

JANI



## Budget tracking survey

# Financing Disaster Risk Reduction at local levels in Vietnam

June 2013



JANI

JOINT ADVOCACY NETWORK INITIATIVE <sup>1</sup>  
Project ECHO/DIP/BUD/2012/93001  
Managed by CARE in Vietnam

DWF

DEVELOPMENT WORKSHOP FRANCE

# Budget tracking survey Financing Disaster Risk Reduction at local levels in Vietnam



Consultant team

Team leader: Duong Van Hung

DWF

Coordination: Guillaume Chantry- DWF

---

<sup>1</sup> JANI is a network of 18 organizations : CARE International (coordinating role), World Vision, World Health Organization (WHO), Development Workshop France (DWF), German Red Cross (GRC), Oxfam, Malteser International (MI), ADRA, ADPC, Plan, Action Aid, Women Union, Save the Children, HelpAge International, Live and Learn, NLRC, VNRC and the Swiss Red Cross. The project is supported by ECHO through its disaster preparedness programme DIPECHO (South East Asia 2012-2013 Programme).

The study is Activity 1.3 of JANI project.

## Abbreviations

AusAID	Australian Agency for International Development
CBDRM	Community based disaster risk management
CCA	Climate change adaptation
CFSC	Committee for Flood and Storm Control
CPMO	Central Project Management Office
DOF	Department of Finance
DPI	Department of Planning and Investment
DARD	Department of Agricultural and rural Development
DRR	Disaster risk reduction
DWF	Development Workshop France
JANI	Joint Advocacy Network Initiative
GNDR	Global Network for Disaster Reduction
HVC	Hazard vulnerability capacity
MARD	Ministry of Agricultural and Rural Development
MDG	Millennium Development Goal
MOET	Ministry of Education and Training
MONRE	Ministry of Natural Resources and Environment
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
NTP	National Target Programme
ODA	Official Development Assistance
PMO	Project Management Office
SDG	Sustainable Development Goal
SEDP	Socio Economic Development Plan
VCCI	Vietnam Chamber of Commerce and Industry
VNRC	Vietnam Red Cross Society
WB	World Bank

*June 2013 1 US\$ = 20 900 VN Dongs*

## Foreword

---

The history and civilisation of Vietnam stretch back to ancient times, but the country also has a long history of natural disasters. Water has always brought prosperity, enabling rice farming in irrigated fields, but it has also caused destruction and poverty as a result of repeated flooding. Settlements on the country's long coast-line have exploited sea products (including *nước mắm* or fermented fish sauce in brine) and seized opportunities for trade, but they have equally been in the path of devastating typhoons. People have always had to face these dangers, living trapped in the perpetual battle between *Son Tinh*<sup>2</sup> and *Thuy Tinh*<sup>3</sup>.

In Imperial times, the centralised system devoted substantial resources to the improvement and maintenance of the irrigation or dyke systems, mainly to preserve the power of the Emperor. Communities were involved in the protection of their infrastructures. But changes in society, changes in the economy, and changes in community solidarity have profoundly modified the way people confront natural hazards. Dykes are now mainly built and repaired by companies in return for monetary payment, and plans are prepared by experts who sometimes have limited knowledge of local situations.

More recently, climate change has modified levels of rain and heat and increased the intensity of extreme events such as cyclones. Losses caused by natural disasters are estimated at about 1% of GDP<sup>4</sup> for the period 1989 - 2008<sup>5</sup>, which is *more than the growth of the agriculture sector in recent years*<sup>6</sup>.

The development of urbanisation, uncontrolled construction and infrastructure that does not pay enough attention to water management have also led to more damage. Take the following examples: new settlement areas without drainage; roads on hillsides with no provision for evacuating water thus increasing the duration of flooding; river bank protection not properly built and supervised, and easily destroyed (Can Tho, May 2013); hydropower dams releasing water without warning (Cyclone Xangsane, Ketsana 2009); extending cultivated land in normally "good" flooding areas (Mekong Delta) using weak, easily breached dykes; building houses without reinforcement (based on the assumption that concrete is "strong") and new public buildings which cannot withstand the force of storms. All these practices have unfortunately contributed to increasing the volume of damage and loss as a result of natural disasters.

Disaster risk reduction is a global objective: strategy, law, organisation, participation, partnerships, and integration in development plans are all needed to make real progress. Over the past 15 years Vietnam has made significant advances, but as the Views from the Front Line (VFL) surveys conducted in 2011 and 2013<sup>7</sup> have shown, the financial resources to reduce the impact of natural hazards on lives and on property are lacking at various levels and notably at local level.

---

<sup>2</sup> *God of the Mountain*

<sup>3</sup> *God of the Water*

<sup>4</sup> *According to the Global Assessment Report 2013 - UNISDR released in May 2013, official data should be increased by at least 25% to represent the real impact of disasters in Vietnam*

<sup>5</sup> *Weathering the Storm: Options for Disaster Risk Financing in Vietnam / World Bank GFDRR June 2010*

<sup>6</sup> *Source / Government/GSO/Central bank Data for 2010 (Agriculture Contribution of 0,47% to GDP 6,78% growth), 2011(0,66%/5,89%), 2012 (0,44%/5,03%)*

<sup>7</sup> *Views from the Frontline surveys - GNDR Global Network of Civil Societies Organisations for Disaster Risk Reduction / DWF is member of GNDR and National coordinator for the surveys in Vietnam*

The Global Network on Disaster Reduction statement for a post 2015 HFA<sup>8</sup> includes the following recommendations:

*"Tackle the underlying causes of people's vulnerability to disasters:*

- *Strengthen local risk management and support effective social change processes, that address social and institutional inequalities and power imbalances that exist between social, economic and demographic groups, and that underlie different forms of vulnerability;*
- *Make strategic links with post-2015 development frameworks such as SDGs, MDGs, Climate Change, poverty reduction and conflict transformation, to achieve more policy coherence;*
- *Promote resilience-based sustainable development frameworks that facilitate integrated programmes and support policies, and that balance human needs with environmental management and sustainability."*

At the recent Global Platform on DRR organised by UNISDR (and attended by a high ranking delegation from Vietnam), held at the end of May 2013 in Geneva, the Chair's summary<sup>9</sup> indicates specifically the need for:

*"Strengthening risk governance: There is strong evidence that empowerment of communities and local governments to identify and manage their everyday risks are a sound basis for building strategies, programmes and budgets. This should be a key element of risk governance. There is recognition that the prevention and reduction of disaster risk should be a normative obligation, encompassing risk assessments, the establishment of early warning systems, and the right to access risk information. Effective rules concerning stakeholders' responsibilities and opportunities for engagement, as well as accountability mechanisms are necessary."*

Adequate financial resources are a crucial and central issue if we are to increase the capacities and reduce the vulnerabilities of local communities who are at the forefront of natural hazards. The present study aims to contribute to the collection of evidence-based information in the area of Disaster Risk Reduction (DRR) financing in Vietnam. The conclusion of the survey should be carefully considered: *'DRR does not exist in the actual administration of local affairs not because of lack of interest, but because no budget line has been earmarked specifically for DRR at all levels'*. The following question therefore remains important: *'How could a DRR objective without concrete expression in official budgets be reached, even if it is well targeted?'*

We hope that this study will contribute to the ongoing debate on this important right, that of communities to be protected from disasters.

Hue, 1<sup>st</sup> June 2013  
Guillaume Chantry  
DWF Project coordinator

---

<sup>8</sup> Hyogo Framework for Action 2005-2015

<sup>9</sup> Available here: [http://www.preventionweb.net/files/33306\\_chairsummarypostdraft1.4.pdf](http://www.preventionweb.net/files/33306_chairsummarypostdraft1.4.pdf)

## Executive summary

---

Vietnam is one of the most disaster-prone countries in the world. Annually the country is hit by 5-8 typhoons and tropical depressions. The average annual costs of damage and loss during the past two decades are estimated at 1% of GDP<sup>10</sup>, approximately equivalent to US \$1 billion. While the Government invests significant financial resources in growth and development, it has not channelled sufficient budget allocations to local levels for proactively reducing disaster risks which would consequently lead to less damage and loss. So far, Vietnam has devised one programme, the national Community Based Disaster Risk Management (CBDRM) Programme, that deals directly with DRR issues at local level. The total investment for the Programme, however, is limited to US \$50 million for 64 provinces and involving certain relevant Ministries for the period from 2009 to 2020.

The national financial budget will be the sole and single most important resource for DRR activities in Vietnam in the near future. Funding from INGOs and bilateral agencies, whether concessional loans or non-refundable assistance, has reduced significantly, and will be scaled down in all sectors. In fact neither the Government nor donors consider DRR to be a priority for intervention, unlike water and sanitation, poverty reduction, combating HIV/AIDS or climate change. Over the past decades, Vietnam has benefited from bilateral programmes which have helped reduced disaster risks indirectly or directly. It is important now that the relevant actors advocate for a dedicated allocation of State financial resources to carry out DRR work at both national and local levels.

As described later in this report, current budgets at sub-national level are very insufficient; they rely mainly on the national budget allocation and do not include a dedicated budget line for DRR. In many of the communes visited, 80% of the overall commune budget is accounted for by provincial and district allocations of the national budget. In addition, because of the overall unfavourable economic climate, many commune budgets have been cut during the last few years, as we shall show.

In this context, policy makers and the actors concerned need to lobby the Government, specifically the Ministries of Finance (MOF) and of Planning and Investment (MPI), advocating for the creation of a budget line dedicated to DRR in the annual socio-economic development planning format. Currently the format does not contain a separate line for DRR. Consequently costed DRR work plans are ineligible, and as a result there is insufficient budget allocation for funding regular risk reduction activities.

Integrating DRR into the Socio Economic Development Plan (SEDP) helps sustain efforts and commitment at local level. Part of the national DRR strategy is to get other sectors and actors involved effectively and to share scarce resources efficiently. While various targeted programmes can be considered to be helping to reduce disaster risks indirectly, such impacts can be maximised if a DRR perspective is borne in mind from the outset. The Ministry of Agricultural and Rural Development (MARD) is currently implementing a number of national target programmes such as the New Rural Development Programme, Water and Sanitation and Afforestation. Integrating the DRR perspective into these programmes could provide an appropriate way to make DRR more visible at all levels.

A law on DRR has been passed in Vietnam. The Law will not only provide an overarching institutional framework for any DRR work plan, but will also probably pave the way for a targeted programme on DRR. In most other sectors, including Education, Rural Development, HIV/AIDS, Health, Water and Sanitation, and Climate Change, there are dedicated national target programmes to fund annual work plans both at national and local levels. These issues are automatically given a separate budget line and this provides constant resources to ensure that work plans are implemented systematically and regularly. In this regard, it is vital that all advocacy efforts should target the Government, arguing for the introduction of a decree to provide sufficient financial resources for DRR work.

With regard to the National CBDRM Programme, relevant Ministries should speed up or even fast track administrative procedures so that funds can be channelled through to local provinces enabling them to launch the Programme. The Programme was approved in 2009 but actual funding has not yet reached the provinces. Recent Government Decision No. 333 has now approved a total budget of US \$7 million for 39 provinces, and involving the Ministry of Education and Training (MOET) and MARD. This is good news, as resources have taken a long time

---

<sup>10</sup> Source : CFSC - See Annex 1

to reach vulnerable provinces and to launch activities related to the National CBDRM programme. The remaining 24 provinces should be assisted and encouraged to submit their work plans this year. It should be noted, however, that this Decision does not necessarily mean an increase in budget allocation to each Ministry or to provinces for the year 2013. Rather it reflects the redistribution of funds within their existing regular operating budgets, from one sub-heading to another, thus making some available for the National CBDRM Programme.

The Government should consider introducing fund allocation criteria, similar to the one introduced by Government Decision No. 60/2010 on the criteria and principles for the allocation of state budgets. Such criteria will prevent subjective allocations and ensure greater fairness between all the country's provinces. During the Nha Trang workshop<sup>11</sup>, some participants expressed the view that funds should not be allocated only on the basis of work plans and the readiness of systems in place. The local context should also be taken into consideration in parallel, such as the relative wealth of the population; the degree of vulnerability of the location; etc.

It is important to initiate the other funding mechanisms put forward by the Government in Decision No. 1002 which initially set up the National CBDRM programme. The Decision states that the Government will fund 55% of the budget, and that it expects international donors to fund 40% and the national private sector and communities to contribute 5%. Central level agencies should consider integrating training on fund mobilization into existing training practices, so that local representatives are able to attract financial support from the private sector, and from households and communities in their localities, to fund the Programme activities. This source of funding is important when the national budget has not been allocated in sufficient time or adequately to local levels.

There have been some encouraging examples of funding from the private sector for DRR related awareness-raising activities in the provinces of Da Nang and An Giang. It should be noted that these provinces are not significantly wealthier than other provinces, in terms of their GDP. Although the amount provided by the private sector is small, it proves that communities are interested in the Programme and have the potential to contribute more. Such practices should be encouraged and facilitated in other provinces.

At National level, the Disaster Management Centre has signed a Memorandum of Understanding with the Vietnam Chamber of Commerce and Industry (VCCI) to support the National CBDRM programme. The content of the Memorandum of Understanding now needs to be translated into practical action. VCCI and its vertical agencies have conducted frequent workshops and events to raise understanding and awareness on DRR. The participation of businesses was reported to be very high. In the provinces of An Giang, Phu Tho and Thua Thien Hue, business communities attended training sessions and learnt about DRR, going on to create a culture of resilience within their businesses. They can help spread the word on DRR to community members. One of the first steps could therefore be to set up a fund that could be co-managed by MARD and VCCI. Terms of Reference for a steering group made up of MARD and VCCI staff and defining the mechanism and operation of this fund are needed to push things forward.

Another source of funding for the National CBDRM Programme is bilateral donors which the Government expects to contribute 40%, equivalent to US \$19 million. It is unclear how the Government intends to attract this sum. It is therefore suggested that the Government consider establishing a trust fund mechanism for community-based initiatives, with funding from key donors and the private sector. Once in place, this mechanism would encourage active communes to submit their own plans, in line with the Government's strategies and plans, but without having to go through a lengthy verification and approval process, thus saving time and opportunities. In the final resort, it is at commune level that activities are implemented and can have a direct impact, changing the degree of vulnerability which people face.

Relevant central agencies should consider tapping into the technical resources and good practices of international non-governmental organisations and local actors. These agencies have been pioneering DRR and community based activities for decades, and have amassed and documented a great deal of experience. At present, the CBDRM technical working group consists of representatives from these agencies. MARD and MOF should consider sharing progress, difficulties, and technical guidelines with them and consider them as capacity building partners within the CBDRM Programme.

---

<sup>11</sup> Organised by MARD on 12 April 2013



## Table of Contents

Foreword .....	1
Executive summary .....	3
1. Introduction .....	7
2. Background and specific objectives of the survey .....	7
2.1. Objective of the survey .....	8
2.2. Methodology .....	8
2.3. Survey limitations .....	8
3. National Budget - National Expenditure for DRR.....	10
3.1. National level.....	10
3.1.1. National budget allocation .....	10
3.1.2. National expenditure for direct DRR .....	11
3.1.3. National expenditure for indirect DRR .....	11
3.1.4. Disaster relief and emergencies.....	12
3.2. Ministerial regular operating budgets .....	12
3.2.1. Ministry of Agricultural and Rural Development (MARD).....	13
3.2.2. Ministry of Education and Training (MOET) .....	13
3.2.3. Ministry of Natural Resources and Environment.....	14
3.2.4. Ministry of Construction.....	15
3.3. DRR contributions from some official development assistance sources.....	15
3.3.1. DRR contributions from European Commission Humanitarian Aid and Civil Protection .	15
3.3.2. DRR contributions from the Australian Agency for International Development (AusAID)	16
3.3.3. World Bank 5 Programme .....	16
3.4. DRR contributions from International Non Governmental Organisations.....	17
3.5. DRR contributions from the private sector in Vietnam .....	18
4. Local Budgets - DRR Expenditure .....	20
4.1. DRR expenditure at provincial level.....	20
4.2. DRR expenditure at district level .....	21
4.3. DRR expenditure at commune level .....	22
4.3.1. Sources of income .....	22
4.3.2. Investment costs .....	23
4.3.3. Operating costs .....	23
4.3.4. DRR expenditure .....	23
4.3.5. Contingency costs .....	24
4.3.6. DRR activities suggested by commune members.....	24
4.3.7. State budget allocation constraints .....	24

5.	Gaps and issues in DRR budget allocations .....	26
5.1.	National Disaster Risk Reduction.....	26
5.2.	National CBDRM Programme .....	27
6.	Conclusions and Recommendations.....	29
	Annexe 1 Data on damage due to natural disasters & Risk mapping in Vietnam.....	31
	Annexe 2: National level expenditure in 2011, 2012 and 2013 .....	33
	Annexe 3: Budget breakdowns for selected Ministries for 2013 .....	34
	Annexe 4: Components of the WB5 Programme .....	35
	Annexe 5: Key funding mechanisms from AusAID for Vietnam in 2013.....	36
	Annexe 6: Terms of Reference .....	37
	Annexe 7: Individuals and institutions consulted.....	39
	Annexe 8: Case study.....	43
	Annexe 9: References .....	44
	Annexe 10: Discussion about Law on DRR at National Assembly (June 2013).....	45
	Annexe 11: Survey timetable .....	46

## 1. Introduction

---

Vietnam is one of the countries the most exposed to natural hazards in the world due to its geography, topography, economic structure and population distribution. Seasonal typhoons and floods (both flash floods and inundation) are very severe, and landslides, droughts and salt water intrusion are also regular occurrences. The annual negative impact of these hazards on the population and on the economy has increased in the context of climate change over recent decades. Extreme disasters have caused thousands of deaths, and huge loss of public facilities and private property. The loss is estimated at 1% of GDP on average<sup>12</sup>.

Vietnam's disaster response systems are highly organized. Given the country's experience of coping with natural disasters on an annual basis, Vietnam is able to respond to, and to provide relief and recovery from hazards effectively and systematically from central to commune level. MARD plays the key role in organizing these systems, together with its vertical agencies at local level. At each level of the State apparatus, a Committee for Flood and Storm Control (CFSC) is formed and usually consists of representatives from all departments including health, transportation, military, police, national Red Cross, environment, national television, national radio, education, etc. The mandate of such a committee is to act and respond effectively to hazards in line with instructions from the Ordinance on Flood and Storm control.

The current overall strategy seems to focus responses to disasters on infrastructure. Vietnam has invested more financial resources in constructing and repairing sea dykes, dams, buildings, equipment, etc. than in "softer" types of activity, such as awareness raising or providing small communities with equipment and training for community based organisations at local level. Policy makers generally focus on structural actions that can translate into concrete building works. Community level activities are often perceived as time consuming interventions with no immediate impact in terms of disaster response.

However, with the recent global shift away from *responding* to disaster towards a more proactive *prevention and preparedness* stance, Vietnam is learning and applying practical DRR lessons within its CFSC system. The country is completing its institutional framework to allow more space for genuine DRR. The DRR Strategy to 2020 was passed by the Government<sup>13</sup>, and envisages a more resilient society, built on knowledge and understanding of disasters and appropriate risk reduction measures taken on a daily basis. The National CBDRM Programme<sup>14</sup>, despite limited financial resources, sharpens the country's approach to DRR in highlighting the importance of a community based approach to DRR at local levels. The DRR Law upgraded from the Ordinance on Flood and Storm Control was passed by the National Assembly very recently. These are key milestones that will further shape the legal framework for a more proactive DRR approach in the future.

Although the country is experiencing economic stagnation, Vietnam is now rated as a middle income country. On average, the Government spends approximately 25% of its budget on investment, and 40-50% on its regular operational budget. These resources are channelled to line Ministries, central level agencies and provinces following the standardised procedures set out in the State Budget Law of 2002. What is unclear in this overall picture is the financial resource and funding mechanisms for DRR and how these can be spent on direct DRR at both central and local levels.

## 2. Background and specific objectives of the survey

---

In 2011, Development Workshop France in Vietnam undertook the survey on funding for disaster risk reduction work in Vietnam on behalf of "*Views from the Frontline 2011*" (VFL) funded by the Joint Advocacy Network Initiative (JANI) and the Global Network for Disaster Reduction (GNDR). The survey revealed that in Thuy Thanh

---

<sup>12</sup> See Annex 1 Data on damage

<sup>13</sup> Decision No. 172/QĐ-TTg dated 16 November 2007 of the Prime Minister

<sup>14</sup> Decision No. 1002/QĐ-TTg dated 13 July 2009 of the Prime Minister

commune (Huong Thuy district, Thua Thien Hue province), the real budget available for preparedness work was around US \$1 per family per year.

The result of this first survey indicated a gap between national policy and the lack of resources for DRR at local level. Disaster prevention, as stated in the national CBDRM programme, with the objective of better protecting vulnerable people facing natural disasters in the context of climate change, will need more resources to fund and implement any action plan and measures designed at commune level.

The question remains how financial resources from different sources are used now and could be increased and channelled in the future towards DRR programmes at local level. This in depth survey on DRR funding mechanisms in Vietnam, both at national and local levels, has been conducted by DWF under the JANI Project.

## 2.1. Objective of the survey

To identify how national resources (from different sources) are used now and how resources could be increased and channelled in the future for DRR programmes at local level.

## 2.2. Methodology

To address the issues and questions outlined in the Terms of Reference, the consultant team used a range of information sources and collating tools. These included:

### *Desk review:*

- Review of the natural disaster management context in Vietnam including the institutional, legal and policy framework in Vietnam for CBDRM, climate change adaptation.
- Review of relevant documents in Vietnam, including the National Strategy for DRR in Vietnam; National CBDRM Programme; Draft Law on Disaster Prevention.
- Review of State Budget Law and related guidelines from MOF and MPI.
- Review of DWF VFL 2011 Report on Local governance for DRR.

### *Interviews*

- In-depth interviews with key interviewees at national levels, such as in relevant departments of MOF, MPI, MARD, MOET, Ministry of Natural Resources and Environment (MONRE).
- Individual interviews with relevant programme managers and representatives from key bilateral donors (AusAID, UNDP, World Bank, UNESCO), JANI partners (Save the Children, Plan, CARE, DWF, Red Cross Societies).

In addition, the consultant validated and verified preliminary findings at national level through the triangulation of data and information collected from local stakeholders.

- In-depth individual interviews with representatives of local authorities, relevant departments in the provinces of Thua Thien-Hue, Tien Giang and Phu Tho.
- Focus group discussions with commune authorities on specific financial resource questions.
- Use of a set of qualitative and quantitative questionnaires to obtain a wider understanding of the budget and expenditure situation.
- Selected telephone interviews with key officials to verify key information.

## 2.3. Survey limitations

The National budget is generally not open for public discussion. Revealing the amounts paid to external organizations and individuals is a highly sensitive area. Secondary data and information was provided on the Government's website ([www.chinhphu.vn](http://www.chinhphu.vn)). This site provided an overview of the national budget, allocated budget lines, and recipients as well as legal documents that explain planning, approval and allocation processes.

However this data and information is generic, and therefore not usually central to answering the survey questions.

At Ministerial level, the survey team was faced with the difficulty of conducting discussions with relevant staff of executive departments, and was thus unable to obtain detailed budget lines, accounting codes, budget allocations or criteria for assessment of projects that are eligible for funding in future financial years. As data is also considered sensitive, officials and interviewees were reluctant to discuss or answer questions. Most of those contacted failed to provide the information requested, either because they did not have it or because they preferred not to disclose it. Furthermore, budget data and information is generally not provided to the public on the websites of any Ministries. It is therefore not possible to gain an overall understanding of funding mechanisms, budget lines and expenditure for specific budget categories.

One of the biggest challenges identified during the consultation process with Ministries (and their vertical line agencies at provincial level) is the lack of effective and systematic monitoring systems for investment in DRR by both State budget and official development assistance. Our report is not therefore able to provide an estimation either of the percentage or of the amount of money allocated and invested in DRR either throughout the country or in each province/sector for recent years. At present, each sector maintains its own records and generally these are not shared with others. This challenge also indicates that in Vietnam, there are no clear overall guidelines on what is considered to be a DRR project or investment. Many infrastructure works, and numerous programme activities can be regarded as indirect DRR projects.

There exists no "one-stop shop" where aggregated data and information on various programmes that contribute to, or can be classified as disaster risk reduction projects can be obtained. Such projects are not in the list of national target programmes, and are mostly implemented at regional or provincial levels. They include strengthening the river and sea dyke systems; building concrete harbours for fishing boats and vessels; building residential areas in the Mekong and building flood resistant houses.

The survey was also conducted in three provinces representing the North (Phu Tho), the Centre (Hue) and the South (Tien Giang). While these provinces can be said to typify the natural hazards facing each region, by no means can they be taken to represent the whole region in terms of State budget allocations. The survey team also conducted interviews within selected Ministries and agencies located in Hanoi.

### 3. National Budget - National Expenditure for DRR

#### 3.1. National level

##### 3.1.1. National budget allocation

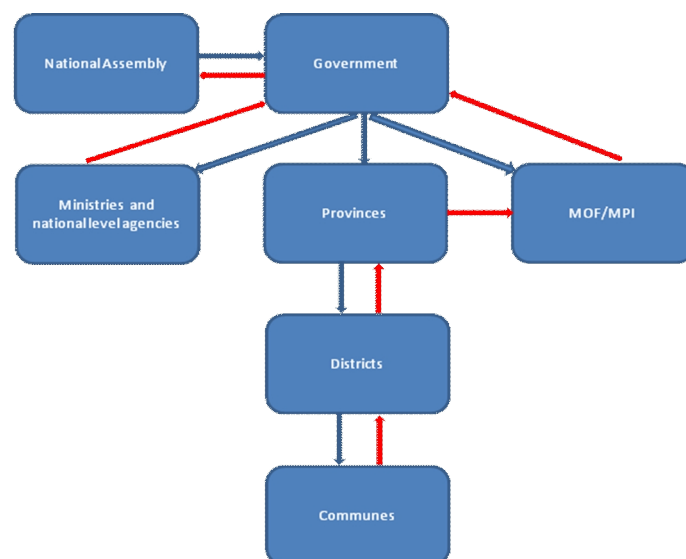
Vietnamese national expenditure is divided into 6 general categories:

- (1) Development investment,
- (2) National debt payment,
- (3) Regular operating costs,
- (4) National targeted programmes,
- (5) Salary adjustment and,
- (6) National contingency.

Expenditure on Regular Operations fall into sub-categories and consist of: National defence and security, Education and Training, Health and Population, Science and technology, Culture and Information, Pension and social welfare, Economic tasks, Environmental Protection, Administration, Price subsidies and others. In general this category generally uses between 40-52% of the national level budget (See Annex 2).

There then follows a budget breakdown to Ministries, central level agencies, national target programmes, provinces, etc. In total, there are 9 groups of budget lines at the national level. Group 1 consists of all ministries and central level agencies. Under this group, MARDC budget line is 12, MOET is 18 and MONRE is 27. Each of these Ministries is allocated a specific amount of budget into the categories mentioned above (See Annex 3).

National budget allocation is decided by the National Assembly. During the third quarter of the year, local levels start to make a costed work plan, which is based on targets negotiated and prioritized by the People's Councils. The costed work plans are integrated at the provincial level and submitted to MOF and MPI for appraisal and negotiation. For provinces which implement national targeted programmes, work plans also need to be sent to the Steering Committee of such national targeted programmes. In general, the planning, requesting and approval processes are governed by the State Budget Law 2002 and relevant Decree and Circulars. Finally, the Government presents this to the National Assembly for approval. During the stable budget periods from 2011 to 2015, a province or a Ministry will usually receive a relatively similar budget across these 5 years (see the flow chart below).



*(Red arrow indicates planning direction, blue arrow indicates allocation)*

### 3.1.2. National expenditure for direct DRR

At the national level, in the estimated national expenditure for 2011, 2012 and 2013, there is no budget line specifically for disaster risk reduction. The country has recognized the importance of DRR and has thus passed important legislative documents which in principle should lay the foundation for allocation of sufficient budget for DRR activities. The National DRR Strategy, the National Target Programme to respond to Climate Change and the National CBDRM Programme have gradually paved the way for allocation of more government budget to DRR. In the near future, a Government decree to enforce the recently endorsed DRR Law is likely to include provision for a clearer funding mechanism for DRR in Vietnam. Currently, however, within the budget lines that are allocated with specified budgets, there is no line for DRR in these financial years.

Not enough attention is paid to DRR; the focus is still very much on disaster relief and to some extent recovery. While disaster impacts and losses are significant to the country, other priorities are given more importance. The national economy is not currently performing well, resulting in limited growth in income generation. The country is therefore cutting spending in all categories to survive the tough existing economic climate. This indicates that a separate budget line for DRR is not likely to be included in the near future. Some senior interviewees, however, suggest that as the DRR Law has been passed by the National Assembly, DRR will become a priority, and it will probably deserve a separate budget line/allocation.

The National Assembly endorsed the DRR Law with a significant majority (over 90% of delegates approved the Law). Most deputies agreed with the Law, stating that it comprehensively covered all aspects of the regulated activities and the active nature of responding to natural disasters. One important aspect is funding for DRR activities. The draft Law suggests that the Government will establish a fund and each Vietnamese individual will have to contribute to it on a compulsory basis. This acknowledges that funding for DRR is currently insufficient, and that Vietnam cannot depend only on external donations anymore amidst changes in the climate systems. The final DRR Law is still to be promulgated after being passed by the National Assembly.

Budget lines are allocated to sectors and industries, and this is the conventional approach in establishing national budget allocation/planning system in Vietnam. DRR is neither a sector nor an industry producing socio-economic growth. It is considered a cross cutting issue, and its importance is lower than other issues such as poverty reduction, water and sanitation, climate change adaptation, combating HIV/AIDS, etc. In our consultations with Ministries, there was, however, a general view that DRR is gaining momentum, and although it does not have a dedicated budget line, investment in indirect DRR is broadly increasing. Various Government National target programmes, and support programmes for the national target programmes, projects by Ministries and provinces, etc. contribute indirectly to disaster risk reduction.

### 3.1.3. National expenditure for indirect DRR

Afforestation is an example of a National programme that contributes to a DRR objective. The total of financial resources that are invested in afforestation and protection of trees reached nearly US \$300 million per year from 2005 to 2010. The investment from households accounted for 23%, with the balance made up from the Government and donors. Vietnam has made tremendous efforts to revitalize primary forests, replanting barren hills and consequently reducing vulnerability to flash floods, erosions and desertification. One of the recent mechanisms that has led to more local investment into forest planting and protection is the allocation of forest land to local communities (for further investment and care).

Other national target programmes contribute indirectly to risk reduction. In general, the Government allocates budgets to relevant Ministries for their part in the overall work plan of these national target programmes. In 2013, the allocation for ministry-level work plan reached US \$216 million. At the same time, the Government allocated US \$720 million to 63 provinces. It is impossible to obtain an overview of the total expenditure for these national target programmes in 2013 for each Ministry or each province. The reason for this is that there is no aggregated data centre centralizing budget data from the different funding sources that provinces can mobilize. The following provides a snapshot of some most noticeable national target programmes currently being implemented.



- National target programme on new rural development 2010-2020. The scale of the programme is nationwide, and the purpose is to improve the overall economic, social and environmental context including roads, health clinics, community centres, the electricity grid, markets, irrigation systems, etc.
- National target programme on climate change 2012-2015. The programme will improve institutional capacity, raise public awareness of climate change impacts, and create the scientific facilities to monitor different scenarios as well as to conduct climate impact assessments. The total fund for this period is US \$84 million.
- National target programme on sustainable poverty reduction (2012-2015) in line with Resolution 30a/2008. This programme tries to improve household income by 150% and 200% in most poor districts in the country, and to improve road and electricity systems, and small scale irrigation systems. The majority of such districts are in mountainous regions where ethnic groups live. The total fund for this period is US \$1.31 billion.
- National target programme on communications in difficult regions (2012-2015). The programme aims to improve staff capacity, communication coverage and communication network facilities in mountainous and coastal regions. The total fund for this period is US \$82 million.
- National target programme on health (2012-2015). The programme improves capacity for health care systems, and raises public awareness of disease prevention and the treatment of fatal diseases. The total fund for this period is US \$608 million.

### 3.1.4. Disaster relief and emergencies

In the State budget, there is a budget line for national contingency which is used for budget deficits, emergencies, disaster relief and recovery, etc. This corresponds to a lump sum of around 2-5% of the annual total budget. Its use is decided by the Prime Minister, or his authorized staff, taking into consideration the urgency and priority of each case. The Government allows pre-payment for goods and services, and settlements can be made in the aftermath of an emergency. This financial mechanism is flexible, allowing acting agency or ministries of finance and agricultural and rural development to act fast to save lives or avoid further damage and loss. During recent large scale disasters, the role of the Ministry of Defence was central in evacuation, search and rescue and early recovery. At local levels, soldiers and military officials demonstrated their capabilities and skills in performing difficult tasks. Logistics and healthcare aspects were ensured by other civilian agencies. While the contingency budget line currently seems adequate for emergency response, significant funding gaps remain for disaster recovery and reconstruction.

### 3.2. Ministerial regular operating budgets

In order to obtain their regular operating budget, Ministries have to follow standardized procedures that are laid out in the State Budget Law of 2002. MPI and MOF work with all the Ministries in the third quarter of every year before submitting the final country level costed work plans to the Budget Committee of the National Assembly for approval. This is also the process for DRR expenditure if the resources are allocated from the national budget.

At ministerial level, direct disaster risk reduction expenditure usually use budgets which have already been allocated for Education and Training and Economic tasks, etc. within the Category 3 above. This means the Ministries can decide to reallocate budgets from one sub-heading to another. On making the decision, Ministries will weigh up and consider high ranking priorities. Then they decide independently how much to reallocate from their regular operational budget to fund DRR activities. However, it is impossible to track how decisions are made to use the budget.

For example, the Prime Minister decides that MARD can use its budget for Economic Tasks or Training under the Regular Operating Budget to carry out its 2013-2015 work plan under the National CBDRM Programme. MOET and 39 provinces also use the same budget line. The Government decision No. 333/QD-TTg dated 18 Feb 2013 approves the funding for 39 provinces to start implementing the national CBDRM Programme for the period 2013 to 2015 for a total of US\$ 7.2 million. In general, this Decision does not necessarily mean an increase in budget allocation to each Ministry or provinces for the year 2013. Instead, it follows the reallocation of funds within their existing regular operating budget, from one sub-heading to another, in order to fund the National CBDRM Programme.



### 3.2.1. Ministry of Agricultural and Rural Development (MARD)

During the consultations conducted as part of this survey, MARD indicated that it does not have a direct DRR budget line. In the costed work plan of 2013, MARD receive US \$408 million (See Table 1). MARD is implementing two direct DRR programmes: the national CBDRM Programme and Component 3 of the World Bank 5 Programme that relates to CBDRM.

Table 1: MARD's Budget allocation per Category for 2013

Category	Amount for 2013 (VND)	Amount for 2013 (US\$)	%
(1) Development investment	4,375,492,000,000	208,356,762	51.03
(2) National debt payment,	148,300,000,000	7,061,905	1.73
(3) Regular Operations	3,855,430,000,000	183,591,905	44.96
- <i>National defence and security,</i>	-	-	-
- <i>Education and Training,</i>	777,780,000,000	37,037,143	9.07
- <i>Health and Population,</i>	61,960,000,000	2,950,476	0.72
- <i>Science and technology,</i>	693,540,000,000	33,025,714	8.09
- <i>Culture and Information,</i>	-	-	-
- <i>Pension and social security,</i>	-	-	-
- <i>Economic tasks,</i>	2,029,480,000,000	96,641,905	23.67
- <i>Environment Protection,</i>	20,000,000,000	952,381	0.23
- <i>Administration,</i>	226,320,000,000	10,777,143	2.64
- <i>Price subsidies</i>	46,350,000,000	2,207,143	0.54
- <i>Others.</i>	-	-	-
(4) National targeted programmes,	195,929,000,000	9,329,952	2.28
(5) Salary adjustment	-	-	-
(6) National contingency	-	-	-
Total	8,575,151,000,000	408,340,524	100.00

(Source: Gazette No. 753+754, dated 19 December 2012)

According to this Decision No. 333/QĐ-TTg dated 18 Feb 2013, MARD will be allocated US \$348,000 to implement the work plan from 2013 to 2015. The funding for this period uses budget lines from Regular Operations (including Economic tasks and training). Although the budget allocation for this period remains low compared to the actual need of the entire Programme, it will make a regular budget allocation for the Programme in the future. Unless the national budget proves to be critically in deficit, the Programme will be fully funded for the remaining period 2016 and 2019.

### 3.2.2. Ministry of Education and Training (MOET)

According to the same decision 333, MOET will receive US \$476,000 to implement phase 1 of the National CBDRM Programme. Like MARD, MOET will have to reallocate budget lines within their budget to find this amount. At the time of writing, the Ministry has no dedicated budget line for DRR (See Table 2).

Table 2: MOET's Budget allocation per Category for 2013

Category	Amount for 2013 (VND)	Amount for 2013 (US\$)	%
(1) Development investment	697,000,000,000	33,190,476	10.76
(2) National debt payment,	-	-	-
(3) Regular Operations,	5,413,310,000,000	257,776,667	83.55
- <i>National defence and security,</i>	-	-	-
- <i>Education and Training,</i>	5,075,430,000,000	241,687,143	78.33
- <i>Health and Population,</i>	-	-	-
- <i>Science and technology,</i>	239,050,000,000	11,383,333	3.69
- <i>Culture and Information,</i>	-	-	-
- <i>Pension and social security,</i>	1,720,000,000	819,048	-
- <i>Economic tasks,</i>	3,680,000,000	175,238	0.06

- <i>Environment Protection,</i>	4,000,000,000	190,476	0.06
- <i>Administration,</i>	88,870,000,000	4,231,905	1.37
- <i>Price subsidies</i>	550,000,000	26,190	0.01
- <i>Others.</i>	-	-	-
(4) National targeted programmes,	368,830,000,000	17,563,333	5.69
(5) Salary adjustment	-	-	-
(6) National contingency	-	-	-
Total	6,479,140,000,000	308,530,476	100.00

(Source: Gazette No. 753+754, dated 19 December 2012)

Currently MOET is working with UNESCO to implement an education initiative for sustainable programmes funded by Samsung. This is a global joint programme between the UNESCO and the donor. In Vietnam, different MOET departments and other stakeholders will execute the programme activities, estimated at US \$1 million for the period 2013 to 2014.

### 3.2.3. Ministry of Natural Resources and Environment

There is no direct DRR expenditure (see Table 3), but MONRE does have some programmes that help to reduce disaster risks. The National Target Programme to Respond to Climate Change was approved by the Prime Minister in December 2008 for a budget of around US \$94 million. The Programme makes use of four sources of funding: the Government (30%), local authorities (10%), the private sector (10%) and international donors (50%). The Government takes the leading role in ensuring that the Programme is allocated enough necessary financial resources, while it creates enabling mechanisms to mobilize external resources from other donors and communities to carry out activities.

Table 3: MONRE's Budget allocation per Category for 2013

Category	Amount for 2013 (VND)	Amount for 2013 (US\$)	%
(1) Development investment	629,300,000,000	29,966,667	23.90
(2) National debt payment,	-	-	-
(3) Regular Operations,	1,999,250,000,000	95,202,381	75.91
- <i>Education and Training,</i>	74,130,000,000	3,530,000	2.81
- <i>Health and Population,</i>	4,520,000,000	215,238	0.17
- <i>Science and technology,</i>	230,080,000,000	10,956,190	8.74
- <i>Economic tasks,</i>	1,270,930,000,000	60,520,476	48.26
- <i>Environment Protection,</i>	267,000,000,000	12,714,286	10.14
- <i>Administration,</i>	152,290,000,000	7,251,905	5.78
- <i>Price subsidies</i>	300,000,000	14,286	0.01
- <i>Others.</i>	5,002,000,000	238,190	0.19
(4) National targeted programmes,	-	-	-
(5) Salary adjustment	-	-	-
(6) National contingency	-	-	-
Total	2,633,552,000,000	125,407,238	100.00

(Gazette No. 753+754, dated 19 December 2012)

In 2011, Circular No 30 of the MOF introduced a list of funding codes used for the Government's internal budget allocation system. In the system, there is a separate budget line for the NTP CC. For example, the 2013 budget allocation for the Programme is VND 379,300 million, equivalent to US\$ 18,061,000. The following funding codes were activated:

National target programme to respond to climate change: funding code 0350

Sub projects:

- To assess levels of climate change and its impacts on sectors and regions: funding code 0352
- Development of Science and Technology Programmes on CC, funding code 0353
- Building capacity of organization, institution, policy on CC, funding code 0354
- Awareness enhancement and human resources training, funding code 0355

- Development and application of action plans to respond to climate change, funding code 0356

While these sub projects do not deal with DRR explicitly, they contribute indirectly to awareness raising, capacity building for officials and communities, and implementation of community-based actions which in the end have a positive influence on reducing vulnerabilities and disaster risks. This is a good example of a National programme having a dedicated budget line and fund allocation from the State budget that are clearly earmarked for certain specific activities.

#### 3.2.4. Ministry of Construction

In recent years, several housing programmes have been implemented in Vietnam to improve the living conditions of poor families. The Programme of temporary house eradication, Programme 135 (Ethnic minorities), Programme 167 (Housing for the poor, 2008, with third priority for people living in disasters prone areas) have been organised in the poorest Districts and Communes of the country. After some years of work, evaluations have shown that these centralised programmes did not yield the expected results, due to a combination of factors including low budgets, design not adapted to each area, lack of adequate supervision of construction work... In the face of natural disasters (storm, flood etc.) many houses built in the context of these programmes have suffered heavy (or worse) damage and families have once again had to repair their homes.

The Ministry has decided to prepare a more de-centralised programme for the 14 provinces of the Central region, targeting flooded areas (where annual floods could be from 1,5m to 3,6m high - above this level the policy is to resettle the families from these dangerous areas). A pilot programme (called Programme 716 / June 2012) has been signed by the Prime Minister for a pilot phase in 7 Provinces (Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Nam, Quang Ngai, Phu Yen) with 700 families in 14 Communes (2 Communes per Province).

The budget per family is divided in 3 parts: US \$480 (10 Millions VN Dongs) from Central Government, US \$480 in the form of a loan from the Vietnamese Social Policy Bank to individual families using a preferential interest rate, and US \$480 contributed by the family. Where possible additional contributions are made from local Organisations in each Province (Youth Union, Fatherland Front, etc). Extension of the programme to 60,000 houses in the 14 provinces will be decided for the period 2014-2015 (total budget approx. US \$86 million).

### 3.3. DRR contributions from some official development assistance sources

#### 3.3.1. DRR contributions from European Commission Humanitarian Aid and Civil Protection

The Department of Humanitarian Aid and Civil Protection under the European Commission (ECHO) is among the first international donors to fund community-based disaster risk reduction in Vietnam. In the early 2000s, under its Disaster Preparedness Programme, ECHO supported community-based activities, local capacity building, early warning systems, and public awareness raising campaigns to help communities proactively respond to natural disasters.

Between 2008 and 2012, ECHO channelled a total amount of US \$7,327,000 to Vietnam through various initiatives at both national and local levels. The key funding mechanism is through programmes with INGOs which have country offices in Vietnam and have operations throughout the vulnerable locations in the country. Programme partners include CARE, DWF, Plan, Save the Children, Oxfam, Red Cross, etc. These organisations have worked together with the Disaster Management Centre and other Government agencies to promote the culture of resilience to natural hazards for the past decade. They also worked with communities to implement "soft" types of activity such as training, awareness raising events, hazards vulnerability and capacity assessments, etc. In addition to separate programmes run by individual INGOs, ECHO also funds CBDRM projects initiated by a consortium or a network. For example, ECHO provides ongoing support to the institutionalisation of community-based disaster risk reduction through JANI (led by CARE) and involving all DIPECHO partners and the Government. JANI was first initiated in 2008, and has been effective for advocacy work at national level.

### 3.3.2. DRR contributions from the Australian Agency for International Development (AusAID)

Australia is the sixth largest bilateral donor to Vietnam and the largest bilateral grant donor. For the period 2012/2013, the total ODA is 134.4 million dollars (See Annex 5).

Table: AusAID budget for 2012/2013

Priority	Spend (%)	Amount (Million dollars)
1/Saving lives	22	29.6
2/Promoting opportunities for all	34	45.7
3/Sustainable economic development	36	48.4
4/Effective governance	5	6.7
5/Humanitarian and disaster response	2	2.7
6/Cross cutting	1	1.3
Total	100	134.4

AusAID uses a variety of mechanisms to channel their funding. Out of the total budget, the country bilateral programme manages US \$102.9 million. Regional and global AusAID-managed initiatives receive US \$22.3 million and other Australian Government departments manage US \$9.2 million. In cooperation with other donors, AusAID delivers aid through:

1. Joint-programming with central and local governments
2. Multi-lateral agencies
3. Non-government organisations.

Disaster risk reduction is not a priority of AusAID assistance to Vietnam. It is, however, integrated into priority Nos. 3 and 5 in the above table. The financial resources for these two priorities are channelled through various partners. AusAID works with Australian government bodies, education and research institutions, NGOs, bilateral donors and multilateral partners.

#### Programme partners and funding mechanisms

AusAID makes targeted use of non-government organisation capacity. In their Strategy, AusAID believes that there will be more scope to engage international and local NGOs on policy issues and in programme implementation. AusAID is developing a regional platform to maximise the effectiveness of activities and relationships between AusAID and NGOs. The platform will provide a new mechanism for entering partnerships with NGOs in implementing and channelling aid to local level.

AusAID also works with other donors including ADB, WB and UNDP. One of the initiatives is to promote CBDRM components in the Flood and Drought Risk Management Project funded by ADB. The CBDRM component is funded US\$5.6 for the period 2013-2016. It will focus on the implementation of CBDRM activities across 63 communes in two flood-prone provinces in Vietnam's Mekong Delta region. This will involve community preparedness and small-scale community infrastructure such as improvement of access roads.

Australia also has formal agreements with bilateral donors such as Germany (climate change adaptation in the Mekong) to deliver selected sector programmes. These initiatives are not centred on disaster risk reduction but cover issues related to disaster prevention and preparedness. Partners are proactively integrating awareness raising activities, small scale adaptation models, trainings and capacity building into annual work plans at local level.

### 3.3.3. World Bank 5 Programme

#### Component 3 under the WB 5 Programme

The WB5 Programme is the new programme of the World Bank: "Managing Natural Hazards", which builds on the previous Natural Disaster Risk Management Project funded earlier by the bank. The WB5 programme is

targeting 10 provinces in Central Vietnam from Thanh Hoa down. Under Component 3, the programme will implement a range of community-based disaster risk management activities. These include (i) commune institutional strengthening, (ii) capacity building for commune-based institution leaders; (iii) the development of inter-communal support platforms; (iv) development of community resilient planning; and (v) enhancement of private sector.

The total resource for Component 3 amounts to US \$19.5 million which aims to improve the synergy between all 5 other components (See Annex 4). It has to be noted that this budget represents almost half of the total budget that the Government plans to allocate for the overall National CBDRM Programme up to 2020, which is roughly US \$50 million. Some of the provinces in central Vietnam will benefit from both Programmes, and an interesting question remains on how the Government will coordinate the effective use of financial resources from these two programmes.

#### Budget management system

The budget of the Programme is an ODA loan and according to current law, it is considered to be an integral part of the overall Government budget. The Government's Decree n° 131 on ODA Management Protocols requires that the use of this budget shall be allocated, monitored and reported using the Government system.

Its day to day management, however, rests with a Project Steering Committee which will be established to provide policy guidance and technical support as needed. Membership of this Committee will include representatives of MARD, MONRE, MOF, MPI and the State Bank. Chairing roles are given to MARD and MONRE, as the project will be actually implemented by these two Ministries. While MARD will be in charge of implementing Components 1, 3, 4 and 5, MONRE will be in charge of implementing Component 2. The role of three other agencies reflects the consensus arrangement in the responsibility sharing mechanism as well as monitoring tasks.

Project management units will be established at the ministry level and will be in charge of day-to-day project implementation. The project management unit at MARD will be its existing Central Project Management Office (CPMO). MONRE will establish a project management office to implement Component 2. Hydromet centres at regional and provincial levels will participate in the identification of investment and capacity needs, and in planning and supervision.

The fund channelling mechanism follows the traditional ODA project management approach in Vietnam. A bank account will be opened specifically for the Programme and funds will be transferred to this account based on approved work plans. The CPMO will then transfer the budget to lower levels. This is a typical model of management in bilateral official development assistance funded programmes.

### 3.4. DRR contributions from International Non Governmental Organisations

Financial resources from INGOs are generally sourced from key bilateral donors to Vietnam, namely AusAID, USAID, ECHO (through its DIPECHO programme) and so on. In a broad sense, INGOs are considered to be the implementing agents of DRR activities, and not the donor of financial resources to DRR. While they have their own financial resources, these organizations submit proposals in response to calls from bilateral donors. Several of them submit various proposals to different donors, and obtain financial resources to carry out proposed activities. As INGOs have a wealth of knowledge and experience in DRR and CCA in Vietnam, bilateral donors have cooperated with them to carry out DRR work in Vietnam over recent years. For example, AusAID recently funded DRR programmes for Save the Children, Plan International, Oxfam, CARE and others to support the roll out of the National CBDRM Programme in the Mekong delta.

Each bilateral donor has their own funding mechanism. AusAID has recently opted for INGOs which are experienced in DRR, capable of making a difference to the degree of vulnerability of communities. USAID works directly with organizations headquartered in the home country, which in turn reallocates the financial resources to other INGOs. It is therefore hard to generalize about a funding mechanism from which to advocate for



increasing DRR budget or making a change. It would, however, be possible to coordinate a better geographical overview to avoid resources from INGOs being duplicated.

### 3.5. DRR contributions from the private sector in Vietnam

In general, the private sector has not been proactively engaged in regular disaster risk reduction. Part of the reason for this is their lack of understanding of the approach that disaster risks, and the subsequent impact and loss, can be reduced on a daily basis. They tend to contribute cash or in-kind items to disaster affected areas in emergency and recovery phases, rather than working with communities to reduce disaster risks. The Vietnamese public sector, including community members, schools, and private companies are greatly applauded for their readiness to contribute to relief efforts. Public donation events organised by the Vietnam Red Cross and the Fatherland Front often raise millions of dollars to support disaster victims.

At national level, MARD entered into a MOU with VCCI, which represents the business community, to promote contributions from, and the participation of the private sector into DRR. The action plan that forms part of the MOU provides a list of activities extracted from the National CBDRM Programme in which companies can participate. However, there has been little reported data on actual financial contributions from this sector. While the National CBDRM Programme calls for a contribution of 5% of the necessary budget from the private sector, no mechanism has been put into place by the relevant actors to encourage private sector involvement and contribution. Nor has there been any mechanism from local authorities to mobilize resources from corporations and from the private sector to fund CBDRM work.

There has, however, been a significant shift in knowledge, attitude and practices of the business community in Vietnam. VCCI and its vertical agencies have regularly conducted workshops and events to raise understanding and awareness of DRR. The participation of the business community was reported to be very high. In the provinces of An Giang, Phu Tho and Thua Thien Hue, representatives of the business community have attended training sessions to learn about DRR, and have gone on to create a culture of resilience within their business. Although financial contributions to public or technical organisations carrying out DRR activities were not significant, the private sector is helping to spread the word on DRR to community members.

The Central Vietnam Calamities Relief Fund ([www.gmt.vn](http://www.gmt.vn)) was established in 2009 as a Vietnamese NGO to mobilise further contributions from the private sector to support disaster victims in central provinces. The total fund raised so far has reached US \$ 7.6 million. In 2010, IMG Corporation donated US \$571,000 to build a primary school in Quang Nam province. In 2013, ACE Life Vietnam Company contributed US \$100,000 to the fund to upgrade a primary school in Hue province. Vietinbank, a large commercial bank in Vietnam, has so far contributed US \$1.4 million to the fund for various infrastructure works. Petrol Vietnam has contributed US \$ 1.8 million to the Fund during the period 2009 to 2012. Such contributions have enabled the Fund to provide relief in various forms to more than one million households during its past 5 years of operation. Recently it was used to do more work contributing to disaster risk reduction, including the construction of concrete schools, community centres, health centres etc. with funding from companies and corporations.

In the three provinces surveyed, business communities have not contributed significant financial resources to proactive DRR activities. The current trend is for the private sector to provide funding for corporate social responsibility. Corporations tend, however, to focus this support on livelihoods, health care and education for poor households, marginalised groups, the elderly, children with special circumstances, etc. This provides a window for DRR actors in these provinces to advocate and mobilise resources for DRR activities. It is possible to tap into these resources, and the advocacy expertise of INGOs could be shared with Government agencies to launch fund raising campaigns.

Although there exists no mechanism for private sector fund raising, some provinces have succeeded in obtaining ad-hoc funding for proactive DRR activities using their own strategies. The CFSC of An Giang province raised funding to publish materials for information, education and communications purposes. The Da Nang Business Association contributed US \$10,000 to raising awareness on safer houses. The programme started in 2011 in all the coastal districts of the City. The Association sent staff trained in basic safer shelter principles to households

and conducted rapid assessments on safety standards against typhoons. The Association would then advise householders on how to improve their situation. The Association also printed leaflets and brochures on general disaster preparedness prior to typhoon seasons, targeted at the wider public of the City. So far, the Association has involved around 150 companies in its regular disaster preparedness work.

## 4. Local Budgets - DRR Expenditure

### 4.1. DRR expenditure at provincial level

At provincial level, the survey found that budgets for training and staff capacity building within the department of agricultural and rural development were very limited. Other departments do not allocate any budget to DRR. The survey was unable to obtain overall concrete data from the provinces of Tien Giang and Hue.

In Phu Tho province, the survey accessed a valuable source of data providing useful statistics. According to DOF and DPI, Phu Tho still depends on its budget allocation at national level. Annually, 40% of its total budget will be disbursed from the national budget, 20% from the provincial budget, 30% from other organizations and the private sector and 10% from other sources. The provincial budget is made up of taxes, various kinds of fees, land use tax and fee, PIT, the environmental protection fee, import and export tax and lottery income. The total estimated budget allocation for Phu Tho province is VND 7,124 billion, equivalent to US \$333 million. (See table below.)

Category	Names	Estimated expenditure (2013) VND	Estimated expenditure (2013) US \$	%
I	Expenditure for development objectives	537,300,000,000	25,708,133.97	6.83%
1	Infrastructure	255,400,000,000	12,220,095.69	3.25%
2	Investment from land use fee	279,900,000,000	13,392,344.50	3.56%
3	Investment and support for companies	2,000,000,000	95,693.78	0.03%
II	Regular operating costs	5,868,008,000,000	280,765,933.01	74.63%
1	Economics	780,075,000,000	37,324,162.68	9.92%
2	Socio	3,672,882,000,000	175,735,980.86	46.71%
	Education and training	2,612,079,000,000	124,979,856.46	33.22%
	Health	612,023,000,000	29,283,397.13	7.78%
	Science and technology	27,228,000,000	1,302,775.12	0.35%
	Culture and information	114,565,000,000	5,481,578.95	1.46%
	Sport	21,078,000,000	1,008,516.75	0.27%
	Television and broadcasting	11,944,000,000	571,483.25	0.15%
	Security	273,965,000,000	13,108,373.21	3.48%
3	Administration management	1,203,338,000,000	57,575,980.86	15.30%
4	Defence	117,935,000,000	5,642,822.97	1.50%
5	Others	18,405,000,000	880,622.01	0.23%
6	Payment for related socio policies	75,373,000,000	3,606,363.64	0.96%
III	Contingency	158,590,000,000	7,588,038.28	2.02%
IV	Financial reserve fund	1,200,000,000	57,416.27	0.02%
V	Payment for salary adjustment	4,000,000,000	191,387.56	0.05%
VI	Payment from estimated investment incomes	300,000,000,000	14,354,066.99	3.82%
V	Additional budget allocation from national level	979,500,000,000	46,866,028.71	12.46%
VI	Expenditure from lottery incomes	14,000,000,000	669,856.46	0.18%
	TOTAL	7,862,598,000,000	376,200,861.24	100.00%

Source: (Gazette No. 5 - 24 - 04 - 2013, dated 1 February 2013)



The province uses part of its expenditure for development objectives on a number of programmes which indirectly reduce disaster risks. These programmes include: (i) review of the master plan for transportation in the context of disaster risks, (ii) improvement and construction of reservoirs, (iii) improvement and construction of river dams to avoid landslides, (iv) resettlement to cope with disaster risks, (v) construction of irrigation systems, (vi) construction of evacuation roads, (vii) forest plantation programmes, (viii) improvement of the Red River dyke in Ha Hoa district.

For on-going direct DRR programmes, a number of INGOs support Phu Tho in the implementation of disaster risk reduction activities. These include (i) reducing disaster risks in 4 communes in Phu Tho province funded by AECID/Plan, (ii) local initiatives for new techniques for rice crops funded by Oxfam US, (iii) community based rural development funded by CORDAID.

#### 4.2. DRR expenditure at district level

At district level, DRR budgets are insufficient. In Phu Loc district, Thua Thien Hue province, for example, only one budget line relates directly to disaster management under the district Red Cross Society. For 2013 the amount allocated was US \$3,500.

The picture is much clearer at Ha Hoa district, Phu Tho province. Here, total expenditure is estimated at VND 289,787 million, equivalent to US \$13.7 million, almost 90% of this being provincial funds. Annually, the socio-economic development plans of the district are approved by the People's Council and submitted to the provincial People's Committee and Department of Planning and Investment for approval. The table below provides a breakdown.

Category	Names	Estimated expenditure (2010) VND	Estimated expenditure (2010) US\$	%
I	Development objectives	6,200,000,000	296,651	4.64
II	Regular operating costs	118,867,000,000	5,687,416	89.03
1	Economics	8,577,500,000	410,407	6.42
2	Socio	71,862,767	3,438	0.05
	-Education and training	55,721,823,000	2,666,116	41.73
	-Health	241,000,000	11,531	0.18
	-Sport, Culture and information	2,521,700,000	120,656	1.89
	-Television and broadcasting	709,900,000	33,967	0.53
	-Security	12,668,344,000	606,141	9.49
3	Administration management	33,951,143,000	1,624,457	25.43
4	Defence	3,118,990,000	149,234	2.34
5	Others	556,600,000	26,632	0.42
6	Payment for salary adjustment	800,000,000	38,278	0.60
III	Contingency	1,750,000,000	83,732	1.31
IV	Infrastructure	700,000,000	33,493	0.52
V	Expenditure for management	1,000,000,000	47,847	0.75
VI	National Target Programme	5,000,000,000	239,234	3.74
	TOTAL	133,517,000,000	6,388,373	100.00

Out of the above budget allocation, US \$2,857 was spent on flood and storm control objectives, covering the costs of meetings and emergency equipment purchased for members. Some other infrastructure works were either managed at provincial level or jointly managed using provincial and district budgets. Those with the overall

objective of reducing disaster risks, include (i) improving the dyke and dam system along the Red River in Ha Hoa district and (ii) the construction of an evacuation road.

Apart from that, the district can extract 5% of the total budget allocation as a contingency fund for emergency response and recovery. For instance, in 2012, the district spent US \$ 29,000 improving school sites damaged by a whirlwind. In 2010, US \$ 167,000 from both the contingency fund and an additional allocation from the province were spent on flood recovery.

### 4.3. DRR expenditure at commune level

#### 4.3.1. Sources of income

The budgets of the communes surveyed have two main sources: State allocation and commune level income. Budgets normally range from US \$200,000 to US \$450,000 a year, but Bang Gia commune in particular had a budget of only US \$155,000 in 2012. The State budget allocated from central government to the province, to the district and finally to the commune is used for both investment and regular operating costs and generally accounts for 80 to 85% of all the expenditure in a commune. The State budget is allocated on the basis of the number of staff and the population of the commune in accordance with Government Decision No. 59/2011. (See the table below).

Commune income is another significant source of the commune budget, providing the remaining 15 or 20% not covered by the State budget. According to the law, each commune has a delegated responsibility and right to generate commune income in the context of the current legal framework. The Government encourages all communes to balance their total expenditure and income. This, however, is not possible due to overall economic stagnation and the majority of communes still depend on their State budget allocation. The exceptions are those communes or wards which are tourist destinations or are located in better off provinces such as Hanoi and Ho Chi Minh City.

To bridge its 15 or 20% budget shortfall, a commune has to turn to two sources of income. The first includes land use right sales and deposits; services provided by the commune, including rental fees; contributions from individuals, enterprises and the public; non refundable aid from overseas bodies made directly to the commune; bank account balances and bank interest from previous years; and all other legitimate sources. The commune can retain 100% of all such income, without having to pass any on to its district authority. Of these sources of income, the main one is land use right sales, which generally account for almost 80% of the commune income. During the boom years of the real estate markets, the communes surveyed generated significant income from selling land use rights to individuals and enterprises. However, most communes are now experiencing a stagnant market, leading to a serious drop in their income in recent years.

The second source of income is more limited, and includes income from land use right transfer tax; land and housing tax; excise duty collected from individuals and small businesses; agricultural land use tax payable by households; land and housing registration fees; and notarization fees. Government regulations require communes to pass on some of this to the District, in a ratio of 70% for the commune and 30% for the district. See the table below which provides a summary of income sources for all the communes surveyed in 2012.

Budget	Van Lang commune	Bang Gia commune	Loc Tri Commune	Thuy Thanh Commune	Kiem Phuoc commune	Tan Dien commune
Total Income VND/USD	3,398,525,960	3,273,370,613	4,549,160,000	10,900,900,839	6,404,287,444	3,036,250,000
	162,609	156,621	217,663	521,574	306,425	145,275
Allocation from State budget VND/USD	2,594,897,800	2,027,980,800	4,119,160,000	9,688,384,000	4,560,599,758	2,233,818,064
	124,158	97,033	197,089	463,559	218,211	106,881
Income retained 100% at commune VND/USD	645,743,160	759,097,757	309,000,000	232,623,781	1,475,830,787	802,431,936
	30,897	36,320	14,785	11,130	70,614	38,394
Income retained 70% at commune VND/USD	157,642,000	256,891,000	121,000,000	56,231,000	367,856,900	2,576,413,222
	7,543	12,291	5,789	2,690	17,601	123,273

Total Expenditure VND/USD	3,398,525,960	3,273,370,613	4,299,400,000	9,577,191,987	5,991,408,203	5,542,755,256
	162,609	156,621	205,713	458,239	286,670	265,204

#### 4.3.2. Investment costs

In general, investment costs account for 20-30% of the commune budgets (See table below). The commune authority draws up a plan suggesting what works need to be done. They are then allocated a budget for small scale investments. The district authority normally assumes responsibility and manages the budget for infrastructure works. The core investment budget lines at the commune are:

- 223 Commune and village roads
- 463 Office construction and repairs

Budget	Van Lang commune	Bang Gia commune	Loc Tri Commune	Thuy Thanh Commune	Kiem Phuoc commune	Tan Dien commune
Investment VND/USD	4,201,911,120	4,289,359,370	1,826,560,000	4,116,907,000	970,973,912	1,721,502,101
	201,048	205,233	87,395	196,981	46,458	82,369

#### 4.3.3. Operating costs

The communes surveyed follow standardized State budget lines for regular operating activities, and the work plan for each year is financed, reported and managed according to these budget lines. None of the communes surveyed included a DRR budget line. DRR activities are generally not even a sub-budget line in education, information and communication, health or socio-economic issues. The table below shows regular expenditure for 2012.

Budget	Van Lang commune	Bang Gia commune	Loc Tri Commune	Thuy Thanh Commune	Kiem Phuoc commune	Tan Dien commune
Regular operating costs VND/USD	2,308,165,700	2,379,432	2,722,600,000	5,460,284,987	3,824,978,680	3,342,046,136
	110,439	114	130,268	261,258	183,013	159,907

Though differing from one commune to another, the following budget lines/codes are most frequently used at commune level for regular operating costs:

- 463 Management expenses, including salaries, office running costs, meetings, etc.
- 526 Health and medical administrative expenses such as equipment, subsidies for health workers
- 528 Social security expenses
- 554 Sport, culture, information and related events
- 369 Others

It is important to note that a significant proportion of the commune budget is charged to budget line 369 "Others". In Loc Tri commune for example, this line accounted for 30% of recurrent costs, and yet no funds were attributed to any proactive DRR activities, except for some subsistence for officials on standby during the disaster season.

#### 4.3.4. DRR expenditure

None of the 6 communes used a budget line dedicated to DRR. DRR expenditure is generally included in funding codes for regular operating costs such as community welfare, education, irrigation or security and it is entirely up to the local authority to decide where to allocate these costs. The table below shows DRR expenditure for 2012.

Budget	Van Lang commune	Bang Gia commune	Loc Tri Commune	Thuy Thanh Commune	Kiem Phuoc commune	Tan Dien commune
Activities related to Disaster risk reduction VND/USD	119,457,200	65,200,000	0	15,000,000	26,500,000	21,093,000
	5,716	3,120	0	718	1,268	1,009

It should also be noted that such expenses are incurred for purposes other than pure disaster risk reduction, for example, for improving irrigation systems or staff training workshops.

#### 4.3.5. Contingency costs

Some communes have a contingency budget line, others do not. Contingency costs vary from one commune to another. In Van Lang commune, for example, the contingency fund is used to make up the budget deficit, while in Loc Tri commune it is used for supporting the poor. The table below shows contingency expenditure for 2012.

Budget	Van Lang commune	Bang Gia commune	Loc Tri Commune	Thuy Thanh Commune	Kiem Phuoc commune	Tan Dien commune
Contingency Fund VND/USD	1,247,075,700	0	50,000,000	0	0	0
	59,669	0	2,392	0	0	0

#### 4.3.6. DRR activities suggested by commune members

Both members of the community and the local authorities of the communes surveyed want to have a dedicated budget for disaster risk reduction. Community members do not know how much the authority spends on DRR each year. Nor do they know the budget, income and total expenditure of their communes. They expressed the view, however, that commune leaders should set budgets for the following core activities and estimated the annual amount to be allocated to each as follows.

Budget	Van Lang commune	Bang Gia commune	Loc Tri Commune	Thuy Thanh Commune	Kiem Phuoc commune	Tan Dien commune
Awareness raising through loudspeaker (VND/USD)	10,000,000-12,000,000 500-600	10,000,000-12,000,000 500-600	20,000,000-25,000,000 1,000-1,250	30,000,000-40,000,000 1,500-2,000	15,000,000-20,000,000 750-1,000	10,000,000-12,000,000 500,600
Simulation exercise (VND/USD)	10,000,000-20,000,000 500-1,000	15,000,000-20,000,000 750-1,000	15,000,000-20,000,000 750-1,000	20,000,000-30,000,000 1,000-1,500	10,000,000-20,000,000 500-1,000	10,000,000-20,000,000 500-1,000
Hazard Vulnerability and Capacity assessment (VND/USD)	15,000,000-25,000,000 750-1,250	15,000,000-25,000,000 750-1,250	15,000,000-25,000,000 750-1,250	20,000,000-30,000,000 1,000-1,500	20,000,000-25,000,000 1,000-1,250	15,000,000-25,000,000 750-1,250
Disaster risk reduction planning (VND/USD)	10,000,000-15,000,000 500-750	10,000,000-15,000,000 500-750	10,000,000-15,000,000 500-750	10,000,000-15,000,000 500-750	10,000,000-15,000,000 500-750	10,000,000-15,000,000 500-750
Disaster risk reduction work (VND/USD)	30,000,000-80,000,000 1,500-4,000	30,000,000-70,000,000 1,500-3,500	50,000,000-100,000,000 2,500-5,000	50,000,000-100,000,000 2,500-5,000	50,000,000-100,000,000 2,500-5,000	30,000,000-80,000,000 1,500-4,000

#### 4.3.7. State budget allocation constraints

Once again, the key constraint in budgeting for DRR activities is the fact that in State budget systems, there is no budget line for DRR. Communes have raised the difficulty that even if they plan to channel resources to DRR activities, the District would remove them, since there exists no such budget line. Circular No. 60 of 23 June 2003 issued by the MOF regulated resource planning, allocation and expenditures at commune level, offering practical guidance on how each commune should prepare resources for their annual work plan.

*DRR is not mentioned, so DRR budgeting is excluded.*

DRR is not a local priority and therefore does not merit a separate or specific budget line. Most communes take the view that although typhoons, floods and other hazards cause damage and loss to their communities, their inadequate budgets have to go to more prioritized issues. HIV/AIDS, environmental improvement, pensions for injured military personnel and mothers, kindergartens, and other social issues take precedence. There has been no alternative to the way in which scarce financial resources at commune level are currently prioritized.

The DRR approach in general is not fully understood at commune level. All commune decision-makers involved in budgeting and planning are of the view that DRR is confined to preparedness measures taken immediately prior to a disaster season. Most of the communes surveyed are not aware of the need for risk mapping, risk assessment, risk treatment, capacity building, institutional strengthening, and public awareness raising and proactive integration into the work plan. This may be one of the reasons that DRR is not considered a priority as important as other issues which are more adequately resourced.

## 5. Gaps and issues in DRR budget allocations

---

### 5.1. National Disaster Risk Reduction

At national level, Vietnam does not have a dedicated budget line for DRR. Our survey tracked budget allocations for 2012 and 2013 to budget holders (ministries, governmental-level agencies, mass organizations, key corporations, provinces, etc.) and found no line allocated financial resources to fund DRR and CBDRM activities. This was confirmed by the survey in the three provinces of Hue, Phu Tho and Tien Giang provinces. No dedicated budget line was found in budget allocations for year 2012 and 2013 at provincial, district or commune level.

Consequently, local DRR budgets are insufficient. There is a gap between actual needs and allocations at provincial, district and commune level. In all 6 communes of the three provinces, both government officials and commune members confirmed that community based activities including hazard vulnerability and capacity assessments, disaster preparedness planning, awareness and communication, simulation, etc. are not carried out due to the absence of budgeted funds. While communes were aware of the need to undertake such necessary actions, they had no financial resources to fund them on the ground. Communities thus continue to face the risk of loss and damage, which in turn increases poverty.

Commune members are generally not aware of the levels of income and expenditure in their communes. They are not informed about expenditure for regular operating costs, contingency, DRR, investment, etc. The majority of people consulted explained that although they were represented (by members of the People's Council), this kind of information was not communicated to the public. When it comes to drawing up the commune's costed work plan, it is these representatives who will sit with staff of the People's Committee, generally behind closed doors. By the time financial planning takes place, commune staff already know how much the District authority will allocate. This top-down approach in budget planning seems to prevail at commune level and is contrary to the CBDRM bottom up approach.

One institutional obstacle that prevents a dedicated DRR budget line is the mandatory budget planning format enshrined in legislative documents (State Budget Law 2002, Decree No 60/2013 of the Government, Circular No 59/2003 of the MOF, etc.). This format, as well as usual practice, prevents any budget allocation for DRR. Even if a commune inserts a line and allocates a specific DRR budget, the line is considered ineligible and is consequently removed from the commune budget plan for that year. This is an institutional gap that prevents a separate and dedicated budget line for DRR.

Since 2008, the Government has cut spending on public investment and regular operating costs by 10% to 20% annually. For example, infrastructure investment, which can be considered to have a certain impact on DRR, was reduced almost 25% nationwide to curb inflation and narrow the budget deficit. This policy has led to a significant reduction in the budget allocated to lower levels, particularly at commune level.

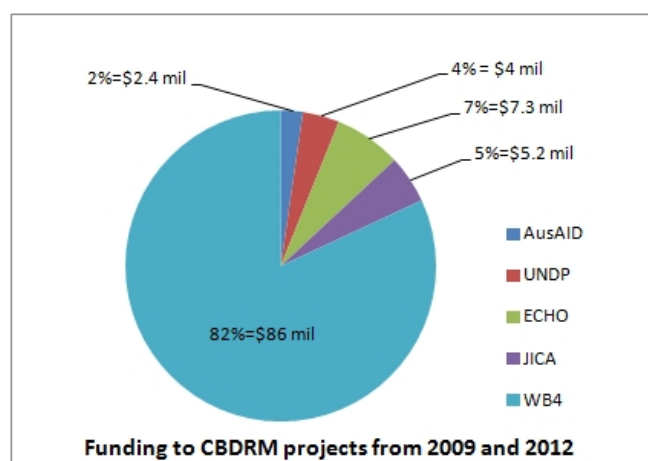
All the communes surveyed confirmed that their budget is barely enough to maintain the authority's regular operations. Interviewees felt that this situation could continue until 2015, depending on how the national economy performs. While regular operations at commune level are maintained at normal levels, DRR is once again not a priority for funding. There are simply not enough financial resources to carry out direct DRR activities.

## 5.2. National CBDRM Programme

Broadly speaking, the total budget of the national CBDRM Programme is not sufficient for DRR activities, given the scope of needs, vulnerabilities and disaster prone areas in 64 provinces. It aims to target 6000 communes, i.e. half of all the communes in the country. Nearly half of the financial resources that are intended to fuel activities at local levels have not been secured. According to the Programme, 55% of its budget is to be mobilized from non-State actors, including the communities and businesses (5%) and donors (40%). The survey found no evidence that all the resources expected are in fact available. Between 2009 and 2012, the Government allocated a total amount of US \$357,000 to MARD for the implementation of the Programme. MARD was very active in completing all the necessary groundwork: establishing the provincial team of training of trainers for all 63 provinces; making introductory video clips on each type of hazard; developing technical guidelines for implementation and continuously broadcasting for awareness raising on national television. Provinces and other stakeholders were not allocated with any financial resources during this period.

One of the reasons for this is the lack of any clear mechanism to attract investment and contributions from donors to make up the anticipated 40% of funds needed, equivalent to roughly US \$20 million. There is an ongoing discussion about establishing a practical mechanism, and high level decision makers are aware of this important institutional issue. It is unclear whether funds can be given directly to implementing partners and local authorities. Nor are there any signs that such a mechanism will be developed in the near future.

Key international donors have therefore funded individual community-based projects through different funding mechanisms. The following pie chart shows how the total amount of US \$104,957,269 dedicated to DRR projects was split between selected international donors between 2009 and 2012.



(Source: extracted from public websites of these agencies)

Currently the private sector has failed to take a proactive role in DRR and specific CBDRM activities in their locations. Part of the reason for this is that the business community does not understand the risk reduction approach and tends to focus on relief and emergency responses. Although local businesses and enterprises are fully aware of hazards and risks in their provinces, they have not taken proactive action to reduce such risks. There is therefore inadequate dissemination of information on the DRR approach in general and on types of CBDRM activities in particular to them. In addition, the CBDRM Programme calls for a contribution of around 5% from the private sector to fund its activities, but provides no guidance on how businesses could achieve this, on which bodies would manage this or on how the fund would be used. Clear conditions and regulations need to be drawn up so that businesses can share their financial resources. The private sector contribution to the National CBDRM programme should be encouraged following the signature of the MOU between MARD and VCCI to support the programme. A fund needs to be put in place with a joint management structure made up of government institutions and representatives of VCCI and communities affected by disasters.

Criteria allocating funds to provinces have been quickly introduced to kick start the National CBDRM programme, and this has helped push things forward on the ground. The core criteria require provinces to submit a sound



work plan in line with guidance and to have adequate systems in place to implement and manage the fund. Decision 333 passed in 2013 supports 39 provinces and this allocation was based on consideration of all the 39 provincial work plans previously submitted. This is the overall principal, but the interviewees consulted expressed concern that there is a certain level of subjectivity in deciding the specific amount of budget for each province. In their opinion, as a result the allocation of funds to vulnerable and less vulnerable provinces does not vary significantly.

MARD was very active in helping provinces to submit their work plan. However, a total of 25 provinces did not submit their work plan by the due date and therefore were not included amongst those receiving funding for implementing activities in this round. The process of planning and consultations at local levels usually takes time, and it is likely that this year, these provinces will be unable to launch their work plans. During the CBDRM Review Workshop organised by DMC in Nha Trang in April 2013, participants were concerned that the Programme was approved in 2009, but that 4 years later, no funding has yet been initiated at local levels. It is important that these provinces are helped to complete and submit their work plans quickly.

The provinces which are not funded in this phase include provinces highly vulnerable to floods and storms, such as Nghe An, Quang Binh, Quang Tri, Hue, Quang Nam, Quang Ngai, Binh Dinh in the centre and Bac Lieu, Soc Trang in the Mekong delta. Most of these provinces are very experienced in undertaking CBDRM activities including budgeting and planning. Meanwhile some of the 39 provinces which will receive funding for the period 2013-2015 were perceived by the Workshop participants to be relatively less vulnerable to natural hazards.

Most interviewees from all three provinces of Tien Giang, Thua Thien Hue and Phu Tho raised concerns that the process of channelling funds to local level is lengthy and time-consuming, as with any other key national programmes in Vietnam. The Government's allocation goes through various institutional hurdles and processes before reaching the local level where it should be efficiently used. Even though the Government Decision was issued, and funds were ready to be transferred, there is no guidance on how the expenditure should be used either legally or appropriately. Currently communes are waiting for a joint guideline between MARD and MOF to address this problem.

Provincial authorities are anxious about the actual transfer of funds so that they can start their work plan. Some provinces have started groundwork in order to be ready when the funds arrive. For example, the People's Committee of Quang Tri published Decision No. 79/QD-UBND dated 21 January 2013 to establish a provincial technical working group to advance the Programme implementation. This group consists of 20 individuals from different provincial departments and mass organizations. The group will provide day to day support to the provincial CFSC acting as the standing office for the Programme. The Decision allows the group to use the State budget and contributions from INGOs to implement the Programme, without waiting for the CBDRM Programme fund. The Decision thus provides a legal route enabling implementation in the province to take place easily and quickly in 2013.

Provinces are confused and passive with regard to how to use the budget allocated to the national CBDRM Programme. Currently there is no guidance from relevant Ministries to guide provinces through the financial acquittal procedures. A joint circular or technical guideline on expenditure guidance from MARD and MOF is due in May 2013. However, at the time of writing, MARD and MOF had not worked out a joint circular providing guidance on how expenditure can be charged.

One practical challenge raised in the workshop in Nha Trang in April 2013 is that cost norms are low and do not encourage participation from officials in training and capacity building courses. There is a huge difference between Government cost norms and those of ODA and INGO funded programmes in one geographic area. There is a concern that trainers and staff involved in the Programme will not be fully motivated if a low cost norm is applied.



## 6. Conclusions and Recommendations

---

Our budget tracking survey touches upon sensitive issues in planning, appraisal and approval decision-making processes. Information and data on budgets are not easily accessible, particularly at higher levels. One reason is that it may not be publically available. The other, more significant reason is that such information is of a sensitive nature. Most of the national level information used for this survey was found on the Government website, rather than provided by interviewees from within Ministries.

The survey was prevented by the time and resources available from collecting data from a broader range of sectors, interviewees and sample locations. It is thus inevitably not a comprehensive analysis of total financial resources as well as all funding mechanisms for direct and indirect DRR activities. The following are our key recommendations:

- a. Given the scale down of ODA funding, the Government budget will gradually become the single most important source of financial resources for DRR in Vietnam. It is important that decision makers and interested actors advocate that MOF and MPI assign a budget line dedicated to DRR in the annual SEDP planning format. Currently the format does not contain a separate line for DRR; consequently there is insufficient budget allocation to fund regular risk reduction activities except for the CBDRM Programme.
- b. In the long run, the law on DRR which has been passed is likely to pave the way for a targeted DRR programme. In most other sectors within Vietnam, including Education, Rural Development, HIV/AIDS, Health, Water and Sanitation, and Climate Change, there are dedicated national target programmes and budget lines to fund annual work plans both at national and local levels. Automatic budget lines provide constant resources to ensure that work plans are implemented systematically and regularly.
- c. With regard to the National CBDRM Programme, relevant Ministries should speed up or even fast track administrative procedures in order for funds to be channelled through to local provinces enabling them to start the CBDRM Programme. Although several years have passed since the Programme was approved, vulnerable provinces have not received the necessary financial resources to launch activities. 39 provinces have been approved to receive funding shortly this year. The remaining 24 provinces should be assisted and encouraged to submit their provincial work plan.
- d. The Government should consider introducing fund allocation criteria, similar to those introduced by Government Decision No. 60/2010 on criteria and principles for the allocation of state budgets. The criteria would ensure that allocations were distributed more fairly between provinces. During the Nha Trang workshop, some participants expressed the view that funds should not be allocated solely on the basis of the work plan submitted and having appropriate systems in place, but that there should be other, complementary consideration of the local context, such as the relative wealth of the population; the degree of vulnerability of the location, etc.
- e. Fund mobilization from the private sector and the public is important to contribute the 5% which the National CBDRM Programme anticipates<sup>15</sup>. Central level agencies should consider integrating training on fund mobilization into existing training systems, so that local representatives are able to attract financial support from the private sector, households, and communities to fund the Programme. This source of funding is important when national budgets have not been allocated to local levels and the ODA is phasing out.
- f. Integrating DRR into socio-economic development plans helps sustain efforts and commitment at local level. Part of the CBDRM Strategy is to get other sectors and actors involved effectively and to share scarce resources efficiently. While various targeted programmes can be seen to be making obvious contributions to

---

<sup>15</sup> The CBDRM Programme indicates as sources of funding : 55% from government, 40% from International Donors & 5% from other sources.

DRR, this is not always the case. DRR activities should be planned and based on strict assessment of vulnerabilities and capacities to be effective. Building a school on higher ground is good for DRR, but the school can be much more useful if a DRR perspective is kept in mind from the outset.

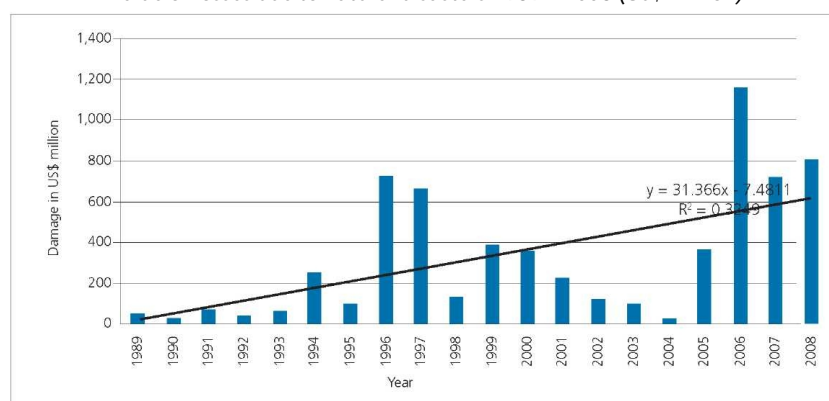
- g. Relevant central agencies should consider tapping into the technical resources and good practices of international NGOs and local actors. These agencies have been pioneering DRR and community based activities for decades, and have learned and documented a great deal. At the moment, the CBDRM technical working group consists of representatives from these agencies. MARD and MOF should consider sharing progress, difficulties, technical guidelines with them and regard them as capacity building partners for the CBDRM Programme.
- h. Establishing a trust fund for community-based initiatives is a possible option in the context of centralizing financial resources. Funding sources can vary and may include the Government, key international donors and the private sector. A mechanism can be put into place that encourages active communes to submit their own plans, in line with Government strategies and plans, but without having to go through a lengthy verification and approval process in order to save time and opportunities. In the end, it is at the commune level that activities are implemented, and can have a direct impact, changing people's degree of vulnerability.
- i. There have been some rare, but nevertheless very interesting examples of funding from the private sector for DRR related awareness raising activities in the provinces of Da Nang and An Giang. Such practices should be encouraged and facilitated. At National level, DMC has signed an MOU with VCCI to support the National CBDRM programme. The content of the MOU needs now to be translated into practical action. One of the first steps could be to set up a fund that could be co-managed by MARD and VCCI. Terms of Reference for the steering group made up of MARD and VCCI staff, and a mechanism for operating this fund are needed.
- j. Discussions should be taking place on budget planning and financial resource allocation. The Global Platform for DRR, organised by the United Nation International Strategy for Disaster Reduction, of which Vietnam is an active member, recommends that communities have the right to participate in planning for DRR activities. In all the communes surveyed, members consulted did not know the level of commune income and expenditure. They were not part of the decision making process. One consequence of this is the lack of interest in contributing labour and resources for any of the communes' DRR plans.

## Annexe 1 Data on damage due to natural disasters & Risk mapping in Vietnam

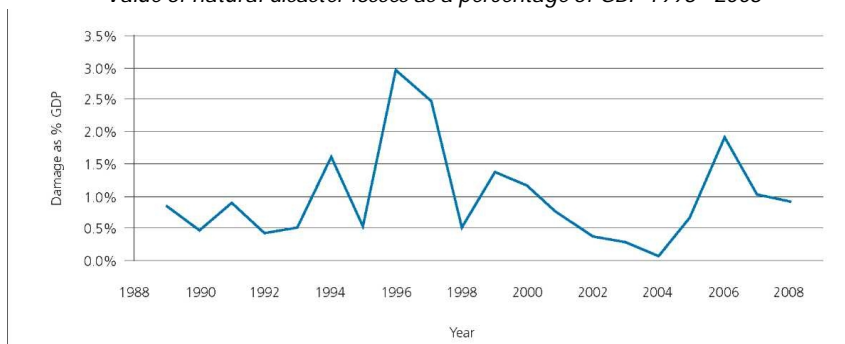
Natural disaster losses 1989 – 2008<sup>16</sup>

Year	Number of people killed or missing	Number of houses collapsed	Rice fields damaged (Ha)	Fish shrimps lost (Tons)	Number of boats sunk, damaged	Area of forest fire (Ha)	Total value of losses (VND billion)	Total value of losses (US\$ million)
1989	516	235,729	765,375	30	2,299	n.a.	350	54
1990	354	14,521	237,800	25	598	n.a.	200	31
1991	490	15,063	211,377		1,130	n.a.		71
1992	452	8,211	366,572	3,550	321	n.a.	469	42
1993	420	29,475	171,560		1,097	n.a.		66
1994	508	7,302	658,676	6,364	43	8,322	2,850	258
1995	399	11,043	198,434		1,117	9,648		103
1996	1,243	96,927	927,506	4,761	1,017	12,758	7,998	725
1997	3,083	111,037	641,393	34,619	3,008	1,361	7,730	667
1998	434	12,171	103,422	215	231	14,812	1,797	136
1999	901	52,585	131,267	1,419	845	1,139	5,427	390
2000	775	12,253	655,403	2,877	109	850	5,098	360
2001	629	10,503	132,755	1,002	2,033	1,845	3,370	229
2002	389	9,802	46,490	310	26	15,548	1,958	128
2003	186	4,487	209,764	10,581	183	1,402		103
2004	212	1,192	422,806	1,334	68	n.a.	407	26
2005	399	7,586	504,098	3,663	381	n.a.	5,809	368
2006	612	74,783	139,231	566	1,151	n.a.	18,566	1,159
2007	495	9,908	173,830	3,308	266	n.a.	11,514	716
2008	538	5,180	146,945	100,104	52	n.a.	13,301	808
Total	13,035	729,758	6,844,704	174,960	15,975	67,685	90,943	6,437
Average	652	36,488	342,235	8,748	799	6,769	4,547	322
Minimum	186	1,192	46,490		26	850		26
Maximum	3,083	235,729	927,506	100,104	3,008	15,548	18,566	1,159

Value of losses due to natural disasters 1989 – 2008 (US\$ Million)

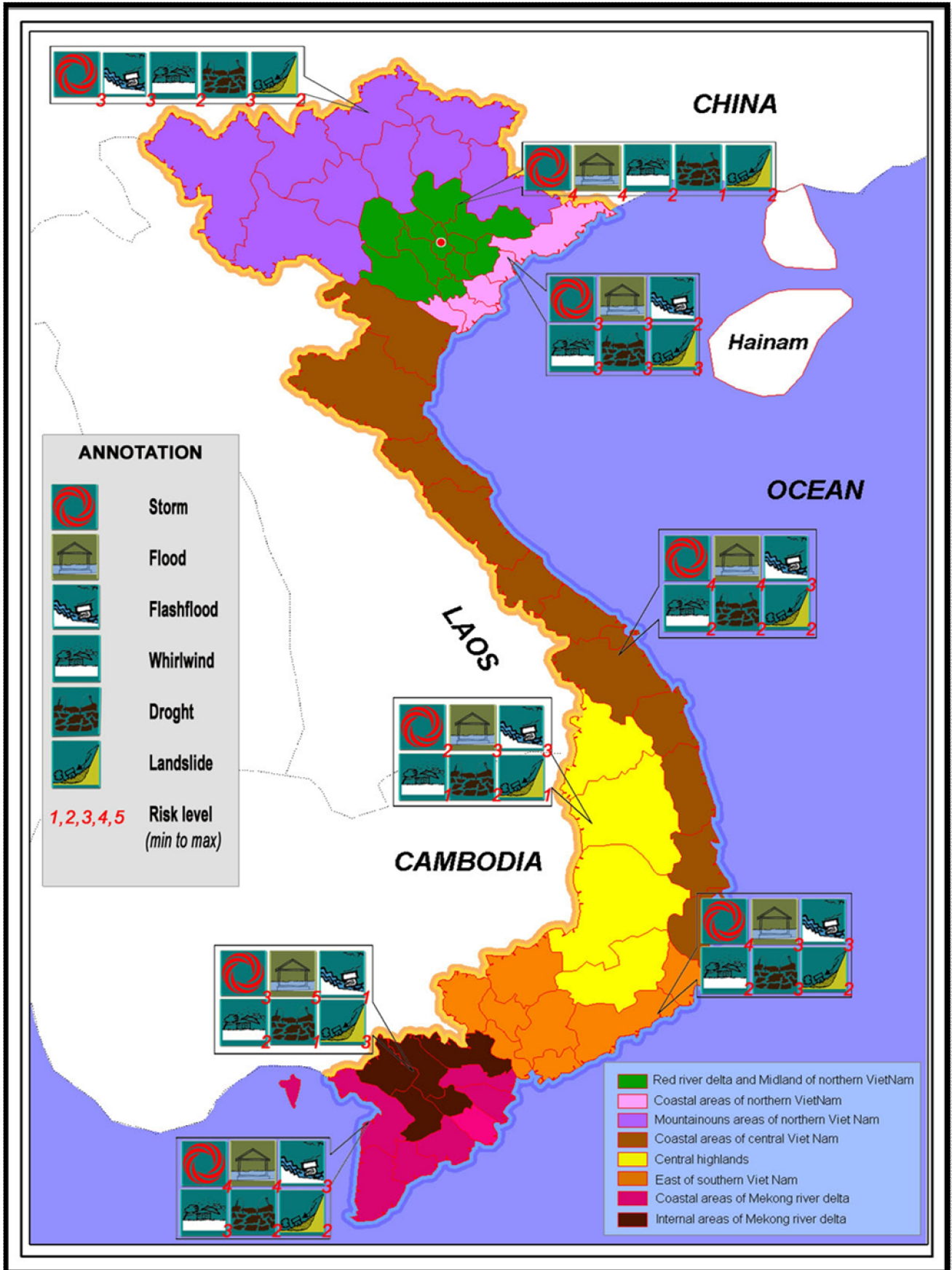


Value of natural disaster losses as a percentage of GDP 1998 - 2008



<sup>16</sup> Source : *Weathering the storm : options for disaster risk financing in Vietnam*, World Bank – GFDRR, June 2010

Natural disaster map of Viet Nam (Data from CCFSC – Design DWF)



## Annexe 2: National level expenditure in 2011, 2012 and 2013

TT	Category	Budget 2011 (Billion VND)	Budget 2012 (Billion VND)	
A	Total expenditure at national level	425.500	526.132	550.325
I	Investment	78.800	95.400	81.900
1	Infrastructure investment	72.220	89.510	
2	Investment on trade, investment, tourism	160	800	
3	Shared funds to international financial institutions	20	20	
4	Loans for social policies (poor ethnic minority groups, specially poor groups...)	820	850	
5	Subsidies for interest rate difference	4.500	4.030	
6	Subsidies for public interest activities, defence	200	910	
7	National reserve	880		
II	Debt payment and aid	86.000	100.000	105.000
1	Debt payment	85.000	98.850	
2	Aid	1.000	1.150	
III	Socio economic development, state management	224.300	277.132	337.025
1	Education, training, vocations	22.600	27.920	
2	Health	10.200	12.240	
3	Populations and family planning	880	970	
4	Science and technology	4.870	5.410	
5	Cultural and information	1.970	2.410	
6	Radio, communications, state news	940	1.220	
7	Sports	480	550	
8	Pension and social welfare	59.450	69.310	
9	Economic welfare	17.380	20.080	
10	Environmental protection	1.100	1.200	
11	Administration	23.860	29.390	
12	Targeted price subsidies	450	490	
13	Others	350		
IV	Salary adjustment	27.000	43.300	15.600
V	Contingency	9.400	10.300	10.800
B	Expenditure from incomes managed by state budget	46.024	46.089	64.621
C	Expenditure from loans which are disbursed into the economy	28.640	34.110	34,430
	Total (A+B+C)	500.164	606.331	649.376

(Source: [www.chinhphu.vn](http://www.chinhphu.vn))

### Annexe 3: Budget breakdowns for selected Ministries for 2013

TT	Category	MARD (Million VND)	MOET (Million VND)	MONRE (Million VND)
I	Investment			
1	Infrastructure investment	4.315.492	697.000	629.300
2	National reserve	60.000	-	-
3	Subsidies for interest rate difference; Loans for social policies (poor ethnic minority groups, specially poor groups...)	-	-	-
4	Subsidies for public interest activities, defence	-	-	-
II	Debt payment and aid	-	-	-
1	Debt payment	148.300	-	-
2	Aid	-	-	-
III	Regular Operations	-	-	-
1	Defence, security	-	-	-
2	Education, training, vocations	777.780	5.075.430	74.130
3	Health, Populations and family planning	61.960	-	4.520
4	Science and technology	693.540	239.050	230.080
5	Cultural and information	-	-	-
6	Pension and social welfare	-	1.720	
7	Economic tasks	2.029.480	3.680	1.270.930
8	Environmental protection	20.000	4.000	267.000
9	Radio, communications, state news	-	-	-
10	Administration	226.320	88.870	152.290
11	Targeted price subsidies	46.350	550	300
12	Others	-	-	-
IV	National target programmes	195.929	358.830	5.002
V	Salary adjustment	-	-	-
VI	Contingency	-	-	-
	Total (including all expenditure sources)	8.575.151	6.479.140	2.633.552

(Source: [www.chinhphu.vn](http://www.chinhphu.vn))

## Annexe 4: Components of the WB5 Programme

Components	Government (Million US\$)	Loans (Million US\$)	Description	Partners
1) Strengthening DRM Institutions, Information Systems and Planning	0	5.5	This component will support the implementation of DRM policies and the shift towards integrated river basin management. It will strengthen DRM planning, information systems and coordination mechanisms at different levels	MARD, PPMUs, CPMU
2) Strengthening Weather Forecasting and Early Warning Systems	2.5	27.5	This component will strengthen weather forecasting and early warning systems for disaster preparedness at all levels and improve the delivery of timely, relevant and accurate hydromet information to the population.	MONRE, PMO
3) Community-Based Disaster Risk Management	1	18.5	This component will support some 100 communes, selected through a geographical clustering of investments in Component 4 to ensure maximum synergy from investments of different scales. A participatory approach will be applied to promote accountability and transparency.	MARD, PPMUs, CPMU
4) Priority Disaster Risk Mitigation Investments	24.5	92.5	This component will support structural measures to reduce natural disaster risks in selected river basins. The structural measures will include river and sea dykes and embankments, safe harbours (at river mouths), rescue roads and bridges, and repair works to reservoirs to improve its safety.	MARD, PPMUs, CPMU
5) Project Management	2	6	This component will finance incremental operating costs and technical assistance to ensure smooth implementation of the overall project.	MARD, PPMUs, CPMU
Total	30	150		

(Source: WB: Vietnam Managing Natural Hazards Project, June 26 2012)



## Annexe 5: Key funding mechanisms from AusAID for Vietnam in 2013

### For Priority No. 3: Sustainable Economic Development

Initiatives for Climate change assistance in the Priority No. 3- Sustainable Economic Development	Budget 2012-13	Programme description	Partners
Climate Change and Coastal Ecosystems Programme	\$5.1 million	Support to five provinces to develop practical solutions to protect coastal ecosystems and adapt to the impacts of climate change.	GIZ, MARD
Vietnam Climate Change Action Grants	\$7.8 million	NGO partnerships to help vulnerable communities in Vietnam manage the impacts of climate change and reduce greenhouse gas emissions.	the Australian Red Cross Society; CARE Australia; the Environmental Defence Fund; Oxfam Australia; Save the Children Australia; SNV Netherlands Development Organisation.
CSIRO Vietnam Climate Change Projections	\$1 million	A partnership between Australian and Vietnamese climate scientists to better understand and plan for the impacts of climate change.	CSIRO; Institute of Meteorology, Hydrology, and Environment (IMHEN) within Vietnam's Ministry of Natural Resources and Environment; Hanoi University of Science

### For Priority No. 5: Humanitarian and disaster response

Initiatives for Priority No. 3-Sustainable Economic Development	Budget 2012-13	Programme description	Partners
Community Based Disaster Risk Management	\$1.8 million	Funding a community based disaster risk management approach under the ADB's Flood and Drought Mitigation Project in the Mekong Delta.	ADB
Strengthening Institutional Capacity for Disaster Risk Management in Vietnam	\$500,000	Support to Vietnam's key disaster risk management institutions to strengthen stakeholder engagement, disaster preparedness and response.	UNDP; Vietnam Red Cross; Vietnam Women's Union; Oxfam

(Source: <http://www.aid.gov.au/aidissues>)



## Annexe 6: Terms of Reference

### Problem statement

The survey "*Views from the Frontline 2011 in Vietnam*" (JANI & GNDR – coordinated by Development Workshop France, Representative Office in Vietnam) has pointed out the gap between national policy and the (lack of) resources at local level for DRR.

The survey in 2011 showed that in a Commune of Thua Thien Hue the real budget available for preparedness was around 1US\$/family/year. The national CBDRM programme, with the objective of better protecting vulnerable people from natural disasters in the context of climate change, points out that DRR at local level will need more resources to fund and implement any action plan and measures designed/adopted at local level.

This year, DWF has proposed to undertake a study about the DRR funding mechanisms in Vietnam. It aims to identify how resources (from different sources) are being used now and how resources could be increased and channelled in the future for DRR programmes.

DWF has proposed to undertake a study/survey about the DRR funding mechanisms to the JANI Project (Joint Advocacy Network Initiative - funded by European Union - Programme DIPECHO and globally managed by Care in Vietnam).

The study will include 3 phases :

Survey at National Level

Survey in selected Provinces and Communes

Synthesis and recommendations / Presentation of results.

DWF is now looking for a National Consultant to fill different tasks for this study.

### Content

Phase 1. Survey at National level (*by National Consultant*)

If funds for disaster response could be more easily tracked (mainly from Contingency budget), the resources and the decision making process for disaster prevention has no clear and transparent mechanism, as resources are channelled through different ways, and not always officially dedicated to disaster prevention.

The study will :

Identify the budget lines in the national budget and the different Ministries, which could be related to disaster prevention and response, for Operations and Investment (and for Non structural & Structural activities), and describe the decision process, from request of local level to national budget, and from fund sharing process from national level.

Analyse the system of budget and use of the funds for 2 ODA projects (WB5, AUSAID)

Select two specific operations (CBDRM National Programme, Programme MOET - UNESCO Samsung DRR at school) to evaluate the specific funding mechanisms and channelling of funds from different sources.

Estimate basic data on expenditure for Disaster Prevention & Response and evolution in the recent years, with impact or result.

This phase will also :

Prepare the survey method in 3 Provinces (Thanh Hoa, Thua Thien Hue & Dong Thap)

Phase 2. Survey at Provincial / Commune level

In the selected Provinces (3) and Communes (2 by Province) the survey will :

Describe the mechanism of financing disaster Prevention & Response at Provincial Level

Evaluate and analyse the resources available at Commune Level (Normal budget, contingency, response procedure...) and the process of establishing priorities, activities...and requesting budget from higher level (District, Province).

Select some recent operations (Prevention, or Response- annual or special) and describe the different sources of funding, the target groups, and the impact.

Phase 3. Synthesis & Recommendations. Presentation of results and recommendations

Report on global mechanisms of funding and existing gaps between needs/priorities at local level and decision at higher levels.

Recommendations on future plans in Vietnam such as CBRDM Programme: how to channel funds to be available by local communities to organise/plan/implement actions for disaster prevention.

Participation to National Workshop in VN (JANI & others).

## Method

Overview of existing reports on Disaster finance in Vietnam and brief notes on the documents;  
Interview, discussion with the different Ministers (MARD, MoF, MPI...) and data collection;  
Establish clear view of funding mechanisms from Top to local level, to be confirmed and evaluated at Provincial/Commune level;

## General report

### Executive summary

Introduction: Budget & allocation of financial resources system in Vietnam / Impact of natural disasters on population, economy / Prevention and Response Policy & organisation.

Part 1 : National Budget - National Expenditure for DRR

Part 2 : Local Budget - Expenditure for DRR / Gaps between needs and allocations

Part 3 : Recommendation for mechanisms and decision process for budget/funds allocations.

Annexes : Global data ; Case studies (Provinces, Communes); References.

## Annexe 7: Individuals and institutions consulted

No.	Full Names	Positions	Organisations
	Mr. Vu Van Loc	Director	Department of Disaster Risk Reduction, Vietnam Red Cross Society
	Mr. Nguyen Huu Thang	Deputy Director	Department of Disaster Risk Reduction, Vietnam Red Cross Society
	Mr. Hoang Gia Yen	Programme Manager	DRR Programme, American Red Cross in Vietnam
	Mr. Dang Van Tao	Programme Manager	DRR Programme, International Federation of Red Cross and Red Crescent Societies
	Mr. Le Huy Hung	Deputy Director	Department of Science, Technology and Environment, MOET
	Mr. Doan Van Thai	Senior Official	Department of Science, Technology and Environment, MOET
	Mrs. Nguyen Kim Dung	Senior Official	Department of Science, Technology and Environment, MOET
	Mr. Nguyen Hong Son	Deputy Director	Department of Continuing Education, MOET
	Mr. Nguyen Luong Nhat	Senior Official	Department of Continuing Education, MOET
	Mr. Nguyen Huu Hoach	Senior Official	Department of Continuing Education, MOET
	Mr. Tran Anh Truong	Deputy Director	Department of Infrastructure, MOET
	Mr. Nguyen Tuan Anh	Deputy Director	Department of Science, Education, Natural Resources and Environment, MPI
	Mrs. Nguyen Lan Huong	Deputy Director	Department of Science, Education, Natural Resources and Environment, MPI
	Mrs. Tran Thi Mai Phuong	Senior Official	Department of Science, Education, Natural Resources and Environment, MPI
	Mr. Vu Van Loc	Director	Department of Disaster Risk Reduction, Vietnam Red Cross Society
	Ms. Bui Viet Hien	Programme Manager	DRR Programme, UNDP Vietnam
	Mrs. Eric Debert	Programme Manager	DRM DIPECHO programme, CARE International in Vietnam
	Mr. Tran Thai Binh	Project Manager	Joint Advocacy Network Initiative, CARE International in Vietnam
	Mrs. Nguyen Thi Tho	Technical Expert	SP-RCC Programme Management Unit, MONRE
	Mr. Dang Quang Minh	Deputy Director	Disaster Management Centre, MARD
	Mr. Nguyen Thanh Phuong	Official	Disaster Management Centre, MARD
	Mr. Nguyen Huynh Quang	Official	Disaster Management Centre, MARD
	Mr. Bui Quang Huy	Official	Disaster Management Centre, MARD
	Mr. Nguyen Van Vu	Head	Department of Planning and Finance, Directorate of Forestry
	Mr. Truong Van Tan	Deputy Director	Hue Provincial Department of Planning and Investment
	Mr. Hoang Xuan Anh Tuan	Official	Hue Provincial Department of Planning and Investment
	Mr. Nguyen Quang Binh	Deputy Director	Hue Provincial Department of Finance
	Ms. Le Thi Thao Trinh	Official	Hue Provincial Department of Finance
	Mr. Phan Thanh Hung	Director	Hue Provincial Department of Irrigation and Flood and Storm Control
	Mr. Dang Van Hoa	Director	Hue Provincial Office for Flood and Storm Control
	Mr. Le Dien Minh	Deputy Director	Hue Provincial Office for Flood and Storm Control

Mr. Vuong Dinh Tuan	Deputy Director	Phu Loc district Department of Finance and Planning
Mr. Nguyen Ba Quy	Official	Phu Loc district Department of Agricultural and Rural Development
Mr. Cai Trong Khang	Chairman	People's Council of Loc Tri Commune
Mr. Cai Trong Nhu	Vice chairman	People's Committee of Loc Tri Commune
Mr. Luu Binh Hung	Chairman	People's Committee of Loc Tri Commune
Mrs. Nguyen Thi Bich Chi	Official	Accounting and Planning Section of Loc Tri Commune
Mr. Vuong Bo	Citizen	Dong Luu village of Loc Tri Commune
Mr. Le Minh Thuyen	Citizen	Le Thai Thien village of Loc Tri Commune
Mr. Le Minh Hung	Citizen	Le Thai Thien village of Loc Tri Commune
Mr. Le Quang	Citizen	Le Thai Thien village of Loc Tri Commune
Mrs. Le Thi Nhan	Citizen	Trung Phuoc village of Loc Tri Commune
Mr. Nguyen Mau Hoa	Vice Chairman	People's Committee of Thuy Thanh Commune
Mr. Van Dinh Sy	Vice Chairman	People's Council of Thuy Thanh Commune
Mrs. Tran Thi Minh Tham	Official	Accounting and Planning Section of Thuy Thanh Commune
Mrs. Nguyen Thi Loan	Citizen	Thanh Thuy Chanh village of Thuy Thanh Commune
Mr. Phan Kiem	Citizen	Thanh Thuy Chanh village of Thuy Thanh Commune
Mr. Tran Duy Cho	Citizen	Lam village of Thuy Thanh Commune
Mrs. Ngo Thi Thanh	Citizen	Thanh Thuy Chanh village of Thuy Thanh Commune
Mrs. Trinh Thi Em	Citizen	Thanh Thuy Chanh village of Thuy Thanh Commune
Mr. Tran Duy Cong	Citizen	Thanh Thuy Chanh village of Thuy Thanh Commune
Mrs. Nguyen Thi Thanh Mai	Citizen	Thanh Thuy village of Thuy Thanh Commune
Mr. Tran Duy Chien	Citizen	Thanh Thuy village of Thuy Thanh Commune
Mr. Van Tien Dung	Citizen	Village No. 05 of Thuy Thanh Commune
Mr. Dang Van Hiep	Citizen	Thanh Thuy Chanh village of Thuy Thanh Commune
Nguyen Duc Thinh	Official	Provincial CFSC Board
Tran Van Hung	Deputy Director	Tien Giang Provincial Department of Finance and Planning
Luu Van Hung	Official	Tien Giang Provincial Department of Finance and Planning
Nguyen T Phuong Lan	Official	Tien Giang Provincial Department of Finance and Planning
Vo Van Hoang	Official	Go Cong Dong District Department of Agricultural and Rural Development
Nguyen Van Ton	Official	Go Cong Dong District Department of Finance and Planning
Phan Duong Bao Chau	Chairman	People Committee of Tan Dien Commune
Pham Hong Phuc	Vice chairman	People Committee of Tan Dien Commune
Nguyen Trung Tin	Official	People Committee of Tan Dien Commune
Nguyen Ngoc Dung	Official	People Committee of Tan Dien Commune
Nguyen Tan Phuong	Vice chairman	People Committee of Kieng Phuoc Commune
Le Van Tat	Official	People Committee of Kieng Phuoc Commune
Dang Thi Hong Nga	Official	People Committee of Kieng Phuoc Commune
Phan Van Truong	Official	People Committee of Kieng Phuoc Commune
Bui Thi Thuy	Citizen	Trung Village of Tan Dien Commune
Le Van Bong	Citizen	Rach Bun village of Tan Dien Commune
Nguyen T Huyen Tran	Citizen	Trung Village of Tan Dien Commune
Nguyen Thi Danh	Citizen	Trung Village of Tan Dien Commune
Vo Thi Men	Citizen	Trung Village of Tan Dien Commune
Nguyen T Tuyet Lan	Citizen	Trung Village of Tan Dien Commune
Nguyen Thi Thu Van	Citizen	Trung Village of Tan Dien Commune

	Thai Thanh Thanh	Citizen	Trung Village of Tan Dien Commune
	Doan T Thuy Van	Citizen	Gia Duoi Village of Kieng Phuoc Commune
	Tran Cong Sang	Citizen	Gia Duoi Village of Kieng Phuoc Commune
	Vo Van Hoang	Citizen	Gia Duoi Village of Kieng Phuoc Commune
	Pham T Minh Nguyet	Citizen	Gia Duoi Village of Kieng Phuoc Commune
	Pham T Thanh Van	Citizen	Cho Village
	Le Thi Dep	Citizen	Cho Village
	Doan Van Tien	Citizen	Xom Moi Village
	Do Thi Diem Hong	Citizen	Xom Luoi Village
	Ngo Van Met	Citizen	Xom Dinh Village
	Dang T Oanh Kieu	Citizen	Xom Chu Village
	Pham Van Hoa	Citizen	Xom Chu Village
	Tran Minh Hoa	Citizen	Xom Chu Village
	Nguyen Thi Kim Chi	Vice chairwoman	An Giang Business Association
	Nguyen Thi Hai Van	Deputy Director	Central Vietnam Calamities Relief Fund
	Nguyen Tri Thanh	Programme Manager	Asia Foundation Vietnam office
	Nguyen Thi Hoang Thuy	Chief of Cabinet	Da Nang Business Association
	Mr. Dao Quy Cuong	Head of Planning and Finance Unit	Department of Finance in Phu Tho
	Mr. Nguyen Thanh Chung	Head of Planning Unit	Department of Agricultural and Rural Development in Phu Tho
	Mr. Đò Huyen Bao Ngoc	Head of Economics Unit	Department of Investment and Planning in Phu Tho
	Mr. Tran Van Thao	Vice manager	Department of Agricultural and Rural Development in Hạ Hòa district, Phú Thọ
	Mr. Nguyen Minh Quan	Official	Department of Finance and Planning in Hạ Hòa district, Phú Thọ
	Mr. Phung Tien Long	Chairman	Bang Gia commune, Ha Hoa district, Phu Tho province
	Mr. Pham Duy Cong	Vice-chairman	Bang Gia commune, Ha Hoa district, Phu Tho province
	Mr. Phan Long	Chairman of People's Council	Bang Gia commune, Ha Hoa district, Phu Tho province
	Mrs. Nguyen Thi Thuy Lan	Official	Bang Gia commune, Ha Hoa district, Phu Tho province
	Mrs. Nguyễn Thị Tinh	Citizen	Village no.6, Bang Gia commune, Ha Hoa district, Phu Tho province
	Mr. Cao Xuan Huy	Citizen	Village no.6, Bang Gia commune, Ha Hoa district, Phu Tho province
	Mr. Le Minh Hanh	Citizen	Village no.6, Bang Gia commune, Ha Hoa district, Phu Tho province
	Mrs. Hoang Thi Dao	Citizen	Village no.6, Bang Gia commune, Ha Hoa district, Phu Tho province
	Mrs. Le Thi Ngoc	Citizen	Village no.6, Bang Gia commune, Ha Hoa district, Phu Tho province
	Mr. Dao Van Tuoc	Chair	Van Lang commune, Ha Hoa district, Phu Tho province
	Mr. Nguyen Thanh Van	Chairman of People's Council	Van Lang commune, Ha Hoa district, Phu Tho province
	Mr. Nguyen Van Quang	Vice chair	Van Lang commune, Ha Hoa district, Phu Tho province
	Mr. Pham Ngoc Doanh	Specialist	Van Lang commune, Ha Hoa district, Phu Tho province
	Mr. Nguyen Xuan Binh	Citizen	Village no.2, Van Lang commune, Ha Hoa district, Phu Tho province
	Mr. Nguyen Tien Dung	Citizen	Village no.2, Van Lang commune, Ha Hoa district, Phu Tho province

	Mr. Khuat Van Diep	Citizen	Village no.2, Van Lang commune, Ha Hoa district, Phu Tho province
	Mr. Hoang Minh Chi	Citizen	Village no.2, Van Lang commune, Ha Hoa district, Phu Tho province
	Mrs. Nguyen Thi Xuyen	Citizen	Village no.2, Van Lang commune, Ha Hoa district, Phu Tho province

## Annexe 8: Case study

### Tien Giang replication of children's swimming clubs

The province has been proactive in reducing disaster risks. One of the primary target groups is children who face the risk of drowning during floods. The Province has so far replicated 200 swimming clubs, using their own financial resources, without waiting for funds from the National CBDRM Programme. The trainers received professional training under the VANGOCA programme which was funded by AusAID in two districts of Cai Lay and Cai Be.

The key feature of the model is that it does not require a sophisticated swimming pool. Most children and adults get used to river and channel waters. Most communes and villages in the Mekong are in fact surrounded by a dense network of such channels. The model makes use of the available surface water in these channels to create a mobile swimming pool. This requires only a few basic, locally available materials for preparation. One training course usually lasts for 7 days, and requires 4 trainers. Each can help around 25 children to learn to swim. The potential for replicating the model to other provinces in the delta is high, thus helping to reduce risk for more children.

The Province has developed a standardized training curriculum for children lasting 7 days.

Day 1: Instruct the children how to warm up, practice "swimming" on land first, practice breathing.

Day 2: In the morning, children learn to warm up and practice front crawl "swimming" on land before entering the water. First children practice breathing in the water, then practice swimming with two plastic buoys.

Day 3: Warm up and practice front-crawl swimming with plastic buoys

Day 4: Warm up and practice front-crawl swimming without plastic buoys. (Two trainers are positioned on each side of the pool.)

Day 5-6: Warm up and practice breaststroke "swimming" on land before entering into water

Day 7: Final evaluation and swimming contest.

Total budget per training course is US \$600, broken down as follows:

- Fee for 4 trainers: US \$400
- Materials: US \$100
- Drinking water: US \$50
- Candies: US \$50



## Annexe 9: References

1. National Strategy for DRR in Vietnam to 2020
2. National Programme for CBDRM, 2009
3. Law Project on Disaster Prevention, 2012
4. Law on State Budget in 2002
5. MOF Circular No. 59/2003 on State Budget Law implementation
6. MOF Circular No. 22/2012 on instructions to make costed work plans for 2013
7. MOF Circular No. 60/2003 on Commune level budget
8. Government Decree No. 131 on ODA management
9. Government Decree No. 60/2003 on State Budget Law implementation
10. MOF Decision No. 63/2008 on State Budget Codes
11. Government Decision No. 59/2010 on cost norms for regular operating costs
12. Government Decision No. 60/2010 on criteria and principles for allocation of state budget to investment expenditure for the period 2011-2015
13. Government Decision No. 333/2013 on approval of the national CBDRM for the period 2013-2015
14. Decision No. 79/2013 of the Quang Tri People's Committee on establishment of technical working group to push up the implementation of the national CBDRM Programme
15. Resolution No. 16/2011 of the NA Session 13 on State Budget allocation for 2012
16. Resolution No. 33/2012 of the NA Session 13 on State Budget allocation for 2013
17. Gazette No. 753+754, dated 19 December 2012 of the Government
18. Weathering the storm : options for disaster risk financing in Vietnam, World Bank 2010
19. Investments in disaster risk management essential to sustaining growth and reducing poverty, ADB 2012
20. Disaster risk reduction : Spending where it should count, GHA 2012
21. Poverty reduction in Vietnam : Achievements and challenges, VASS 2011
22. Advancing disaster risk financing and insurance in ASEAN, WB 2012
23. Income shocks and household risk-coping strategies / Formal insurance in Vietnam, IPSARD & AII, 2012
24. Reducing vulnerability and exposure to disasters, Asia-Pacific Disaster Report, 2012
25. Aid investments in DRR - rhetoric to action, GHA 2012
26. DWF Report on View from the Frontline/2011 on Local governance for DRR
27. AusAID Country Strategy in Vietnam for the period of 2010-2015
28. World Bank 5 Programme: Managing Natural Hazards Projects in Vietnam
29. Assessment Report on Corporate Social Responsibility on Disaster Risk reduction, Centre for Education and Development, December 2012

## Annexe 10: Discussion about Law on DRR at National Assembly (June 2013)

### Deputies discuss changes to law on disaster prevention and control

*VietNamNet Bridge – National Assembly deputies met yesterday, June 6, in the capital to discuss proposed changes to Viet Nam's Law on Natural Disaster Prevention and Control.*

The financial and human resources available to successfully implement the law were among the subjects broached during a session that saw both agreement and some debate.

Most lawmakers felt that a fund should be established to support disaster prevention and control, but there was disagreement about where the money should come from.

Dinh Thi Phuong Khanh, representing the Cuu Long (Mekong) Delta province of Long An, agreed with a proposal to make it compulsory for citizens to contribute to the fund through a fee, stating that this would heighten the feeling of responsibility among individuals for keeping their communities as safe as possible during natural disasters.

"I do not think that donations alone from organisations and individuals will ever be enough to cover the cost of disaster prevention and control activities, so it has to be compulsory," she said.

Le Van Hoang from central Da Nang City took the opposite view, arguing that a compulsory fund would set a precedent that could lead to unfair fee collection in the future.

Trieu La Pham, representing the northern province of Ha Giang, argued for disadvantaged people to be exempt from paying any fees.

In regards to human resources required to keep the country safe from natural disasters, deputy Pham Thi My Ngoc from northern Ninh Binh Province highlighted the role that must be played by the local military forces, public security officials and militia already spread out across the country.

Tran Duong Tuan from the southern province of Ben Tre suggested that social organisations, such as the Red Cross, Youth Union and groups of local teachers and students, be given some responsibilities.

Later in the discussions some deputies recommended additional regulations to support disaster insurance firms and enterprises operating in disaster-prone areas. They stated that the revised law should require businesses and contractors to buy insurance for their constructions and projects.

Meanwhile, it was proposed that those who indirectly cause losses to organisations and individuals, through inaccurate forecasts and warnings about imminent disasters, be administratively punished and potentially face criminal responsibility charges.

Lawmaker Huynh Van Tinh from southern Tien Giang Province called for more recognition to be given to those who lose their lives in the act of directly limiting the impacts of natural disasters.

"Those who are injured should receive future support and those who die should be considered the same as war heroes," he said.

Most of the deputies agreed with the name of the law, concurring that it comprehensively covered all aspects of the regulated activities and the active nature of responding to natural disasters.

In the afternoon, the legislators met into groups for discussions about the draft bidding law and draft law on financial management and savings and combating waste.

## Annexe 11: Survey timetable

No	How	March		April				May				June	
		W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2
	Phase 1- Survey at national level and prepare for survey provinces												
1	Desk review	■	■										
2	Interviews and meetings			■	■	■	■						
	<i>Meeting DMC_ MARD (CBDRM programme)</i>												
	<i>Meeting UNESCO Samsung DRR_MOET</i>												
	<i>Meeting MOF</i>												
	<i>Meeting MPI</i>												
	<i>Meeting MONRE</i>												
	<i>Meeting Dyke Department_ MARD</i>												
	<i>Meeting INGOs, Red Cross</i>												
	<i>Meeting Irrigation Department_ MARD</i>												
	<i>JANI stakeholders</i>												
	<i>Bilateral agencies including WB5, AusAID</i>												
3	Prepare for surveys in provinces						■						
	Phase 2- Survey in 3 provinces												
1	Hue (provincial, one district, 2 communes)							■	■				
2	Tien Giang (provincial, one district, 2 communes)							■	■				
3	Phu Tho (provincial, one district, 2 communes)							■	■				
	Phase 3- Recommendation and Reporting												
1	Consolidate and analyse the collected information and data			■	■	■	■	■	■				
2	Prepare the first draft of the report							■	■	■			
3	Prepare the presentation to report the result to DWF									■			
4	Present the findings to DWF									■			
5	Finalise and complete the report										■	■	■