. The result shows that the average score for rescue policy is 4.15 and that for production recovery policy is 3.04. Hence there is an obvious policy gap in production recovery policy.

District/commune authorities implemented well post-disaster recovery policies stipulated by provincial people's committee. Concrete guidance is issued by district people's committees help to make the implementation process more detail.

Financial resources of district/commune for post-disaster recovery supports are very limited, most of their budget comes from upper level's state budget.

High riskily fallen in poverty by smallholder farmers who are not able to access supports is acknowledged by district/commune authorities, however they do not have measures to support in spite of smallholder farmer representing 90% of the total number of farmers.

2. Recommendations

- *For the Central government:*

- The production recovery will take time. However in the immediate term, the Ministry of Agriculture and Rural Development (MARD) should issue policies on guidance of implementing infrastructure recovery. In addition, MARD should conduct an independent assessment research as to make specific plan on supporting production recovery in the damaged regions due to natural disaster;
- Vietnam Fatherland Front, Vietnam Red Cross, and the Fund of Central disaster should mobilize resources for relief support and make stronger measures of production recovery;
- The Central supports has had immediate and timely impacts, with meeting the urgent support after floods. However in the long run, the central policies show some gaps. It is essential to develop policies in a "bottom up" and participatory manner, i.e. government at higher level should consult demands of government at lower level. At the same time, government should seek for comments/suggestions from the public to identify priorities and alternative financial sources to best satisfy community demands with limited resources;

- Master plan on transport, irrigation should be integrated with that of natural disaster prevention;
 - The management, operation and safety of reservoirs of hydroelectric plants need to take schemes of flood prevention. Therefore, coordination among agencies of reservoir management and the provincial People's Committee is extremely important. According to experts, flood drainage regulations of hydropower projects should be managed by local governments to ensure safety for people and the response of downstream flooding.
- *For the provincial People's Committee:*
- The provincial policies need to be adjusted to cover the group of small holder farmers/households. Although these farmers have lower extent of losses than households of concentrative production, but their harm due to natural disaster is very large, which influences poverty in natural disaster-affected regions. This policy adjustment is entirely consistent with the provisions of the Central Government, such as Decision 142/2009/QD-TTg by the Prime Minister; Issuing support policy only to large scale famers while 90% of smallholder farmers in Ha Tinh will make its community understand that this is a kind of protect policy for provincial leader decision, this is that Ha Tinh only encourage large scale farmers not smallholder farmers. If it is true, Ha Tinh need to adjust to support major affected groups.
 - The PPC should integrate master plan of transport with master plan of irrigation and that of natural disaster prevention as to mitigate losses caused by natural disaster; mobilize resources for building works of "living with floods".
 - Huong Khe and Vu Quang have large forest areas and big number of farmers have demand for use them. However, number of farmers who own them are modest. Thus, the research team recommends that Ha Tinh need an efficient and practical strategy for protecting and developing protective forest areas; implement state policies on deliver forest areas for farmers to produce, plant, protect and develop; invest in seeds and production activities. Especially, the research team proposes Ha Tinh continuously transfer poor forest areas to rubber plantting areas in accordance with central policies.
- *For district People's Committee:*
- DPCs should consider possibility of building a non-agricultural production model in line with local characteristics as to create more jobs for the local people so that people are not dependent on agricultural production, thus reduce risks of natural disaster, increase income, improve their lives and develop

sustainable production; For example, developing handicraft industry (embroidery, rattan and bamboo products) at communes where input materials are available but there are interruptions because of some reasons.

- DPCs should on their initiative propose the PPC to seek resources for moving people in the flooded areas and building houses of flood avoidance.

- *For commune People's Committee:*

- The commune authorities should study and propose measures of sustainable poverty escape; raising non-farm income on the basis of studying programs on supporting development of non-farm jobs;
- Commune People's Committees should coordinate with the provincial/district People's Committees in seeking partners/companies using local agricultural products, which reduces risks of private traders' price squeeze;
- Commune People's Committees should pay attention to propagandizing and encouraging farmers in buying agricultural insurance as to offset losses due to natural disaster.

- *For Oxfam*

- Oxfam should continuously have relief to affected disaster regions and pay more attention to production recovery. Additionally, Oxfam should study to establish a efficient disaster response scheme in regular affected regions like central provinces.
- Oxfam should pay attention to affected groups who suffer from an unequal access to state support sources.
- Oxfam should conduct research and disseminate sustainable poverty escape models in the world and design and implement them in Vietnam like beekeeping, rubber planting, handicraft (embroidery, rattan and bamboo products).
- Study to support household relocation and establishment of cattle and poultry cages in order to avoid floods.
- Study to support farmers to plant grass for cattle food to increase income.

TABLE OF CONTENTS

| | |
|--|----|
| LIST OF ABBREVIATION | 9 |
| LIST OF TABLES | 10 |
| LIST OF FIGURES..... | 11 |
| LIST OF FIGURES..... | 11 |
| INTRODUCTION..... | 12 |
| 1 Objectives and tasks | 12 |
| 2 Analytical Framework | 12 |
| 3 Methodology | 14 |
| 4 Scope and Objects | 16 |
| 5 Activities be conducted..... | 17 |
| 6 Report structure | 17 |
| CHAPTER I – COMPENSATION POLICIES TO OVERCOME DIFFICULTIES CAUSED NATURAL DISASTERS | 18 |
| 1 Central compensation policies to overcome difficulties caused floods..... | 18 |
| 1.1 Identify beneficiaries of policies of support for natural-caused losses ... | 18 |
| 1.2 Central government support policies..... | 20 |
| 1.3 Regulations on mobilizing sources of voluntary donations for people affected by natural disaster..... | 23 |
| 2 Policies on remedy for the consequences of double floods in Ha Tinh 2010.. | 24 |
| 2.1 Central support policies | 24 |
| 2.2 Local support policies | 27 |
| 2.3 Disaster management cycle..... | 29 |
| 2.4 Natural disasters and support resources in Ha Tinh according to data VHLSS 2008 | 31 |
| CHAPTER II. IMPLEMENTING COMPENSATION POLICIES AT VU QUANG AND HUONG KHE | 33 |
| 1 Damage of smallholder farmers after 2010 floods | 33 |

| | | |
|------|--|----|
| 2 | Needs of smallholder farmers aftermath of 2010 floods | 35 |
| 3 | Support types..... | 37 |
| 4 | Accessibility of smallholder farmers to compensation policies..... | 38 |
| 5. | Recovery of smallholder farmers | 40 |
| 6. | Local implementation capacity | 45 |
| 6.1. | <i>Huong Khe district</i> | 45 |
| 6.2. | <i>Vu Quang district</i> | 47 |
| 7. | Policy targets vs. Implementation results | 50 |
| 7.1. | <i>Support policy</i> | 50 |
| 7.2. | <i>Policy impacts</i> | 51 |
| 7.3. | <i>Level of recovery</i> | 52 |
| 7.4. | <i>Reasons for successes and shortcomings</i> | 53 |
| | CHAPTER III. POLICY RECOMMENDATION..... | 56 |
| 1 | General recommendations..... | 56 |
| 2 | For the Central government | 57 |
| 3 | For the provincial People’s Committee (PPC)..... | 58 |
| 4 | For district People’s Committee (DPC)..... | 59 |
| 5 | For commune People’s Committee (CPC)..... | 60 |
| 6 | For Oxfam..... | 62 |
| | CONCLUSION | 64 |
| | REFERENCES | 67 |
| | ANNEX 1. Household Questionnaire | 68 |
| | ANNEX 2. In-dept questionnaire..... | 75 |

LIST OF ABBREVIATION

| | |
|--------|---|
| VHLSS: | Vietnam Household Living Standards Survey |
| PPC: | Provincial People's Committee |
| DPC: | District People's Committee |
| CPC: | Commune People's Committee |

LIST OF TABLES

| | |
|---|----|
| Table 1. District/commune officers were interviewed..... | 16 |
| Table 2: Comparison of kinds of losses and support levels between regulations enacted by the Central Government and Ha Tinh PPC | 27 |
| Table 3. Frequency of natural disasters happened in the period 2006-2008 in Ha Tinh | 31 |
| Table 4: Forms of relief support that communes received when the floods happened in the period 2006-2008..... | 31 |
| Table 5. Sources of support that communes received when the floods happened in the period 2006-2008..... | 32 |
| Table 6. Types of damage of surveyed smallholder farmers | 33 |
| Table 7. Self recovery without external support | 35 |
| Table 9. Needed support types of affected breeding smallholder farmers..... | 36 |
| Table 10. Sources of capital mobilized for production..... | 36 |
| Table 11. Support that households received..... | 37 |
| Table 12. Cultivation area of key plants before and after floods | 42 |
| Table 13. Number of cattle and poultry before and after the floods..... | 43 |
| Table 14. Production conditions at the study period | 44 |
| Table 15. Assessment of policy efficiency..... | 45 |
| Table 16. Level of recovery of commune after floods (%)..... | 53 |

LIST OF FIGURES

| | |
|--|----|
| Figure 1. The flood management cycle..... | 30 |
| Figure 2. Poverty rate in 2010 and 2011 (%) | 34 |
| Figure 3. Important level of compensative types (%)..... | 35 |
| Figure 4: Process of implementing recovery policies aftermath of 2010 floods..... | 39 |
| Figure 5. Living conditions of household at present (%)..... | 40 |
| Figure 6. Recovery level of living condition of households (%) | 41 |
| Figure 7. Average monthly income of households before and after floods (million VND) | 42 |
| Figure 8. Proportion of agriculture yields for commercial selling and household consumption (%)..... | 44 |
| Figure 9. Structure of support in six communes of Huong Khe district | 46 |
| Figure 10. Support structure in four communes of Vu Quang district | 49 |

INTRODUCTION

1 Objectives and tasks

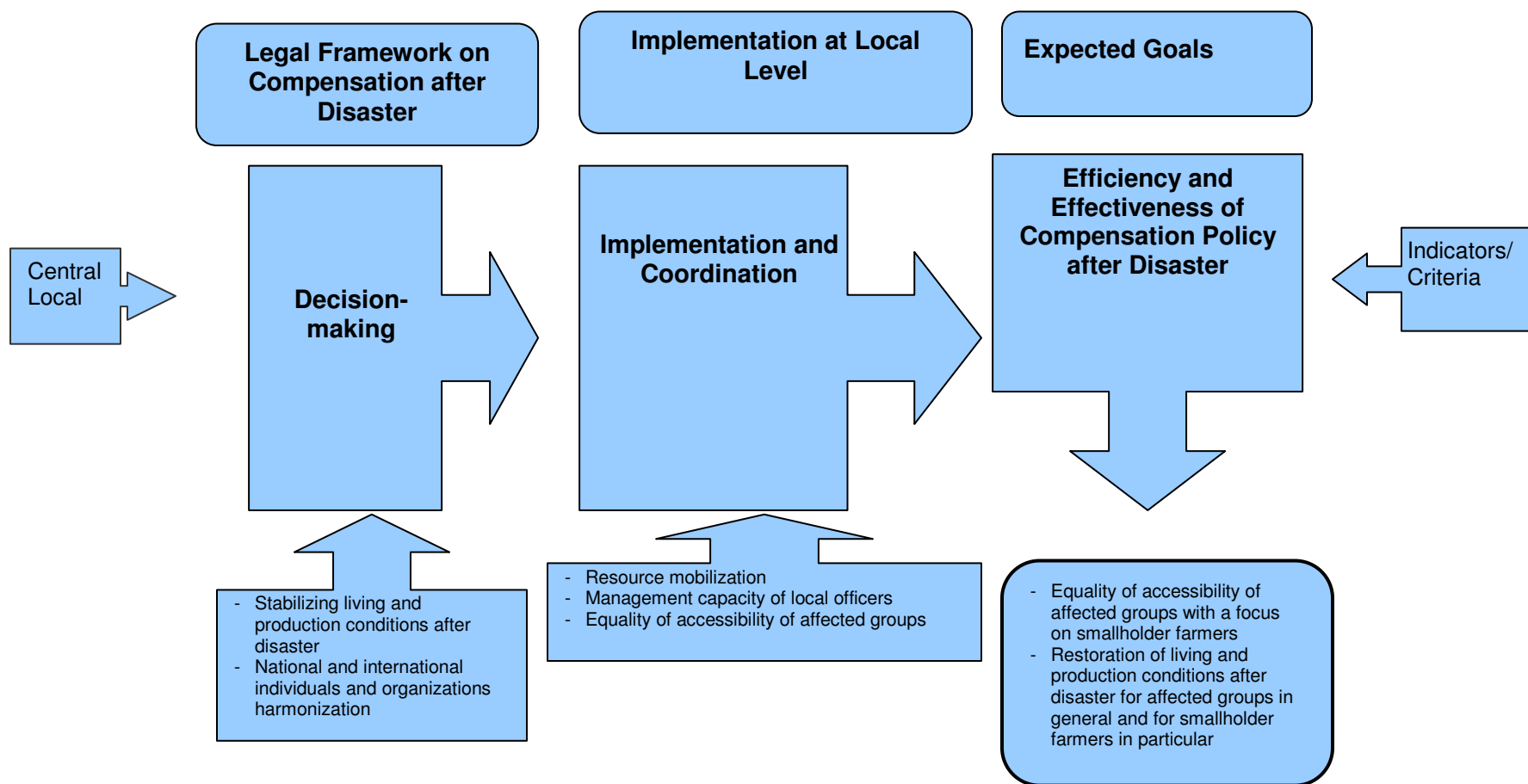
The “Emergency Response – Central Floods in Ha Tinh Province, Vietnam” project is implemented by Oxfam Hong Kong with the support of Oxfam Australia, Oxfam Great Britain, Oxfam Hong Kong, Oxfam Netherlands. Objective of the Project is to reduce impact of floods in the most vulnerable and severely affected districts of Ha Tinh Province. In order to achieve the established objective, the Projects has implemented 4 main activities/components from October 2010 to July 2011, including (i) Cash transfer; (ii) Watsan, public health promotion; (iii) Livelihood recovery; (iv) Coordination and advocacy; and (v) Project management.

Research “Vietnam Government’s Compensation Policies for Smallholder Farmers in Ha Tinh province after 2010 floods” is a sub-activity of the main activity 4/component 4. The purpose of this research is to understand deeply post-disaster recovery policies for the affected groups; to evaluate the equality of access to compensation measures by affected groups with a focus on smallholder farmers, then to make recommendations to improve compensation policies for smallholder farmers.

2 Analytical Framework

The research will consider policy making and implementing as a process, in which, the actors are central and provincial policy makers, local authorities (district, commune and village level) and policy impacts on affected groups. Specific contents are described in the general analytical framework as below:

THE GENERAL ANALYTICAL FRAMEWORK



3 Methodology

To reach the established research objectives, research methodologies have been used in combination. Namely,

Literature review:

The research team has reviewed and analyzed existing and relevant documents.

At central level including:

- Circular No. 187/2010/TT-BTC dated 22/11/2010 by Ministry of Finance on mechanism, policy of supporting seed, livestock breed, aquatic breed to recover production in regions damaged by natural disasters, dangerous diseases.;
- Decision No. 1917/QD-TTg dated 19/10/2011 by the Prime Minister on supports of funds, rice for some Central provinces to overcome the consequences due to the floods;
- Decision No. 1913/QD-TTg dated 19/10/2010 by the Prime Minister on supports of funds, rice to some Central provinces in overcoming the consequences due to storm No.3 in 2010;
- Circular No. 39/2010/TT-BNNPTNT dated 28/6/2010 on guidance of losses due to various kinds of natural disasters, dangerous diseases will be supported according to Decision No. 142/2009/QD-TTg dated 31/12/2009 by the Prime Minister;
- Decree No. 13/2010/ND-CP dated 27/2/2010, amending and supplementing a number of articles of Decree No. 67/2007/ND-CP dated 13/4/2007 on support policies for social protection beneficiaries;
- Decision No. 142/2009/QD-TTg dated 15/02/2010 by the Prime Minister on mechanism and policies on supports of seeds, livestock breed and aquatic breed to regions affected by natural disasters, diseases;
- Circular No. 72/2008/TT-BTC dated 31/7/2008 on guiding implementation of Decree 64/2008/ND-CP dated 15/4/2008 on mobilization, receipt, distribution and use of sources of voluntary donations by domestic and foreign organizations, individuals to help people to overcome consequences caused by natural disaster, fires or serious incidents; to help terminally ill patients;
- Decree 64/2008/ND-CP dated 15/4/2008 on mobilization, receipt, distribution and use of sources of voluntary donations by domestic and foreign

organizations, individuals to help people to overcome consequences caused by natural disaster, fires or serious incidents; to help terminally ill patients;

- Decree No. 67/2007/ND-CP dated 13/4/2007 on assistance policies for beneficiaries of social protection.

At provincial level:

- Decision 3115/QD-UBND dated 27/10/2010 on some regulations of repairing the infrastructure works damaged due to storms, floods in 2010;
- Decision No. 3092/QD-UBND dated 26/10/2010 on beneficiaries, contents, and levels of supports on overcoming consequences due the floods in Ha Tinh in 2010;
- Official document No. 430/CV-UBND dated 1/11/2010 by Vu Quang DPC;
- Official document No. 107/LN/TCKH-LDTBXH dated 17/11/2010 by Huong Khe DPC.

Beside, the research team also studied the material of Project Proposal to the Humanitarian Response to Central Floods provided by Oxfam.

Fieldwork at local level:

Field visits have been conducted with 2 separate designed questionnaires, including (i) In-depth Interview Questionnaire be sent to district, commune and village officers (ii) Household Questionnaire be sent to damaged households of 15 communes hit hardest by floods in Huong Khe and Vu Quang.

Household Questionnaire is aimed at understanding household income, agricultural production before and after floods, damages of households, state support types, household needs, accessibility to compensation policies, and livelihood recovery. The questions included in this questionnaire are mainly of close-ended. However, there are some questions that are specifically designed to ask households to score and give their own opinions in order to find out their real needs aftermath of floods (See Annex 1: Household Questionnaire).

While, In-dept Interview Questionnaire is designed to get information from key informants who directly involved in rescue activities at district/commune/village. In in-dept interview, there are mainly open questions having been used that allow giving individual opinions. The contents focus on support measures which are implemented by local authorities, accessibility of smallholder farmers, local capacity, accountability of rescue goods and cash advocacy and delivery, results and shortcoming. (see Annex 2: In-dept Interview Questionnaire)

Conducting two workshops in Huong Khe and Vu Quang:

The research team conducted two small workshops at districts before holding group discussions at communes. In the workshops, the research team made presentation on central and local policies on post-disaster compensation for affected groups, preliminary assessment on compensation mechanism, impacts, sufficiency, efficiency, effectiveness, accessibility and equality of such policies. The research team also asked district authorities to provide their supervision report on implementing post-disaster compensation policies, unfortunately they refused, therefore the research team is not able to show a full picture.

Group discussion:

There are 15 group discussion meetings held among involved commune officers, surveyed households and research team. In the meetings, accountability of implementation and capacity of local authorities and household needs etc. were discussed.

The above mentioned research methods have not been used separately but in combination. Together, the result of literature review, household questionnaire, and in-dept interview enable detailed and clear answer research questions identified as the general analytical framework.

4 Scope and Objects

The research focus on smallholder farmers falling in the poor and non-poor in 15 communes hit hardest by floods of Huong Khe and Vu Quang. Total of 107 questionnaire were sent and collected (7 questionnaires for one commune)

Regarding in-depth interview, district, commune and village officers who are interviewed are directly involved post-disaster recovery. Collected questionnaire are checked by the research team to ensure valid information.

At districts/communes, households questionnaire and in-dept interview were sent to respondents through local partners who were guided by the research team. A list of name and address of potential officers were selected based on the local partners' suggestions. Then, local partners were responsible in supporting the research team in collecting back the surveyed questionnaire.

Table 1. District/commune officers were interviewed

| District level | Commune level |
|---|------------------------------|
| Division of Planning and Finance | Planning and Finance Officer |
| Division of Agriculture | Farmer Association |
| Division of Labour, Invalids and Social | Woman Union |
| Affaires | Youth Union |
| Storm and Flood Prevention Committee | Farther land Front |

| | |
|---|--|
| Division of Health Care Farmer Association Farther land Front Red Cross Association Woman Union Rescue Committee | Red Cross Association Rescue Committee Village leaders |
|---|--|

As a result, 152 answered in-depth interview were collected back, of which 134 were from commune/village officers and 18 were from district officers.

5 Activities be conducted

- Reviewing central and local policies on relief and restoration after the disaster with a focus on eligible objects, support types, support levels so as to design appropriate household questionnaire and in-dept interview.
- Designing household and in-dept interview questionnaires, because of time limitation, these questionnaires were not be piloted before conducting survey officially.
- These questionnaires were sent 1 week before the research team conducted field visits
- Holding two workshops to study local policies/initiatives on relief and restoration after the disaster
- Holding 15 group discussion meetings among involved officers, surveyed households and CIEM research team
- Collecting filled questionnaires and making data processing are conducted by CIEM research team
- Analyzing data and writing report conducted by CIEM with the assistance from Oxfam

6 Report structure

This report is organized into 3 chapters. Besides Introduction, Chapter I present the review of central and local policies on relief and restoration after the disaster. Following, Chapter II analyze empirical evidences on actual situation. Chapter III is dedicated to propose recommendations. Final content is Conclusion

CHAPTER I – COMPENSATION POLICIES TO OVERCOME DIFFICULTIES CAUSED NATURAL DISASTERS

1 Central compensation policies to overcome difficulties caused floods

According to Global Climate Risk Index 2010 that was released by the climate and development organization Germanwatch on 8/12/2010, Vietnam is one of four most severely affected countries by extreme weather events in the past two decades. Ten countries most affected include Bangladesh, Myanmar, Honduras, Vietnam, Nicaragua, Haiti, India, Dominican Republic, Philippines and China, which are all low-income countries. As mentioned in the report of Germanwatch, in the period of 1990-2008, there are 11,000 extreme weather events, mainly storms, floods and heatwaves, which caused 600,000 died people, losses of 1,700 billion US dollar. For only Vietnam, natural disasters caused 466 died people and over 1.5 billion US dollar annually (based on PPP method).

This report was released by at the COP 15 UN Climate Change Conference in Copenhagen (Denmark), 7 – 18/12/2010. At the conference, the experts warned that extreme weather events are increasingly threats to life and economic development of countries. Due to climate changes, these events may cause more serious damages. In fact, poor countries are vulnerable to these impacts.

Vietnam government has issued a number of compensation policies in order to reduce losses by natural disasters in affected regions and assist people in livelihood recover.

1.1 Identify beneficiaries of policies of support for natural-caused losses

Decree No. 67/2007/ND-CP dated 13/4/2007 on assistance policies for beneficiaries of social protection specifies beneficiaries of extraordinary (one-time) support are persons or households who suffer difficulties caused by natural disasters⁴ or other force majeure circumstances, including:

- Households having dead or missing person(s);
- Households having seriously injured person(s);
- Households whose houses are fallen, collapsed, drifted, burnt or seriously destroyed;
- Households that lose production equipment, thereby suffering hunger;
- Households subject to urgent relocation due to landslide and inundation risks;

⁴ Item 1 Article 6 Decree 67

This Decree also stipulates sources of funds for extraordinary support, including:

- Local budget balanced by localities.
- Donations given by domestic and foreign organizations and individuals to localities directly or via the Government or social organizations.
- When the above sources of funds are insufficient for providing extraordinary supports, presidents of provincial/municipal People's Committees shall report to the Ministry of Labor, War Invalids and Social Affairs and the Ministry of Finance which shall sum up local proposals and submit them to the Prime Minister for consideration and decision on central budget allocations.

In sum, the central policy obviously indicates beneficiaries who are affected by natural disasters, and budget allocation for extraordinary supports. Specifically, the affected provincial/municipal committees must balance their budget themselves. If their budget is insufficient, they can report and propose for getting central budget supports.

The extraordinary support levels for beneficiaries specified in the Decree No. 13/2010/ND-CP dated 27/2/2010⁵ are as follows:

1. Households:

- Having dead or missing person (s): VND 4,500,000 per person;
- Having seriously injured person (s): VND 1,500,000 per person;
- Having their houses fallen, collapsed, drifted, burnt or seriously destroyed: VND 6,000,000 per household;
- Subject to urgent relocation due to landslide or inundation risks: VND 6,000,000 per household.
- Having their houses fallen, collapsed, drifted, burnt or seriously destroyed or subject to urgent relocation due to landslide or inundation risks in difficult area: VND 7.000.000 per household.

2. Individuals:

- Food allowance: 15 kg of rice per person per month for between one and three months;
- Persons who are seriously injured due to incidents occurring outside their residential places, which is unknown to their families: VND 1,500,000 per person;

⁵ Decree No. 13/2010/ND-CP dated 27/2/2010, amending and supplementing a number of articles of Decree No. 67/2007/ND-CP dated 13/4/2007 on support policies for social protection beneficiaries

- Collected beggars awaiting to be sent back to their residential places: VND 15,000 per person per day, but for no more than 30 days. In special cases where extension is required, the allowance granting period must not exceed 90 days and the allowance level is equal to the monthly food allowance level at social protection establishments.

3. Persons dying in incidents occurring outside their residential places, which is unknown to their families and whose burial is arranged by commune-level People's Committees, hospitals, agencies or units, these agencies or units are entitled to burial cost support of VND 3,000,000 at least.

However, extraordinary support level for persons/households who have losses of means/equipment of production is not specified in Decree No. 67/2007/ND-CP and Decree No. 13/2010/ND-CP.

1.2 Central government support policies

a. Policies on urgent assistance

In principle, immediately after a natural disaster, the Prime Minister will issue Decision(s) on relief assistances to the affected regions. Normally, the Government has famine relief policies through providing reserve food from national reserve store without charges to affected regions; has policies on rehabilitation assistances by supplementing budget to local authorities from central budget, such as social assistances, expenditures of seeds, veterinary medicine, books, student notebooks, school equipment, medicine, basic medical equipment, clean water and sanitation, restoration of cultural relics; has policies on infrastructure supports, specifically transfers to local budget to repair, recover local infrastructure, including: hospitals, medical stations, schools, transport works, irrigation works and other social works.

Basing on losses by natural disasters, the Prime Minister issues specific decisions on relief assistance. After two floods in the Central in 2010, the Prime Minister promulgates two decisions on relief assistances to Central provinces, including Ha Tinh.

b. Policies on agricultural production assistances

With objectives of supporting production recover for people/households affected by natural disasters, the Government issues Decision No. 142/2009/QĐ-TTg dated 15/02/2010, regulating mechanism and policies on supports of seeds, livestock breed and

aquatic breed to regions affected by natural disasters, diseases⁶. The Decision obviously regulates that the Central government will use central budget to cover 80% of losses caused by natural disasters, diseases in the mountain and Central highland provinces; Hanoi and Hochiminh city will use their local budget reserves to make relief assistance for losses; for the other provinces, the central government will use central budget on their own initiative to cover 70% of losses caused by natural disasters, diseases. For the provinces of heavy losses: if the local budget expenditure for farmers in regions affected by disasters, diseases exceeds 50% of local budget reserve, the central government will consider transfers to local budget for relief assistance. Accordingly, Decision 142 specifies support levels as follows:⁷

1. Support for crop areas damaged by natural disaster⁸, diseases:

- Local variety rice areas lost over 70% will be compensated 1,000,000VND/ha; lost 30-70% will be compensated 500,000 VND/ha;
- Hybrid variety rice areas lost over 70% will be compensated 1,500,000 VND/ha; lost from 30-70% will be compensated 750,000 VND/ha;
- Corn and cash crop areas lost over 70% will be compensated 1,000,000 VND/ha; lost from 30-70% will be compensated 500,000 VND/ha;
- Industrial crop and perennial fruit trees areas lost over 70% will be compensated 2,000,000 VND/ha; lost 30-70% will be compensated 1,000,000 VND/ha.
- Basing on such regulated compensation levels, actual the extent of crop damage and real local situation, the chairman of Provincial People's Committee will decide specific support levels for households, farm owners, cooperatives whose crops are affected by natural disaster and dangerous diseases.

2. Support for livestock losses caused by natural disasters⁹: In principle, each livestock (including both poultry/cattle and breed) lost will be compensated by funds for purchasing a breed, specifically:

- Poultry support from 7000 to 15,000 VND/breed;
- Pig support of 500,000 VND/breed;

⁶ Circular No. 39/2010/TT-BNNPTNT dated 28/6/2010 on guidance of losses due to various kinds of natural disasters, dangerous diseases will be supported according to Decision No. 142/2009/QĐ-TTg dated 31/12/2009 by the Prime Minister

Circular No. 187/2010/TT-BTC dated 22/11/2010 by Ministry of Finance on mechanism, policy of supporting seed, livestock breed, aquatic breed to recover production in regions damaged by natural disasters, dangerous diseases.

⁷ Point a Item 1 Article 2

⁸ Point a Item 1 Article 2

⁹ Point a Item 2 Article 2

- cattle, horses support of 2,000,000 VND/breed;
- Deer, moose, sheep, goat support of 1,000,000 VND/breed.
- Basing on such regulated support levels, actual the extent of livestock damage and real local situation, the chairman of Provincial People's Committee will decide specific support levels for households, farm owners, cooperatives whose livestock were lost by natural disaster.

3. Support for aquatic cultivation¹⁰:

- The aquatic cultivation areas lost over 70% will be compensated 3,000,000 – 5,000,000VND/ha; lost 30-70% will be compensated 1,000,000 – 3,000,000VND/ha;
- Cage aquatic cultivation lost over 70% will be compensated 3,000,000 – 5.000.000VND/100m³ cage; lost 30-70% will be compensated 1,000,000 – 3,000,000VND/100m³ of cage.
- Basing on such regulated support levels, actual the level of aquatic cultivation damage and real local situation, the chairman of Provincial People's Committee will decide specific support levels for households, fishermen, farm owners, cooperatives whose aqua products were lost by natural disaster and dangerous diseases.
- As stipulated at Item 4 Article 2: If compensation is in-kind support of seed, livestock breed and aquatic breed, they will be equivalent to support levels in cash according to prices at the time of support.

In addition, Vietnam Bank for Social Policies has provided policies on helping poor households and social policy beneficiaries with funds for production, business and livelihood recovery. The Bank for Social Policies will coordinate with related agencies to guide borrowers to preparing documentations for solving debt risks. Also, the Bank considers additional loans for production recovery. Manager of provincial branch will instruct district and commune branches to coordinate with the Bank for Social Policies at the central level to investigate and synthesize losses of poor households and policy beneficiaries to set up documentations for solving debt risks; and to grasp the demand for loans in order to balance their resources and apply for additional loans to the demand for funds for production recovery.

¹⁰ Item 3 Article 2

1.3 Regulations on mobilizing sources of voluntary donations for people affected by natural disaster

In order to mobilize resource of the entire society to remedy consequences of natural disasters, the Government issued Decree 64/2008/ND-CP dated 15/4/2008 on mobilization, receipt, distribution and use of sources of voluntary donations by domestic and foreign organizations, individuals to help people to overcome consequences caused by natural disaster, fires or serious incidents; to help terminally ill patients.

Organizations and units are permitted to mobilize relief funds and goods:

- Vietnam Fatherland Front Central Committee
- Provincial-level Vietnam Fatherland Front Committees
- District-level Vietnam Fatherland Front Committees
- Vietnam Red Cross Society
- Social funds and charity funds
- Mass media agencies

Organizations and units are permitted to receive and distribute relief funds and goods

- Vietnam Fatherland Front Committee at all levels
- Vietnam Red Cross Society at all levels
- Social funds and charity funds
- Central organizations and units permitted by the Vietnam Fatherland Front Central Committee
- Local organizations and units permitted by provincial- and district-level Vietnam Fatherland Front Committees

Regulations on transparency in receipt and distribution of relief funds and goods

Relief Committees at all (central, provincial, district and commune) levels shall open a state treasury account to uniformly manage relief money and fully open accounting books and documents of incomes and expenditures for monitoring and report on the settlement of relief funds according to regulations;

Mass media agencies, Red Cross Societies, social and charity funds and other agencies which are permitted to receive relief money and goods may open accounts at commercial banks or the State Treasury;

Agencies and units receiving relief money and goods donated by their collective and individual staff members to localities hit by natural disasters, fires or serious incidents

need not open bank accounts. Agencies and units shall directly deposit all the raised funds at the bank account of a Relief Committee of the same level.

Contents on spending for relief are placed in the following priorities:

Urgent support: Relief for hunger and coldness (foodstuff, foods, quilts, mosquito nets, clothing and medicines), first aid to the injured, supports of funeral expenses for families having dead victims: supports of families having victims: supports for building collapsed, drifted or seriously ruined houses as a result of natural disasters, fires or serious incidents in order to stabilize the life of victims and their relatives;

Long-term support: If funds are still available after sources of relief are used to urgent support beneficiaries, Relief Committees at all levels may decide to use these funds to implement long-term support policies and mechanisms suitable to the capacity of local sources of relief, specifically: (i) To provide funds for victims and families having dead members being their bread winners to buy or repair main production tools and equipment lost or seriously broken due to natural disasters, fires or serious incidents; (ii) To support seed and fertilizers for production; (3) To provide remaining funds (if any) to build permanent houses for disaster-hit families; to adopt policies to provide social allowances on a monthly and long-term basis for families meeting with special difficulties, especially victims and relatives of victims who have nobody to rely on or have lost their working capacity.

2 Policies on remedy for the consequences of double floods in Ha Tinh 2010

Torrential rains in the first three weeks of October, from 1 to 5 October and from 14 to 19 October, caused two consecutive severe floods in the Central. The double floods caused severe damages of human and assets in the regional provinces, of which 3 provinces suffering the heaviest damages include Nghe An, Ha Tinh, and Quang Binh. In order to support people in affected regions due to the floods, the central and local governments have provided the following policies:

2.1 Central support policies

The Government issued two decisions on relief support for overcoming the consequences due to the floods 2010 in Ha Tinh, specifically:

Decision No. 1913/QĐ-TTg dated 19/10/2010 on supports of funds, rice to some Central provinces in overcoming the consequences due to storm No.3 in 2010. As regulated, the Government transfers funds to 3 provinces, including Nghe An, Ha Tinh and Quang Tri, from Central budget reserve 2010; and provides rice to these provinces from National rice reserve. These supports are for hunger relief, livelihood relief, urgent recovery of damaged infrastructure, including schools, medical stations, hospitals; transport works, irrigation works; supports of crop seed, livestock breed, aquatic breed for

production recovery in the regions hit by natural disaster. The support levels for Ha Tinh province are specified as follows: (i) 20 billion VND for livelihood recovery, urgent recovery of infrastructure damaged due to the floods, including schools, medical stations, hospitals; transport works, irrigation works; (ii) 5 billion VND for supports of crop seed, livestock breed, aquatic breed for production recovery in the regions hit by natural disaster.

Decision No. 1917/QĐ-TTg dated 19/10/2011 specifies supports of funds, rice for some Central provinces to overcome the consequences due to the floods. According to this decision, Ha Tinh is supported: (i) 250 billion VND and 5,000 tons of rice for hunger relief, livelihood assistance, urgent recovery of damaged infrastructure, including schools, medical stations, hospitals; transport works, irrigation works; (ii) 10 billion dong for supports of crop seed, livestock breed, aquatic breed to recover production in the regions affected due to the floods.

The Government had direct meeting with Provincial People's Committee to discuss activities for overcoming the consequences due to the floods. The Government then issued an official document on guiding measures of remedies for the consequences due to the floods in Central provinces, including Ha Tinh. The specific measures are mentioned as follows:

- Immediate priority should focus on measures of stabilizing people's lives; Mobilizing forces and means to searching for missing persons, to burring the dead, curing wounded persons, encouraging, visiting and timely supporting families who are suffering with losses of human and assets; Ensuring a sufficient provision of foods, drink water, medicines, clothing, quilts, mosquito nets for people in flooded regions so that they are not hungry and cold.
- After drainage, the measures should focus on environmental sanitation to prevent appearance and spread of diseases; clean water supply for people's lives. Ministry of Health shall provide sufficiency of medicines for treatment and medicines for water cleaning.
- It is necessary to mobilize all forces in the region, such as military, police, youth... promptly help local people to rebuild their collapsed houses; to repair damaged houses; restore essential infrastructure, including commune, district roads, schools, medical stations, hospitals; to clean fields for production recovery; to make plan for Winter production and use short-day crops for quick harvest.
- Ministry of Agriculture and Rural Development should make specific plan help the flooded provinces the structure of crops that are appropriate to season; investigate the demand for seed of rice, corn and vegetables as to propose to the Prime Minister for timely supports for the damaged regions.

- Ministry of Labour - Invalids and Social Affairs should grasp the hunger situation of provinces damaged by natural disaster as to propose to the Prime Minister amount of foods needed to support these provinces.
- Ministry of Health should investigate the demand for medicines and ensure a sufficient supply of medicines, Chloramin B for water cleaning to the flooded provinces; send staff to these provinces as to help them inspect and monitor the implementation of environmental hygiene in order to prevent diseases.
- Ministry of Transport should coordinate with the provinces affected by floods to total up damaged road and rail transport works as to propose plan on immediate recovery and long-term upgrading investment to the Prime Minister.
- Local authorities at all levels should mobilize all resources, use support resources from the Central budget, organizations and individuals effectively and in line with their purposes; well implement activities of relief after the floods; motivate the activities of mutual assistance by community; as to quickly stabilize people's lives and recover their production.
- In the long run, there should be an overall plan to cope with increasingly complex disasters. It is necessary to review master plans as well as plans on construction of infrastructure (transport, irrigation, houses...) in line with the natural conditions of each region in order to increase capability of effective and sustainable natural disaster prevention, response.
- Ministries/agencies, on their functions and missions, should coordinate with local authorities of the flooded regions in synthesizing losses of infrastructure so as to make immediate and long-term plans on recovery and upgrading of infrastructure such as transport, irrigation, electricity, communication... according to the current mechanism of construction management.
- Regarding supplement of rescue equipment/means, Committee for Search and Rescue must consult the provincial ideas of rescue means to guide building of rescue means as to be close to characteristics of each regions; It is also necessary to entrust the local military, police agencies with preserving rescue means and ensuring long-term and effective use of these means.

Obviously, the Government policies of response to natural disasters have been issued comprehensively. The implementation of supports of overcoming consequences due to natural disasters is top-down, accordingly the responses of authorities at all levels are prompt and timely in terms of human supports and rescue, which minimizes human losses and hunger after the floods. However, the long-term measures of production recovery seem to be indecisive. Undeniably, this is due to limitation of financial resources. Indeed, as

mentioned in two government decisions above, Ha Tinh is granted 5,000 tons of rice and 285 billion VND (of which 15 billion VND are spent on supports of crop seed, livestock breed, aquatic breed for production recovery). While according to the General Statistics Office (GSO), the total estimated losses in Ha Tinh are 5.2 trillion VND¹¹, specifically 4.1 thousand hectares of rice, 1,971 hectares of aquatic cultivation, with 50 tons of fish breed and 8 millions of shrimp breed are submerged, thousands of cattle and poultry were swept away¹².

Regarding long-term recovery, namely supports on production recovery, Ha Tinh must balance its budget and use local budget for recovery supports. The central government will make budget transfer to Ha Tinh to cover 70% of losses. If the local budget expenditure for relief supports exceeds 50% of local budget reserve, the central government will consider transfers to local budget so that the local authorities have sufficient resources for relief supports.

2.2 Local support policies

Ha Tinh Provincial People's Committee (PPC) issues Decision No. 3092/QD-UBND dated 26/10/2010 on beneficiaries, contents, and levels of supports on overcoming consequences due the floods in Ha Tinh in 2010. According to Item 1.1, Article 1, the PPC obviously presents that this budget is for the purpose of relief assistance... but not of compensation; thus must not be delivered equally among the people... and must be integrated with other support resources; Relief supports must be spent to right beneficiaries, in accordance with policies, in the base of transparency, democracy, fairness between households with similar levels of damage...

Table 2: Comparison of kinds of losses and support levels between regulations enacted by the Central Government and Ha Tinh PPC

| Kinds of losses will be supported | Support levels regulated by Ha Tinh PPC | Support levels regulated by the Central Government |
|---|---|---|
| Households have dead or missing person(s) | 6,000,000 VND/person | 4,500,000 VND/person |
| Households have seriously injured person(s) | 2,000,000 VND/person | 1,500,000 VND/person |
| Households have their houses fallen, collapsed, drifted, burnt or seriously destroyed | 10,000,000-12,000,000 VND/households (if losses are over 80% of main house) 4,000,000VND/household (if losses are 30%-50% of main house) | 6,000,000 VND/person |

¹¹ Quang Binh 1.9 trillion VND and Nghe An 1.2 trillion VND

¹² Socio-economic Report for October and ten months of 2010 by the General Statistics Office

| | | |
|---|--|---------------------------------|
| | 2,000,000VND/household (if losses are below 30% of main house) | |
| Hunger relief | 15 kg rice/person/month and for 3 months (households that all of their foods are swept way due to the floods) 15 kg rice/person/month and for 1-2 months (households that a part of their foods is swept away due the floods) | |
| Losses of over 70% of local variety rice | 1,000,000 VND/ha | 1,000,000 VND/ha |
| Losses of 30% - 70% of local variety rice | 500,000 VND/ha | 500,000 VND/ha |
| Losses of over 70% of hybrid variety rice | | 1,500,000 VND/ha |
| Losses of 30% - 70% of hybrid variety rice | | 750,000 VND/ha |
| Losses of over 70% of corn and cash crops | 100% seed | 1,000,000 VND/ha |
| Losses of 30% - 70% of corn and cash crops | | 500,000 VND/ha |
| Losses of over 70% of industrial crops and perennial fruit trees | 100% seed | 2,000,000 VND/ha |
| Losses of 30% – 70% of industrial crops and perennial fruit trees | | 1,000,000 VND/ha |
| Poultry | 12,000 VND/poultry, for concentrative production scale households with over 300 egg laying poultry or over 500 meat poultry (no more than 10,000,000 VND/household). | 7,000 – 15,000 VND/breed |
| Pig | 700,000 VND/sow pig, for concentrative production scale households with over 10 sow pigs (no more than 30,000,000 VND/household) 300,000 VND/meat pig, for big-scale households with over 100 meat pigs (no more than 30,000,000 VND/household) | 500,000 VND/breed |
| Buffalo/cow, horse | 2,000,000 VND/breed | 2,000,000 VND/breed |
| Deer, moose, sheep, goat | 1,000,000 VND/breed | 1,000,000 VND/breed |
| Losses of over 70% area of aquatic cultivation | 3,000,000 VND/ha, for household with scale of over 02 ha (no more than 10,000,000 VND/household) | 3,000,000 – 5,000,000 VND/ha |
| Losses of 30% - 70% area of aquatic cultivation | | 1,000,000 – 3,000,000 VND/ha |
| Losses of over 70% area of cage aquatic cultivation | | 3,000,000 – 5,000,000 VND/100m3 |
| Losses of 30% - 70% area of cage | | 1,000,000 – 3,000,000 |

| | | |
|---------------------|--|-----------|
| aquatic cultivation | | VND/100m3 |
|---------------------|--|-----------|

Source: Summary of provisions regulated by the Central government and Ha Tinh PPC

Table 2 shows that Ha Tinh PPC does not cover some types of damaged farmers, namely:

- Small holder farmers with scale of below 10 sow pigs, or 100 meat pigs, or 200 egg laying poultry, or 500 meat poultry.
- Aquacultural farmers with scale of over 2 hectares, but damaged below 70% of aquacultural area; or aquacultural farmers with scale of below 2 hectares.
- Farmers of industrial crops and fruit trees.

According to commune/district staff, reasons for Ha Tinh PPC's support priority over the households of concentrative production scale include: (i) The PPC has the policy of encouraging the model of concentrative production. Certainly, the farmers following this model will be in risk of greater losses due to natural disaster in comparison to small holder farmers; (ii) Because the location of concentrative production is normally far from resident areas, it is hard to move poultry, livestock and aquatic products to safety areas when flood occurs; (iii) It can be easy to measure extent of losses. However, there is the fact that the vulnerability of small-scale farmers to natural disaster is obvious and serious, therefore if they are not granted assistances of production recovery after natural disaster, they may be in danger to backwardness and poverty.

In addition, the PPC issued Decision 3115/QĐ-UBND dated 27/10/2010 on some regulations of repairing the infrastructure works damaged due to storms, floods in 2010. This Decision covers the damaged infrastructure works with high repair value, including works of transport, irrigation, electricity delivery for living and production, hospitals, medical stations, schools.

2.3 Disaster management cycle

Disaster management cycle is mentioned on “*National strategy for natural disaster prevention, response and mitigation to 2020*”, which is approved at Decision No. 172/2007/QĐ-TTg dated 16/11/2007 by the Prime Minister, has the main contents as follows:

- Disaster management includes ***preparedness, response to and recover of consequences*** caused by disasters in order to ensure the sustainable socio-economic development and national security and defense;
- Disaster prevention, response and mitigation are joint actions of Government and citizens that effectively utilize state resources as well as take advantage of all

possible resources of the community, national and international organizations and individuals;

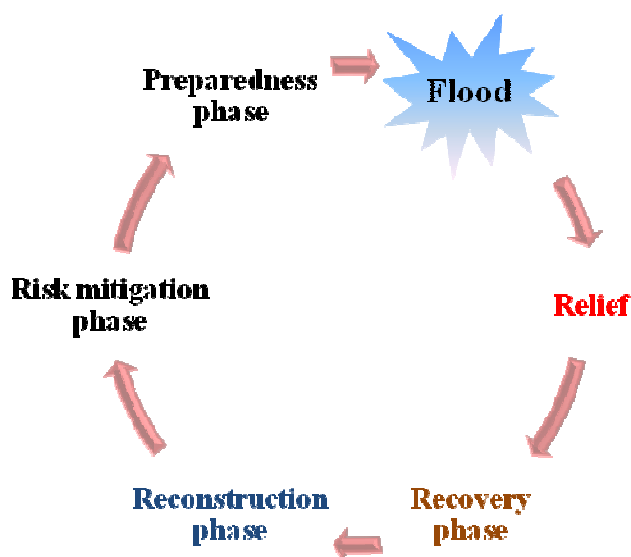
- Disaster prevention, response and mitigation shall be integrated into socio-economic development masterplan and plan of every region, sector and nation-wide;

The main guiding principles presented in the Strategy include:

- Improve the effectiveness and efficiency of the state management and increase the responsibility of every organization and individual for disaster prevention, response and mitigation. Step by step complete institutions and organizational mechanisms from central to local levels. Raise awareness and disseminate experience on disaster prevention, response and mitigation, especially at commune, village, and hamlet level;
- The national strategy for disaster prevention, response and mitigation must be implemented in synchronous, period-based and priorities-based manners, responsive to both intermediate and long-term purposes.

From the disaster (flood) management cycle, state interventions can be conducted before, during and after the flood in order to reduce human and asset losses, as well as hasten recovery. In order to make plan of disaster prevention, response and mitigation, Ha Tinh can apply the following simple model of flood management:

Figure 1. The flood management cycle



2.4 Natural disasters and support resources in Ha Tinh according to data VHLSS 2008

In order to observe realities of possibility of support resources for people and households damaged by the natural disasters, the research team uses the commune survey data by VHLSS 2008. The research team found that Ha Tinh province is poor, frequently affected by natural disasters, thus expenditure of overcoming consequences of natural disasters is obviously a burden placed on the local authorities. From data VHLSS 2008 with survey at 48 communes of 11 districts in Ha Tinh province, we can observe the frequency of natural disasters that 48 communes hit (see Table 3), specifically: more than half of the communes (28/48) suffered 2 - 3 natural disasters in the period of 2006-2008, especially 6 communes suffered 4 natural disasters and 1 commune suffered 5 natural disasters in this period. Notably, flood and storm are two main types of natural disasters happening in Ha Tinh.

Table 3. Frequency of natural disasters happened in the period 2006-2008 in Ha Tinh

| Frequency | Number of affected communes |
|-----------|-----------------------------|
| 0 | 4 |
| 1 | 8 |
| 2 | 13 |
| 3 | 15 |
| 4 | 6 |
| 5 | 1 |

Source: VHLSS 2008

Basing on data VHLSS 2008, the research team observes the forms and sources of support that 48 communes received when the floods happened in the period 2006-2008. The forms of relief support are mainly food, medicine, crop and livestock breed, funds and production means (see Table 4).

Table 4: Forms of relief support that communes received when the floods happened in the period 2006-2008

| Forms of support | No of communes receiving supports |
|--------------------------------|-----------------------------------|
| Money | 13 |
| Food | 34 |
| Medicine | 2 |
| Clothes | 7 |
| Construction | 2 |
| Seed, breed, funds, production | 11 |

| | |
|-------|--|
| means | |
|-------|--|

Source: VHLSS 2008

Table 5. Sources of support that communes received when the floods happened in the period 2006-2008

| Sources of support | No of communes receiving supports |
|---|-----------------------------------|
| State budget | 35 |
| State agencies/ state-owned enterprises | 11 |
| Political – social organizations | 15 |
| Private enterprises | 1 |

Source: VHLSS 2008

Table 5 shows assistances that communes received to overcome the consequences of the floods happened in the period 2006-2008 are mainly from state budget. This proves that expenditures on recovery are mainly covered by the State. In principle, the provinces must balance their budget for support of overcoming consequences due to natural disasters, the central government will support just in case of local budget is so difficult. For Ha Tinh - a difficult province with frequent natural disasters, expenditures of overcoming consequences due to natural disasters will be a burden for the provincial authority.

CHAPTER II. IMPLEMENTING COMPENSATION POLICIES AT VU QUANG AND HUONG KHE

1 Damage of smallholder farmers after 2010 floods

Torrential rain of October 2010 caused severe floods for 22/22 communes of Huong Khe and 12/12 communes of Vu Quang. The survey of affected smallholder farmers in 15 communes hit hardest by floods show that the damage was severe. Affected smallholder farmers proportions by damage types are rank with decreasing order in Table 6, two highest proportion are loss of more than 70% of cash crops (accounting for 47.1%), loss of more than 70% of rice crop (46.2%), it is because farmers are not able to move their crop to avoid floods. Therefore, the pronouncement of Ha Tinh People's Committee to compensate 100% seeds of corn, sweet potato and vegetable for farmers who lost at least 30% cash crops and cash for farmers who lost at least 30% rice crops is efficient measures to restore cultivating areas in order to avoid starvation aftermath of floods.

Table 6. Types of damage of surveyed smallholder farmers

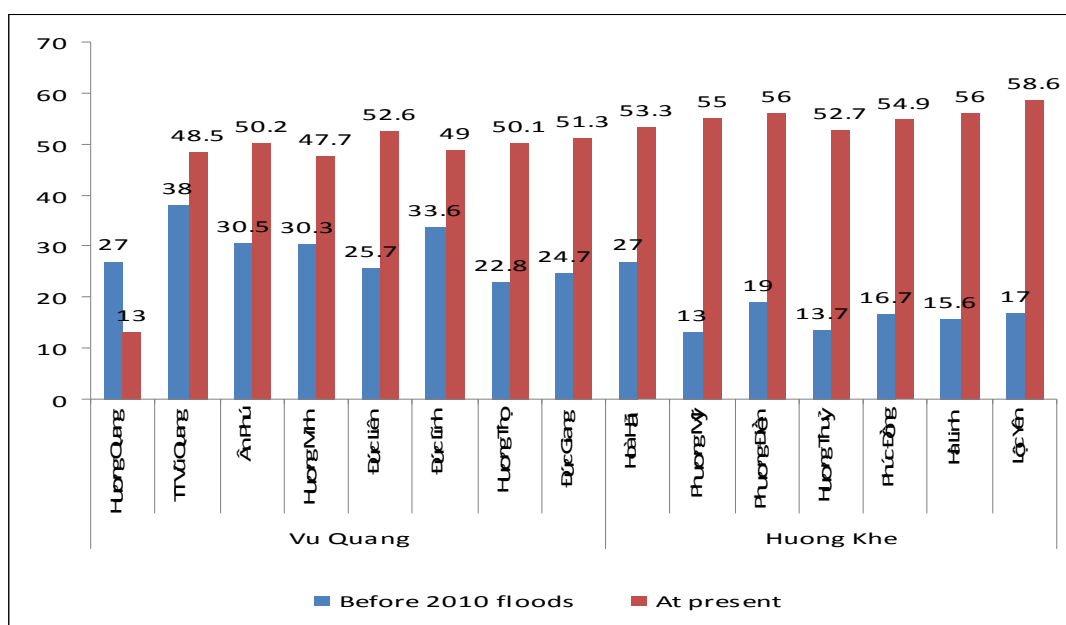
| Types of damage | No. of Respondents | Rate |
|--|---------------------------|-------------|
| Household having losses of over 70% of cash crops (corn, sweet potato, vegetable...) | 49 | 47.1 |
| Household having losses of over 70% of rice areas | 48 | 46.2 |
| Small breeding household having losses of below 300 egg laying poultry or below 500 meat poultry | 39 | 37.5 |
| Small breeding household having losses of below 10 sow pigs or below 100 meat pigs | 31 | 29.8 |
| Household having losses of 30%- 70% of cash crops (corn, sweet potato, vegetable...) | 30 | 28.8 |
| Hunger in between-crop period | 29 | 27.9 |
| Household having losses of 30-70% of rice areas | 19 | 18.3 |
| Households having losses of 30-50% of main house | 11 | 10.6 |
| Household having losses of livestock (buffalo, cow, deer) | 9 | 8.7 |
| Household lost production means, thus be fall in hunger | 8 | 7.7 |
| Household have seriously injured person(s) | 4 | 3.8 |
| Household having losses of 50 - 80% of main house | 4 | 3.8 |
| Others | 4 | 3.8 |
| Small aquatic cultivation household (below 02 ha) having losses of 70% of aquatic cultivation areas | 3 | 2.9 |
| Household whose houses were swept away by the floods | 1 | 1.0 |
| Concentrative scale household of poultry breeding (chicken, goose, duck) having losses of over 300 egg laying poultry or over 500 meat poultry | 1 | 1.0 |

Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

Ranked next are affected breeding smallholder farmers who have less than 300 egg laid poultry or 500 poultry accounting for 37.5% and who have less than 10 sows and/or 100 pigs accounting for 31%. At all surveyed communes, numbers of large scale breeding farmers (that is stipulated in Decision 3092) is very small. Without compensative measures issued by Ha Tinh People's Committee for breeding smallholders is an unfavourableness for their livelihood restoration. Results of in-depth interviews with local authorities point out that there are 102/126 local officers confirmed that if there is not any appropriate compensative measures for breeding smallholders then they likely fall in poverty. When making discussion with communes' officers we collect poverty rate of 15 communes in Vu Quang and Huong Khe.

Figure 1 reveals that poverty rates have a dramatic increase in 2011 of all communes, excepting for Huong Quang because migrating households are not be calculated in poverty households, thus Huong Quang have poverty rate in 2011 lower than that of 2011.

Figure 2. Poverty rate in 2010 and 2011 (%)



Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

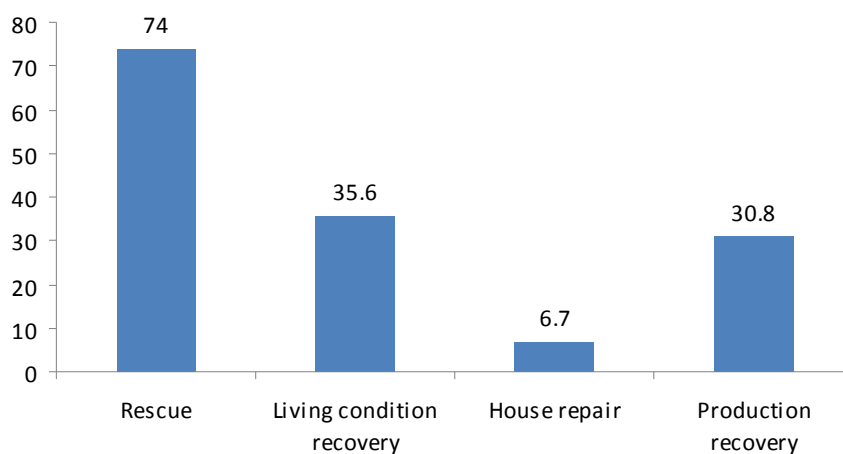
There is a dramatic increase in communes because the double impacts. Firstly, because households are suffered from floods, many lost their houses, cash crop, cows and buffaloes, pigs and poultry...then they face poverty. Secondly, since 2011, Vietnam apply the new poverty line, it is increase from VND 200,000/person/per month to VND 400,000/person/per month. Due to this, we are not able to observe direct impact of floods on poverty. However, the above analyses imply that government's compensative measures

for affected smallholder farmers are not enough to their livelihood restoration. With such context, there exit a pressure for local authorities in implementing compensative policies to restore living and production conditions in Huong Khe and Vu Quang.

2 Needs of smallholder farmers aftermath of 2010 floods

According to households, support types mainly have meaning of humanitarian (74% of respondents), only 30.8% of respondents answered they help to recover agriculture production.

Figure 3. Important level of compensative types (%)



Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

When asking for if without the external supports are the households able to recover? 61.9% households response “no”. This reflect the fact that although communities determine to help one another to recover living and production conditions but without external aid then affected groups really face to difficulties (see Table 7)

Table 7. Self recovery without external support

| | Respondents | Rate (%) |
|-----|-------------|----------|
| No | 60 | 61.9 |
| Yes | 37 | 38.1 |

Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

When asking what is the urgent need at present, opinions in Table 8 point out that more than 50% respondents need supports to recover their production (51.5%) and 44.4% said that they need supports for living condition recovery. Thus, it is confirmed once again, production recovery in long-term is an urgent needs.

Table 8. Needed support types

| Support types | Respondents | % |
|---------------------------|--------------------|----------|
| Living condition recovery | 44 | 44.4 |
| Production recovery | 51 | 51.5 |
| Infrastructure repair | 2 | 2.0 |
| Others | 2 | 2.0 |

Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

Of 56 affected breeding smallholder farmers, there are 57.1% need supports to recover production. (Table 9)

Table 9. Needed support types of affected breeding smallholder farmers

| Support types | Respondents | % |
|---------------------------|--------------------|----------|
| Living condition recovery | 23 | 41.1 |
| Production recovery | 32 | 57.1 |
| Others | 1 | 1.8 |

Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

Table 10. Sources of capital mobilized for production

| Sources of capital | Number of interviewed households | Percentage (%) |
|---------------------------------------|---|-----------------------|
| From family | 17 | 17.9 |
| Borrowings from relatives and friends | 19 | 20.0 |
| Loans from Social Policy Bank | 58 | 61.1 |
| Other borrowings | 1 | 1.1 |

Source: Household survey in Huong Khe and Vu Quang, 4/2011

Most of affected households are short of capital for production. Table 10 shows that 58/95 surveyed households answer that they borrow from the Vietnam Bank for Social Policies (VBSP), while the others used family savings and loans from relatives and friends. Those who get access to concessional loans are the poor or near poor. Many households have not repaid the loans from VBSP, but now still need additional loans to restore their production, since their assets were flushed out. Meanwhile people cannot bear the high interest rates of commercial banks. Due to the limitation of low interest rate loans of VBSP, households have to be screened by mass organizations to get loans.

3 Support types

At present, 4 support types that households received most are humanitarian, seeds, fertilizer, money...

Table 11. Support that households received

| Support types | Proportion (%) | Average satisfaction score (*) |
|---|----------------|--------------------------------|
| Rescue (food, drinking water...) | 100 | 2.1 |
| Breeding animal | 20.2 | 1.4 |
| Seeds | 67.3 | 1.9 |
| Fertilizer | 45.2 | 1.7 |
| House repair, new well establishment, sanitation... | 13.5 | 2.1 |
| Mutual help | 8.7 | 2.3 |
| Cash subsidies | 38.5 | 1.7 |
| Credit | 25.0 | 1.5 |

Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

The research team designs a scale of three with 1 being unsatisfying household's need, 2 being partly satisfying, 3 being purely satisfying and request households to give score. The average score for support types are presented in Table 11.

Most affected households receive the state support with different satisfying levels. Aftermath of 2010 floods, they received rice, vegetable and corn seeds for their damaged crops, received cash for their cows and buffaloes which were lost, borrowed preferential loan, be subsidized fertilizer but nothing for smallholders who lost pigs and poultry. In accordance with the survey, all supports only satisfy partly their needs. Most supports for production recovery are lower than average score. The lowest score is support for livestock breeding (1.4) and next to preferential loan (1.5)

Aftermath of floods, households lack capital to recover production condition. Due to this, the loan demand is very high but capital source is limited. Normally, households expect to borrow from VBSP with low interest, because the interest rate of commercial bank is too high.

Nevertheless, VBSP's client only include (i) the poor (ii) near poor, (iii) households borrow under credit program for business and production activities in difficult areas. If smallholder farmers are not eligible for poor or near poor household, they will not access to preferential credit program. They only have opportunities to access this credit source in case they fall to poverty. VBSP have credit program for business and production activities in difficult areas but in discussion with local authorities and smallholder farmers, the research team found that they do not mention such credit program.

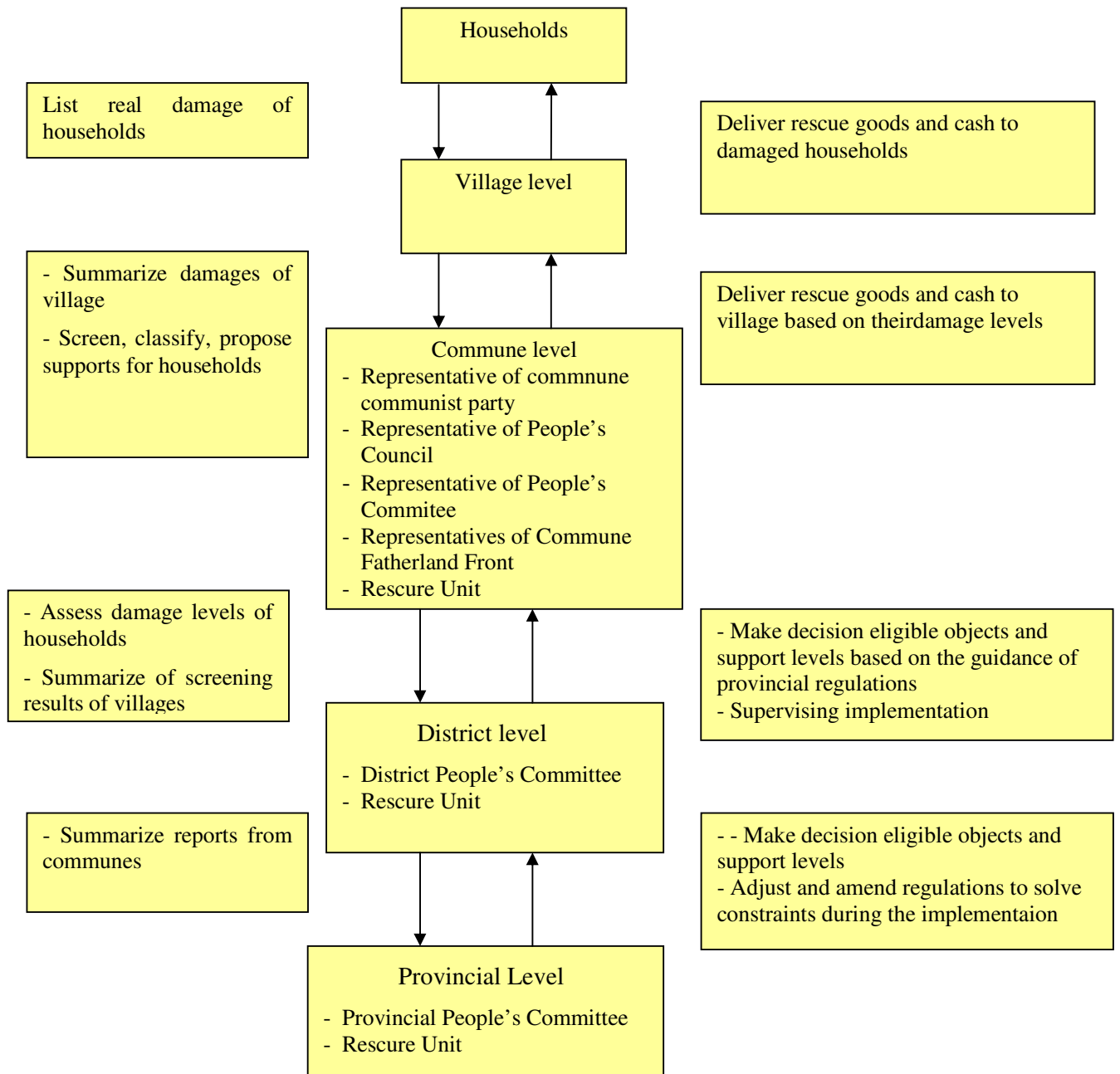
4 Accessibility of smallholder farmers to compensation policies

114/126 commune/village officers and 18/18 district officers confirm that screening process was transparently posted up at commune offices. The result points out that 100% household have to be screened by local authorities to get state supports.

The in-dept-interview from commune/village officers also reveal that the screening is transparently and equally conducted under regulations. The household tell that they are screened by priority order. Additionally, all support types are adequately informed by local authorities.

Accordingly, all affected households are screened, however, there is a priority order: firstly for the most severe damaged households, secondly damaged poor households, and thirdly subsidized households, woman, children and invalids. The procedure is described in Figure 3.

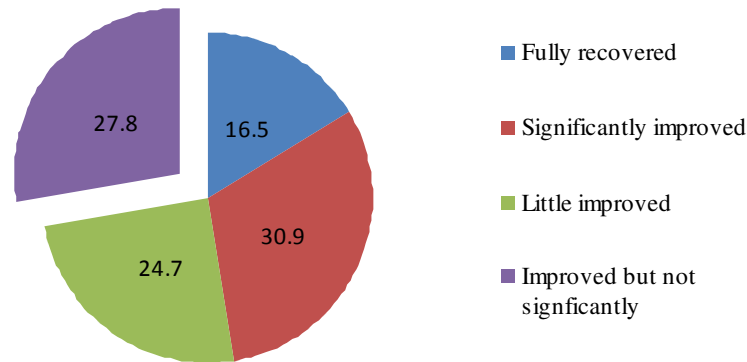
Figure 4: Process of implementing recovery policies aftermath of 2010 floods



5. Recovery of smallholder farmers

At the time of conducting the survey, there are 47.7% (Figure 4) explore that their living standard is totally or much recovery. This suggests that great efforts of communities and local authorities to overcome the flood consequences are acknowledged.

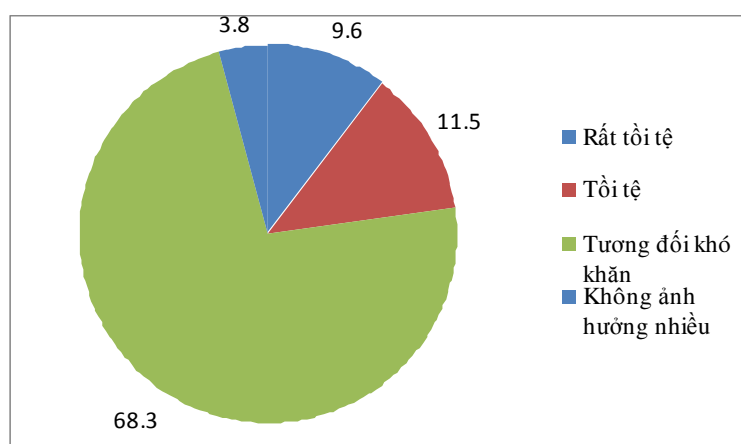
Figure 5. Living conditions of household at present (%)



Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

However, 27.8% (27/97 respondents) response their living conditions are improved but not significantly. Studying such households, the research team found that one household tells that because they do not receive any support, 21 households tell inappropriate supports, 4 households tell other reasons and the remaining have no answer. The first case, household have 6 members with income totally depending on farming. Their damage is lost at least 70% rice crop and 70% cash crop, lost mean of productions then falling starveling and starveling because of between crop period. They are the poor in 2008, getting rid of poverty in 2009 and 2010 but fall in poverty in 2011. 21 respondents who tell inappropriate support lost their houses, rice and cash crops with at least 70%, production means, starveling between crop period. For such households, local authorities should barnstorm associations and communities to help them.

Figure 6. Recovery level of living condition of households (%)

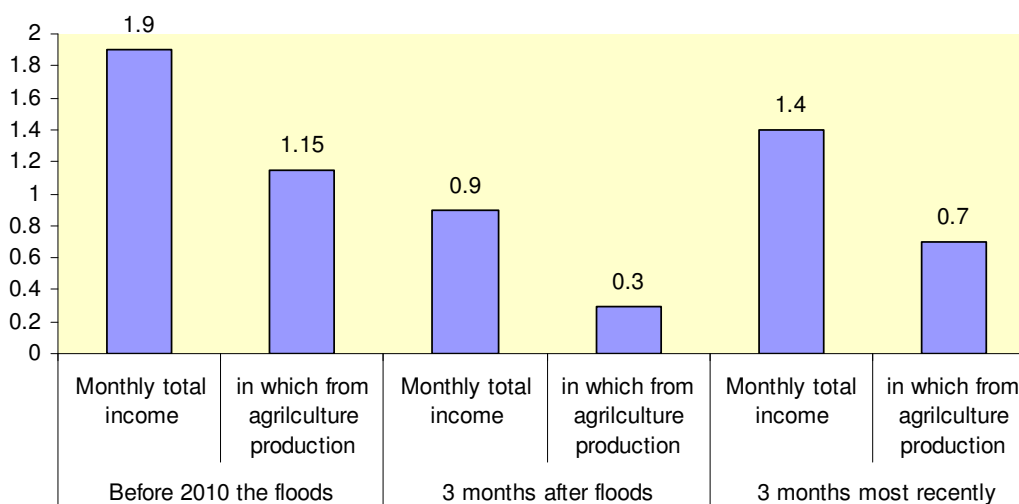


Source: Results of smallholder farmers survey in Huong Khe and Vu Quang, April 2011

Answering question “suppose without external support, how do households face difficulties”, the results identify that living and production conditions of 9.6% is extremely mean, 11.5% is mean and 68.3% is quite difficult. Obviously, support types are very important for affected groups especially for smallholder farmers. (Figure 5)

The survey shows that 100% households have agriculture production activities, and 62% of which purely conduct farming, while only 23.5% of people at working age are wage earners. This result reveals that household income is much reliant on agriculture production, which means they are heavily impacted by disasters. This assumption is also proved by the difference between average household incomes before and after the 2010 flood. Figure 6 shows that three months after the flood, the average household income reduces by half, in which income from agriculture reduces from VND 1.15 million to VND 0.3 million. Thanks to various state support policies on disaster recovery, support from other organizations and production recovery efforts of households, the average income has gradually recovered. However after six months the new total income is just equal to 73% of that before floods. This figure shows a reality of damages of the 2010 floods.

Figure 7. Average monthly income of households before and after floods (million VND)



Source: Household survey in Huong Khe and Vu Quang, 4/2011

Table 12. Cultivation area of key plants before and after floods

| | Number of interviewed households | Total cultivation area before flood (ha) | Total cultivation area as of April 2011 (ha) |
|--------|----------------------------------|--|--|
| Rice | 47 | 20,616 | 16,97 |
| Corn | 37 | 8,751 | 8,099 |
| Peanut | 32 | 5,12 | 5,715 |
| Bean | 8 | 5,072 | 7,56 |

Source: Household survey in Huong Khe and Vu Quang, 4/2011

Despite serious damages of cultivation areas during the floods, households have tried to restore the area nearly equaling to that before flood. (Table 12). It can be seen that the State has efficiently supported households' cultivation activity so that families managed to have sufficient food after the floods. Specifically the State supported 100% of rice and corn seeds, while Oxfam supported a part of peanut seeds. However external conditions had negative impacts on the winter-spring harvest season. Heavily cold weather, complicated worms and diseases development processes, partly recovered irrigation

system, and high prices of seeds and fertilizers made it difficult to recover the production. Although the cultivation areas are nearly equal to those before the floods, the yields may be much less than before.

The livestock breeding after floods faced with difficult ties. The number of pigs and poultry reduced significantly (Table 13). The number of new cattle is equal to 2/3 of that before floods, while the number of poultry is halved. It is possible to name some difficulties in livestock recovery, i.e. (i) pigs/poultry of small households are not entitled to support; and (ii) it is hard to access to concessional loans, if households are not categorized as poor or near poor. This may have long term impacts on the recovery of livestock breeding activities.

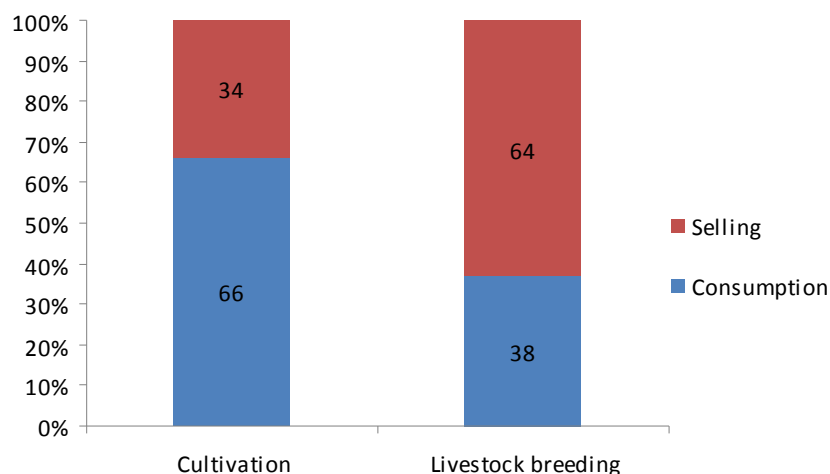
Table 13. Number of cattle and poultry before and after the floods

| | Number of interviewed households | Total number before floods | Current number |
|---------|---|-----------------------------------|-----------------------|
| Poultry | 78 | 2872 | 1625 |
| Pig | 54 | 249 | 188 |
| Cattle | 88 | 162 | 130 |

Source: Household survey in Huong Khe and Vu Quang, 4/2011

Figure 7 shows that almost all households have small scale of agriculture production. Therefore cultivation is mainly for consumption purpose (72%), while livestock breeding yields for consumption is just 46%. These figures show that household consumption is largely relied on household's production. Consequently small production households are very vulnerable and easy to fall back to poverty due to disasters. However based on current support policies by level of damage, State support for livestock breeding households is quite limited.

Figure 8. Proportion of agriculture yields for commercial selling and household consumption (%)



Source: Household survey in Huong Khe and Vu Quang, 4/2011

Difficulties in production are also clear with 61.9% of interviewed households (Table 14) tell that current production conditions are improved a little, negligibly or none. They believe that this is due to an insignificant level of support.

Table 14. Production conditions at the study period

| | Number of interviewees | Percentage (%) |
|--------------------------------|------------------------|----------------|
| Fully recovered | 8 | 8.2 |
| Significantly improved | 29 | 29.9 |
| Little improved | 24 | 24.7 |
| Improved but not significantly | 35 | 36.1 |
| Not improved | 1 | 1.0 |

Source: Household survey in Huong Khe and Vu Quang, 4/2011

To assess the efficiency of State policies, the research team requests households to give scores for rescue and recovery policies based on a scale of five with 1 being inefficient and 5 being very efficient. Table 15 shows that the average score for rescue policy is 4.15 and that for production recovery policies is 3.04. Hence there is an obvious policy gap in production recovery policy.

Table 15. Assessment of policy efficiency

| | Number of interviewees | Average point |
|---|-------------------------------|----------------------|
| Rescue (livelihood support and rescue services during storms) | 98 | 4.15 |
| Production recovery | 91 | 3.04 |

Source: Household survey in Huong Khe and Vu Quang, 4/2011

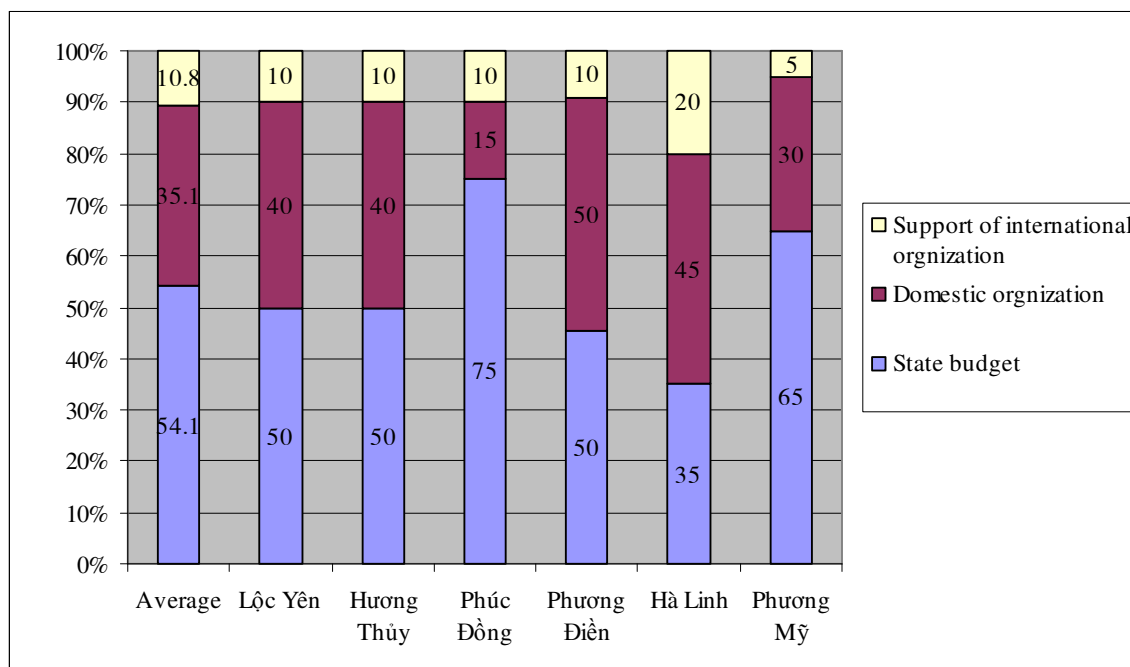
6. Local implementation capacity

6.1. Huong Khe district

The district and commune authorities have been active in implementing advocacy and support policies to recover from floods. 56/63 of commune/village officers and 8/8 district officers are fully aware of provincial and district policies on flood recovery. Accordingly there are three channels of providing rescue goods and cash to the damaged people, namely: (i) For rescue goods and cash from the State budget, the commune authorities establish Rescue Committee, allocate and deliver rescue goods and cash as per instruction of provincial and district People's Committees. (ii) For rescue goods and cash from organizations and individuals distributed via Commune Rescue Committees, the Commune Rescue Committee delivers them based on the level of damages of each village. (iii) For rescue goods and cash that individual donors want to directly deliver to the impacted people, commune authorities provide them with a list of damages.

As mentioned above, the major source of support for damage recovery is from the State Budget. In response to the question on the proportion of sources of support to identify their level of importance, district officers inform that the structure of support is 80% from the State Budget, and 20% from domestic and foreign organizations and individuals. According to surveys in each commune, on average, the source from the State Budget accounts for 54.1%; from domestic organizations and individuals directly delivered at communes, 35.1%; and from foreign organizations, 10.8%.

Figure 9. Structure of support in six communes of Huong Khe district



Source: Interviews in Huong Khe district, 4/2011

Discussions with commune officers show that most of commune budget come from the central budget allocation, as many communes do not have sources of income. As stipulated commune budget estimates should have a contingency of 2-5% of total expenditures for disaster and fire prevention and recovery, important tasks of social security and safety and other unexpected and urgent tasks¹³. However as commune budget is too little, expenditures for disaster recovery are relied on district allocated budget. Consequently commune officers cannot find fund to support small scale targets, although they fully understand that such people may not be able to recover without support.

In terms of mobilizing voluntary donation sources, most of communes follow regulations. 59/63 commune officers say that they have followed instructions, opening bank accounts, arranging warehouse, receiving and distributing goods transparently. Commune People's Councils form teams to examine the implementation in villages. District/commune Fatherland Front officers inform that they only call for voluntary donation from those who have blood relationship with people in the areas, while the mobilization from organizations is conducted by provincial authorities.

¹³ Circular 60/2003/TT-BTC on 23/06/2003 stipulates the management of commune budget and other financial activities of communes and townships

In terms of information disclosure, 65/71 district/commune officers say that types of support, levels of support and beneficiaries are clearly announced at commune/village information boards, following the announcement procedures from district, to commune and village levels. The disclosed information is consistent with what answered by households.

There are 19/63 commune/village officers do not know why Provincial People's Committee does not support for small scale households, while 44/63 of them think that perhaps (i) Provincial People's Committee encourages the concentrated production model; (ii) concentrated production households may have made huge investment and now face with more damages; and (iii) it is difficult to implement policies as it is hard to accurately calculate the number of impacted pigs/poultry of small households. It seems that district/commune officers have not had any suggestions to provincial authorities on how to provide support for small livestock breeding households, although most of them agree that these households face much problems.

In answering the question "Whether district/commune authorities have provided satisfactory support for the impacted people?", 64/152 interviewees believe that the support is not satisfactory, as people need capital to restore production; and 88/152 interviewees believe that (i) the damage was too big to make satisfactory support; (ii) so far the level of support is the highest ever; and (iii) the support is satisfactory in terms of hunger support. Most of district/commune officers say that they have already had detailed policies on reconstruction after floods. At present districts and communes are prioritizing the reconstruction of irrigation works, schools, clinics and roads. Provincial People's Committee has had specific policies to repair these infrastructure works.

In brief, during the implementation of policies on recovery after floods, authorities of Huong Khe district has strictly followed state regulations. However due to resources limit, support for the affected is not satisfactory. There is no policies to help small scale livestock breeding households to restore production in the long run.

6.2. Vu Quang district

With the survey in Vu Quang district and its eight communes, the research team believe that local authorities have efficiently received and delivered rescue goods as per instruction of the central government, provincial People's Committee and district People's Committee. With good sense of responsibility, the party committee, government, Fatherland Front and mass organizations at district and commune levels of Vu Quang District have timely informed people of beneficiaries, types and levels of support, ensuring transparency and equality.

On investigating the level of awareness of policies on recovery after floods in 2010, the research team discovers that 100% of district representatives fully understand central

and provincial regulations; and 80% of commune representatives fully understand policies on recovery after floods applicable at locality.

Based on interviews with district/commune authorities of Vu Quang district, the team assesses their capacity of implementing policies on flood recovery in the following aspects:

In terms of mobilization, receipt, distribution and use of voluntary donation for impacted people

This work was done well in Vu Quang district from district to village level. The district authorities directed and monitored the implementation at commune level, ensuring efficient, equal and transparent implementation. The sequence of steps of mobilization, receipt, distribution and use of donation sources followed the instruction in Section III Official Note 430/CV-UBND on 1/11/2010 of Vu Quang district People's Committee. The survey shows that 100% commune representatives fully understood this procedures.

In terms of opening bank accounts; arranging warehouses and docks for receiving rescue goods; arranging the receipt and management of rescue goods and cash

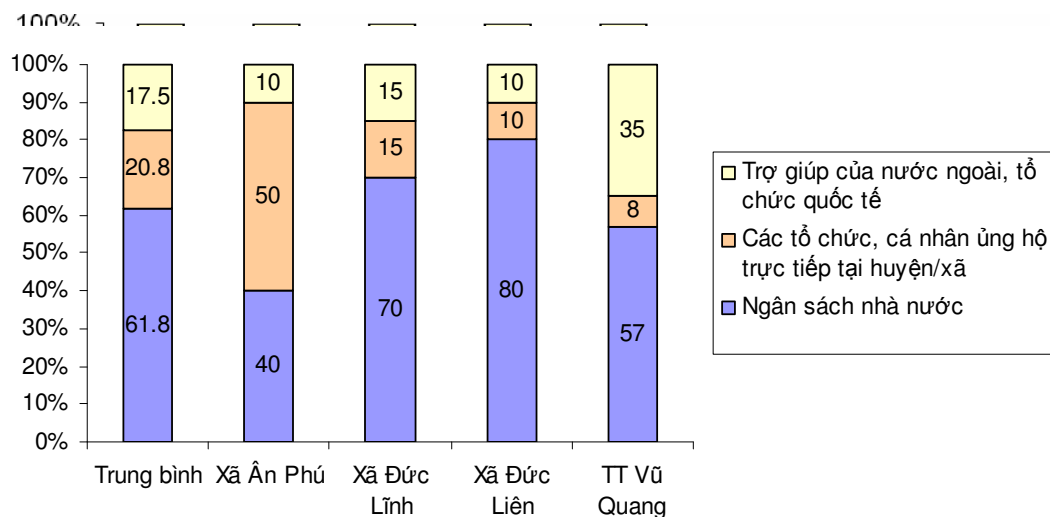
In Vu Quang district, this work fully followed point 6 Circular 72/2008/TT-BTC on 31/7/2008 of Ministry of Finance instructing the implementation of Decree 64/2008/ND-CP on mobilization, receipt, distribution and use of voluntary donation sources for recovery from disaster, fire, serious events and serious diseases. Specifically:

- *For donation in cash:* In order to manage and distribute donation in cash from organizations and individuals via the district Fatherland Front, the Rescue Committee of the district Fatherland Front opens bank accounts at the district State Treasury.
- *For donation in kind:* If the goods was received by district authorities, it was stored at the warehouse of the Fatherland Front and then distributed to communes. For goods with large volume, if trucks cannot reach communes, the commune authorities sent staff to receive goods at main crossroads.
- If the donation in cash and kind is not received at district level, but directly at localities, the Rescue Committee assessed the level of damage, consider equal receipts of donation amounts and introduced donators directly with local authorities.

In addition the interview of representatives of district and commune Rescue Committees shows that the donation structure is quite different among communes. Among four communes providing information on support structure, (Figure 9), Duc Lien was much relied on State budget (80%), while An Phu commune only had 40% from State budget. However a common feature of communes is that support to restore household

livelihoods was mainly relied on State budget (the average support from State budget accounts for 61.8% - see Figure 9). This shows that State support policies play an important role to farming households.

Figure 10. Support structure in four communes of Vu Quang district



Source: Interviews in Vu Quang district, 4/2011

In terms of donation distribution to district/communes and target groups; examination of the use of donation

As per the survey 100% of district representatives understood and well implemented this work. Specifically:

- Depending on the levels of damage in each location, the district People's Committee made decision on distribution of donated cash and goods. The distribution of donated cash and goods from the State, organizations and individuals was recorded. The donated cash was distributed via financial systems at each level.
- For cash to repair infrastructure works, the district authorities checked the real damage based on local proposals and prepared construction estimates.
- The district authorities established examination teams to verify the use of donation in accordance with Points 8 and 9 of Circular 72/2008/TT-BTC on 31/7/2008 of Ministry of Finance. Specifically:
- District People's Committee issued instructions for commune authorities on how to distribute donated cash and goods. The commune authorities recorded the received cash and goods, distributed them and reported to district authorities in writing.

- Commune authorities prepared a list of recipients with signatures and verification of local authorities. Names of recipients were officially announced on commune media. Types and levels of support were clearly announced at commune and village offices.

The research team believes that local authorities, especially the district level, have full capacity to implement support policies on flood recovery in Vu Quang district. The policy implementation capacity of commune level needs further improvement. Commune authorities of Vu Quang district just simply conducted policies, following instruction from the district level and not actively proposing policy options. According to the deep survey results, representatives of district People's Committee affirmed that they already requested commune People's Committees to calculate damages so that necessary support would be provided under Decision 142/2009/QĐ-TTg of the Prime Minister. However it seems that this has not been done by commune authorities.

In summary, local authorities have well implemented the receipt and distribution of donated goods. From contents, authority to call for donation, bank account opening, to warehouse arrangement were implemented in accordance with regulations. The distribution of donation to people was clearly stipulated and local government organized teams to examine the implementation.

Central support has had immediate and timely impacts by providing initial support after floods. However in the long run, this policy still contains many loopholes. It is essential to develop policies in a "bottom up" and participatory manner, i.e. government at higher level should consult demands of government at lower level. At the same time government should seek for comments/suggestions from the public to identify priorities and alternative financial sources to best satisfy community demands with limited resources.

7. Policy targets vs. Implementation results

7.1. Support policy

According to instruction of People's Committees of Huong Khe and Vu Quang districts, State support for production restoration only covers concentrated cultivation and livestock breeding households. Instruction on receipt, distribution and use of support for flood recovery was stipulated in Official Note 430/CV-UBND on 1/11/2010 of Vu Quang district People's Committee and Official Note 107/LN/TCKH-LDTBXH on 17/11/2010 of Huong Khe district People's Committee.

Discussions with representatives of two districts and 15 communes reveal that there are three reasons that only large scale production households are entitled to support. *Firstly*, the limited budget necessitate the narrowing of target groups. Concentrated

production households will suffer large damages due to disaster. Without support, these households cannot recover and repay debts, which affects the local production, as they are economic development locomotives of the locality. Meanwhile small scale production households may suffer smaller damage. Therefore priority should be given to concentrated production households. *Secondly*, the provincial People's Committee is encouraging concentrated farm-scale production to increase income and economic efficiency of households. *Thirdly*, it is difficult to accurately calculate the damages of pigs/poultry of small scale production households during floods. Most of village/commune officers believe that it may take another two to three years to fully recover the production.

In-depth interviews in two districts show that there are mainly small scale production households (more than 90%), while concentrated agriculture production ones account for less than 10%. Many communes of Vu Quang (including An Phu, Duc Lien, Vu Quang township, Huong Quang, Huong Tho, Duc Giang) and Huong Khe (including Huong Thuy, Phuong My) do not have concentrated production households, but small scale ones. Commune of Duc Linh (Vu Quang district), and Phuc Dong (Huong Khe district) only have one concentrated livestock breeding household. Most of localities are mainly relied on state subsidies to restore livelihoods for local people. However it is obvious that State support has not reached large target groups of small scale agriculture production households. This shows a big gap between policy and local demand. This policy gap is also clear in the assessment of demands for livelihood restoration of small scale production households.

7.2. Policy impacts

The team assesses policy impacts over affected households in two aspects (i) livelihoods rescue; and (ii) long term recovery, including production restoration.

In terms of livelihoods rescue, the survey shows that the livelihoods of local people have been restored. And people highly appreciate livelihood support of the State. There are no starving households after the floods.

In terms of support for cultivation and livestock breeding seedling, State support for production restoration only limits to plant seeds, such as 100% of seeds of corn, vegetable and hybrid rice. However local people say that the selection of some types of seeds (for example, corn) has not been based on bottom-up consultation, i.e. consultation with households on their suitable seeds. Some important plant seeds which are suitable to local land conditions, for example peanut, were not provided by the State, but some international organizations with small proportions. Since most of production households are of small scale, they do not get support for livestock breeding seedling. In reality a number of small scale livestock breeding households fall into difficulties, even poverty, as their cattle or poultry was dead or flushed out. Moreover they have to sell the living ones to get money

for domestic consumption. As decided by the provincial authority and instructed by the district authorities, these households are not entitled to State support for such kind of damages.

In terms of demands for borrowing, a number of households have to borrow from the Social Policy Bank to restore their livelihoods. However the target groups are quite limited. This impedes the recovery capacity of households. Instead households declare as falling back to poverty to be entitled to concessional loans of policy bank under Program 135 or other support programs.

In terms of demands for price support for fertilizer, many hectare of land have been restored for cultivation, but they are eroded after floods in 2010. In order to improve productivity, households need additional fertilizer. However due to high prices of fertilizers, production households face more and more difficulties. Consequently households are in high need of state's price subsidies for fertilizers. However current support only limits to price subsidies for a small group of poor households. Clearly this is another policy gap.

In terms of improving the mudded soil. After the severe floods in 2010, the agriculture cultivation area was seriously mudded, raising huge costs for households for improving land. However at present there has not been any state support for households for solving mudded soil.

In the long term central and provincial authorities focus on restoring damaged essential infrastructure, including irrigation systems, bridge and water drainage systems, transportation system, schools and clinics. Budget has been transferred to communes for implementation. However the production restoration for small scale households has not been touched. For cultivation households, the Government supported for plant seeds. Meanwhile the Farmers' Union provided guarantee for farmers to buy fertilizers with preferential terms. For livestock breeding households, although the Farmers' Union had an initiative of providing 100 seedling pigs for communes, this plan has still been on paper. Households planting fruit trees are not entitled to any support.

7.3. Level of recovery

The survey shows that affected small scale households have now recovered their livelihoods and production, although they did not receive any support for their affected livestock breeding activity. Only small scale households categorized as poor or near poor could access to preferential loans of the Social Policy Bank. Other households could not access any preferential loans. It is highly agreed by local officers that small scale production households can easily fall into poverty, if they do not get support for production restoration.

The survey shows that the responsiveness of support policies for communes of Vu Quang and Huong Khe districts is quite limited. This is proved by the level of recovery after floods in Table 16.

Table 16. Level of recovery of commune after floods (%)

| District | Commune/township | Level of recovery compared with that before floods (%) |
|-----------------|-------------------------|---|
| Vu Quang | Vu Quang Township | 25 |
| | Huong Tho | 30 |
| | Duc Giang | 50 |
| Huong Khe | Hoa Hai | 60 |
| | Loc Yen | 70 |
| | Phuong My | 30 |
| | Huong Thuy | 50 |
| | Phuc Dong | 70 |

Source: In-depth interviews in Huong Khe and Vu Quang, 4/2011

The survey results in Table 18 shows that the levels of recovery of communes of Vu Quang and Huong Khe districts are very low, demonstrating a low impact of support policies over small scale production households. A representative of Duc Giang commune reveals that the total damage of Duc Giang commune was VND 36.6 billion, but the commune only received VND 10 billion, mainly for rescue and infrastructure repairing activities. This observation matches with survey results of production households of Vu Quang district in terms of the level of damage and level of support.

7.4. Reasons for successes and shortcomings

Reasons for successes

Vu Quang and Huong Khe districts have achieved some results in supporting affected people in both two aspects: livelihood rescue and production restoration. The achievements are resulted from:

Firstly, government policies in response to disasters and rescue and livelihoods and production restoration have been issued on a timely and comprehensive basis. Based on that, the provincial authorities quickly issued regulations on target groups, types and level of support so that authorities of affected districts and communes could implement. Based

on instructions of the government and provincial authorities, district People's Committees had timely and suitable instructions for their communes. Thanks to clear policies, the rescue and support work after the floods was implemented successfully in Vu Quang and Huong Khe districts. Provincial People's Committee, Standing district Party Committee, district People's Committee and some district departments seriously implemented the storm rescue and restoration work and donation distribution work to organizations and individuals so that people can quickly stabilize their living. The top-down direction has helped communes quickly respond to disaster, well implement the rescue work, minimize casualties and ensure that no one were starving or cold, as well as timely support for livelihoods and production restoration.

Secondly, the districts received timely support of human resources and vehicles from Military Zone 4 and provincial People's Committee to evacuate people from deeply flooded and isolated areas. The districts also got timely instruction and encouragement from the central and provincial authorities. In addition domestic and foreign organizations and individuals have provided with spiritual and physical support, contributing to the restoration and stabilization of livelihoods and production after floods.

Thirdly, communes were active in mobilizing on-site resources to prevent and protect from floods and storms and to implement restoration work, quickly stabilizing the livelihoods and production, for example: dredging canals, repairing damaged infrastructure and improving agriculture production to increase output and to create food for cattle.

Fourthly, due to serious damages by floods, households were quite active in cooperating with local governments to stabilize their livelihoods and productions.

Causes of shortcomings

Shortcomings in livelihoods restoration work for small scale production households can be explained by the following reasons:

Firstly, the 2010 flood is the historical one in the last 60 years with huge economic and social security damages. For example the damage of Vu Quang district is estimated at nearly VND 600 billion. Hence the flood recovery in Vu Quang district faced with financial and timing difficulties. Vu Quang is a poor district with annual budget income of over VND 9 billion, while the budget expenditures are over VND 20 billion. Consequently the contingent budget is very low. The support for flood recovery in 2010 is 10% higher than the contingent budget.

Due to limited support budget, the provincial People's Committee decided not to cover small production households, which makes them face with more difficulties when suffering the floods.

Secondly, small production households were supported with some types of plant seeds and they also actively invested in production restoration. However the long and extreme cold weather after the flood made peanut crop have low yield and longer harvest time; rice be replanted many times; cost for cattle food increased, etc. Severe flood damages plus severe weather conditions after the floods made small scale livestock breeding households more and more difficult to recover.

Thirdly, shortcomings in top-down management approach reduced motivation of local governments in terms of seeking for additional support. As mentioned above, after the flood, based on central policies, the Provincial People's Committee made decision on support, district People's Committees provided instruction and commune People's Committees implemented. The survey at communes reveals that commune authorities simply implemented instruction of the district People's Committee with no or little initiatives to support households in production restoration and development. For example in Huong Quang commune, the commune People's Committee was active in searching for direct support from the province. However due to the top-down approach, all mobilization efforts must be through the district level. This management method impeded mobilization efforts of commune level.

CHAPTER III. POLICY RECOMMENDATION

1 General recommendations

The authorities at all levels should continue to actively develop and implement assistance policies to overcome losses due to the floods; at the same time, should focus more strongly on activities of flood prevention and mitigation of natural disasters as to minimize losses of human, assets and infrastructure, to protect production, poverty alleviation, ecological environment, to ensure sustainable socio-economic development. From the lessons learned in management of flood prevention and natural disaster mitigation, the authorities at all levels should attach importance to the propagation and enhancing community awareness of natural disaster prevention.

In the process of overcoming consequences caused by natural disasters, the local authorities should provide the following forms of assistance: Emergency assistance, human assistance and livelihood recovery on the basis of using in-kind or money assistance resources effectively and in line with their purposes. In order to increase possibility of access to assistance resources, the authorities at all levels should take advantage of supports from the Central government; on their own initiative seek sources of assistance through mobilizing supports from domestic and foreign organizations and individuals. At the same time, the local authorities should promote the role of community in rescue, stabilization of people's lives and production restore.

Regarding assistance of production recovery, the provincial policies need to be adjusted to cover the group of small holder farmers/households. Although these farmers have lower extent of losses than households of concentrative production, but the proportion of small holder farmers in the districts that frequently suffer natural disaster is very large. For such reason, assistances for this target group is necessary to ensure recovery of living and production, thus reduce the risk of poverty in the regions. This policy adjustment is entirely consistent with the provisions of the Central Government, such as Decision 142/2009/QĐ-TTg by the Prime Minister dated 31/12/2009 on the mechanisms and policies on supports of seed, livestock breed, and aquatic breed to recover production in regions damaged by natural disasters and diseases.

In order to increase the target group of beneficiaries, the authorities at all levels need to balance their budget to assist small holder farmers in livelihood recovery, production development, family economic improvement, and accordingly local economic development. Therefore, government at each level need have policy adjustments in terms of contents and implementation so that small holder farmer can access to assistance resources. In addition, provincial and district authorities should develop policies on the

bottom-up principle, which is based on consultation of the needs of subordinates and the participation of people, so that the policies can meet and in accordance with the local needs.

The following is some suggestions of small holder farmer assistance policies for government at each level (from Central to local) as well as for donors.

2 For the Central government

In general, the Central government's current legal framework of support policies for overcoming consequences of floods is comprehensive. The management of the central government in relief and response to consequences due to natural disaster ensured people's life and human living conditions timely and promptly. Then, the central government has entrusted government agencies with making plans on recovering essential infrastructure damaged by the floods. This recovery will take time. However in the immediate term, the central government should issue policies on guidance of implementing infrastructure recovery.

Chính sách của tỉnh cần điều chỉnh để bao phủ cả nhóm đối tượng là các hộ sản xuất, chăn nuôi quy mô nhỏ. Những hộ này có mức thiệt hại thấp so với các hộ sản xuất, chăn nuôi quy mô tập trung nhưng tổn thương đối với các hộ này là rất lớn ảnh hưởng trực tiếp tới tình trạng đói nghèo. Sự điều chỉnh chính sách này vẫn hoàn toàn phù hợp với các quy định của trung ương, như Quyết định 142/2009/QĐ-TTg. Issuing support policy only to large scale famers while 90% of smallholder farmers in Ha Tinh will make its community understand that this is a kind of protect policy for provincial leader decision, this is that Ha Tinh only encourage large scale farmers not smallholder farmers. If it is true, Ha Tinh need to adjust to support major affected groups.

At the moment, the central government should spend additional resources for long-term production recovery of households after the floods. Accordingly, it is necessary to have advocacy interventions of the Ministry of Agriculture and Rural Development that is the advising agency of the Central Government in promulgating policies on production recovery.

The political organizations such as Vietnam Fatherland Front¹⁴, Vietnam Red Cross¹⁵ has played an important role in assisting people in the flooded regions, especially provisions of human relief, supports in cash, water and sanitation for the damaged households. The Red Cross had (i) distribution of foods and/or cash for purchasing foods;

¹⁴ Decision No. 574/QĐ-MTTW-BTT dated 5/11/2010 on supports for floods-caused damages in Ha Tinh province.

¹⁵ Operation update: Vietnam flood by International federation of Red Cross and Red Crescent Societies

(ii) distribution of other relief to meet essential needs of people, accordingly help people quickly recover their living conditions; (iii) provision of clean water, wastewater treatment and sanitation; (iv) delivery of crop seed, fertilizer and/or cash to help people restore their livelihood. The Red Cross at all levels has well done its tasks, however the Red Cross should pay more attention to the damaged group that has not been beneficiaries of the support policies.

Notably, the Fund of Central disaster relief founded in 2009 is a non-governmental organization and operates following the purpose of financing the people of the provinces from Thanh Hoa to Binh Thuan to prevent and overcome consequences of floods and natural disasters. The Fund has been active in disaster prevention and building of community house for flood avoidance. However, the Fund has not paid much attention to production recovery, thus the Fund should conduct measures of advocacy interventions to support for production recovery in the long-term.

3 For the provincial People's Committee (PPC)

Undeniably, the provincial authority has well implemented the relief policies when natural disasters happen. District and commune authorities and local households recommend that the provincial authority should have policies of more sustainable supports, such as livelihood supports for disaster-damaged farmers. The research team fully shares with this recommendation and suggests the PPC to balance its budget and to seek additional funds to support small holder farmers in production recovery, escape from poverty. This will contribute to the sustainable local economic development.

The research team also recommends that the PPC should integrate master plan of transport with master plan of irrigation and that of natural disaster prevention as to mitigate losses caused by natural disaster. With observations from the floods last year in Ha Tinh, it is said that some transport works prevented flood drainage, causing more severe consequences, for example many houses were submerged, which has resulted in large losses of production and difficulties in terms of living conditions of local residents. According to experts, heavy damage in the Central provinces is due to torrential rain on the one hand, and due to the hydro-electric and transport works altering the natural stream flow, thus slowing down drainage into the sea. For such reason, master plans on transport and hydro-electric works should be considered in integration with safety when disasters happen, environment and socio-economic efficiency... The research team suggests that it is necessary to have advocacy interventions from the PPC and Ministry of Transport so as to improve the quality of transport and hydro-electric works and to ensure safety for people when facing disaster.

Huong Khe and Vu Quang have large forest areas and big number of farmers have demand for use them. However, number of farmers who own them are modest. Thus, the

research team recommends that Ha Tinh need an efficient and practical strategy for protecting and developing protective forest areas; implement state policies on deliver forest areas for farmers to produce, plant, protect and develop; invest in seeds and production activities. Especially, the research team proposes Ha Tinh continuously transfer poor forest areas to rubber planting areas in accordance with central policies.

In addition, the local current meter stations have not accurately reflected the extent of natural disasters, therefore some regions were subjective in response to disaster, which caused large losses. The research team recommends the PPC to consider and balance its budget for upgrading these stations.

The PPC should also consider promulgation of policies on the construction of social security works (offices, schools, medical stations, meeting halls and commune cultural houses) in the regions that frequently hit by floods. Specifically, social security works in these regions must be solidly built and high-floor. The PPC can organize a competition of designing models of house for flood avoidance in line with characteristics of each region. The research team suggests the PPC to mobilize variety of resources for building social security works.

The research team also recommends that the PPC should more empower district authorities so that the DPCs can on their own initiative mobilize outside resources of funds for flood-after production recovery in accordance with local conditions.

Because of limitations of funds resources, some damaged groups in Ha Tinh have not been beneficiaries of the assistance policies, such as small holder farmers, households of fruit tree planting. The PPC should consider measures of supporting these damaged groups, which can be integrated into master plan or socio-economic development plan of each district.

4 For district People's Committee (DPC)

From the surveys at 15 communes of 2 districts Vu Quang and Huong Khe, the research team found that the local households have high demand for non-agricultural industry, including craft industry. Due to characteristics of climate conditions, districts of Ha Tinh frequently face floods, thus the district authorities annually make plan on flood prevention in the flood season. For such reason, agricultural production of households is mainly in the dry season. In the flood season, households' agricultural production is just moderate because they are worried about risks by floods. With recognition that agricultural production is influenced by and vulnerable to natural disasters, representatives of the commune authorities and households in the surveyed communes have expressed a desire of receiving supports from the district authorities regarding creating more non-agricultural jobs and providing orientations of structure adjustment. This helps the local households to

limit risks from natural disasters, to increase their income, to improve their lives, and thus their production and lives is more sustainable. The research team shares with their desire and suggests that the district People's Committee (DPC) should consider possibility of building a non-agricultural production model in line with local characteristics as to create more jobs for the local people. For example, developing handicraft industry (embroidery, rattan and bamboo products) at communes where input materials are available but there are interruptions because of some reasons.

Recently, the government maintains the policy of "*living with floods*" for regions that annually face floods. However, Vu Quang and Huong Khe are two mountain districts with large available highland areas, thus the research team recommends the provincial and district authorities to consider and make policies of moving people out of the flood areas, have priority to households submerged in long time, households in the dangerous riverside and landslide mountain areas. For households in the flood areas that have not been removing, the provincial and district authorities should grant supports of building houses for flood avoidance. Policies on moving people to highland areas and supporting construction of houses for flood avoidance requires large resources, thus the DPCs should on their own initiative submit proposals to the PPC for seeking support resources from the Central Government as well as from foreign organizations.

The district authorities should study and propose measures of supporting small holder farmers on their own initiative; specify demand for supports in order of priority as to mobilize appropriate relief, especially should distinguish between emergency relief assistance and assistance for living and production recovery.

In addition, the district authorities should study and replicate the good lessons learned from the local experiences of production recovery after natural disaster.

5 For commune People's Committee (CPC)

In the surveyed communes, income of farmers is low, unstable, and dependent on the weather. Floods largely influence households' crop and livestock production, and thus income. Commonly, farmers in regions frequently facing natural disasters tend to adapt to disaster-caused difficulties, thus there is always network of mutual assistance in community. The network of mutual assistance is an effective form of assistance. According to data from the research team's survey, 38/134 commune staff reflect that production difficulties is mainly overcome by households themselves and mutual assistance in community. 36/134 commune staff said that the current government supports for farmers are satisfactory and compliance with regulations. Obviously, promoting self-reliance of the commune is important to help households with recovery of living and production. The fact

is that the surveyed communes frequently face floods, thus income of people is entirely dependent on agricultural production, thus low and unstable. Therefore, the research team suggests that the commune authority should study and propose measures of sustainable poverty escape.

The commune authorities should study and propose measures of raising non-farm income on the basis of studying programs on supporting development of non-farm jobs. Some studies of scholars in the world shows there is a positive relationship between consequences of natural disasters and long-term economic growth¹⁶ because natural disaster can create opportunity of reconstruction. Therefore, the commune authorities should “turn sorrow into actions”, seek grants and supports from non-governmental organizations for developing non-farm jobs as to increase people’s income.

As discussed above, almost households in communes of two districts Vu Quang and Huong Khe district bases on agriculture. Therefore, in order to improve yield of crops and livestock of households as to help them recover and develop their production, the commune People’s Committee (CPC) can coordinate with the provincial Farmers’ Association to providing people with training of agricultural production technique and technology. Also, CPC should guide households to adjust crops structure so that they can harvest before floods happen.

There is the fact that price of agricultural products by households is often squeezed by private traders, while households have to buy seed at high prices. After the floods, although houses face many difficulties, they have made their efforts in production recovery. However, the fact of private traders’ price squeeze has hampered efforts of households in production recovery and development. To solve this difficulty, the research team recommends the CPC to coordinate with the provincial/district People’s Committees in seeking partners/companies using local agricultural products, which reduces risks of private traders’ price squeeze.

CPC directly implement the supporting policies for overcoming natural disaster-caused consequences under the direction of the DPC. Most of the commune authorities in the two districts Vu Quang and Huong Khe are not really active in making initiatives of supporting local households. The research team recommends that the CPC should not much rely on province/district supports, but should actively seek resources, such as from international organizations or projects. For example, the Project " Making markets work better for the poor " by the Asian Development Bank and the UK Department for

¹⁶ Ilan Noy (2009), The Economics of Natural Disasters in a Developing Country: The Case of Vietnam

International Development is a source that the CPC can apply for supports if the CPC's proposal is appropriate to objectives of the Project.

In seeking measures of supports for households to overcome natural disaster-caused consequences, there should be consideration of agricultural insurance. Decision No. 315/QĐ-TTg dated 1/3/2011 by the Prime Minister on the pilot provision of agricultural insurance during 2011 – 2013 takes effect on date of July 1, 2011. The provision of agricultural insurance is to help agricultural households with remedy for and recovery from financial losses caused by natural disasters or epidemics, which contributes to assuring social welfare in rural areas and promoting agricultural production. State support levels and beneficiaries are regulated at *Item 2 Article 1*, specifically:

a) To support 100% of insurance premiums for poor agricultural households and individuals who participate in the pilot implementation of agricultural insurance;

b/ To support 80% of insurance premiums for agricultural households and individuals living just above the poverty line that participate in the pilot implementation of agricultural insurance;

c/ To support 60% of insurance premiums for other agricultural households and individuals that participate in the pilot implementation of agricultural insurance;

This form of insurance is very suitable for agricultural production in Ha Tinh, where often suffer damages caused by natural disasters. CPC should pay attention to propagandizing and encouraging farmers in buying agricultural insurance as to offset losses due to natural disaster. For a long time, farmers damaged by natural disaster often receive supports from the Central Government, thus farmers sometimes claim for increased damages in order to receive additional relief assistance. This fact will be overcome when farmers buy agricultural insurance because claim of damages will be monitored by insurance company. In addition, farmers have to pay insurance premiums, thus they will be more responsible for breeding and protecting livelihood and crops.

6 For Oxfam

- Oxfam should continuously have relief to affected disaster regions and pay more attention to production recovery. Additionally, Oxfam should study to establish a efficient disaster response scheme in regular affected regions like central provinces.
- Oxfam should pay attention to affected groups who suffer from an unequal access to state support sources.
- Oxfam should conduct research and disseminate sustainable poverty escape models in the world and design and implement them in Vietnam like

beekeeping, rubber planting, handicraft (embroidery, rattan and bamboo products).

- Study to support household relocation and establishment of cattle and poultry cages in order to avoid floods.
- Study to support farmers to plant grass for cattle food to increase income.

CONCLUSION

Research “Vietnam Government’s Compensation Policies for Smallholder Farmers in Ha Tinh Province after 2010 Floods” is conducted by Central Institute for Economic Management (CIEM) within the framework of Project Proposal to the Humanitarian Response to Central Floods Ha Tinh Province, Vietnam. The research objectives are to understand deeply post-disaster recovery policies for the affected groups; to evaluate the equality of access to compensation measures by affected groups with a focus on smallholder farmers, then to make recommendations to improve compensation policies for smallholder farmers. With this in mind, the CIEM research team conducts literature review and field research, relying on that analyzing data and completing the report.

In 2010, Ha Tinh suffered torrential rain which caused two severe floods. The floods are the historical one in the last 60 years with huge economic and social security damages. Huong Khe and Vu Quang were hit hardest by floods. The floods caused great loss of human, houses, assets, rice and cash crops, as well as transport system and irrigational works. The research assesses policy impacts over affected households in two aspects (i) rescue, and (ii) production recovery. Policies on rescue and living condition recovery are well implemented; there are no starveling households after floods. In long term, provincial/district/commune authorities are concentrating on restore essential infrastructure. However, production restoration for smallholder farmers is still a policy gap.

Based on Decision of Ha Tinh People’s Committee and guidance of Huong Khe and Vu Quang People’s Committee, state supports are just applied for large scale livestock production households. While, in Huong Khe and Vu Quang, 90% of local households are smallholder farmers. There is a high consistence of local officers that the risk of falling in poverty from smallholder farmers is very high if they do not receive state supports for production recovery. This is a gap between policy and need. Namely:

- *In terms of support for cultivation and husbandary seedling*, State support for production restoration only limits to plant seeds, such as 100% of seeds of corn, vegetable and hybrid rice. However local people say that the selection of some types of seeds (for example, corn) has not been based on bottom-up consultation, i.e. consultation with households on their suitable seeds. Some important plant seeds which are suitable to local land conditions, for example peanut, were not provided by the State, but some international organizations with small proportions. Since most of production households are of small scale, they do not get support for husbandary seedling. In reality a number of small scale husbandary households fall into difficulties, even poverty, as their cattle or poultry was dead or flushed out. Moreover they have to sell the living ones to get money for domestic consumption. As decided by the provincial authority

and instructed by the district authorities, these households are not entitled to State support for such kind of damages.

- *In terms of demands for borrowing*, a number of households have to borrow from the Social Policy Bank to restore their livelihoods. However the target groups are quite limited. This impedes the recovery capacity of households. Instead households declare as falling back to poverty to be entitled to concessional loans of policy bank under Program 135 or other support programs.
- *In terms of demands for price support for fertilizer*, many hecta of land have been restored for cultivation, but they are eroded after floods in 2010. In order to improve productivity, households need additional fertilizer. However due to high prices of fertilizers, production households face more and more difficulties. Consequently households are in high need of state's price subsidies for fertilizers. However current support only limits to price subsidies for a small group of poor households. Clearly this is another policy gap.
- *In terms of improving the earthened soil*. After the severe floods in 2010, the agriculture cultivation area was seriously earthened, raising huge costs for households for improving land. However at present there has not been any state support for households for unearthening soil.

Limitation on support measures for production recovery of smallholder farmers is explained by following reasons: (i) inefficiency of financial resources (ii) negative impacts by severe weather after floods reduce yields of crops (iii) shortcomings in top-down management approach reduced motivation of local governments in terms of seeking for additional support

Evaluation on local implementation capacity, the research team found that local authorities at all levels have efficiently received and delivered rescue goods and cash. Procedure of mobilization, opening bank account, arranging warehouse were done well arrangement. Goods and cash are delivered to affected households. The research team believes that local authorities, especially the district level, have full capacity to implement support policies on flood recovery. However, commune authorities just simply conducted policies, following instruction from the district level and not actively proposing policy options.

From the analyses and assessments of impacts and effects of implementing support policies of overcoming natural disaster-caused damages in two districts Vu Quang and Huang Khe, the research team provides recommendations for governments at all levels. Accordingly, the authorities at all levels should continue to develop and implement the active support policies to overcome floods-caused losses; take advantage of supports from

the Central government; on their own initiative seek sources of assistance through mobilizing supports from domestic and foreign organizations and individuals.

- *For the Central Government:* the central government should spend additional resources for long-term production recovery of households after the floods. Accordingly, it is necessary to have advocacy interventions of the Ministry of Agriculture and Rural Development.
- *For the provincial People's Committee (PPC):* the PPC should adjust its support policies as to cover small holder farmers. This adjustment is entirely consistent with provisions of the Central Government, for example Decision No. 142/2009/QĐ-TTg. In addition, the research team also recommends that the PPC should integrate master plan of transport with master plan of irrigation and that of natural disaster prevention as to mitigate losses caused by natural disaster; mobilize resources for building works of “living with floods”.
- *For district People's Committee (DPC):* DPCs should consider possibility of building a non-agricultural production model in line with local characteristics as to create more jobs for the local people; design and submit proposals to the PPC for seeking support resources from the Central Government as well as from foreign organizations.
- *For commune People's Committee (CPC):* the commune authorities should study and propose measures of sustainable poverty escape; raising non-farm income on the basis of studying programs on supporting development of non-farm jobs; coordinate with the provincial/district People's Committees in seeking partners/companies using local agricultural products, which reduces risks of private traders' price squeeze. In addition, CPC should pay attention to propagandizing and encouraging farmers in buying agricultural insurance as to offset losses due to natural disaster.
- *For Oxfam.* Oxfam should continuously have relief to affected disaster regions and pay more attention to production recovery. Additionally, Oxfam should study to establish a efficient disaster response scheme in regular affected regions like central provinces; Oxfam should pay attention to affected groups who suffer from an unequal access to state support sources; Oxfam should conduct research and disseminate sustainable poverty escape models in the world and design and implement them in Vietnam like beekeeping, rubber planting, handicraft (embroidery, rattan and bamboo products); Oxfam should also study to support household relocation and establishment of cattle and poultry cages in order to avoid floods as well as to support farmers to plant grass for cattle food to increase income.

REFERENCES

1. Báo cáo tổng kết công tác phòng chống bão lụt năm 2010 và triển khai nhiệm vụ năm 2010 của UBND huyện Vũ Quang
2. Báo cáo tình hình kinh tế xã hội tháng 10 và 10 tháng đầu năm 2010 của Tổng cục Thống kê
3. Ilan Noy (2009), The Economics of Natural Disasters in a Developing Country: The Case of Vietnam
4. Operation update: Vietnam flood by International federation of Red Cross and Red Crescent Societies
5. Quyết định 574/QĐ-MTTW-BTT ngày 5/11/2010 Về việc hỗ trợ tỉnh Hà Tĩnh bị thiệt hại do mưa lũ
6. Tài liệu dự án cứu trợ khẩn cấp và phục hồi sau lũ tại Hà Tĩnh của Oxfam Hồng Kông

ANNEX 1. Household Questionnaire

QUESTIONNAIRE

Vietnam Government's Compensation Policies for Smallholder Farmers in Ha Tinh province after 2010 floods

(Please note that your answers to the questions will be kept entirely confidential and be used solely for purposes of research and analysis)

I. Household basic information

1. Name:
 2. Address
 3. Household head gender: Male ☐ Female ☐
 4. Household member
 - Number of household members: (number of persons)
 - Number of working age members: (number of persons)
 - Occupation of working age members:
 - Wage earner: (number of persons)
 - Purely conduct farming: (number of persons)
 - Others : (number of persons)
- If tick "others", please specify.....

5. Was your household classified as poor in the commune?

| Year | 2008 | 2009 | 2010 | 2011 |
|------|--------------------------|--------------------------|--------------------------|--------------------------|
| Yes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| No | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

6. Household income (from farmers and wage earners)

| | Before 2010 floods | After 2010 floods | |
|---|-----------------------|--|---------------------------|
| | | 3 months immediatly after floods | 3 months most recently |
| Total average monthly income (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Of which, from conducting farming (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |

II. Agriculture productions

7. Cultivation activities of household (before 2010 floods), please state 3 main plants

| | 1 | 2 | 3 |
|-----------------------------------|----------------------|----------------------|----------------------|
| Plant name | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Area (ha) | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of crops | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total harvest value (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |

8. Husbandary activities of household (after 2010 flood), please state 3 main cattle/poultry

| | 1 | 2 | 3 |
|--------------------------------|----------------------|----------------------|----------------------|
| Name of cattle/poultry | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of livestock | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of harvest | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total harvest value (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |

9. Aquatic activities (before 2010 flood), please state 3 main aquatic types

| | 1 | 2 | 3 |
|--------------------------------|----------------------|----------------------|----------------------|
| Name of aquatic types | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Area | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of harvest | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total harvest value (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |

10. Cultivation activities of household (after 2010 floods), please state 3 main plants

| | 1 | 2 | 3 |
|--------------------------------|----------------------|----------------------|----------------------|
| Plant name | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Area (ha) | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of crops | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total harvest value (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |

11. Livestock breeding of household (after 2010 flood), please state 3 main cattle/poultry

| | 1 | 2 | 3 |
|--------------------------------|----------------------|----------------------|----------------------|
| Name of cattle/poultry | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of livestock | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Number of harvest | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Total harvest value (mil. VND) | <input type="text"/> | <input type="text"/> | <input type="text"/> |

12. Aquatic activities (before 2010 flood), please state 3 main aquatic types

| | 1 | 2 | 3 |
|-----------------------|----------------------|----------------------|----------------------|
| Name of aquatic types | <input type="text"/> | <input type="text"/> | <input type="text"/> |

| | | | | | | | |
|-----------------------------------|--|--|--|--|--|--|--|
| Area | | | | | | | |
| Number of harvest | | | | | | | |
| Total harvest value (mil. VND) | | | | | | | |

13. Agriculture yield

a. Proportion of agriculture yields for consumption:

- cultivation: (%)
- livestock breeding: (%)
- aquatic breeding: (%)

b. Proportion of agriculture yields for commercial selling:

- cultivation: (%)
- livestock breeding: (%)
- aquatic breeding: (%)

c. Others, please specify

.....

.....

III. Damage of 2010 floods

14. Self classified damages of household?

- a. ☐ Household having the dead
- b. ☐ Household have seriously injured person
- c. ☐ Household whose houses were swept away by the floods
- d. ☐ Household whose houses are fallen, collapsed 50-80%
- e. ☐ Household having losses of 30-50% of main house
- f. ☐ Household having losses of over 70% of rice areas
- g. ☐ Household having losses of 30-70% of rice areas
- h. ☐ Household having losses of over 70% of cash crops (corn, sweet potato, vegetable...)
- i. ☐ Household having losses of 30%- 70% of cash crops (corn, sweet potato, vegetable...)
- k. ☐ Household having losses of livestock (buffalo, cow, deer) swept away by the floods
- l. ☐ Concentrative scale pig breeding household having losses of over 10 sow pigs or over 100 meat pigs
- m. ☐ Small pig breeding household having losses of below 10 sow pigs or below 100 meat pigs
- n. ☐ Concentrative scale poultry breeding household having losses of over 300 egg laying poultry or over 500 meat poultry
- o. ☐ Small poultry breeding household having losses of below 300 egg laying poultry or below 500 meat poultry
- p. ☐ Concentrative scale aquatic cultivation household (over 02 ha) having losses of over 70% of aquatic cultivation areas
- q. ☐ Concentrative scale aquatic cultivation household (over 02 ha) having losses of 30-70% of aquatic cultivation areas
- r. ☐ Small aquatic cultivation farmers (below 02 ha) having losses of over 70% of aquatic cultivation areas
- s. ☐ Small aquatic cultivation farmers (below 02 ha) having losses of 30-70% of aquatic cultivation areas
- t. ☐ Household lost production means, thus be fall in hunger

u. ☐ Hunger in between-crop period

v. ☐ Others

If choose **Others**, please specify:.....

.....
.....

15. Support types received by households?

A. From state supports

a. ☐ Household having the dead -> million dong

b. ☐ Household have seriously injured person -> million dong

c. ☐ Household whose houses were swept away by the floods -> million
dong

d. ☐ Household whose houses are fallen, collapsed 50-80% -> million
dong

e. ☐ Household having losses of 30-50% of main house -> million dong

f. ☐ Household having losses of over 70% of rice areas -> million dong

g. ☐ Household having losses of 30-70% of rice areas -> million dong

h. ☐ Household having losses of over 70% of cash crops (corn, sweet potato,
vegetable...) -> million dong

i. ☐ Household having losses of 30%- 70% of cash crops (corn, sweet potato,
vegetable...) -> million dong

k. ☐ Household having losses of livestock (buffalo, cow, deer) swept away by the
floods -> million dong

l. ☐ Concentrative scale pig breeding household having losses of over 10 sow pigs
or over 100 meat pigs -> million dong

m. ☐ Small pig breeding household having losses of below 10 sow pigs or below
100 meat pigs -> million dong

n. ☐ Concentrative scale poultry breeding household having losses of over 300 egg
laying poultry or over 500 meat poultry -> million dong

o. ☐ Small poultry breeding household having losses of below 300 egg laying
poultry or below 500 meat poultry -> million dong

p. ☐ Concentrative scale aquatic cultivation household (over 02 ha) having losses
of over 70% of aquatic cultivation areas -> million dong

q. ☐ Concentrative scale aquatic cultivation household (over 02 ha) having losses
of 30-70% of aquatic cultivation areas -> -- million dong

r. ☐ Small aquatic cultivation farmers (below 02 ha) having losses of over 70% of
aquatic cultivation areas -> million dong

s. ☐ Small aquatic cultivation farmers (below 02 ha) having losses of 30-70% of
aquatic cultivation areas -> million dong

t. ☐ Household lost production means, thus be fall in hunger -> million
dong

u. ☐ Farmer having hunger in between-crop period -> million dong

v. ☐ Others -> million dong

if choose **Others**, please specify:.....

.....
.....

B. From domestic and foreign individuals and organizations

.....

.....

 16. Meaning of support types

- a. ☐ Food and cash for food
 b. ☐ Living condition recovery
 c. ☐ Newly established/repared houw
 d. ☐ Production condition recovery
 e. ☐ Others, specify :.....

17. **Suppose**, household had not received external supports would you self-recover your living and production conditions?

- a. ☐ Yes
 b. ☐ No

18. **Suppose**, if household had not received external supports what would your living and production conditions be?

- a. ☐ Very mean
 b. ☐ Mean
 c. ☐ Relatively difficult
 d. ☐ Little impacted
 e. ☐ Others, specify :.....

19. Up to now, how is your living conditions improved (electricity and water access, house, sanitation)?

- a. ☐ Fully recovered
 b. ☐ Significantly improved
 c. ☐ Little improved
 d. ☐ Improved but not significantly
 e. ☐ Not improved
 f. ☐ Others, specify :.....

-> If household tick point **d** or **e**, please state reasons?

- a. ☐ Because of not receiving supports
 b. ☐ Not significant supports
 c. ☐ Because of loss of human
 d. ☐ have many risks, specify:.....

 e. Others, specify:.....

IV. Accessibility to supports

20. Dose household participate the screening to get supports?

- a. ☐ Yes
 b. ☐ No

If “yes”, specify the procedures

.....

If “no”, why?

.....

21. How does household know state supports?

- a. ☐ Read notice at commune/village office
 c. ☐ local authorities guide to write request

b. ☐ Write petition without guidance from local authorities d. ☐ Othres, specify.....

22. What support types dose household received and access statisfication level three with 1 being unsatisfying household's need, 2 being partly satisfying, 3 being purely satisfying

| Support types | Score | | | If tick 2, specify satisfaction percentage % |
|--|-------|---|---|--|
| | 1 | 2 | 3 | |
| Rescue (food, drinking water...) | | | | |
| Breeding animal | | | | |
| Seeds | | | | |
| Fertilizer | | | | |
| House repair , new well establishment, sanitation... | | | | |
| Mutual help | | | | |
| Cash subsidies | | | | |
| Credit | | | | |
| Others, specify | | | | |

V. Livelihood restoration

23. Up to now, how is your production conditions improved?

- a. ☐ Fully recovered d. ☐ Improved but not significantly
b. ☐ Significantly improved e. ☐ Not improved
c. ☐ Little improved f. ☐ Others, specify :.....
.....
.....

-> If household tick point **d** or **e**, please state reasons?

- a. ☐ Because of not receiving supports d. ☐ have many risks, specify:.....
b. ☐ Not significant supports e. Others, specify:.....
c. ☐ Because of loss of human

24. Where dose household buy production inputs?

- a. ☐ Farmer Association
b. ☐ Private shop
c. ☐ Other, specify.....

25. Where dose household get loan?

- a. ☐ From family
b. ☐ Borrowing from relatives and friends
c. ☐ VBSP

d. ☐ Other, specify.....

26. What difficulties of household are?

.....
.....
.....
.....
.....
.....

27. What is the most urgent need of household, please **only tick one answer**

- a. ☐ Living condition recovery
b. ☐ Production recovery
c. ☐ Infrastructure repair
d. ☐ Others, specify.....

28. Give score for rescue and production recovery based on a scale of five, 1: inefficient -
> 5: very efficient

| | Score | | | | |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| Rescue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Production recovery | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

29. In household's opinion, what policy should government issue to support affected households efficiently

.....
.....
.....
.....
.....
.....
.....
.....

Thank you very much for your cooperation!

ANNEX 2. In-dept questionnaire

IN-DEPT QUESTIONNAIRE

Policies on overcoming the consequences due to the 2010 floods in Ha Tinh province

(Survey responses are kept confidential and for research purpose only)

I. General information

Name:

Office:

II. Policies on overcoming the consequences due to the 2010 floods

1. Please show the policies on overcoming the consequences due to the 2010 floods issued by provincial/district/commune People's Committee in terms of (i) living relief and rescue; and (ii) production recovery

.....
.....
.....

2. Please specify sources of relief supports for district/commune?

- Supports from Central budget (%):.....
- Supports from provincial/district/commune budget (%):
.....
- Supports from domestic and foreign organizations and individuals for district/commune (%):.....
- Supports from international organizations directly for district/commune or through the Central Government or social organizations (%):.....

3. Please present some contents regarding mobilization, receipt, distribution and use of sources of voluntary donations by domestic and foreign organizations, individuals to help people to overcome consequences caused by the floods in district/commune?

- Contents, process, competence of making an appeal for and mobilizing donations?
.....
.....
- Implementation of bank account opening; warehouses and yards for receiving relief goods; receipt and management of relief in cash and of donations in kind?
.....
.....
- Distribution of relief money and goods to districts/communes and beneficiaries of support; examination of use of relief supports?
.....

.....

- Implementation of provisions of accounting, statistics, reporting, transparency in management of relief use?

.....

.....

4. Please explain the reasons why the PPC's support policy of overcoming floods-caused losses **just for** the concentrative production scale households (with over 10 sow pigs, over 100 meat pigs, over 300 egg laying poultry, over 500 meat poultry, over 2 hectares of aquatic cultivation)

.....

.....

.....

5. Please specify the proportion (%) of concentrative production scale households (with over 10 sow pigs, over 100 meat pigs, over 300 egg laying poultry, over 500 meat poultry, over 2 hectares of aquatic cultivation), and of small holder farmers in district/commune?

.....

.....

.....

6. If an household has multi-agricultural production (including cultivation, breeding and aquaculture), but small in terms scale, thus not beneficiaries of support policies by the PPC, what are support policies/measures by district/commune authorities?

.....

.....

.....

7. Do you think that without adequate support measures, small holder farmers will be very difficult in production recovery, and thus may be fall in poverty?

.....

.....

.....

8. Are forms of support publicly posted in notice board at commune/village office? Are provisions of procedures for access to sources of support instructed obviously and in details? Please indicate the process?

.....

.....

.....

9. Is writing/receiving application for supports instructed by the government? What district/commune department is responsible for giving instructions to households?

.....

.....
.....
10. Does expenditure for overcoming 2010 floods-caused consequences exceed district/commune budget reserve? If there is an excess, what is the extent of excess (%)?

.....
.....
.....
11. Are district/commune support measures for floods-damaged groups satisfactory? If not, what are recommendations of satisfactory supporting measures?

.....
.....
.....
12. Does district/commune authority has specific policies on new construction and rebuilding after the floods? What are specific works? Funds for these works? Sources of mobilizing funds? Time for completion of these works?

.....
.....
.....
13. Does district/commune authority have works/priorities that need rebuilt and restored? Please specify name of works/priorities, legal documents of these works/priorities?

.....
.....
.....
14. Please indicate priorities for vulnerable groups (women, children, elders, the disabled) in implementation of support policies by district/commune authorities?

.....
.....
.....
15. What are regulations on monitoring district/commune government's expenditures for supports to overcome consequences due to the floods?

.....
.....
.....
III. Results of the support policies

16. Please show results of the support policies for overcoming floods-caused consequences at the moment? What are successes? What are difficulties?

.....

.....

.....

17. Please indicate reasons for successes and difficulties

.....

.....

.....

18. What are measures of solving difficulties?

.....

.....

.....

19. Please present recommendations on improving the Central Government/local authorities' compensation policies for small holder farmers?

.....

.....

.....

Thank you very much for your cooperation