

CAPACITY STATEMENT

SUSTAINABLE LIVELIHOODS



Although Viet Nam has transitioned to the upper-middle-income country status, and the integration into the global market has created lots of opportunities, neither the opportunities nor the benefits have been equitably distributed. The multidimensional poverty rates in World Vision Viet Nam's operating locations are still high, for example: Tuyen Quang (31.31%), Yen Bai (25.94%), Hoa Binh (26.14%), Dien Bien (42.60%), Thanh Hoa (15.47%), Quang Tri (16.20%), Dak Nong (17.90%), and Quang Ngai (16.17%).¹ Rural youth have limited economic opportunities, regardless of their ethnicity, and many are forced to migrate to urban centers to earn income. The rate of youth not in employment, education, or training in the first quarter of 2021 was 16.3%, equivalent to nearly 2 million people. The COVID-19 pandemic has increased this figure by 0.9% compared to the same period last year.²

Key issues relating to livelihoods in Viet Nam include low livelihood and income opportunities for disadvantaged households, weak access to production factors, climate change, and disaster risks. Of the 62 poorest districts in Viet Nam, World Vision Viet Nam is present in 12 districts that have an average poverty rate of approximately 30%.

To sustain our impact on child well-being, World Vision Viet Nam seeks to empower and strengthen the community and household livelihoods so that they are better equipped to improve household income and assets to better provide for their children. Our Sustainable Livelihoods Technical Program has been supporting households with economic enhancement interventions so that families can sustain their livelihoods and food security. This will eventually contribute to the reduction of malnourished children.

¹ Decision No. 582/QĐ-LĐTBXH, Ministry of Labour, War Invalids, and Social Affairs, dated 30 June, 2022
² Statistics Office of Viet Nam, 2021

Priority Focus

Goal: Households have sustainable income that contributes to child-wellbeing.

Objectives: (1) Increased productivity of sustainable food and off-farm products; (2) Improved market access and competitiveness for households; (3) Improved access to employment opportunities for parents and caregivers (including young people aged 15-18).

Approach: The Sustainable Livelihoods Technical Program is designed around the following Building Blocks:

- + **Household** - Empowering households to provide for their children, especially through women's economic empowerment.
- + **Community** - Mobilizing groups and communities to strengthen productivity, resilience, environmental stewardship, market access and financial inclusion (cash, savings, credit).
- + **System** - Influencing system-wide changes to promote sustainable employment opportunities, inclusive market systems, and positive social and gender norms.



FY22 expenditure
2.72 million US dollars



Children impacted
166,177 including
35,310 most vulnerable
children



Technical staff
2 national level staff (manager
and specialist)
4 zonal level technical officers



Technical models
Ultra Poor Graduation
Building Secure Livelihoods
Savings for Transformation
Microfinance

Technical Expertise

At national level, we have a full-time Livelihoods Technical Program Manager and a Livelihoods Specialist who have sharp knowledge and practical experience on agriculture development and market development for the poor, agroforestry, local value chain development, emergency response, rural finance, microfinance, and youth development including job orientation and vocational training.

At field level, we have 4 Technical Program Officers and a network of development facilitators and project staff who are specialized in agriculture and rural development, rural finance, microfinance, economic development and disaster risk reduction and work at grassroots level to identify and directly provide technical support to people in need.

Advantages & Strengths

We have a network of 26 Area Programs with livelihoods interventions implemented at **grassroots** level during a timeline of 10 - 15 years. This enables us to step into the people's shoes, understand their lives, identify the most vulnerable children and be responsive to communities whenever needed.

Due to the **integrated** nature of our program design, households benefit not only from technical models but also from other programs/projects focusing on livelihoods development, microfinance, disaster risk reduction and emergency response. This gives households a higher chance of maximizing economic profit and sustaining their income even in the context of economic shocks or disasters.

In addition, we have established trustful **partnerships** with local governments at all levels who help provide guidance related to livelihoods development models and host workshops/network events to scale up models.

Through the consistently applied cross-cutting themes of gender and disability, **equal participation** of all communities' members is always considered during program design, implementation, and evaluation. This inclusive approach helps promote community participation and engagement, enabling us to make a greater impact and sustain child well-being.



Partnerships

We have partnered with **government agencies** at all levels as our program interventions closely align with the Vietnamese government's strategy for economic reform and development. At the national level, we have established relationships with the Ministry of Agriculture and Rural Development, the Ministry of Natural Resources & Environment, and the Ministry of Labour, War Invalids and Social Affairs regarding technical and vocational training for youth. Besides, World Vision Viet Nam has been working closely with the Fruit and Vegetable Research Institute (FAVRI), the Viet Nam Academy of Agriculture Sciences (VAAS), the Center for Agrarian Systems Research and Development (CASRAD) and the Vietnamese Academy of Forest Sciences (VAFS).

At provincial/district/commune/village levels, we have established strong partnerships with the Department of Agriculture and Rural Development, Department of Natural Resources and Environment, Vocational Training Centers, the People's Committees, and village leaders.

Our interventions that are supported by government agencies include projects that provide livestock breeds and training to enhance livestock, rice, and crop farming productivity; support underprivileged adolescents with life skills and vocational training, as well as providing initial support for startup of youths.

We also work with local **mass organisations**, such as Farmers' Association, Women's Union, and Youth Union, in implementing and supporting economic development activities through mobilizing local people to participate in development work and transiting saving groups to these organisations for continued operation and service to local households.

In addition, we have developed a fruitful relationship with **international and local civil society and organisations**, such as ADRA, CARE, Oxfam, Plan International, SNV, Save the Children, Action Aid Viet Nam, Catholic Relief Services, GreenHub, Viet Nam Red Cross, and Center for Rural Development in Central Viet Nam, to implement economic development and emergency response grant projects.

In recent years, we put a strong focus on partnering with the **private sector** and have established sound connections with various corporations, such as ADM, Alstom, DreamStart Labs, LG Electronics, Mavin Group, and Samsung SDS.





Technical Models



Ultra Poor Graduation provides extremely poor households with a pathway out of poverty by helping families engage in a productive and resilient livelihood. This program gradually builds household capacity and empowers families to become involved with the local economy and community in productive and positive ways. This technical model includes 4 core components:

- + **Social protection:** Helping families to get the support they need to meet basic needs, deal with crises, and access health and education services.
- + **Livelihoods promotion:** Helping families to find a way to make a resilient and sustainable income. Interventions may include asset or cash transfers for a viable livelihood or linkages to formal employment, technical and business skills training, and access to markets.
- + **Financial inclusion:** Financial inclusion provides support to new businesses to help them continue and improve their livelihoods. Interventions typically include an informal savings group or access to formal banking facilities, credit and insurance mechanisms, and financial literacy training.
- + **Social empowerment:** To become active in their economy, families need to also be fully part of their local community. Activities can include life skills training, social integration, and coaching that cut across all four pillars, underpinned by a commitment to gender equality.



Microfinance provides small, non-collateral loans through borrowing groups with monthly repayment to support business development of vulnerable households and ensure child wellbeing. Through projects integrated into World Vision's existing Area Programs, clients are equipped with business development knowledge and skills.

Clients also have access to non-financial services, including training and capacity building on financial management, sustainable livelihoods, and business development.



Building Secure Livelihoods provides a comprehensive pathway out of poverty for families to improve their livelihoods to levels that are productive and resilient enough to survive a range of shocks and stresses. The project model works particularly with rural households described as "marginally poor" who have caring responsibilities for young children. We support them in improving agricultural production and making a profitable farming venture to increase family income in a sustainable manner - moving them from surviving to thriving.

Specific interventions include, but are not limited to, regular savings development, sustainable and profitable agriculture, natural resource management, community-based disaster risk management, local value chain development, and access to and effective use of local financial services and markets.



By introducing **Savings For Transformation** groups into communities, World Vision facilitates a sustainable platform for families to access savings and small loans. Savings For Transformation builds resilience by enabling community members to develop skills and access to funds to cope with household emergencies, learn long-term coping strategies, focus on the health, nutrition and education of their children, and invest in their own livelihoods.

These groups become important social safety nets to their members, creating a greater sense of empowerment and trust within communities. This model tries to connect the most vulnerable and marginalized individuals and households in the community to the groups, providing accessibility and inclusion to women, people with disabilities and others who are often left behind.

Grant Experiences

1 Viet Nam Ethnic Minority Economic Empowerment Activity

(2015-2020)

Budget: 2,013,879 US dollars

Donor: New Zealand Ministry of Foreign Affairs and Trade

Goal: To improve economic well-being of 1,200 poor ethnic minority households with children in 6 target communes in Huong Hoa District of Quang Tri Province

2 Local Value Chain Development Project

(2017-2019)

Budget: 1 million US dollars

Donor: Korea International Cooperation Agency (KOICA)

Goal: To enhance income for needy farmers, especially households with children, in five target communes in Trieu Phong District towards sustainable child well-being through promoting natural farming production and market linkage

3 Associated Agriculture for Long-Term Income Stabilization of Ethnic Minorities and Equal Integration in Community Development in Viet Nam

(2019-2022)

Budget: 642,280 US dollars

Donor: German Federal Ministry for Economic Cooperation and Development (BMZ)

Goal: To assist ethnic minority households in the mountainous areas of Central Viet Nam to improve their livelihoods and participate in community development

4 Improved capacity and access to employment opportunities for disadvantaged youth in Hai Phong

(2020-2023)

Budget: 242,998 US dollars

Donor: LG Electronics

Goal: To promote life skills and provide 300 disadvantaged youth in Hai Phong City with vocational training and employment opportunities

Our Contributions to Child Well-being in 2018 - 2022

The percentage of trained farmers who use improved and sustainable agricultural techniques increased from **53% in FY18** to **86% in FY22**.

15 policy wins at national, provincial, and district levels (with **108,935 US dollars** allocated by the government), benefiting around **7.4 million children**.

6,323 very-poor households benefitted from comprehensive development support packages in the Ultra Poor Graduation model. **6,052 farming households** were supported to improve their market-linked economic development in the Building Secured Livelihoods model.

19,740 poor households participated in Savings for Transformation groups to learn about financial literacy, practice saving, and access small loans.

14,025 adolescents have been equipped with job preparedness skills through career orientation packages, vocational training, and business start-up support based on their family situations.

The Microfinance program disbursed **37.5 million US dollars** through **50,483 loans**, serving **13,780 clients** with a portfolio of **6.5 million US dollars**, impacting **23,400 children**.



World Vision is a movement of people called to improve the lives of vulnerable children around the world. We believe that a country, and a world, where all children are protected and free from extreme poverty and able to reach their full potential is possible. Since 1988, World Vision Việt Nam has been devoted to the most vulnerable children and communities, helping them overcome poverty. Every year, over 200,000 Vietnamese children benefit from our work in three key areas: Child Protection, Nutrition, and Sustainable Livelihoods.