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Community Development Directorate, CORDS

MEMORANDUM FOR: DEPCORDS/MACV (Acting)

20 August 1971

THRU: PP&P

THRU: ACofS, CORDS

SUBJECT: Village Self Development Program for 1972

Enclosed is a translation of the current draft proposal by the Ministry of Rural Development on the Village Self Development Program for 1972. The points are worth noting in particular. Beginning at the last paragraph on page 2, the Ministry has inserted, at our request, a specific requirement that villages match Government contributions with 1/3 village taxes. In my opinion, such a proposal will require the Government sometime late this year to sponsor the necessary action to allow villages to raise the maximum taxes on land. We are proposing a course of action here which will be forwarded in the next two weeks. The second item of particular interest is described in the middle paragraph of page 2bis, in which the Ministry proposes that 1/3 of the funds furnished by the Ministry are specifically set aside for loans. Having set aside a specific amount of money as a minimum contribution, the villages will be able to begin their lending program earlier in the year rather than waiting for a decision on how much should be set aside for loans.

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Director, Community Development

CP:
USAID/ADPA/LGR

August 9, 1971

THE LOCAL COMMUNITY SELF-DEFENSE AND DEVELOPMENT PLAN FOR 1972

Goal : Local Self-Development

Appendix : N

Program : The Village Self-Development Program.

In-charge Agency : Ministry of Rural Development.

1. GENERALITIES -

The VSD Program of 1972 is a continuation of the previous one creating favorable opportunities for the village authorities to manage their budgets directly. From 1971, the Income-Producing Projects have been implemented through the RD Credit Program in order to progress towards a self-help status in capital, and towards self-reliance and self-sufficiency.

The VSD Program creates favorable conditions for the village authorities to manage their own interests and for the people to carry out development projects in accordance with their aspirations. These projects are very modest, but very practical; they fit the local self-help capabilities. The Village Credit Committees, staffed by local people, know perfectly each person coming to request a loan and particularly his needs in capital. So loans can be granted to the right persons, at the right time and for the right business to help farmers have capital to work for a living in improving their life and also in contributing to the rural economic development. The prestige of the village authorities can develop; love can be kindled the hearts of the people and the community cooperative spirit can be fostered between the people and the government.

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In 1972, the public-use projects will be carried out as before and the income-producing projects will continue to be implemented through the RD Credit Program.

2. GOALS -

The program aims at the following goals :

-To motivate the population to create PCAGs in order to carry out projects according to their aspirations and with the purpose of building a modern society;

- To expand the democratic spirit in rural areas and the community cooperative spirit among the people and between the people and the government;

- To create opportunities for the village authorities to formulate the VSD Program and manage the village interests in order to progress towards self-reliance and self-sufficiency.

- To encourage the village authorities to exchange ideas directly with the people in publicizing the receipts, the expenses and the progress of the VSD Program.

3. EXECUTION -

a. All the income-producing projects in 1972 will continue their implementation through the RD Credit Program, without asking the persons requesting loans to stand in PCAGs.

b. Financial support : In the past years, the government made maximum efforts to provide funds for helping the population carry out projects in order to improve their life and develop their village communities.

To progress towards self-reliance, from 1972 the Ministry of RD will provide each village with two-thirds of funds if this village can contribute one-third with its tax income. For ex : if according to the population criteria, Village A is entitled to receive a fund of VN\$600,000.00, this village must contribute one-third, i.e. VN\$200,000.00. Then, the Ministry of RD will allot a sum of VN\$600,000.00. So, the VSD fund of Village A will be VN\$800,000.00. If Village B can bring about only

a contribution of VN\$100,000.00, the Ministry of RD will allocate a sum twice as much, i.e. VN\$200,000.00. Therefore, the VSD fund of Village B will be VN\$300,000.00.

For the too poor villages having no capabilities to contribute to the program, the Provincial P&D Councils must coordinate with the Provincial Councils to determine an exceptional exemption from the rule for those villages. In such cases, the Ministry of RD will allocate a sum of VN\$300,000.00 to each village.

Each village having, or not yet, held its elections -- will receive a minimum financial support of VN\$300,000.00. without distinction of Highlanders and Lowlanders. Concerning the villages having a population of more than 2,500 people, each portion of 500 people in increase will be allocated a fund of VN\$300,000.00. One-third of the funds supported by the Ministry of RD will be transferred directly to a Current Account opened by that village at the Provincial Agricultural Development Bank so that loans can be granted directly to farmers and fishermen through the RD Credit Program of 1972 (except for the villages of Highlanders having participated in the RD Credit Programs of 1970 and 1971). Two-thirds of fund will be allocated directly to the Village Budget.

- The Village Councils will make decisions on the use of funds after consulting the population in convening Village Assemblies. These assemblies may decide to use 100% of the funds allocated by the Ministry of RD to carry out income-producing projects (i.e. the RD Credit Program) without being restricted by a 50% basis like in 1971.

The Agricultural Development Bank will issue as its share in capital a

fund equivalent to the sum reserved by each village for the RD Credit Program.

For the villages having brought about additional contributions with their own resources to support the RD Credit Program, the Agricultural Development Bank will also issue additional shares in capital, from 100% to 200%.

The sums recovered from the income-producing projects in 1969 and 1970 and registered under Title II for Self-Development, are considered as the village resources to be contributed to the RD Credit Program of 1972.

c. Classification of projects into categories :

(1) The public-use projects are divided into 2 categories :

- Category 1 includes the projects costing less than VN\$200,000.00, approved by the Village Councils and carried out by PCAGs which may request the village authorities to intercede with the provincial authorities for technical assistance.

- Category 2 includes the projects costing above VN\$200,000.00. After being approved by the Provincial P&D Councils, these projects can be handled by PCAGs or by the provincial authorities, if such assistance is requested by PCAGs.

PCAGs.

(2) The income-producing projects (The RD Credit Program) :

The Village Credit Committees will receive all loan requests, examine them preliminarily and transmit them with their suggestions to the Provincial Agricultural Development Banks for consideration. The maximum fund loaned to the PCAG members is VN\$50,000.00.

d. The people's contributions :

The people's contributions to support the public-use projects will be realized on a voluntary basis under the form of labor, funds, materials, etc. On principle, the value of the people's contributions should be equivalent to the government financial support. However, the Provincial P&D Councils can determine with flexibility -- after having consulted the Provincial Councils -- a rate for the people's contributions in order to comply with the capabilities of each village in manpower and resources.

4. Implementation steps :

(1) The VSD Program is executed through 2 steps :

- Step 1 : Assemblies in villages (General Assemblies)
- Step 2 : Implementation of projects.

(2) The program should be propagated widely so that the population can be perfectly aware of its purpose, of the funds provided by the Central Authority and of the interests reserved for the PCAG members. The Village Authorities will use the forms designed to "find out the local needs and to participate in PCAGs." so that the population can express their true aspirations.

✓ Upon receipt of funds, the Village Chiefs must disseminate Communiqué No 1.

(3) In the activities to motivate the people, particular attention must be paid to the legal organized associations, such as the Parents and Teachers Associations, the Farmers' Association, PSDF and all Youth Associations.

Based on a majority of votes cast by all the citizens present in a Village Assembly, the following decisions will be made :

(a) Distribution of VSD funds for carrying out public-use projects and the RD Credit Program.

(b) Approval of public-use projects based on the list showing the selected priority VSD Projects (if this is a desire of the village concerned.).

The Village Council will decide the use of VSD funds :

- One part to support the public use projects (it can be 100% of fund).

- One part reserved for the RD Credit Program to carry out the income-

producing projects (it can be 100% of fund).

Loans will be granted in priority to the good customers of the RD Credit

Program in 1970 and 1971.

f. Preparation of priority VSD Projects for 1973 :

The Villages will convene Village Assemblies to discuss and decide the priority VSD Projects for 1973, and also to plan their contributions realized through the village resources.

The times and instructions for the completion of the above operation will be disseminated later.

g. The VSD Program in the villages of Highlanders.

(1) Each village will be allocated at least one Son Thon Cadre for assisting the Village Chief to operate the VSD Program with respect to propagation, to fill in the forms "for finding out the local needs and for participating in P.A.Ds,

to help the PCAGs choose their Chiefs, to hold Village Assemblies, to provide assistance for the implementation of projects and to prepare administrative forms.

(2) The Chiefs of the Provincial Ethnic Development Offices must participate in the Provincial Mobile Teams to attend the Village Assemblies, to break down the project costs and review projects on the spot.

✓ - The public-use projects should be participated by many PCAG members.

✓ - The income-producing projects cannot be examined, except for those concerning the cultivation of IR8 approved by the Provincial P&D Councils and assisted technically by the Provincial Agricultural Offices.

✓ - The contributions made by the Highlanders to support the public-use

✓ projects will depend on the local capabilities. The Provincial P&D Councils will decide the level of such contributions after consulting the Provincial Councils and the Provincial Ethnic Development Offices.

(3) The villages able and willing to carry out income-producing projects through the RD Credit Program must secure the approval of the Provincial P&D Councils after consulting the Provincial Councils and the Ethnic Development Offices.

h. Organization and distribution of duties :

(1) Provincial authorities :

✓ - To hold one seminar in every three months under the chairmanship of the Province Chiefs, concurrently Chairman of the Provincial P&D Council, or of his representative. The attendance of this seminar will comprise the representative of the Provincial Council, the Manager of the Provincial In-service Training Center, the Chiefs of the Provincial Technical Office, the Chief of

the RDC Control Group, the District Chiefs, the Deputy District Chiefs for Administrative Affairs, and the Chief of the Provincial P&D Coordinating Center.

- To set up Mobile Teams conducted by the Province Chief or the Deputy Province Chief for Administrative Affairs, and participated by the Chief of the Provincial Technical Offices concerned to come to districts and villages with a view to examining projects rapidly on the spot. Moreover, the provincial authorities will organize technical administrative and financial teams to pay permanent visits to villages and hamlets for assisting the local PCAGs in the implementation of their projects.

- To disseminate the model blueprints to the villages for helping the local PCAGs break down the costs of their projects.

- To invite the Provincial Council members to attend seminars and Village Assemblies and to join the Provincial P&D Team in its trips to visit villages and hamlets for encouraging the implementation of the VSD Program and for inspecting the completed operations.

(2) District authorities :

- They are recommended to attend the Village Assemblies as observers.

- To help the Village Councils with suggestions in case of difficulties

(to hold public meetings for discussing and proposing other projects because of lack of materials or funds).

- To make suggestions to the Village Administrative Committees concerning the financial procedure and the project technical documents.

- To encourage the villages to make and update the boards to publicise the funds and materials used for implementing projects.

- To guide the Provincial Acceptance Committee to approve the completed

if powers
projects/are delegated by the provincial authorities.

(3) Villages :

- To execute the implementation plan through two steps as described under

Item 8c.

- To make suggestions to PCAGs for the preparation of their Internal

Regulations.

- To make and update the boards for the publicising of projects, funds
and materials.

- To intercede with the provincial authorities for the necessary technical assistance.

- To guide PCAGs with respect to maintenance and repair of farming equipment and on how to provide care and medicines for livestock if such is requested by PCAGs.

i. Inspection :

The central, provincial and district authorities have the duty to inspect, encourage and follow up permanently the implementation of the VCD Program, but have no right to interfere directly in the proposal of projects. The presence of the Provincial Representatives in the Inspection Teams is highly recommended.-

