PROJECT FOR POVERTY ALLEVIATION

DAK LAK PROVINCE

PERIOD 1996 - 2000

December 1996

PART I

Purpose - Significance

The Resolution of the 8th national party congress and the 12th Resolution of the Provincial communist Party on the implementation of the hunger eradication and poverty alleviation (XDGN) of the Party and the government is the aspiration and the genuine right of the peoples as the whole, and of the people of the social policies, in particular, to ensure the vital needs, overcome the constant shortage of food and the shortage of food in the period when the old rice is finished and the new rice is not yet harvested, to enable the people to expand the network of activities and enhance the quality of activities of their production models and services making the people’s living standard increasingly developed.

Therefore, the hunger eradication and poverty alleviation program is a right guideline having not only a high scientific significance but also an integration of many aspects in conformity with the people’s aspirations and having a content of socialist building in this actual situation and an influence on rehabilitating and promoting our revolutionary tradition, and at the same time expressing the humanity and morality of the Vietnamese people, and carrying out the motto: "Rich people, a strong country for an equitable and progressive society".

PART II

Natural Conditions

1. Geographic position

Dak Lak province is in the middle of the central highlands sharing the same 240 km long border with Cambodia. Its mean
elevation is between 400 and 800m above sea level. It is the head waters of the Srepok and Ba river system.

Dak Lak province has a National highway No. 14 connecting Da Nang city and the provinces Gia Lai, Kon Tum and connecting Ho Chi Minh city and Song Be province the national route No. 26 connects Buon Ma Thuot city and Nha Trang city and its port and the national route No. 27 connects Da Lat city with Phan Rang town. The network of provincial roads joins the districts of the province and Cambodia's border and the new economic zones of the province. The above mentioned geographical position enables Dak Lak province to have a close socio economic and environmental relations with the southern central provinces and the North eastern Cambodia and to have an important position of the security and the national defence of the country and a favourable condition for production development and economic exchange with the national and international markets.

2. Topography

Most of the land area lies in the western Truong son range, gradually sloping from the Fast to the Northwest with a topographical variety of hills and mountains alternated with plains and valleys.

The topography has high mountains concentrating in the South and the Southeast occupying about 35% of the natural area, with a mean elevation of 1,000m-1,200m here is much forest area left, and the problem is of its great gradient and badly dis-sectioned topography. The Buon Ma Thuot plateau and its surrounding areas have a relatively flat topography occupying 53.5 % of the natural area with a mean elevation of 450m. The soil is good for the development of perennial crops, cattle raising and integrated forestry business.

The low topography occupies 12% of the natural area concentrating in the districts: Krong Ana, Krong no, Lak and the plain Ea Soup which are suitable for growing rice, short-term cash crops, perennial industrial crops, animal husbandry and forest trees.

3. Natural Resources and Climate

Due to its particular characteristic, Dak Lak province is both influenced by the tropical monsoon and the fresh climate of the highlands.

The sunshine in this province is abundant and its mean rainfall is between 1,700 mm and 2,000 mm. Dak Lak has two distinct seasons. The eminent characteristic is its dry season beginning in December and ending in the following April, the humidity falls quickly, the northeastern wind blows violently and the high evaporation creates serious dryness and drought. There are some constrains on the development of goods production. Therefore, the task of hydraulic conservancy to store water for water supply in the dry season plays an important role in the economic development and in the living activities of the residents in Dak Lak province.

The climate is different according to topographical forms and gradually declines according to its elevation: the area with elevation below 300m is hot all year round, the area with elevation between 400m and 800m is hot and humid and the area with elevation over 800m has a fresh climate. This characteristic can create a favourable condition for crops and animal husbandry in each area of climate.

4. Land Resources

The province has 1,953,747 hectares of natural area divided into 27 groups of various soil. The basalt is the most important soil occupying 713,508 ha allocated on the two plateau. Buon Ma Thuot and Dak Nong, suitable for perennial industrial crops and forest. About 30% of the existing land is of denuded hills and mountains, of which 8% is in serious erosion.

The group of alluvial soil occupies 60,000 hectares mainly allocated in the districts Lak, Krong Ana, the low land of Dak Mil and Ea Soup, the soil in these areas is good and suitable for short term cash crops.

Currently, the land used for agriculture is 339,970 ha, of which annual crops cover 144,186 hectares and perennial crops cover 195,191 ha. The additional area is mainly of the land with gradient of over 3 degrees. Therefore, when the land is cleared for production, the investment should be synchronized and the intensive farming should be applied at the start for the sustainable and effective land use.

5. The water resources and hydropower

With the average rainfall of 1,900 mm, Dak Lak province gains 38.8 billion cubic meters of water, the rainwater of about 17.5 billion m moves to the flow in the area of Dak Lak province, but the unequal distribution of rainwater inundates part of some areas and serious shortage of water takes place in the dry season. The geological condition here makes the costs of irrigation schemes building high, especially on the basaltic soil, but the construction of hydraulic works is the prerequisite for economic development and improvement of the local people's life in the dry season.

The great groundwater resources in the basaltic plateau comes from the two different plateau wide aquifers. The groundwater can be supplied as domestic water, irrigation for gardens and coffee farms by shallow wells, etc. in the dry
Part III

The Situation of Local Residents' Life

Dak Lak province has one city and 18 districts including 192 communes and wards with 267,106 households of the total population 1,376,537 people (population census on December 3, 1995), of which ethnic groups have 70,296 households with 414,734 people occupying 30.911 % of the provincial population. The local ethnic minorities are Ede, Giarai and M’nong have 47,842 households with 289,920 people residing in 192 communes, wards, hamlets and villages of 18 districts and the city of the province.

After January 8th 1996 the Central Committee for mountain peoples promulgated the circular No 41/TT-UB stipulating the standard for each area of mountain peoples. The division into 3 areas by the province is based on the following factors:

- Natural condition and residential area.
- Infrastructure
- Social factors
- Production conditions
- Present living standards

A) Area 1:

This area consists of 59 communes and wards having 123,098 households with 638,175 people occupying 46.36% of the provincial population, of which the local ethnic households have 93,864 people and the remainder is Kinh and some other ethnic minorities.

As the whole, this area is the development centre including city, districts, towns and sub-towns. The operation centre of businesses, the areas for crops plantation, animal husbandry and production of goods start developing along national highways, provincial roads and are convenient for communications. The infrastructure has been basically set-up to serve well the production and people's life. The communications are rather convenient. The networks of hydraulic schemes, electric power, safe water, schools, dispensaries, radio, television, etc. have met the local people's urgent needs.

The social factors of this area (the people's knowledge, cultural life, traditional life, etc.) have made good progress and exceeded the average standard of the province. The condition of production and the sedentary settlement and cultivation are stable. The areas of goods production have been set up. The average income of each household is 4-5 million Dong per capita/year. On the other hand, there are some savings for production expansion.

The present situation of the people's life: 17,052 households are suffering hunger and poverty, of which 3,559 households are hungry and 13,493 households are poor. The remaining households of this area have a stable life and their average income per capita is equal to the provincial average income per capita and some have even exceeded in comparison with the average income per capita of the province.

B) Area II:

This area can also produce goods, but the quantity is not many, the income is small and the people have no savings. The sedentary settlement and cultivation has been carried out, but not stable. This area has 103 communes, wards, four hamlets and villages. The infrastructure has been set up but not completed and not stable. The communication is still difficult. The networks of electric power, hydraulic schemes, safe water, schools, dispensaries and other services etc. can not meet the requirements of production and of the local people's life. The residential land of this area lies between the two areas I and III. The social factors of this area (the people's knowledge, cultural life, living standard etc.) have not fundamental conditions for these communities to be developed. The local people's level is low and 60% of them are illiterate. Their knowledge about sanitation and epidemic prevention is poor and they have not enough information etc.

Their production is not stable and their means of production is simple. They live mainly on self-sufficing support by flash and burn fanning for upland rice and secondary crops. Their habits of shifting cultivation and nomadic life may be repeated. The number of poor and hungry households in this area is 36,825, of which 11,043 households are hungry and 25,782 households are poor.

This area has 117,853 households as permanent residents with 596,908 people, occupying 43.36% of the provincial population, of which:
• The local ethnic households: 21,870 households with 122,614 people, the remainder is Kinh (Vietnamese) and other peoples.

This area can be divided into three groups:

• Group 1:

They have an average income 2-3 million/ per capita/ year, and have a stable cultivated area. This group has a living standard of the same as the area 1

• Group 2:

This group has a mean living standard, their average income is 1.5 - 2 million Dong/ per capita/ year. They are not starving all year round but their living standard is still low and they have no savings. Their means of production is not good, their home economy is insufficient. The effectiveness of production is still low. They are not really dynamic in doing business etc.

• Group 3:

This group is poorer than the two other groups. The average income of the households of this group is below 1.5 million Dong/ per capita/year. They are partly hungry, year in year out. The yield of their crops is low. They are lacking in means of production and their life is extremely hard. This group has been given preferential loans with priority by the government so that they can boost their production to be equal to their surrounding communities.

On the whole, the socio economic life of 50% of the households in this area has been developed compared with the previous years. The other 50% of households remain poor and hungry, resulting in the destruction of forest for upland rice by a number of poor households for their immediate life. For lack of means of production, several households have sold their gardens and land to the Kinh or to the unorganised new immigrants etc.

C) Area III:

This area has 30 communes, 100 hamlets in the area I and II with the total number of households as permanent residents 26,155 with 141,454 people covering 10.28% of the total population of the province, of which there are 10,315 households of local ethnic minorities with 51,375 people, the remainder is Kinh and ethnic peoples coming from northern provinces. This residential area covers remote communes of high mountain and border areas. The infrastructure has not been built and existing physical structures are only temporary. The communications are very difficult. Roads for vehicles can reach the central communes, but they can be used only in the dry season.

The communications are quite difficult in the wet season, electric power systems, irrigation schemes, safer water, schools, dispensaries and other services are either poor or unsatisfactory. The social standards are under the minimum rate. The people's level is quite low. The literate ratio is more than 60%. There are a lot of various diseases, the local customs and habits are backward and there is not enough information etc.

The production conditions are difficult and insufficient. The local people's production is traditional. Flash and burn farming is main. They have not given up their shifting cultivation and nomadic life.

The number of hungry and poor households is 16,739, of which the number of hungry households is 5,198 and poor households is 11,541. Their life is quite difficult and the starvation frequently takes place.

The area III is also divided into three groups:

• Group 1:

These households have sufficient food, they know how to produce and raise domestic animals and plant crops. Their houses are relatively stable.

  o Group 2:

These households are usually lacking in food 2 - 3 months in the period expecting the harvest of the next crop.

  o The intensive farming of this group is poor.

  o Their life is hard, and on the other hand, the land for production is insufficient.

  o Surplus labour results in leisure time, so they have to work as employees. The average income of these households is quite low, 10-12 kg of rice/ per capita/ month.
Group 3:
The households of this group remain poor and hungry. Their income is 8-10 kg of rice/ per capita/month. This group is of ethnic minorities who lead a nomadic life with the habit of shifting cultivation. Their life is extremely hard. Their level is quite low. They suffer annual starvation for 4-6 months.

On the whole, the division based on the residential areas can help define the underdeveloped and backward areas of the communities to show the plans of socio-economic strategies of the province for the investment in provincial pilot areas, especially for the implementation of the current poverty alleviation programme.

Part IV

Results of hunger elimination and poverty alleviation program and stagnant problems need to be solved

After the spring campaign 1975, the South of Vietnam was completely liberated, but American imperialists left a lot of difficulties to the people of our province, situation of poverty and starvation. According to the estimate data reported by the districts and city of the province, in 1994, the whole province had 80,000 hungry and poor households in communes of districts, but especially in far off mountain areas and in old revolution bases, hungry and poor households occupy 60 - 70% compared to the total number of hungry and poor households in the commune. Over the past years, under the leadership of the provincial communist party committee and the administration of the people’s committee, several guidelines and policies have been initiated to help the people of hard life such as sudden subsidy and permanent subsidy to the poor people in the period expecting the harvest of the next crop. But only a small part of the people’s hardship can be met-Nevertheless, it is an immediate measure which can not eradicate the hunger and alleviate the poverty.

In 1995 and the first nine months of 1996, to carry out the hunger eradication and poverty alleviation programme of the Party and government, the steering committee for the poverty alleviation programme of our province has given loans of the poverty alleviation program to the hungry and poor households and the results are as follows:

1. Results of capital mobilization:

In view of the situation of hunger and poverty in 1995, our province organized the mobilization of capital from several different sources.

<table>
<thead>
<tr>
<th>The total of mobilized capital is</th>
<th>51,320,400,000 Dong</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the central government:</td>
<td>42,082,000,000 Dong</td>
</tr>
<tr>
<td>From the local government:</td>
<td>9,238,400,000 Dong</td>
</tr>
<tr>
<td>The local capital comes from:</td>
<td></td>
</tr>
<tr>
<td>+ The province 7,387,400,000 Dong (including the fund for demonstration households), of which :</td>
<td></td>
</tr>
<tr>
<td>o The provincial budget:</td>
<td>6,857,400,000 Dong</td>
</tr>
<tr>
<td>o Contributions of communities:</td>
<td>530,000,000 Dong</td>
</tr>
<tr>
<td>Contributions of districts and city:</td>
<td>1,851,000,000 Dong</td>
</tr>
<tr>
<td>o Buon Ma Thuot city:</td>
<td>1,622,000,000 Dong</td>
</tr>
<tr>
<td>o Krong No district:</td>
<td>12,000,000 Dong</td>
</tr>
<tr>
<td>o Dak R' Lap district:</td>
<td>19,000,000 Dong</td>
</tr>
<tr>
<td>o Krong Bong district:</td>
<td>60,000,000 Dong</td>
</tr>
<tr>
<td>o Ea Soup district:</td>
<td>17,000,000 Dong</td>
</tr>
<tr>
<td>o M'Drak district:</td>
<td>81,000,000 Dong</td>
</tr>
</tbody>
</table>

2. Result of loans (release of capital):
In 1995 and the first nine months of 1996 the province gave loans to 25,115 households, of which hungry households were 6,007 occupying 7.51% in comparison with the total number of poor households. The poor households were 19,148 occupying 23.9% of the total number of hungry and poor households, of which:

The central government gave loans 24,082,000,000 Dong to 19,503 households.

The local government gave loans 8,421,400,000 Dong to 4,652 households, of which the province 5,608,000,000 Dong, districts and city: 1,851,000,000 Dong, demonstration households loaned 962,400,000 Dong.

On the whole, the effectiveness of loans from the poverty alleviation program over the past time has bought in considerable results such as:

- To have a positive impact on the thought and aspirations of the people as the whole and the poor households, in particular.
- To express the social characters and mass characters and at the same time to have the urgency of is long strategic significance.
- On the other hand, the program of poverty alleviation is the focus of the communist party objective and the people's heart in conformity with the traditional, morality of the Vietnamese people to help poor households strive to stabilise their life, especially ethnic peoples living in far off mountainous areas.
- The program has made great impact on the families of social policies such as war invalids, families of war martyrs and revolutionary families etc.

Shortcomings and stagnant problems:

- The transfer of loans to the borrowers was not timely and did not fall on the right time for cultivation and sowing causing waste of money of some households when they received loans in the period which did not coincide with the time of sowing and planting etc., but on the whole most households provided with loans have carried out their investment under pledge of the project before borrowing. Money loans were spent on cattle and pigs breeding, coffee care, wet rice transplanting and some other food crops. So, after nearly one year, the poverty alleviation program implementation of the province has brought in effective results: 25,155 households were given loans over the past months, the province did not have to provide the households of sudden starvation or constant hunger with any relief or grant, especially in 25 low-developed communes of the province.

Result of providing loans of the poverty alleviation program to 25 low-developed communes from the provincial fund

<table>
<thead>
<tr>
<th>No.</th>
<th>Communes</th>
<th>Districts</th>
<th>Number of hungry and poor households</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ea Yieng</td>
<td>Krong Pak</td>
<td>240</td>
<td>360,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Ea Tul</td>
<td>Cu M'gar</td>
<td>90</td>
<td>135,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Ea Soup</td>
<td>Ea Soup</td>
<td>345</td>
<td>517,500,000</td>
</tr>
<tr>
<td>4</td>
<td>Nam Kar</td>
<td>Krong No</td>
<td>229</td>
<td>343,500,000</td>
</tr>
<tr>
<td>5</td>
<td>Cu Pui</td>
<td>Krong Bong</td>
<td>174</td>
<td>261,000,000</td>
</tr>
<tr>
<td>6</td>
<td>Yang Mao</td>
<td>Krong Bong</td>
<td>194</td>
<td>291,000,000</td>
</tr>
<tr>
<td>7</td>
<td>Ea Trang</td>
<td>M'Drak</td>
<td>71</td>
<td>106,500,000</td>
</tr>
<tr>
<td>8</td>
<td>Diieza</td>
<td>Krong Nang</td>
<td>323</td>
<td>484,500,000</td>
</tr>
<tr>
<td>9</td>
<td>Cu Giang</td>
<td>Ea Kar</td>
<td>220</td>
<td>330,000,000</td>
</tr>
<tr>
<td>10</td>
<td>Quang True</td>
<td>Dak R'tlap</td>
<td>98</td>
<td>147,000,000</td>
</tr>
<tr>
<td>11</td>
<td>Ea Hiao</td>
<td>Ea H'leo</td>
<td>60</td>
<td>90,000,000</td>
</tr>
<tr>
<td>12</td>
<td>Bong Krang</td>
<td>Lak</td>
<td>102</td>
<td>153,000,000</td>
</tr>
<tr>
<td>13</td>
<td>Dak Gan</td>
<td>Dak Mil</td>
<td>228</td>
<td>342,000,000</td>
</tr>
<tr>
<td>14</td>
<td>Dak Mang</td>
<td>Dak Nong</td>
<td>77</td>
<td>115,500,000</td>
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</tbody>
</table>
In addition, there are remaining problems which should be solved: According to the circular No. 59/TT-LDBXH dated January 5th 1996 by the Ministry of Labour, Invalids and Social Affairs on the standard required nation wide in recognition of a poor household is:

- A hungry household has an income equivalent to 13 kg per capita/month.
- A poor household has an income equivalent to a quantity of rice per capita/month.
- Urban area: below 25 kg of rice per capita/month.
- Rural areas of plains and midlands: below 20 kg of rice per capita/month.
- Rural areas in mountain regions: below 15 kg of rice per capita/month.

Based on this standard, the provincial steering committee for the poverty alleviation fund has given directions and instructions to districts and the city to conduct new investigations and surveys in the three aforesaid residential areas and the result of these investigations is that the province has more than 70,616 hungry and poor households, 26.44% of the total number of households across the province, of which:

- Hungry households: 19,800 households, 28% of the total number of hungry households; poor households occupy 7.4% of the total number of households in the province.
- Poor households: 50,816 households, 72% of the total number of hungry households; poor households occupy 19.04% of the total number of households in the province.

The total number of hungry and poor households is divided according to districts, city.

<table>
<thead>
<tr>
<th>Division based on districts and city</th>
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</tbody>
</table>
3. Cause of hunger and poverty:

The major cause of hunger and poverty of these households is:

- Lack of money for production occupies 100% in comparison with the total number of hungry and poor households.
- Lack of land for cultivation or due to several times of shifting cultivation, and settlement (repeated shifting cultivation and nomadic life). This cause occupies 45% of the total number of hungry and poor households.
- Lack of production experience and scientific and technological knowledge or the people are not trained with a proper occupation for the market economy, covering 65% of the total number of hungry and poor households.
- Available labour but there are not enough jobs to provide, this cause is due to insufficient and for cultivation covering 30% of the total number of hungry and poor households. (They have to work as employees for other people)
- Numerous' children because of birth without control. Through surveys and investigations, it s shown that the birth ratio of hungry and poor areas is 4%, this cause occupies 70% of the total number of hungry and poor households.
- Laziness, gambling and drinking occupy 2% of the total number of hungry and poor households. In addition, there is a number of other causes such as: backward habits, and customs, natural disasters, fires etc.

All the hungry and poor households belong to the local ethnic people, the people of social policies concentrating in far off mountainous areas, in areas of old revolution bases, new economic zones and a number of areas of free new immigrants who do not belong to the depopulation program planned by the province. The area III has 16,739 hungry and poor households, 23.7% of the total number of hungry and poor households of the province (attached appendix) of which:

- Hungry households : 5,198 households = 23.7% of the total number of hungry and poor households of the province.
- Poor households : 11,541 households = 16.34% of the total number of hungry and poor households of the province, please find in this plan an example of the commune Dak Gan of Dak Mil district.

The commune is divided into 4 hamlets: Dak Gan, Dak Khai, Dak R'la and Thon Moi (a new hamlet).

a. The population of the commune: 7,157 people of 1,736 households, of which:

- Local ethnic people 297 households with 1,613 people
The situation of hunger and poverty after investigations and surveys, the figure of the local hungry and poor households is:

The total commune has 297 households of ethnic locals (excluding other ethnic households), of which 228 households suffer starvation and poverty, only six households of these can feed themselves with sufficient food.

Illustration table of hunger and poverty situation of the ethnic locals of the commune Dak Gan:

<table>
<thead>
<tr>
<th></th>
<th>Total of the No of households</th>
<th>No of poor household</th>
<th>No of hungry households</th>
<th>Sufficient food</th>
<th>Divided</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 month</td>
<td>2 month</td>
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<tr>
<td>Dak Gan</td>
<td>78</td>
<td>12</td>
<td>66</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Dak R'la</td>
<td>54</td>
<td>9</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dak Khai</td>
<td>53</td>
<td>22</td>
<td>31</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Boun Moi</td>
<td>43</td>
<td>19</td>
<td>24</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Through the above data, we can see the serious degree of hunger and poverty of the people as the whole, the commune of Dak Gan, in particular, that should be assisted by the government.

**Part V**

Objective of implementation i

In order to achieve the objective which has been raised in the resolution of the provincial communist party. It is obligatory to enhance the people's life and their knowledge, to narrow the inequality among classes of people, especially focus on assisting the residents in far off mountainous areas and the areas of ethnic minorities in order to move forwards to the objective “Rich people, a powerful country for an equitable and progressive society” and to carry out the objective of fundamental eradicating hungry households in 1997 and reducing the poor households by 60% in the year 2000. In order to do so, the first task is to concentrate on steering and investing in remote areas and old revolution bases (areas I and II) so that at the end of 1997, the existing hungry households will be basically eradicated and from 1998 to the year 2000, To focus on eradicating the poverty and fighting against the repetition of hungry households. In order to achieve the aforesaid objective and duty, the process of investment and steering should be conducted in two phases:

1. Phase I

This phase should be conducted in 1997 to achieve the objective of basically eradicating the hungry for 19,800 households with 99,000 people (Area I: 3,559 households with 17,795 people, Area II: 11,043 households with 55,215 people and Area III: 5,198 households with 25,990 people).

The total fund for loans in this phase is 59,400,000 Dong, an average loan for each household is 3,000,000 Dong (attached appendix), of which:

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area I</td>
<td>10,677,000,000 Dong</td>
</tr>
<tr>
<td>Area II</td>
<td>33,129,000,000 Dong</td>
</tr>
<tr>
<td>Area III</td>
<td>15,594,000,000 Dong</td>
</tr>
</tbody>
</table>

The land planning should be made again for the cultivated area of the areas II and III, the lowest average of each person in these two areas for each hungry and poor households should be 0.4 ha/year of the cultivated land. In this phase, loans should be provided to hungry households only and the loans should be invested in the items such as coffee care, animal husbandry and other services or plantation of food crops and cash crops etc., loans should not be provided to the investment in new plantation of long-term industrial trees.
2. Phase II

From 1998 to the year 2000 it is obligatory to carry out the poverty alleviation by 20% annually in comparison with the total number of existing poor households and to control the repetition of hungry households in the previous years. On average, each household should be provided with a loan of 5 Million Dong under the economic development towards the industrialisation and modernisation of the country. The total investment of this phase will be 254,080,000,000 Dong, on average each year needs 50,816,000,000 Dong for investment. This is the phase of poverty alleviation; therefore, it is possible to provide loans for the investment in the items of medium-term project. The term of loan can be 24–36 months.

Part VI

Solutions for Implementation

In order to eradicate the starvation and poverty alleviation according to the above mentioned objective, the first task is to concentrate on steering and taking the measures to carry out the solutions of immediate and long-term application:

1. It is obligatory to concentrate on the socio economic development combined with the infrastructure construction for the requirements of production and to pay special attention to the areas II and III. This fund should be given priority from the budget for annual plans: building roads to the central city, safe water supply, electric supply, building classrooms for pupils, setting up dispensaries, building commune markets or inter-commune markets and establishment of trade networks and other services. In 1997, fund should be given to 30 communes with 100 hamlets in the area HI to eradicate the starvation and at the same time to provide health care, get rid of the illiteracy and build more classrooms (avoidance of one classroom for three classes/day), to improve more roads and set up markets for the trade operation in communes.

2. It is suggested that the fund should be provided in the phase I (1997) part of fund (2%) by the local budget and another part supported by the budget of the central government.

In addition, it is necessary to call for and mobilise the capital from businesses and political and social organisations, the contributions of the provincial people including international donors.

3. When there is an available fund, loans should be directly provided to hungry and poor households with preferential loans and should be allowed to loan without a mortgage so that they have a good condition for production or doing business in services with a good effectiveness, and at the same time they should be given priority to the term of loans as well as the discount or exemption from taxes. It is necessary to gather sources of fund for the poverty alleviation program at one agency managed by the Bank for the Poor and the loan must be decided by the steering committee for poverty alleviation program of the province.

4. On the one hand, fund should be provided immediately to train the households in 30 communes with 100 hamlets in the area III about the way of production and to transfer technologies of cultivation, animal husbandry and services. On the other hand, networks of trade should be organised to buy the locals' products aiming at having in the highest and most necessary effectiveness so as to eliminate the constant starvation and existing hunger in the period when the locals finish their old rice and are expecting the harvest of their new crop.

5. The province should set up and strengthen the Organisation system to carry out the poverty alleviation program from the provincial level to the lowest levels. The organisations of agricultural extension should be located in communes and wards where the poverty alleviation program is being developed.

6. When hungry and poor households are in trouble or suffering misfortunes (illness, failure in harvest), they should be given timely help in cash, food, medicine and means of production to provide them with initial material facilities so that they can support themselves and develop their living activities.

7. To carry out well the policy of free charge of school fee and hospital fee for 19,800 hungry households according to the decree 95/CP dated August 27, 1994 by the government so that step by step their knowledge is enhanced to help them learn new ways of production to keep up with their surrounding communities.

8. To combine the poverty alleviation program with the other socioeconomic programs in the province, especially the program of birth control.

9. To stabilize and enhance the role of the Communist Party Committee and the authorities at all levels, associations, organisations and the people in encouraging the people to take part in the poverty alleviation program for the sake of the life of hundreds of thousand families and the change of the rural life in mountainous villages under the socialist industrialisation that the objective of the poverty alleviation program has been formulated.

10. To organize and build the model of poverty alleviation in the form of sponsorship for hungry and poor communes and villages by departments, sectors, enterprises and companies in the province or one unit is twinned with a
number of hungry and poor households in each village, hamlet, commune and ward, and it is necessary to carry out the motto "poverty alleviation for each household, group of households, village, hamlet, commune, ward, and district".

11. To enhance the role of leadership and steering of the local Communist Party Committee, authorities as well as the management capability in 30 communes, 100 villages in the area III and there should be a privileged treatment to the cadres of hamlets and villages who are taking part in the poverty alleviation program.

Part VII

Organisation and Implementation

1. To continue the investigation and classification of hungry and poor households of each village, commune, ward and set up a monitoring notebook of hungry and poor households for timely, exact and right loans. The province shall appoint a steering committee and assign a number of officials of relevant sectors to assume the program. The district and city should set up a particular committee in charge of plans of poverty alleviation from each village and each commune upwards directly assumed by a district chairman or a Communist Party Committee secretary of each level.

2. The Department of Planning and Investment and the Financial and Pricing Department should be responsible for examination and Organisation and combination the poverty alleviation program with other economic programs of the province and balance the budget so that the fund can be distributed properly to the poverty alleviation program based on the phased plan formulated in the program, and at the same time the fund should be closely checked so that it can be used for the right purpose, right area, quick loan release, good collection and timely detection of the phenomena of corruption for an appropriate treatment.

3. The Department of Agriculture and Rural Development has a duty of an agency guiding ways of production and transferring the technology and give the guidance and instruction to the local people what kinds of trees to plant, what animals to raise, what occupations to learn so that they can bring in the highest effectiveness, aiming at alleviating the poverty in the shortest time, especially boosting the poverty alleviation program closely linked with the program of sedentary cultivation and settlement for the local people. According to the summing up for the low-developed areas, each district, city, commune and ward should draw experiences to conduct the formulation of plans for the follow up solutions.

4. To strengthen the fund mobilisation by the contributions from the Organisation businesses and benefactors in the province or outsiders as well as the foreign assistance or foreign donors and at the same time to organise the sponsorship of businesses, agencies, armed forces for communes and villages in the area III.

5. To promote the role of leadership of the steering committee at all levels from the province to the lowest levels and consider it an important political duty of all levels, and sectors in the immediate phase and on the basis of summing up the two year operation, it is necessary to have appropriate solutions in the upcoming time.

6. The information and cultural section, press, agencies, radio and television should disseminate widely the poverty alleviation guideline calling upon the people to support the establishment of the poverty alleviation funds and at the same time a good example in the process of the program implementation should be set.

7. It is suggested the mass Organisation, the fatherland front, women's unions and youth unions should have an action plan program to help young people take active part in the poverty alleviation program.

8. The Department of Labour, War, Invalids and Social Affairs should have a responsibility to compile the situation and usually reflect and make reports to the steering committee of the poverty alleviation funds of the Provincial People's Committee and at the same time should update the data of activities once every six months from the lowest level (village or hamlet) upwards for monitoring and giving timely guidance and instructions.

The Department of Land-Use Management in co-ordination with the Department of Agriculture and Rural Development shall conduct a new planning of land area (especially cultivated land) so that each person of a poor household should have a minimum of 0.4 ha/year/in the period 1996-1997.

On behalf of the People’s Committee of Dak Lak

Province Chairman

Signed

Nguyen Ba Anh
Proposed plan of capital creation for the poverty alleviation fund 1997

(Excluding ODA, the 327 program, Fixed cultivation and Sedentary Settlement)

A) The total of mobilized capital

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Of which:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Bank for the Poor</td>
<td>50,000 million Dong</td>
</tr>
<tr>
<td>2. National funds for job creation</td>
<td>2,000 million Dong</td>
</tr>
<tr>
<td>3. From the price subsidized fund of preferential lines</td>
<td>6,000 million Dong</td>
</tr>
<tr>
<td>4. Provincial budget (2%)</td>
<td>9,600 million Dong</td>
</tr>
<tr>
<td>5. Two day salary of employees in businesses 64,000 employees x 20,000 D</td>
<td>1,280 million Dong</td>
</tr>
<tr>
<td>6. District rich people</td>
<td>3,850 million Dong</td>
</tr>
</tbody>
</table>

(Each rich household 20,000 D)

- Buon Ma Thuot City: 1,000 million Dong
- Krong Pak District: 500 million Dong
- Krong Bong District: 100 million Dong
- Krong Buk District: 300 million Dong
- Krong Nang District: 150 million Dong
- Ea H'leo District: 150 million Dong
- Ea Kar District: 300 million Dong
- M'Drak District: 50 million Dong
- Dak Nong District: 50 million Dong
- Dak R'lap District: 50 million Dong
- Krong Ana District: 400 million Dong
- Krong No District: 50 million Dong
- Cu Jut District: 200 million Dong
- Cu M'gar District: 250 million Dong
- Ea Soup District: 50 million Dong
- Buon Don District: 50 million Dong
- Dak Mil District: 150 million Dong
- Lak District: 50 million Dong

B) Proposed capital mobilization in the quarter 1-1997:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>58,000 million Dong</td>
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</tbody>
</table>

**Of which:**
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>From Bank for the Poor</td>
<td>50,000 million Dong</td>
</tr>
<tr>
<td>2</td>
<td>National fund for job creation</td>
<td>2,000 million Dong</td>
</tr>
<tr>
<td>3</td>
<td>Price subsidized fund if 50% should be left</td>
<td>6,000 million Dong</td>
</tr>
</tbody>
</table>