

HO CHI MINH NATIONAL ACADEMY OF POLITICS

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**THE IMPACT OF FOREIGN NON-GOVERNMENTAL AID
ON THE LIVELIHOODS OF POOR HOUSEHOLDS
IN PHU THO PROVINCE**

DOCTORAL DISSERTATION SUMMARY IN ECONOMICS

Major: Political Economy

Code: 931 01 02

Ha Noi - 2025

**This dissertation was completed at
Ho Chi Minh National Academy of Politics**

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Reviewer 1:
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Reviewer 3:
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**The dissertation will be defended before the Academy-level Dissertation
Evaluation Council, meeting at the Ho Chi Minh National Academy of Politics
*at hour day month year 2025.***

**The dissertation can be accessed at: Vietnam National Library,
Library of the Ho Chi Minh National Academy of Politics**

INTRODUCTION

1. Rationale of the Study

In the process of socio-economic development, the issue of sustainable poverty reduction has always been identified by the Party and the State as a central task, bearing profound economic, political, and social significance. In many localities, poverty persists due to limited resources, slow economic restructuring, weak market access capacity, and the adverse impacts of natural disasters and climate change. Improving the livelihoods of poor households—who are the most vulnerable—remains an essential condition for ensuring social security and achieving sustainable development.

In this context, foreign non-governmental aid (NGO aid) is regarded as an important supplementary resource, not only providing financial support but also contributing to community capacity building, livelihood diversification, and the transfer of knowledge and international experience. In Viet Nam, during the period 2014–2023, the total value of NGO aid reached approximately USD 3.6 billion, focusing mainly on poverty reduction, healthcare, education, community development, and environmental protection.

In Phu Tho province alone, from 2014 to 2023, local authorities received 226 NGO-funded programs and projects with a total disbursed value of nearly USD 24 million. Projects implemented by international organizations such as ChildFund International, SNV, Plan International, VVOB, and VVAF have contributed to improving livelihoods, developing basic social infrastructure, supporting healthcare and education, and enhancing community capacity, especially in disadvantaged mountainous areas.

However, the effectiveness and sustainability of NGO aid still have certain limitations: some projects lack rigorous post-project monitoring; local management capacity remains inconsistent; and the integration of NGO aid into provincial socio-economic development programs lacks coherence. Notably, there is an absence of in-depth provincial-level studies that quantify and comprehensively analyze the impacts of NGO aid on various dimensions of poor households' livelihoods (income, employment, productive capacity, access to social services, autonomy, and livelihood transformation capacity).

From both theoretical and practical demands, the doctoral candidate selects the topic “The Impact of Foreign Non-Governmental Aid on the Livelihoods of Poor Households in Phu Tho Province” as the dissertation subject in the field of Political Economy.

2. Research Objectives and Tasks

2.1. Research Objective

Based on clarifying the theoretical foundations of NGO aid impacts on poor households’ livelihoods, the dissertation analyzes and evaluates the actual impacts of NGO aid on the livelihoods of poor households in Phu Tho province during the period 2014–2023. From this, it proposes orientations and solutions to enhance positive impacts, mitigate negative effects, and improve the effectiveness of mobilizing, managing, and utilizing NGO aid towards sustainable livelihood development by 2030, with a vision to 2045.

2.2. Research Tasks

To achieve the above objective, the dissertation focuses on the following key tasks:

First, review domestic and international studies related to NGO aid and its impacts on poor households’ livelihoods; identify the existing findings, inherited values, and research gaps requiring further clarification.

Second, systematize and analyze the theoretical foundations of NGO aid impacts on poor households’ livelihoods; clarify such key concepts as “livelihood”, “sustainable livelihood”, “impact”, the Sustainable Livelihood Approach (SLA), and the Rights-Based Approach (RBA).

Third, analyze and assess the actual impacts of NGO aid on the livelihoods of poor households in Phu Tho province during 2014–2023, highlighting achievements, limitations, and underlying causes.

Fourth, propose orientations and major groups of solutions to promote positive impacts and reduce negative impacts of NGO aid on the livelihoods of poor households in Phu Tho province until 2030, with a vision to 2045.

3. Research Object and Scope

3.1. Research Object

The research object of the dissertation is the impact of foreign NGO aid on the livelihoods of poor households, examined through various dimensions: income, employment, access to social services, productive capacity, and livelihood autonomy.

3.2. Research Scope

* *Content scope*: Constructing a theoretical framework and an analytical model of NGO aid impacts based on an integrated approach combining SLA and RBA, aligned with the socio-economic characteristics of the Northern Midland and Mountainous region.

The study analyzes key forms of NGO aid (financial, technical, training, livelihood models, and basic social infrastructure) and measures impacts both quantitatively and qualitatively according to livelihood capital components (human, natural, financial, physical, and social capital). It also evaluates the role and capacity of local authorities in receiving, managing, coordinating, and integrating NGO aid into socio-economic development and poverty reduction programs.

* *Spatial scope*: According to Resolution No. 202/2025/QH15 dated June 12, 2025, on the administrative consolidation of provinces, the entire areas and populations of Phu Tho, Vinh Phuc, and Hoa Binh were merged into a new province named Phu Tho. In addition, Resolution No. 1676/NQ-UBTVQH15 dated June 16, 2025 reorganized the communal-level administrative units of the former Phu Tho province into 66 communes and wards.

Therefore, the spatial scope of this study refers to the former Phu Tho province (hereafter referred to as “former Phu Tho”), corresponding to the current 66 communes and wards. This selection ensures feasibility, data consistency, and scientific reliability.

**Time scope*: The dissertation analyzes the period 2014–2023, during which NGO programs and projects were extensively implemented in Phu Tho.

4. Theoretical Basis and Research Methods

4.1. Theoretical Basis

The dissertation is grounded in the theoretical foundations of Marxism–Leninism and Ho Chi Minh’s thought on socio-economic development, which place humans at the center of development processes. The Party’s viewpoints on comprehensive, equitable, and sustainable development—reflected in national strategies on sustainable poverty reduction, social welfare, and effective NGO aid management serve as overarching guidance.

In addition, the dissertation adopts and further develops the Sustainable Livelihood Approach (SLA) and the Rights-Based Approach (RBA) to comprehensively examine NGO aid impacts on poor households’ livelihoods.

4.2. Research Methods

The dissertation employs the scientific abstraction method to generalize and systematize theoretical issues, combined with logical–historical analysis, synthesis, comparison, statistical methods, sociological surveys, and expert consultation. Specific methods include:

First, Scientific abstraction method: A core method of Political Economy that enables the author to identify essential socio-economic relations by abstracting from incidental factors. This method is applied throughout the analysis of NGO aid impacts on livelihood capital components.

Second, Analytical–synthetic method: Used to systematize related studies, identify theoretical foundations, and detect research gaps. It also supports the analysis of qualitative and quantitative data, as well as the synthesis of survey results and case studies.

(3)Third, Historical–logical method: The historical method examines the formation and evolution of NGO aid in Viet Nam and Phu Tho, while the logical method organizes research topics coherently from theory to practice.

Fourth, Comparative method: Used to compare the effectiveness of NGO livelihood models across districts (e.g., Tan Son, Ha Hoa, Yen Lap, Thanh Son), among donor organizations, and between Phu Tho and comparable provinces.

Fifth, Sociological survey and case study: A blend of quantitative and qualitative techniques is used to collect and analyze primary data.

Sixth, Data processing and analysis: Quantitative data are processed using Excel and SPSS to compute frequencies, means, standard deviations, and correlations. Qualitative data are coded and categorized to identify themes and patterns.

5. New Contributions of the Dissertation

5.1. Theoretical Contributions

The dissertation is among the first provincial-level studies in Viet Nam approaching this topic from the perspective of Political Economy. Key contributions include:

First, clarifying the multidimensional concept of NGO aid impacts on poor households' livelihoods through the interaction of aid resources, governance institutions, and community capacity.

Second, developing an integrated theoretical framework combining SLA and RBA tailored to the institutional, policy, and geographical characteristics of Phu Tho.

Third, proposing a set of criteria for evaluating NGO aid impacts using both quantitative and qualitative indicators.

Fourth, contributing to theoretical discussions on the role of local government in NGO aid governance, particularly in coordination, monitoring, and mainstreaming aid into local development planning.

5.2. Practical Contributions

First, providing a comprehensive assessment of NGO aid mobilization, management, and utilization in Phu Tho from 2014–2023.

Second, identifying effective livelihood support models in disadvantaged districts such as Tan Son, Ha Hoa, Yen Lap, and Thanh Son.

Third, proposing practical solutions to enhance NGO aid effectiveness in Phu Tho through improved governance capacity, standardized evaluation tools, transparency, community ownership, and integration into national target programs and provincial development plans.

Fourth, offering empirical evidence for policymaking on poverty reduction, livelihood development, and NGO aid management applicable to other provinces with similar conditions.

6. Structure of the Dissertation

In addition to the introduction, conclusion, references, and appendices, the dissertation comprises four chapters and ten sections.

CHAPTER 1 OVERVIEW OF RELATED STUDIES RELEVANT TO THE DISSERTATION TOPIC

1.1. SCIENTIFIC WORKS RELATED TO THE DISSERTATION TOPIC

1.1.1. Studies Related to Foreign Non-Governmental Organizations and Their Aid Resources

UNDP, Enhancing Public Participation in NGO-Driven Livelihood Programs: Lessons from Global Practices (2024); OECD, New Approaches in Aid Allocation: Lessons from Global Aid Agencies (2024); PACCOT, Handbook for International Non-Governmental Organizations in Viet Nam (2003); National Academy of Public Administration, Textbook on State Management of Non-Governmental Organizations (2004); VUSTA, Survey and Assessment of the Actual Situation of Receiving

Foreign Aid at VUSTA-Affiliated Organizations, 2005–2009 (2010); Nguyen Thi Thu Huyen, Strengthening State Management of Aid from Foreign Non-Governmental Organizations (2021).

1.1.2. Studies Related to Livelihoods

Joseph M. Awika et al., Determinants of Poverty in Developing Countries (2016); Solidarités International, Food Security and Livelihoods Strategy 2020–2025 (2020); Pham Chi Dung, Foreign NGO Aid in Viet Nam – Fish or Fishing Rod? (2006); Phan Thi Thanh Hien & Dang Thanh Ha, The Role of Land Resources and Productive Capacity in Improving the Livelihoods of Poor Households in the Northern Mountainous Region of Viet Nam (2019); Tran Thi Le Hang et al., Policies and Programs Supporting Income Improvement for Poor Households in Quang Binh Province (2020); World Bank, Moving to the Next Stage – Report on Poverty Reduction and Growth in Viet Nam (2022); Ho Van Mung, Factors Influencing Poverty Status among Ethnic Minority Households (2024).

1.1.3. Studies Related to the Impact of Foreign NGO Aid on Livelihoods

World Bank, World Development Report: The Impact of Foreign Aid on Livelihoods in Developing Countries (2020); FAO, NGOs and Rural Poverty Alleviation: Impacts and Lessons Learned (2020); Save the Children, Impact Assessment of NGO Aid on Family Livelihoods (2022); OECD, International NGOs and Local Livelihoods: Building Resilience in Fragile Contexts (2023); Can Viet Anh, Strengthening State Management of Foreign NGOs (2009); Nguyen Thi Lan Anh, The Impact of Foreign NGO Aid on Sustainable Livelihood Development for Poor Households in Quang Tri Province (2015); Don Tuan Phong, Aid from Foreign NGOs in Viet Nam's Socio-Economic Development (2018); Le Thi Hong, The Role of International NGOs in Supporting Livelihoods for Ethnic Minority People in the Central Highlands (2020); Tran Minh Hang, International Organizations and Development in Ethnic Minority and Mountainous Areas in Viet Nam (2021); Nguyen Thi Mai, The Impact of Foreign NGO Aid on Socio-Economic Development in Rural Areas of Viet Nam (2023).

1.2. CONCLUSIONS FROM EXISTING STUDIES AND ISSUES REQUIRING FURTHER RESEARCH ON THE IMPACT OF FOREIGN NGO AID ON POOR HOUSEHOLD LIVELIHOODS

1.2.1. Conclusions Drawn from Published Studies Related to the Dissertation Topic

1.2.1.1. Key Findings and Assessments from Published Studies

First, numerous domestic and international studies have analyzed the role, impacts, and effectiveness of foreign NGOs in supporting livelihood development

and sustainable poverty reduction. These provide conceptual frameworks, evaluation models, and theoretical foundations that the dissertation can inherit and adapt to the context of Phu Tho.

Second, several empirical studies conducted in northern mountainous provinces such as Ha Giang, Cao Bang, and Dien Bien clarify mechanisms of aid coordination, allocation, and utilization; the role of local governments; and the effectiveness of integrating NGO aid with poverty reduction programs, new rural development, and community–enterprise–government linkages.

Third, international studies (Riddell, Lewis & Kanji, OECD, UNDP, ADB, etc.) emphasize new global aid trends: shifting from material assistance to capacity building, promoting community participation, and strengthening social inclusion. These studies also highlight limitations in monitoring, risks of dependency, and weaknesses in local capacity—important implications for research in Phu Tho.

Fourth, domestic research (Nguyen Kim Ha, Dinh Quy Do, Don Tuan Phong, etc.) reflects the evolution of NGO aid mobilization, receipt, and management in Viet Nam. However, most studies remain descriptive, lack quantitative evaluation of impacts on specific household groups or livelihood models, and thus leave a gap that the dissertation aims to fill.

Fifth, some recent works employ quantitative approaches such as livelihood indices, livelihood capital frameworks, and correlation analysis between aid inputs and household income outcomes. These methods provide a foundation for the dissertation to apply participatory impact assessment and expand analytical approaches.

Sixth, practical reports from the Phu Tho Provincial People’s Committee, the Department of Foreign Affairs, ChildFund, SNV, VVOB, and the General Statistics Office supply valuable datasets, enriching the empirical basis of the study, especially for poor districts such as Tan Son, Yen Lap, and Ha Hoa.

1.2.1.2. Research Gaps Not Yet Addressed in Published Studies

First, although many studies examine the role of NGO aid in socio-economic development, none provide a systematic, in-depth, and quantitative assessment of its impacts on poor households’ livelihoods at the local level, particularly in Phu Tho.

Second, theoretically, no study has clearly defined the concept, scope, or classification of NGO aid according to economic, social, political, and environmental criteria. The relationship between NGO aid and key factors such as social equity, environmental sustainability, institutional capacity, and community resilience remains insufficiently explained.

Third, existing studies lack comprehensive impact measurement tools. Critical dimensions—such as post-project income sustainability, climate-resilience capacity, or reduction in aid dependency—have not been sufficiently quantified, limiting long-term impact assessment in Phu Tho.

Fourth, domestic studies mainly approach NGO aid management from administrative or legal perspectives. There is little analysis of the coordinating role of provincial governments in connecting NGO aid with local development programs such as sustainable poverty reduction, new rural development, or ethnic minority livelihoods.

Fifth, no research has clearly identified the constraints and enabling conditions for mainstreaming NGO aid with social protection policies. Analyses of impacts on vulnerable groups—women, ethnic minorities, remote-area poor households remain limited, despite their high exposure to livelihood risks.

From these gaps, the dissertation adopts an integrated analytical approach linking policy – community – livelihood, aiming to comprehensively assess NGO aid effectiveness and propose solutions to strengthen mobilization, utilization, and monitoring of NGO resources in Phu Tho toward sustainable development by 2030, with a vision to 2045.

1.2.2. Inherited Research Results and Issues Addressed in the Dissertation

1.2.2.1. Research Results Inherited by the Dissertation

First, the dissertation inherits the theoretical foundations on NGOs, development aid, and the role of NGO assistance in improving livelihoods and promoting sustainable development. Foundational works by Frank Ellis, Ian Scoones, Robert Chambers, UNDP, the World Bank, and OECD develop the Sustainable Livelihood Framework (SLF) and livelihood capital models, which serve as a basis for adapting the analytical framework to Phu Tho.

Second, the dissertation inherits both theoretical and empirical insights regarding the relationship between development aid and poverty reduction (Riddell, Lancaster, Hilhorst, etc.), highlighting NGO roles in community empowerment, gender equality, healthcare, education, and environmental sustainability.

Third, domestic studies on NGO aid and local livelihood development (Nguyen Kim Ha, Dinh Quy Do, Pham Chi Dung, etc.), along with data from PACCOM, the Ministry of Planning and Investment, and VUSTA, serve as important references for systematizing aid models, trends, and evaluation criteria relevant to Phu Tho.

Fourth, experiences from comparable provinces such as Ha Giang, Cao Bang, and Dien Bien particularly in aid mobilization, inter-sectoral coordination, community monitoring, and the use of digital tools in project management provide comparative insights for policy recommendations.

Fifth, the dissertation also inherits analyses of new contextual dynamics such as digital transformation, climate change, economic integration, results-based financing, and increased accountability and community participation.

Sixth, the dissertation adopts modern research tools such as impact indicators, the Livelihood Vulnerability Index (LVI), Participatory Rural Appraisal (PRA), SWOT analysis, and logical frameworks to build an appropriate impact assessment model for Phu Tho.

Overall, these inherited results form a solid theoretical and practical foundation for the dissertation to refine and extend new approaches that enhance the effectiveness of NGO aid in improving poor households' livelihoods and promoting sustainable development in Phu Tho.

1.2.2.2. Issues Addressed in the Dissertation

**** Regarding theory:***

- Systematizing and clarifying key concepts such as “foreign NGO aid”, “poor household livelihoods”, and “impact” from the perspective of Political Economy.
- Developing an integrated theoretical framework combining the Sustainable Livelihood Framework (SLF), development aid theories, and institutional–policy approaches.
- Analyzing factors influencing aid effectiveness, including governance mechanisms, implementation capacity, community participation, model relevance, and sustainability.
- Building a set of quantitative and qualitative criteria for evaluating NGO aid effectiveness, covering income improvement, employment creation, capacity building, livelihood autonomy, and social–environmental–financial sustainability.
- Clarifying the coordinating role of local governments and stakeholders (communities, NGOs, enterprises, cooperatives) in managing, monitoring, and scaling up livelihood models.

**** Regarding practice:***

- Analyzing the actual situation of mobilizing, receiving, and utilizing NGO aid in Phu Tho during 2014–2023, including scale, sectors, beneficiaries, and achieved results.
- Comparing experiences with similar provinces to draw lessons for improving aid mobilization, coordination, and governance capacity.
- The dissertation aims to contribute both theoretically and practically by proposing orientations and feasible solutions to improve the effectiveness of NGO aid utilization in enhancing poor households' livelihoods in Phu Tho toward 2030, with a vision to 2045.

CHAPTER 2

THEORETICAL FOUNDATIONS AND PRACTICAL EXPERIENCES REGARDING THE IMPACT OF FOREIGN NON-GOVERNMENTAL AID ON THE LIVELIHOODS OF POOR HOUSEHOLDS

2.1. CONCEPTS AND CHARACTERISTICS OF FOREIGN NON-GOVERNMENTAL AID IN RELATION TO POOR HOUSEHOLD LIVELIHOODS

2.1.1. Concept of Foreign Non-Governmental Aid and Foreign Non-Governmental Organizations

2.1.1.1. Concept of Foreign Non-Governmental Aid

According to Decree No. 80/2020/ND-CP of the Government on the management and utilization of non-refundable aid not classified as official development assistance provided by foreign agencies, organizations, and individuals to Viet Nam, foreign NGO aid is defined as: *“Non-refundable financial support or in-kind goods and services provided by the donor to the aid recipient for the implementation of socio-economic development and humanitarian objectives, not intended for commercial profit.”*

2.1.1.2. Concept of Foreign Non-Governmental Organizations

Foreign non-governmental organizations are: *“Private, non-profit organizations operating in development-related fields.”*

2.1.1.3. Concept of Poor Households

According to Decree No. 07/2021/ND-CP, poverty standards for 2022–2025 are defined as follows:

Rural areas: Households with per capita income $\leq$ VND 1.5 million/month and lacking at least 3 basic social service indicators.

Urban areas: Households with per capita income $\leq$ VND 2 million/month and lacking at least 3 basic social service indicators.

2.1.1.4. Concept of Livelihoods

A livelihood is described as: *“The set of resources, capabilities, decisions, and activities individuals or households employ to make a living and achieve their goals and aspirations.”*

2.1.1.5. Concept of Poor Household Livelihoods

Poor household livelihoods comprise the totality of resources, activities, and strategies mobilized by poor households to sustain life, generate income, meet essential needs (food, housing, education, healthcare, clean water, and access to basic social services), while adapting to risks, shocks, and moving toward sustainable development.

2.2. THE IMPACT OF FOREIGN NON-GOVERNMENTAL AID ON POOR HOUSEHOLD LIVELIHOODS

2.2.1. Concept of the Impact of Foreign NGO Aid on Poor Household Livelihoods

The impact of NGO aid on poor household livelihoods encompasses: “All influences generated by financial, technical, knowledge-based, and model-based support provided by foreign NGOs that contribute to the formation, maintenance, and development of the livelihoods of poor households.”

2.2.2. Process Through Which NGO Aid Impacts Poor Household Livelihoods

First, Access Stage: Access is the starting point of the entire impact chain. NGO aid through financial support, technical training, small-scale infrastructure, and social connections helps poor households overcome initial barriers related to information, administrative procedures, capacity, finances, and participation opportunities.

Second, Enhancement and Restructuring of Livelihood Capitals: Livelihood capital enhancement becomes effective only when the structure of livelihood capitals (human, natural, financial, social, and physical) is improved towards greater sustainability.

Third, Transformation of Livelihood Strategies: Strengthened livelihood capital empowers poor households with the capacity, confidence, and conditions necessary to modify or shift their livelihood strategies.

Fourth, Livelihood Outcomes: This is the final phase demonstrating measurable outputs and outcomes, including: Increased income and improved food security; Sustainable poverty reduction and reduced risk of returning to poverty,

2.2.3. Types of Impacts of NGO Aid on Poor Household Livelihoods

2.2.3.1. Direct Impacts

Economic development support: Aid is used to support small-scale entrepreneurship, including capital provision, training in financial and managerial skills, technical training, consulting services, and model development.

Infrastructure development: NGO aid contributes to building essential infrastructure that improves living conditions and fosters local economic growth.

Improving basic services: Aid supports education (school construction, equipment, teacher training), healthcare, clean water, and other essential social services.

Environmental protection: Aid is used to minimize environmental degradation and protect natural resources, promoting sustainable development.

2.2.3.2. Indirect Impacts

Strengthening economic stability: Aid also contributes to enhancing financial management capacity through staff training and support for households in microeconomic activities. These improvements in economic policy and management can help attract additional investment from foreign investors.

Encouraging investment from other donors: Aid helps stimulate the participation of other donors—from international financial institutions to private investors—in development projects in Viet Nam.

Creating momentum for reform and development: Foreign non-governmental aid is often accompanied by requirements for efficiency and transparency in resource utilization. Donor organizations typically require programs and projects to be implemented in accordance with international standards and performance indicators.

Enhancing international relations: Foreign NGO aid not only promotes cooperation and strengthens ties among nations but also enhances Viet Nam's international reputation within the global community.

It should also be noted that, regardless of whether the analysis focuses on direct or indirect impacts, in addition to the positive effects of foreign NGO aid on the livelihoods of poor households, practical experience in Viet Nam shows that this source of aid also generates several negative effects, including: (1) inequality in accessing NGO aid in ethnic minority and mountainous regions; (2) the phenomenon of “model illusion”; (3) comparative psychology and its associated consequences in aid reception; (4) risks of exploitation or misuse in aid activities; and (5) limitations in the effectiveness and management capacity of NGO projects.

2.2.4. Mechanisms Through Which NGO Aid Influences Livelihood Capitals

First, the impact on human capital: Human capital reflects the quality of labor within poor households, including educational attainment, vocational skills, health status, knowledge, and the ability to access information.

Second, the impact on social capital: Social capital encompasses relationships, networks, trust, and the capacity for cooperation among household members within the community.

Third, the impact on financial capital: Financial capital lies at the core of livelihood activities and includes income, savings capacity, access to credit, and other financial resources.

Fourth, the impact on physical capital: Physical capital consists of infrastructure, production tools, housing, and facilities that support both production and daily life.

Fifth, the impact on natural capital: Natural capital includes land, forests, water, climate, and other ecological resources that poor households use for their livelihood activities.

2.3. CRITERIA FOR ASSESSING THE IMPACT OF NGO AID ON POOR HOUSEHOLD LIVELIHOODS

2.3.1. Criteria for Assessing the Impact of Foreign NGO Aid on the Livelihoods of Poor Households

Table 1: Impacts of Foreign NGO Aid on Livelihoods

Evaluation Criteria	Specific Indicators or Measurement Tools	References
Income and Employment	- Increase in average per capita income among supported poor households. - Percentage of households gaining new employment or maintaining stable jobs after support.	Dinh Quy Do (2012); Frank Ellis (2000)
Access to Social Services	- Percentage of households accessing healthcare, education, clean water, information, social insurance, etc. - Reduction in the Multidimensional Poverty Index (MPI) in intervention communes.	David Lewis (2009); OECD (2024); Phan Thi Thanh Hien & Dang Thanh Ha (2019)
Production Capacity and Livelihoods	- Percentage of households participating in new livelihood models financed by aid. - Increase in productivity or income from supported models. - Number of innovative and locally appropriate livelihood models.	UNDP (2024); Ian Scoones (2009); Solidarités International (2020); Tran Thi Le Hang et al. (2020)
Capacity Building and Awareness	- Percentage of households participating in vocational training, production skills, or household financial management courses. - Level of increased awareness regarding sustainable development, gender equality, and environmental protection.	John Smith (2021)
Sustainability of Impacts	- Percentage of models sustained 12 months after project completion. - Percentage of models replicated in neighboring areas. - Level of autonomy among beneficiaries.	Nguyen Thi Thu Huyen (2021); Pham Chi Dung (2006)
Community Satisfaction	- Community satisfaction index based on qualitative surveys. - Feedback on support quality and relevance to actual needs.	Jonathan Ensor & Rachel Berger (2009)

Source: Compiled by the author from related studies

2.4. PRACTICAL EXPERIENCES IN PROMOTING POSITIVE IMPACTS AND MITIGATING NEGATIVE IMPACTS OF NGO AID, AND LESSONS FOR PHU THO

2.4.1. Experiences in Enhancing Positive Impacts and Mitigating Negative Impacts of Foreign NGO Aid on Poor Household Livelihoods in Selected Provinces

The provinces of Ha Giang, Cao Bang, and Dien Bien share geographical, economic, and social characteristics similar to those of Phu Tho. Located in the Northern Midland and Mountainous region, they possess comparable development conditions. Moreover, these provinces have accumulated considerable experience in receiving, managing, and implementing foreign NGO aid, especially in areas such as poverty reduction, livelihood development, community healthcare, education, and support for vulnerable groups.

2.4.1.1. Experience from Ha Giang Province: Proactive orientation and prioritization of aid; Appropriate allocation structure aligned with sustainable livelihood needs; Transparent governance with strengthened monitoring and evaluation; Development of a bottom-up aid ecosystem.

2.4.1.2. Experience from Cao Bang Province: Prioritizing livelihood development linked to market demands and community needs; Practical allocation structure closely aligned with local conditions; Improvement of management mechanisms, monitoring, and aid transparency; Enhancement of staff capacity and reduction of administrative procedures; Strengthening people-to-people diplomacy and promoting spillover effects; Long-term orientation and replication of successful models.

2.4.1.3. Experience from Dien Bien Province: Tri-partite cooperation among local authorities, foreign NGOs, and enterprises; Transparent, proactive project management and oversight; Improvement of local capacity and awareness.

2.4.2. Lessons Learned for Phu Tho in Enhancing Positive Impacts and Mitigating Negative Impacts of Foreign NGO Aid on Poor Household Livelihoods: *First*, proactively orienting, planning, and prioritizing aid resources; *Second*, integrating NGO aid with socio-economic development programs; *Third*, strengthening transparency, community monitoring, and policy dialogue; *Fourth*, diversifying partners and cooperation modalities; *Fifth*, improving the capacity of grassroots officials and beneficiary communities.

CHAPTER 3

THE CURRENT IMPACT OF FOREIGN NON-GOVERNMENTAL AID ON THE LIVELIHOODS OF POOR HOUSEHOLDS IN PHU THO PROVINCE

3.1. OVERVIEW OF NATURAL AND SOCIO-ECONOMIC CONDITIONS OF PHU THO PROVINCE AFFECTING POOR HOUSEHOLD LIVELIHOODS

Due to the administrative merger of Phu Tho, Vinh Phuc, and Hoa Binh provinces into a new Phu Tho province (effective from 1 July 2025), complete statistical data for the newly formed province are currently unavailable. Since this dissertation confines its analysis to the former Phu Tho province, Chapter 3 focuses solely on the natural, economic, and social conditions of former Phu Tho that influence poor household livelihoods.

3.1.1. Natural Conditions, Socio-Economic Characteristics, and Poverty Situation in Phu Tho

3.1.1.1. Natural Conditions

Phu Tho is located in the Northern Midland and Mountainous region of Viet Nam, holding a strategic position as the western gateway to Ha Noi. It borders: Ha Noi to the east, Vinh Phuc to the northeast, Tuyen Quang to the north, Yen Bai to the northwest, Son La to the west, Hoa Binh to the south

The province covers 3,534.6 km² with a population of nearly 1.6 million.

It is approximately 80 km from central Ha Noi and 50 km from Noi Bai International Airport.

3.1.1.2. Socio-Economic Conditions

Formerly an agriculture-based province, Phu Tho has undergone significant transformation toward industrialization and modernization, with growing sectors such as services and tourism.

The Gross Regional Domestic Product (GRDP) growth rate remained relatively stable at 6–7% per year. By 2023, GRDP per capita reached VND 63.2 million (approximately USD 2,600), and the provincial economy exceeded VND 100 trillion, ranking 3rd out of 14 provinces in the region.

3.1.1.3. Poverty Situation in Phu Tho

The multidimensional poverty rate decreased substantially from 14.2% in 2014 to 4.15% in 2023 (Phu Tho Department of Labour, Invalids and Social Affairs, 2024). However, poverty reduction remains unsustainable, especially in ethnic

minority and mountainous communes where poverty rates range from 5–8%, with some exceeding 10%.

A detailed district-level poverty table (2014–2023) is included in the dissertation, showing persistent poverty hotspots in mountainous districts such as Tan Son, Yen Lap, Thanh Son, and Ha Hoa.

Table 2. Poverty Rate by Locality in Phu Tho Province

Locality	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Phu Tho Province (Overall)	14.2	12.04	11.8	10.5	7.09	5.57	4.34	4.33	4.32	4.31
Viet Tri city	3.67	1.69	1.37	1.06	0.74	0.61	0.51	0.5	0.49	0.48
Phu Tho town	4.41	3.19	2.83	2.47	2.11	1.54	1.2	1.19	1.18	1.17
Doan Hung district	14.71	9.0	7.85	6.71	5.56	4.73	4.15	4.14	4.13	4.12
Ha Hoa district	18.14	14.85	12.99	11.13	9.27	7.41	5.7	5.69	5.68	5.67
Thanh Ba district	19.87	17.59	15.47	13.34	11.22	8.53	6.52	6.51	6.5	6.49
Phu Ninh district	5.67	4.57	3.96	3.35	2.74	2.33	2.02	2.01	2.0	1.99
Yen Lap district	34.65	24.5	20.73	16.96	13.19	10.21	7.53	7.52	7.51	7.5
Cam Khe district	25.59	20.57	17.95	15.33	12.71	9.89	7.82	7.81	7.80	7.790
Tam Nong district	12.28	8.83	7.5	6.17	4.84	3.66	2.88	2.87	2.86	2.85
Lam Thao district	6.4	3.96	3.37	2.77	2.18	1.76	1.4	1.39	1.38	1.36
Thanh Son district	27.1	18.33	15.76	13.18	10.61	8.39	6.38	6.37	6.36	6.35
Thanh Thuy district	10.26	6.55	5.63	4.7	3.78	3.17	2.52	2.51	2.5	2.49
Tan Son district	37.68	30.53	26.22	21.91	17.6	13.59	9.86	9.85	9.84	9.83

Source: *Phu Tho Statistical Yearbook 2014–2023*

3.2. CURRENT IMPACT OF FOREIGN NGO AID ON POOR HOUSEHOLD LIVELIHOODS

3.2.1. Overview of NGO Aid in Phu Tho

From 2014 to 2023, Phu Tho province hosted a total of 104 foreign organizations and individuals, which supported 226 programs, projects, and non-project activities across 13 districts and cities, 12 provincial departments, and 2 universities/colleges. These activities focused primarily on sectors such as education and training, healthcare, social protection, and natural resources and environment. The total disbursed value of these projects reached approximately USD 24 million, equivalent to about VND 529.3 billion.

3.2.2. Accessibility of Foreign NGO Aid for Poor Households

First, institutional, informational, and procedural accessibility: Local authorities have strengthened communication on NGO aid through village meetings, public loudspeaker systems, mass organizations, and integration with national target programs.

Second, financial accessibility and participation conditions: Some NGO-funded projects require beneficiary households to contribute counterpart inputs such as labor days, locally available materials, or a portion of their own financial resources.

Third, social and cultural accessibility: Although women and ethnic minority groups are often prioritized, their actual participation rates remain lower than those of men in many areas.

3.2.3. Impacts of Foreign NGO Aid on the Livelihoods of Poor Households

3.2.3.1. Descriptive Statistics of the Survey Sample

The author determined the sample size (N) in this study to ensure objectivity, balance, and efficiency. The sample size was calculated using Cochran's sample size formula as follows:

$$n = \frac{N}{1 + N \times e^2}$$

Where:

n: required sample size

Z: value from the Z-distribution corresponding to the selected confidence level; the study uses a 95% confidence level, equivalent to $Z = 1.96$

p: estimated proportion of successful observations; p is commonly set at 0.5 to maximize the product $p(1 - p)$, thereby ensuring a conservative and safe sample size

e: allowable margin of error, set at ± 0.05 in this study

According to the consolidated list provided by local authorities, there were 690 households in areas exposed to NGO aid—this constitutes the population size (N) for the study. Based on Cochran's formula and the chosen margin of error ($e = \pm 0.05$), the minimum required sample size was determined to be 197 households. In practice, the author surveyed 200 households (100 households per district). The sample was divided into two groups: 120 beneficiary households, i.e., those that had participated in and received support from NGO-funded programs/projects; 80 non-beneficiary

households, serving as the control group, i.e., those that had not received any NGO support during the same period.

The survey was conducted in two representative districts: Ha Hoa and Tan Son. These districts were selected because they have high poverty rates, represent both midland and mountainous ecological characteristics, and have received significant NGO aid interventions. Selection criteria included: the level of NGO aid exposure, livelihood conditions, and the feasibility of comparing beneficiary and non-beneficiary households.

3.2.3.2. *Direct Impacts:* Support for household economic development; Infrastructure development; Improvement of basic social services; Environmental protection

3.2.3.3. *Indirect Impacts:* Strengthening economic stability; Encouraging investment from other donors; Creating momentum for reform and development; Enhancing international relations.

3.2.3.2. *Direct Impacts of NGO Aid:* Economic development: support for small-scale production, training, and livelihood models; Infrastructure development: small-scale infrastructure improving living conditions; Basic service improvement: schools, equipment, teacher training, healthcare support; Environmental protection: community-based environmental management activities.

3.2.3.3. *Indirect Impacts of NGO Aid:* Enhanced economic stability; Increased attraction of additional donors; Motivation for administrative and policy reform; Strengthened international relations and soft diplomacy.

3.2.3.4. *Negative Impacts:* Inequality in access among ethnic minority and remote communities; “Model illusion”: successful pilot models failing in replication; Comparative psychology and aid dependency; Risk of aid abuse or manipulation; Weak management capacity of NGOs and local agencies

3.3. GENERAL ASSESSMENT OF THE IMPACT OF NGO AID ON POOR HOUSEHOLD LIVELIHOODS IN PHU THO

3.3.1. Achievements and Contributing Factors

Achievements include: Rural development and poverty reduction support; Contribution to the province’s socio-economic development; Diversification of development investment sources; Increased transparency and improved investment climate; Poverty reduction and income improvement for beneficiaries; Promotion of social equity and progress; Environmental protection and sustainable natural resource use

3.3.2. Limitations and Root Causes

Table 3: Summary of Limiting Factors

Group of Causes	Specific Manifestations	Consequences
Local Government Agencies in Viet Nam	- Confusion in applying legal documents - Lack of transparency in financial management - Insufficient post-project inspection	- Delays in project implementation - Failure to account for donated assets - Reduced effectiveness and sustainability
Lack of Coordination Among Administrative Levels	- Failure to report to the Provincial People's Committee in a timely manner - Lack of a unified coordination plan	- Duplication of programs - Insufficient budget control and weak community monitoring
Foreign NGOs	- Replicated models lacking practical relevance - Small-scale, short-term projects - Absence of post-project mechanisms	- Ineffective models - Lack of sustainability after aid withdrawal - Waste of resources
Lack of Independent Monitoring and Quantitative Evaluation	- Projects lacking measurable indicators - No tracking of actual effectiveness	- No basis for policy adjustment - Reduced capacity for synthesis and learni

Source: Author's survey compilation

3.3.3. Risks and Sustainability of NGO Aid Impacts

3.3.3.1. Risks: Beneficiary-related risks (low capacity, limited participation); Market and production risks; Governance and institutional risks; Inadequate relevance of livelihood models

3.3.3.2. Sustainability Dimensions: Economic sustainability; Social sustainability; Environmental sustainability; Institutional sustainability; Cognitive and capacity sustainability among local communities.

CHAPTER 4

ORIENTATIONS AND SOLUTIONS TO PROMOTE POSITIVE IMPACTS AND MITIGATE NEGATIVE IMPACTS OF FOREIGN NON-GOVERNMENTAL AID ON THE LIVELIHOODS OF POOR HOUSEHOLDS IN PHU THO PROVINCE TOWARD 2030, WITH A VISION TO 2045

4.1. ORIENTATIONS FOR PROMOTING POSITIVE IMPACTS AND MITIGATING NEGATIVE IMPACTS OF FOREIGN NGO AID ON POOR HOUSEHOLD LIVELIHOODS TOWARD 2030, WITH A VISION TO 2045

4.1.1. New Context Affecting the Mobilization of Foreign NGO Aid for Poor Household Livelihoods in Phu Tho

International and Domestic Context

Since 2014, the international environment has undergone profound changes impacting the strategic directions and flows of foreign NGO aid. Globalization, the Fourth Industrial Revolution (Industry 4.0), geopolitical conflicts (Russia–Ukraine, Israel–Hamas), the COVID-19 pandemic, and intensified climate change have prompted NGOs to shift priorities from traditional humanitarian assistance toward: Institutional capacity building, Digital transformation, Climate adaptation, Sustainable development

Viet Nam’s transition to a lower middle-income country since 2010 has enhanced its global status; however, many NGOs have redirected aid to poorer countries. Consequently, the overall inflow of NGO aid into Viet Nam—and Phu Tho in particular—shows signs of decline.

Following the administrative consolidation (combining former Phu Tho, Vinh Phuc, and Hoa Binh provinces), the new Phu Tho province spans over 9,361 km² and has a population of more than 4 million, making it one of the largest provinces in the Northern Midland and Mountainous region. This structural change poses both new opportunities and significant challenges for development planning and aid mobilization.

Forecast of NGO Aid Trends

According to PACCOM, Viet Nam currently hosts around 900 registered foreign NGOs, with approximately 600 organizations maintaining active operations. From 2014 to 2023, total NGO aid to Viet Nam reached USD 3.6 billion, averaging USD 250–300 million annually, concentrated in: Healthcare, Education, Livelihood development, Support for vulnerable groups, Climate change adaptation. By 2030, NGO aid is projected to reach USD 2.1–2.5 billion, with a growing shift toward medium- and long-term development programs aligned with global agendas such as: Sustainable Development Goals (SDGs), Paris Agreement on Climate Change, Viet Nam’s Net Zero 2050 commitment.

4.2. SOLUTIONS TO PROMOTE POSITIVE IMPACTS AND MITIGATE NEGATIVE IMPACTS OF NGO AID ON POOR HOUSEHOLD LIVELIHOODS IN PHU THO TOWARD 2030, VISION 2045

Solutions are developed based on theoretical foundations, new development context, and actual local needs. They are adjusted to fit the restructured administrative and governance framework of Phu Tho province after July 2025.

4.2.1. Solutions to Raise Awareness, Strengthen Management Capacity, and Enhance Information Sharing with Beneficiary Communities

(1) Enhance the capacity of personnel involved in NGO aid management.

(2) Modernize the monitoring and evaluation system with multi-stakeholder involvement.

(3) Strengthen dialogue, two-way feedback, and information transparency.

(4) Regularly organize public dialogues and thematic workshops with stakeholders.

4.2.2. Solutions to Improve the Legal Framework and Reform Administrative Procedures in NGO Aid Management

(1) Enhance the legal framework and inter-sectoral coordination mechanisms.

(2) Reform administrative procedures and promote digital transformation.

(3) Establish flexible and science-based oversight mechanisms.

(4) Strengthen transparency, accountability, and community participation.

4.2.3. Solutions to Innovate Aid Mobilization Approaches and Diversify NGO Partnerships

(1) Expand cooperation and diversify donor partnerships.

(2) Promote public–private partnerships (PPP) to scale up and enhance project efficiency.

(3) Adopt results-based financing (RBF).

(4) Strengthen multilateral cooperation and participation in international programs.

(5) Modernize external communication and aid mobilization strategies.

(6) Improve capacity of provincial officials in aid mobilization and resource negotiation.

(7) Promote community involvement in mobilization and monitoring activities.

4.2.4. Solutions to Enhance Economic Autonomy and Promote Sustainable Livelihoods for Poor Households

(1) Expand vocational training and build market-responsive production skills.

(2) Support access to capital, markets, and small business start-ups.

(3) Strengthen value chain linkages and community-based economic models.

(4) Improve livelihood-related infrastructure (roads, irrigation, clean water, digital connectivity).

(5) Enhance community self-governance and strengthen local ownership of development models.

4.2.5. Solutions for Controlling and Minimizing Negative Impacts of NGO Aid

(1) Strengthen the capacity of grassroots governments and communities in accessing and managing NGO aid.

(2) Ensure equitable aid allocation across geographic areas and vulnerable groups.

(3) Strictly regulate project models and aid content.

(4) Establish independent evaluation mechanisms and multi-dimensional monitoring linked with transparent information disclosure.

4.2.6. Solutions to Strengthen Inspection, Monitoring, and Evaluation (M&E) of NGO Aid Mobilization and Utilization

(1) Develop a multi-dimensional monitoring and evaluation indicator framework.

(2) Promote strong application of digital technology in M&E.

(3) Ensure timely reporting of project progress and outcomes.

(4) Establish transparent and accessible feedback and complaint mechanisms.

(5) Strengthen the capacity of M&E personnel across all levels.

(6) Enhance multi-level and multi-stakeholder coordination in M&E activities.

CONCLUSION

Following the administrative merger in July 2025, the newly established Phu Tho province—formed from the consolidation of the former provinces of Phu Tho, Vinh Phuc, and Hoa Binh—has become one of the largest localities in the Northern Midland and Mountainous region in terms of both area and population. It serves as a strategic “gateway” connecting the Northwestern region with Ha Noi and the Red River Delta. In this context, the effective mobilization and utilization of foreign non-governmental aid (NGO aid) hold significant importance for sustainable development, comprehensive poverty reduction, and the strengthening of poor households’ livelihood capacity. Drawing on the research findings, the dissertation presents several key conclusions:

First, in terms of theory, the dissertation has inherited and further developed the analytical framework concerning the impact of NGO aid on the livelihoods of poor households. Based on the Sustainable Livelihood Approach (SLA) and the Rights-Based Approach (RBA), the study clarifies essential concepts—foreign NGO aid, poor household livelihoods, and livelihood impact—and constructs a set of

evaluation criteria corresponding to the five types of livelihood capital (natural, physical, financial, human, and social).

Second, through surveys and analysis of the period 2014–2023, the dissertation identifies notable achievements: total NGO aid disbursed in Phu Tho reached approximately VND 529.3 billion, with substantial contributions in healthcare, education, livelihood development, and environmental protection. The aid significantly improved income levels, expanded employment opportunities, enhanced access to social services, and strengthened the productive capacity of poor households, especially in disadvantaged and ethnic minority areas.

Third, by analyzing the international, national, and provincial context, the dissertation forecasts trends in NGO aid toward 2030 and vision 2045. A significant shift toward global priority areas—climate change, digital transformation, green development, and inclusive growth—is anticipated. For Phu Tho, NGO aid will remain an important supplementary resource; however, reducing dependency, enhancing endogenous capacity, and promoting proactive community participation will be crucial.

Fourth, the dissertation affirms its academic and practical contributions. This is the first in-depth study addressing the impact of NGO aid on poor household livelihoods in Phu Tho from the perspective of Political Economy. It not only enriches the theoretical discourse on NGO aid governance and sustainable livelihood development at the provincial level but also provides empirical evidence for policymaking.

However, due to constraints in financial resources and time, the study focuses solely on former Phu Tho province. Although comparative analyses with neighboring provinces and similar regions were conducted, the findings remain more representative of regional characteristics than of the entire country. Moreover, the study mainly captures short- and medium-term impacts (during implementation and immediately after project completion).

To address these limitations and expand the research scope, the dissertation proposes several promising future research directions:

(i) Examination of long-term sustainability of livelihood capitals after NGO aid withdrawal, with emphasis on the persistence of human capital (skills, knowledge) and financial capital (savings, productive investments).

(ii) Comparative analysis across different socio-economic regions—such as the Mekong Delta, Central Highlands, and Northern Midlands—to explore differences in aid absorption mechanisms and livelihood responses among various ecological and cultural settings.

(iii) Study of successful and unsuccessful localization models, aimed at identifying best practices and standard procedures that strengthen local ownership, ensure the continuity of project outcomes, and prevent deterioration after NGOs exit.

LIST OF AUTHOR'S PUBLISHED WORKS RELATED TO THE DISSERTATION

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