

Minutes from the INGO Forum Meeting, 27 October 2006

Venue: NGO RC, La Thanh Hotel
Chair: Trine Glue Doan, Co-Director VUFO-NGO Resource Centre
Minutes: Natascha Linn Felix

AGENDA:

- 1) Feedback from the Vietnam Development Report 2007 consultation
 - 2) INGOs input for this year's Consultative Group Meeting,
 - 3) Update on Operational Issues, including PIT, audits, social insurance, etc.
 - 4) Confirmation of INGO representatives for the Health Partnership Group and the MARD-ISG group
 - 5) Other announcements
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1. Feedback from the Vietnam Development Report (VDR) 2007 consultation

Bill Tod, SNV Asia, did a presentation on the on the VDR-process. He explained why the INGOs decided to get involved and how, and what the achievements had been so far.

The VDR 2007 is going to present the donors view on which policy actions are needed during the next 5 years in order to successfully implement the SEDP. NGOs and INGOs were invited to contribute to the report, by sharing their experience and highlighting issues that they find particularly important and that might not otherwise be mentioned in the report. The NGOs decided to get involved, and to make an effort to get their agenda recognized by the donors.

The process so far:

The process started in June this year where a meeting was held for all interested I/NGOs. Eight temporary policy groups were formed around 17 areas of policy interest, and four of these groups produced a report on the following areas:

- Civil society. Main message: Civil society's ability to contribute to the SEDP (in terms of service delivery and 'managing and monitoring some public fields') and Resolution 51 of 10th National Assembly ('expand and diversify forms of assembling people') could be enhanced by: a) a more enabling legal framework, b) better coordinating mechanism between State and Civil Society Organisations, and c) Capacity building facilities for CSOs and relevant State agencies.
- Planning. Main message: In order to make the SEDP a better strategy for poverty reduction further planning reform will need to strengthen the trend from centralized to bottom-up planning, in particular through: a) the new planning law and manual (e.g. explicit instructions participatory processes; integrations of VDPs and CDPs into SEDP) and b) strengthened planning capacity at local level (including linking budgets to activities and investments).
- Disability. Main message: Many concrete recommendations in order to 'Develop the system of policies and solutions to support PLWDs' (People Living With Disabilities) (SEDP p. 94) and for preventative action in the fields of health, education, employment, training, transportation and social inclusion.

- Education. Main message: Further reforms of the education system in order to improve access to and quality of education for marginalized groups, including: a) more disaggregated data, b) less cost-recovery and more government funding, and c) new approaches to teacher and pupil assessment.

For further details on the contents, please consult the full report available on the following link:
VDR/PRSC Consultation Exercise, 2007

These reports were handed over to the World Bank at the VDR workshop in September. Representatives from the policy groups were present and attended most of the 17 thematic sessions, where they again presented the NGO viewpoints. Furthermore, the NGO RC and INGOs are in ongoing dialogue with the authors of the report, which is still in process of being finalised. This process is still open for inputs and ideas from interested organisations, who might contact the Co-Director at the NGO RC for further information.

What has been achieved?

As the process is still ongoing nothing certain can be said about achievements, but it is Bill Tod's perception, that there has been a filtering down of impact along the way, and it seems to be increasingly difficult to integrate the different perspectives, of NGOs and donors, in the final report. In any case, there is still a long way and many steps before these recommendations actually becomes policies and the bank seems to care more about the economic development than about support of the civil society organisations. However, a number of donor agencies and individuals still show great interest in hearing our points of view.

It should also be kept in mind, that this process has not been about giving radical recommendations, but if anything about opening up the possibility for national and international NGOs participation in these processes.

In the draft slides for the report which came out after the workshop, it is evident that amendments have been added to the part concerning planning in relation to the NGO recommendation. But regarding disability and education there has been no change, though this might be because the report from the NGO policy group had already been taken in to consideration prior to the workshop - at least with regards to disability.

What are the next steps?

As previously mentioned, it is still possible to engage in the process, though this should be considered in light of the fact that the World Bank right from the beginning underlined, that the efforts made early, would be the most fruitful ones. Another chance to engage is to be active in the preparation of INGO-statement for the CG-Meeting, Cf. the following item on the agenda.

Another important next step is the evaluation of the rather big effort put in to this whole process by some organisations/individuals. It will be good to get an idea about what has worked and what hasn't, for future reference.

Trine will distribute the slides from the VDR-workshop by email and will also post them on the website ASAP.

Questions:

Q: Did the interest at the VDR-workshop feel genuine or like it was their duty?

A: Our inputs were something they were required to listen to, but still their interest seemed genuine. Many of the bilateral donors were actually saying the same as we, and seemed enthusiastic about our views. How much was duty and how much was genuine will clearly show when the VDR is finished.

Q: What happened to the 4 groups that weren't able to produce a report? – HIV/Aids especially.

A: For different reasons, such as time pressure and lack of resources, the remaining 4 groups were not able to produce a report though some of them nearly came out with one. Regarding the HIV/Aids the group was mainly led by local NGOs and they couldn't localize an INGO to actually write the report, as they didn't feel they were the right ones to do it.

2. INGOs input for this year's Consultative Group Meeting (CG meeting)

As one of the 4 representatives for the CG meeting elected among the INGOs, Andy Wehkamp, SNV, did a presentation on the history and purpose of the meeting, plus on how the INGOs can influence and contribute during the preparatory process.

About the CG-Meeting:

Most developing countries have a CG meeting which serves as a platform for discussion between Government and donor agencies on development policies and donor pledges. The first Vietnamese CG meeting was held in Paris in 1993 and since 1999 it has been held in Vietnam, co-chaired by the MPI and the WB.

There are two meetings during a year: an informal meeting in June, usually held outside Hanoi in order to combine it with a field visit, and a formal meeting during December held in Hanoi.

The INGOs are invited to have 4 representatives present at the meeting, they are invited as observers sharing one seat at the round-table. Even though, the representatives have a status as observers, they are still allowed to speak during the meeting, as the other participants the INGOs can speak once during each session. Normally, the 4 representatives divide the different sessions of the meeting between them, and then put their comments forward when relevant. Furthermore, the INGOs prepare a Statement for the Formal CG meeting in December. The Statement is based on a consultation with the INGO community and is made available to all CG meeting participants.

The current representatives are: Deepali Khanna, Plan Vietnam; Steve Price-Thomas, Oxfam GB; Jeremy Stoner, Save the Children UK; and Andy Wehkamp, SNV. These representatives are elected at the INGO forum for a 2 year period. Vietnamese NGOs do not yet have formal observer status, but the INGO-representatives advocate for this continuously.

This year's agenda is not much different than last years, and is divided in to 3 topics: 1) implementation of SEDP 2006-2010, 2) International and Regional integration: WTO, APEC, 3) Harmonization, aid effectiveness and donor commitments. Any comment that the INGOs wishes to put forward should relate to these topics. During the 3rd session a donor pledging takes place, which the INGOs are

expected to contribute to. They do this with a very estimate amount, just to make it clear that the contribution from INGOs is actually quite substantial in the development budget, last year it was estimated to USD 170 million.

Issues for CG-Meeting 2006:

The INGO-Forum was invited to contribute with issues they find relevant to bring forward at the meeting. It is the aim of the representatives to present the issues in a constructive way where there is focus on action, and at the same time motivate it on the basis of the INGOs' extensive experiences in the field.

The suggestions put forward at the forum will be discussed at the next representative meeting. If any issues should come up after the forum, please send them to Trine and she will pass it on to the representatives, alternatively they can be presented at the next INGO-forum on December 1, 2006. If anybody should want to elaborate on the issues brought forward, they are very welcome to do this by sending an email to Trine.

Suggestions made at the meeting:

1) (World Vision) As mentioned earlier by Andy, the INGO representatives should really argue strongly for Civil society organisations within Vietnam to become a part of the CG-meeting.

Comment: By request from the WB Trine is currently drafting a list of key local organisations that would be relevant to invite.

2) (VECO-Vietnam) The INGO statement should emphasise issue of integrating bottom-up planning in central planning system. Also the

3) The extensive stigmatisation of HIV/AIDS infected people should be brought up. It is an issue that ties into the area of recognition of associations as it is still not possible to get permission to start up a network of people living with HIV/AIDS.

4) (VECO-Vietnam) There is something missing in the CG-meetings agenda concerning the field of agriculture. During the coming years there will be major changes in this field given the WTO membership. If we want to have options regarding production and consumption, we will have to act now. If nothing is done we will be flooded away by WTO. In line with this suggestion another suggestion CECI added that the WTO accession issue should also include a point about patenting, for instance indigenous seeds. It might be too early to talk about it, but on the other hand the issue is very important if we want to avoid negative impact.

5) Regarding Environment: The field is being talked about more and more, but it is still very serious. Policy changes as well as extensive action is desperately needed. An example of how important timely action is: In one of the southern provinces children can no longer be taught to swim, because there are no places with clean enough water to teach them. At the same time, drowning is the number one cause of death among Vietnamese children.

6) (AVSF) The most important issue to raise still seems to be aid effectiveness, coordination and harmonization. This should be related to the Hanoi core-statement.

Comment: There is a partnership group in which the implementation of this statement is being monitored, and at the last CG-meeting a successful pledge for NGO-involvement in the group, was made. This meant that Trine is now participating in the group – at the moment as observer, but from next year the INGOs should participate more actively, which also means, that their own role in aid effectiveness should be discussed.

7) (CECI) INGO work is not all about money-input, but also about capacity building and social capital. That is an important point to raise at the meeting...

8) (CECI) Another important issue to raise is one about budget support. There's the side to it, that the local government is not particularly interested in it. And then there's the whole accountability discussion. A proposal could be, that the I/NGOs should be involved in the monitoring process at local level – just as they are now at central level through the participation in the partnership group (mentioned in connection to suggestion 6).

9) (SNV) Aid effectiveness is not only about donors, but also about government. There are examples of a large lack of harmonization centrally. Many of the action-points should be raised towards governments as well as donors.

Questions:

Q: Is there anybody putting an effort into getting a more accurate estimation of the INGO-contribution to the development budget in Vietnam? – An accurate number could be a strong card in advocacy.

A: PACCOM came up with the figure that is used at the CG-meeting. It is an estimate, but it is close.

Info: All working groups are very welcome to contribute with written comments and inputs, these will not be presented formally at the CG-meeting, but they will be put out on the tables for interested readers to pick up, and they are usually very popular. But the deadline is very soon, so please don't hesitate if you want to contribute.

The next meeting between the representatives will be November 6, and after that a draft statement will be send out for all members to comment on. A second draft will be circulated later for final comments at the next INGO-Meeting.

3. Update on Operational Issues, including PIT, audits, social insurance, etc.

Co-Director, Trine Glue Doan, updated on what had happened since the last INGO forum meeting on 8 September 2006.

i. PIT

At the last INGO-forum there was already an update on PIT and nothing much has changed since. However, on October 16 the INGO PIT group has a meeting with Mr. Phong from PACCOM discussing PIT-issues, especially with regards to expatriate INGO staff, permits, audits etc., and how to mover ahead.

At this point there still has not been any formal response to the letter INGOs sent to the Prime Minister on August 1, pleading for tax-exemption for expatriates working for INGOs. However, according to Mr. Phong the Prime Minister, MOF and the Tax authorities have expressed in principle support of tax

exemption, meaning that tax exemption only will be granted on a case to case basis, similar to ODA programmes. The 'case by case' indicates that expatriate INGO staff in principle will be granted tax exemption, but that the exemption will be granted for specific staff of INGOs on a case to case basis, and that this will be stated in the MOU of the INGO.

Even though, the PM is in favour of a tax exemption there will not be any official reply, until COMINGO has formally addressed this issue with the PM. COMINGO is in process of preparing this letter, but has to wait for comments from the Ministry of Finance, Ministry of Foreign Affairs has already commented, before sending of a letter to the PM regarding PIT for expatriate INGO staff. COMINGO is hoping for a reply from MOF by the end of October. Meanwhile, the EC and related embassies, who have also received the INGO PIT letter sent to the PM, have expressed support of the INGOs.

Q: Would the case-by-case principle mean that the MOU should be signed for every individual employed by the INGO or for every position in the organisation?

A: It will be on organisational basis and not necessarily mentioning by name each employee.

The PIT subject will be further discussed on the next admin. WG meeting so everybody who is interested in the further development of the issue, should stay posted on these meetings.

ii. Permits

Some organisations hasn't had a permit for a long time, and therefore the issue was also raised at the meeting with Mr. Phong. The INGOs that have not been able to sign the permit yet are of course very eager to find a solution to this situation, due to clarity about the liability of the INGO with the revised MOU.

Mr. Phong has explained that the past year can be regarded as a 'grace period', as the message or guidelines for the INGOs with regard to PIT have not been made clear in this period. Hence, INGOs should not be made retrospective liable to paying PIT for their expatriate staff. Mr. Phong has promised that COMINGO will provide a supporting document for the revised MOU stating that INGOs will not be made liable within this period when the next permit and MOUs are issued. Such a document would be sufficient for the INGOs to feedback to their headquarters, after which they would be able to sign the revised MOUs. The supporting document should have been provided by October 27, however, COMINGO and PACCOM is still in process of preparing.

iii. Audits

A number of INGOs (10-20) has been contacted by the Hanoi Tax-department who wants to audit for the period from 2001 to 2004. According to law, they are only allowed to audit five years back.

Q: What should INGOs do in relation to this issue?

A: Most organisations has been putting it off so far. The general advice is for the organisation to assess its liability if an audit is carried out. It is important to note, that if an official letter has been issued from the Tax authorities within 2006, they can audit back to 2001, even though the audit is not started until 2007.

Another advice is to discuss the TOR for the audits internally with other organisations in the same situation, before they start auditing, so that all can have same standards for the process.

iv. Decree 64

The revision of decree 64 has been finalised and was put forward for the Prime Ministers approval on the 10/01/06. However, decree 64 can only be approved once the Law on Association. As decree 64 is related to aid effectiveness, and hereunder control and monitoring of aid implemented through NGOs the decree cannot be approved until the regulation of aid implemented by NGOs has been defined in the Law of Association.

v. Social insurance

The National Assembly has passed the new law on Social Insurance in June 2006 and will come into effect in January 2007. Under this law an unemployment fund and volunteer saving fund will be established. The unemployment fund will come into effect in 2009, and will require that all one % of a employees salary is submitted to the fund. The volunteer saving fund is in particular targeting the non-formal labour force, it e.g. will make it possible for farmers to make volunteer retirement savings based on they monthly income.

How the new law will otherwise affect INGO staff still needs to be investigated, and it was suggested that the Admin WG should discuss the new law at their next meeting and prepare a paper to circulate to all members and possibly provide a feedback on the next INGO-forum meeting on December 1st.

4. Confirmation of INGO representatives for the Health Partnership Group and the MARD-ISG group

The forum was asked to confirm the two candidates who had submitted text's for consideration for becoming INGO representatives in Health Partnership Group and the MARD-ISG respectively. Michelle Gardner, Country Representative, Program for Appropriate Technology Health (PATH) as candidate for the Health Partnership Group. Patrice Gautier, Country Representative for Agronomes & Veterinaires Sans Frontieres/Vietnam AVSF) as candidate for the MARD-ISG.

Both candidatures were confirmed.

Both the candidates and the Co-Director emphasised the importance for feedback to the INGO community, and the Co-Director recommended that the candidates share meeting agendas should with all members of the NRC, so that it is open for all to send the representatives comments and inputs, and furthermore that a short note from each of the meetings is posted on the NRC's website.

5. Other announcements

Poul Brown, program coordinator for Portland state university and National Economics University, is currently in the process of establishing a learning-forum between NGOs, INGOs, Government agencies and other learning institutions. He presented his project very briefly and asked to talk to some of the organisations after the meeting; he will be in Vietnam for another 2 months.