

VIETNAM COMMITTEE FOR FOREIGN NGO AFFAIRS

BRIEFING ON FOREIGN NON-GOVERNMENTAL ORGANIZATION AFFAIRS IN 2006

*Annual Meeting between COMINGO and foreign NGOs
Ha Noi, 08 January 2007*

The year 2006 wrapped up as one with numerous important events for Vietnam: The 10th National Party Congress was organized successfully, defining the orientation for the country's development in the years to come; Vietnam maintained its political stability, and a high GDP growth rate of 8.17%; the fact that Vietnam attained the 150th WTO membership (on 7th November 2006) marks a milestone in the country's integration process and the recognition of the international community to Vietnam's open foreign policies as well as its efforts and achievements recorded in the Renovation (Doi moi) process. Such events and the successful organization of the 14th APEC Meeting have contributed to raising the position of Vietnam in the international arena, creating new momentums for the country's development. Official Development Assistance (ODA) committed by international donors for Vietnam in 2007 has gained peak, amounting to 4.45 billion USD (including 180 million USD committed by the foreign NGO community), compared with 3.747 billion USD of 2006. Foreign Direct Investment (FDI) continues to increase, with longer-term and larger-scaled projects, recording a total capital of above 10 billion USD. Vietnam continues to win the applause of the international community as a shining point for its achievements in hunger eradication and poverty reduction as well as effective realization of assistance programs/projects. These achievements have helped reinforce the encouragement and confidence of INGOs in enhancing the relationship and cooperation with Vietnam.

In 2006, Xangsane and Durian storms (storms No. 6 and No. 9) caused serious damages to a number of Central and Mekong Delta provinces of Vietnam. The Avian flu and the risk of the influenza pandemic in human in the first and last months of the year continued to influence on the people's livelihood and community health.

FOREIGN NGO AFFAIRS IN 2006

A. Operations of foreign NGOs:

1. In 2006, Vietnam continued to attain support from INGO in debates and forums on human rights, fair trade and addressing war consequences. Support and assistance from INGOs have helped present a true and realistic picture of Vietnam to the world, strengthening friendship relations between Vietnam and countries in the world.

Some INGOs continued to support Vietnam in joining the WTO. Other INGOs actively carried out studies/ research and raised their voice to protect legitimate rights of Vietnamese farmers in terms of fair trade, called upon EU to remove the anti-dumping duties applied on Vietnam leather products and footwear. Through communication activities and information sharing on their humanitarian and development activities in Vietnam, INGO community has helped improve the aid mobilization to Vietnam in one hand and in the other hand to make the people of development countries further understand about Vietnam.

2. INGO operation in Vietnam in 2006 continued to increase both in terms of number of organizations and volume of aid. In 2006, about 60 new INGOs started their operation in Vietnam, among which 51 INGOs have been granted operation permits. INGOs conducted humanitarian and development activities in all 64 provinces and cities through out the country. According to incomplete statistics of the People's Aid Coordinating Committee (PACCOM), INGOs provided an estimate of 2,700 grants (project and non-project), with a total disbursement of over 216 million USD, compared to about 175 million USD in the year 2005, or an increase of 23 %.¹ In 2006, a number of high level leaders from renowned INGOs visited Vietnam, such as Bill Gates, President of Microsoft and the Bill and Melinda Gates Foundation; Bill Clinton, President of the Clinton Foundation, the President of the Ford Foundation, Chief Executive Officer of Plan International, President of the Managing Board of Oxfam Quebec, Vice-President of World Vision International, to name a few. This has shown greater attention from the INGO community to Vietnam.

3. INGO assistance by geographical origin: In 2006, INGOs operating in Vietnam come from 28 countries and territories of different regions: North America, Europe and Asia Pacific. Assistance volume from these three regions has increased compared with that of 2005 (*see Annexes 1 and 2*).

North America: With larger-scale projects/programs, many US- and Canada-based NGOs made long term commitments. Operation budget of certain organizations has increased remarkably over the past year. Some US-based NGOs working in the fields of healthcare, reproductive health, HIV/AIDS prevention, support for people with disabilities, addressing war consequences, continue to receive funding commitments from the US Administration. It is worth noting the PEPFAR program of the US President and the Program to support people with disabilities. The US- and Canada-based NGOs disbursed a volume of 112 million USD, an increase of 35% against the amount of 83 million USD in 2005, making up almost 51.9 % of the total aid disbursement.

Europe: Renowned European NGOs continued their long-term commitments in assisting Vietnam. Focus was on such areas as integrated rural development, capacity building, livelihood improvement, support to disadvantaged children and women, health care, advocacy on fair trade. Total disbursement value of European NGOs in

¹ According to reports from 300 INGOs, 58 provinces/cities and 19 Ministries, line agencies and people's organizations.

2006 reached approximately 70.4 million USD, an increase of 5% in comparison with the amount of 67 million USD in 2005, accounting for about 32.6% of the total aid disbursement.

Asia Pacific: The governments of Japan and Australia have paid more attention to and facilitate the operation of NGOs of their countries in implementing programs/ projects. In 2006, NGOs from the Asia Pacific disbursed 33.6 million USD, an increase of 34% compared with the amount of 25 million USD in 2005, making up about 15.5% of the total aid disbursement.

4. INGO assistance by sector: INGOs continued to focus on the following sectors: education, health care, economic development, addressing social issues. Health care had the biggest share, accounting for 31.9% of the total disbursement value, followed by social issues (26.5%) and education (20%). Programs and projects in economic development made up 17.5% of the total dollars spent. Only 2.8% went to environment and 1.3% to emergency relief.

INGOs' reaction to the typhoons No. 6 and No. 9: INGO community committed an emergency aid of 4.2 million USD to affected provinces, focusing on Thua Thien Hue, Da Nang, Quang Nam, Quang Ngai, Vinh Long, BenTre and Ba Ria Vung Tau.

Last year witnessed a breakthrough in terms of INGO assistance to victims of Agent Orange. The Ford Foundation officially announced a commitment of 2.2 million USD through the National Steering Committee 33, National Association for the Victims of Agent Orange/Dioxin and other institutions to support research, addressing dioxin in hot spots, pilot projects and direct assistance to victims of Agent Orange. The Vietnam Veterans of America Foundation (VAAF) also made specific commitments in this area.

5. Assistance by locality: Assistance from INGOs continued to concentrate more on some traditional localities, as in 2005. Some provinces, cities maintained high volume of INGO assistance, such as Hanoi, Ho Chi Minh city, Da Nang, Quang Nam, Thua Thien Hue, Quang Tri, Quang Binh and Can Tho. In some provinces/ cities, improvements have been seen in INGO operation and assistance. A remarkable increase in terms of disbursement value has been recorded in Dien Bien, Kien Giang, Bac Giang and Thanh Hoa. Other provinces, such as Tuyen Quang, Tay Ninh, Hau Giang, Gia Lai, Dac Nong and Bac Lieu, despite difficulties, had limited volume of INGO assistance.

B. Promotion of INGO assistance and facilitation of INGO activities

1. Promotion of INGO assistance:

1.1. In 2006, COMINGO, in cooperation with some provinces/ cities conducted several conferences on promoting the partnership cooperation with INGOs in Quang Nam (May 2006), in Quang Binh (June 2006) and in Cao Bang (July 2006). COMINGO also cooperated with the Central Youth Union in organizing

a conference on vocational training for youth, with the participation of various INGOs. At the national training seminar organized by the Vietnam Union of Friendship Organizations, the Standing Body of the COMINGO, representatives from over 30 INGOs attended the workshop and had ebullient discussions with representatives of Vietnamese focal points and partners, on strengthening the partnership cooperation between INGO community and localities.

- 1.2. COMINGO organized a number of overseas study visits to the Philippines, Laos, China, Cambodia, the United States of America, Belgium and the Netherlands, Thailand, Australia and New Zealand), with the participation of representatives of the Standing agency and member agencies of the COMINGO. In these countries, delegations had chances to learn more about the organization and operation of INGOs as well as related government policies.
- 1.3. Regular meetings had been maintained with representatives of INGOs operating in Vietnam to improve information sharing. There had been close coordination with the VUFO-NGO Resource Center to better serve the need of information sharing and support to INGOs' activities in Vietnam. Meetings were conducted with embassies, agencies for international cooperation and development of such countries as the U.S, Japan, Korea, Australia, Spain and France..., to share information on the operation of INGOs in Vietnam.
- 1.4. Field trips were organized to provinces and cities to study about the needs of localities; cooperation with local focal agencies was enhanced to formulate potential programs/projects. Introduction of INGOs to provinces/cities with little INGO operation had been promoted.
- 1.5. In terms of emergency relief activities: right after the natural disasters happened, the Standing Agency cooperated with localities and INGOs to organize assessment teams to visit affected areas. The related information was timely disseminated to the INGO community to call for their action. This way of working has helped reduce overlapping and bothering for localities.
- 1.6. With regard to the personal income tax applied to expatriate staff working for INGOs in Vietnam: According to Governmental Decree No. 147/2004/ND-CP dated July 23, 2004 of the Government and Circular No. 81/2004/TT-BTC dated August 18, 2004 of the Ministry of Finance on the Guidelines on the implementation of the Decision on personal income tax applied to people with high incomes, expatriate staff working for INGOs in Vietnam are subject to tax. Recently, given the proposal of the Ministry of Finance, the Prime Minister approved income tax exemption for expatriate experts/specialists who directly work with the implementation of INGO programs/projects. COMINGO continues to propose personal income tax exemption for representatives and expatriate staff working for INGOs in Vietnam.

1.7. The VUFO-NGO Resource Center maintained close and effective cooperation with PACCOM and INGOs in information sharing with INGOs and Vietnamese partners, providing significant support to a number of thematic working groups.

2. Support to INGO activities in Vietnam:

2.1. In 2006, the Standing Agency, in cooperation with localities, Representative offices, Project offices of INGOs, facilitated administrative procedures for 678 delegations with a total of 1,088 people coming to Vietnam to visit projects, conduct program/project assessments, implementation, monitoring and evaluation activities in different provinces and cities in Vietnam (excluding delegations directly hosted by Ministries, line agencies, mass organizations and localities). COMINGO issued 79 new permits (03 permits for the establishment of Representative offices, 25 permits for the establishment of Project offices and 51 permits for Operation); and processed the extension and amendment of 236 permits of all types.

2.2. PACCOM maintained regular meetings with the Representatives of INGOs to timely deal with problems in INGO operations as well as to take timely and appropriate measures on reviewing, warning and regulating INGOs who did not strictly abide by the Regulations (340) as well as other regulations relating to the operation of INGOs in Vietnam.

2.3. Administrative procedures had been step by step simplified (such as those related to visa application, extension and certification...), creating favorable conditions for INGO operations in Vietnam. However, there remained delay in the issuance, extension and amendment of permits and project approval.

2.4. Capacity building for focal points and local partners continued to be strengthened through training activities. Ten training courses on foreign NGO affairs, planning and implementation of development projects were conducted in Thai Nguyen, Da Nang, Hai Duong, Ca Mau, Ba Ria-Vung Tau, Ha Nam, Yen Bai, the Central Highlands, and two were organized at the central level, with the participation of over 1,000 people.

2.5. Upon the proposal of COMINGO, the Prime Minister approved the National Program for the Promotion of Foreign Non-Governmental Organization Assistance 2006-2010, and assigned COMINGO to review the Regulations (340) for appropriate amendment in the coming time.

2.6. There were still INGOs working in Vietnam without permits. Some ministries, line agencies and localities approved programs/projects funded by organizations which did not produce proper permits, or not according to the terms provided in issued permits.

DIRECTIONS FOR THE WORK IN 2007:

1. Continue to process the issuance, extension and amendment of permits and other administrative procedures in order to create favorable conditions for INGO operations in Vietnam.
2. Improve policies, legal documents relating to the operation of INGOs in Vietnam (conduct review of the Regulations on the operation of INGOs in Vietnam and recommend to the Government complementary and amendment proposals, in line with the current situation and general legal framework; Propose to complete the review and amendment of Decision 64 of the Prime Minister).
3. Efforts will be focused on planning and implementation of the National Program for the Promotion of Foreign Non-Governmental Assistance, supporting sectors and localities to concretize and implement the Program; Continue to conduct conferences, workshops or thematic seminars at the regional level to improve information sharing and promotion of INGO assistance; Organize overseas study visits with an aim to raising awareness and interest, especially to such countries as the U.S., Europeans, Japan, Korea; Improve aid promotion in disadvantaged provinces in the Central Highlands, the North-West and South-West provinces.
4. Strengthen training activities and capacity building for COMINGO and local focal points on foreign NGO affairs; organize regional and local training courses, conferences and seminars.
5. Enhance the monitoring and evaluation of INGO-funded programs/projects. Take appropriate measures on warning and regulating INGOs working without permits or working in the areas which are not stipulated in their permit, as well as ministries, line agencies and localities that approved INGO programs/projects not according to issued permits./.