Tobacco Control Fund as Catalyst for Public Health Gain: Vietnam’s Experience

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Public health is more than focusing on health care; it includes prevention and health promotion as important tools for improving and saving lives. Nevertheless, the escalating prevalence of non-communicable diseases (NCDs) often outweighs the preventive measures taken by most countries. It is due to limited national health budget and is the greatest concerns worldwide.

Vietnam has one of the highest numbers of smokers in the ASEAN countries. The current growth of adult smoking prevalence of 23.8% (15.3 million) with men (47.4%) and women (1.4%) is increasing burden of NCDs. Consequently, government has to shoulder an enormous burden of health care cost and productivity losses. In 2011, the total direct and indirect health care cost for five diseases related to tobacco use (lung cancer, cancers of upper aero digestive tract, chronic obstructive pulmonary disease (COPD), ischemic heart disease and stroke) among active smokers amounted to VND 23,139.2 billion (USD 1,113.7 million). Almost 40,000 deaths in 2008 were caused by tobacco-related diseases and these are projected to increase to more than 50,000 deaths annually by 2023. Although a significant number of tobacco-related diseases and deaths in the country are preventable, tobacco has never been considered as a public health priority and for that, only a lean budget is allocated for national health and prevention programs.

Over the past years, numerous preventive measures and programs were conducted by various agencies including government and private sectors to tackle the tobacco epidemic in Vietnam. Inevitably, with limited funding from national health budget has continuously deterred from stretching the existing resources further to support for long-term prevention programs. However, the Vietnamese government has seriously taken steps in overcoming the long-standing predicament by securing a long-term and sustainable funding to address NCD prevention and control tobacco use. Such commitment was accomplished through the passing of the Vietnam Tobacco Control Law on 18 June 2012 which included the establishment of the Tobacco Control Fund (TCF). The fund helps to secure source of funding using tax measure to accelerate the implementation of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC). Vietnam Tobacco Control Fund (VNTCF) is derived from a compulsory contribution of 1% of taxable price for excise tax of all cigarette packs produced locally or imported for local consumption beginning 1 May 2013. This rate will be increased to 1.5% from 1 May 2016 and to 2% from 1 May 2019. The fund is also open for voluntary contribution from national and international organizations and individuals as well as other legal sources. All the collections received are directed to the fund and will be used for prevention and control of tobacco harms. This achievement marks a historic tobacco control milestone for Vietnam.
“The TC Fund is a solution for effective implementation of the policies to protect Vietnamese health. It helps to ensure financial sources to successfully implement the targets in the National Policy on Tobacco Harm Prevention and Control and realize our commitment to FCTC.”

Madam Nguyen Thi Xuyen, Vice Minister of Health, Vietnam.

Critical Factors to Establish Tobacco Control Fund

a) Unstable and inadequate source of funding for tobacco control and health promotion

Previously, uncertainty to secure more funding for health promotion and tobacco control from the annual national health budget was a daunting experience. Most low-and-middle income countries including Vietnam faced such problem. Having to compete with other health expenditures, tobacco control, has always been discriminated and regarded as non-priority in the public health agenda. It often received less attention from policy makers and generally only a fraction of total health budgets will be allocated for tobacco control. Only VND50 million (USD2,347) of the national health budget was for tobacco control activities in 1998 and was increased enormously to VND1,200 million (USD60,000) in 2012. The situation is becoming more distressing as the amount for health promotion, particularly tobacco control, varies from year-to-year compared to funding for curative health care. Such funding constraint has restricted the necessary long-term action for improved and sustainable population health gains.

In the early 1990’s, a stream of external funding for health-related projects including tobacco control was channeled into Vietnam’s tobacco control movement. Most tobacco control activities were implemented with this external funding from international donors. About 90% of tobacco control funding obtained from international sources was dispensed to governmental and non-governmental organizations (NGOs). Although such funding resources were insufficient and often for a short term, it helps to support tobacco control activities with a specific target group on a national scale in creating awareness of smoking harmful effects.

Tobacco control communities continued to struggle to secure external funding sources even after the Vietnam government had ratified the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) on 17 December 2004. Such funding for tobacco control programs has been reduced after Vietnam became a middle-income country in 2009.

“Facing the challenge of financial resources and learning from other countries with tobacco control fund development models such as Thailand, Australia,... VINACOSH decided that TCF establishment is one of the primary goals and strategies for tobacco control work in the future.” Dr Phan Thi Hai, Vice-Director, Vietnam Steering Committee on Smoking and Health (VINACOSH), Ministry of Health, Vietnam.
Inadequate and irregular flow of external funding is also suppressing the country’s action plan to further strengthen tobacco control policies at both the national and local levels. This has led to the need for a long-term and stable type of funding for Vietnam.

b) Lack of tobacco control staff and manpower

Tobacco control movement in Vietnam is less visible in the early years of 2000 as there was limited funding available from both national budget and international sources. Most of the staff hired was on a contractual basis depending on a project’s duration which was mainly short-term and supported by international funding. A maximum of two staff members would be recruited for each project. Vietnam Steering Committee on Smoking and Health (VINACOSH) and other tobacco control NGOs and academic institutions are facing similar predicament. Even at the Ministry of Health level, VINACOSH has, to date, only 11 permanent staff responsible for tobacco control in a country with 89.7 million populations.

Difficulty in retaining a skill, trained and experienced contract staff after the end of a project due to the discontinuation of tobacco control funding. This resulted in having to recruit new staff whenever new funding is available. However, the new staff may not have experience in tobacco control and would have to be re-trained. The shortage of staff working on tobacco control was a crucial challenge to address with uncertain funding. These problems pose a great concern for most countries including Vietnam. Such constraints to some extent have impeded the country’s efforts to strengthen tobacco control policies in line with the WHO FCTC recommendations.

To tackle this, there were efforts taken by leaders in Vietnam to secure more stable source of funding for long-term investment in improving health through the establishment of tobacco control fund.

“\text{The foundation of TCF based on socialization principle tailored well with the direction and policy of government and Communist Party on the socialization of health service. It basically meets the emerging needs of funding for current tobacco control activities and will contribute to reduce the burden on state budget.}”

\text{Mr. Pham Dinh Thi, General Director, Department of Tax Policy, Ministry of Finance, Vietnam.}

Gearing Up towards the Birth of Vietnam Tobacco Control Fund (VNTCF)

In 2005, the idea of a sustainable fund for health promotion programs including tobacco control was initiated after the study tour to ThaiHealth Foundation, Thailand hosted by SEATCA. This was followed by a series of meetings with various stakeholders to discuss and plan for funding mechanism establishment for a long-term health promotion program. The first working group involving Ministries of Health and Finance was held between 2008 and 2009 to discuss the development of ‘VietHealth’, a similar idea of ThaiHealth Foundation.
An intensive movement to support the establishment of Tobacco Control Fund (TCF) began in 2009 along with the development of tobacco control law. Recognizing the importance of forming such funding mechanism according to the country’s legislation, the very first step was to include the provision of TCF in its tobacco control law. This would help to secure a long-term and predictable flow of fund besides protecting it from any inappropriate use and political interference. The Prime Minister Decision (1315/QD-TTg) upon the implementation plan approval for framework convention on tobacco control which included the establishment of the tobacco control fund and health promotion, was timely.

The inter-sectoral partnership between government and non-government agencies within the health and fiscal sectors led to the establishment of TCF. Tobacco control advocates and policy makers including Ministry of Health, VINACOSH, Ministry of Finance, the Vietnam Office of World Health Organization (WHO) and HealthBridge have been working closely with Ministry of Health. They, in turn, received technical and financial support from international partners including Southeast Asia Tobacco Control Alliance (SEATCA), the International Union Against Tuberculosis and Lung Disease (The Union) and Campaign for Tobacco-Free Kids (CTFK).

"During the drafting and development of tobacco control law (including TC Fund), Vietnam received a lot of timely and necessary support both of finance and technical expertise in tobacco control from international organizations such as the Union, CTFK, Bloomberg, SEATCA, ...".

Dr Phan Thi Hai, Vice-Director, Vietnam Steering Committee on Smoking and Health, Ministry of Health, Vietnam.

a) Collaboration between the Ministry of Health and Ministry of Finance through Strategic Partnership

Tobacco control has always been perceived as the sole responsibility of Ministry of Health. However, effective FCTC implementation requires the Ministry of Health to work closely with other ministries. Many countries have recognized the importance of Ministry of Health to explore innovative partnerships beyond its traditional confines, particularly with the Ministry of Finance to strengthen the implementation of tobacco tax and the establishment of tobacco control fund. Needless to say, fostering cross-sectoral partnership between Ministry of Health and Ministry of Finance is the prime mover in the proposal to establish tobacco control fund. In Vietnam, the Ministry of Health took the lead in multi-sectoral efforts across various ministries particularly with the involvement of Ministry of Finance to implement effective tobacco tax policies. Non-governmental organizations are part of the tobacco control movement in Vietnam and they have played an active role in strengthening tobacco control policies implementation. Remarkably, HealthBridge through the Southeast Asia Initiative on Tobacco Tax (SITT) project has fostered a new partnership with Tax Policy Department in the Ministry of Finance (TPD-MOF), working towards the common goal of tackling the tobacco epidemic using tobacco tax measures.
b) Awareness Building and Knowledge Sharing Among Policy Makers

Various approaches and strategies have been taken by VINACOSH, WHO, HealthBridge and local NGOs to strengthen collaboration and gain support from various stakeholders for tobacco control fund. It is through the engagement of multi-sector partnerships with relevant stakeholders including officials from the Ministry of Finance, National Assembly, Legislative Department of the Government Office, Ministry of Industry and Trade and Ministry of Justice.

Series of workshops and technical meetings in close collaboration with WHO, international partners such as SEATCA, Union, TFK and HealthBridge between 2010 and 2014 have provided capacity building for advocacy and knowledge sharing of best practices, lessons learned and challenges faced by local and international tobacco control advocates, health professionals, and policy makers from ASEAN countries. Dissemination of relevant technical and resource materials on tobacco taxation and health promotion was useful tool to facilitate effective discussions on the issues. Such an inclusive process helps to improve stakeholders’ knowledge about the FCTC Article 6 provision and the need for sustainable funding for long-term investment for health. At the same time, it also helps to cultivate good working relationship between the local partners (VINACOSH, WHO and NGOs) and TPD-MOF. It also enabled the MOF to play an active and key role in the local tobacco control community.

A bilateral meeting through study tours is another strategy for policy makers to learn from neighbors, particularly countries that have a good implementation of tobacco control measures. Countries such as Thailand (Thai Health Promotion Foundation (ThaiHealth)), Singapore (Singapore Health Promotion Board), Malaysia (Malaysia Health Promotion Board (MySihat)), Australia (The Victorian Health Promotion Foundation (VicHealth)), and Hong Kong (Council on Smoking and Health) are forerunner in tobacco control. High-ranking officials from the Government Office, Ministry of Finance, Ministry of Justice, National Assembly, have participated in the study tours organized by VINACOSH and HealthBridge in close collaboration with local partners funded by Atlantic Philanthropies, Bloomberg Initiative, Union, Tobacco Free Kids, WHO and SEATCA. Such exposure provides greater understanding of the different tobacco tax systems, the need for promoting tobacco control measures through taxes, cigarette smuggling controls besides gaining support for strengthening Vietnam’s tobacco tax policy and ideas for sustainable funding.

“Setting up a special fund like tobacco control fund is essential to support wide range of health promotion activities including alcohol and not restricted to tobacco prevention activities only.” Dr Nguyen Van Tien, Vice Chairman of Committee of Social Affair, The National Assembly of the Socialist Republic of Vietnam.
c) High Commitments from Ministry of Finance (MOF)

Principally, MOF is one of the important potential players in tobacco control due to its role in state budget allocation on tobacco program and taxation. Over the years, the MOF’s role has evolved when it was assigned to investigate and propose an effective tobacco tax policy. A roadmap for tax increases according to the Government Plan for FCTC implementation in 2009 and Circular of financial allocation from state budget on tobacco programs were developed. Thus, it is very crucial to involve MOF in the development of tobacco control fund when surcharge tax would be imposed as the main source of funding.

The strong support gained from MOF about the proposal of tobacco control fund establishment was significant in getting positive support from other ministries as well as National Assembly. It is through the combination of multi-sectoral meetings, workshops (in-country and regional), study tours, and consultations that have enabled high level officials and its subordinates in MOF department and related ministries to understand the importance of all the WHO FCTC provisions better. More importantly, they are aware and appreciate why tobacco tax is one of the most effective measures to reduce tobacco consumption and the need for sustainable funding through tobacco control fund for health promotion and tobacco control programs.

d) Important Step to Secure Strong Support from the Top Leaders

The complexities of tobacco control policy-making require strong commitment and support from high ranking policy makers particularly to establish tobacco control fund by legislation. As the lead government organization on tobacco control, VINACOSH has taken steps to push for establishing TCF through inclusion of TCF provision in the development of tobacco control law. In the beginning, there was a strong opposition and received different levels of support from various stakeholders including high-level officials from Ministry of Finance, Government Office and National Assembly towards the TCF proposal.

Common concerns raised included arguments on the rationale for a new funding mechanism (as the existing types of funds established in Vietnam are ineffective with lack of transparency in the use and administration of the mostly short-term fund). The existing funds also have the potential for more corruption with mismanagement and misuse of the fund to manifest. It also shatters the belief that it is the responsibility of government to provide sufficient funds for public health and that it is unnecessary to establish a new fund. The suggestion for government is to collect additional tax by incorporating in the existing tax system eases fund management and allocate more budgets for tobacco control. It also does away the need for additional tax as government has imposed ad valorem excise tax on tobacco products.

Between 2006 and 2012, under the strong leadership of Ministry of Health with the support from VINACOSH, WHO and tobacco control working group (TCWG), key policy makers have consistently been engaged for, awareness and knowledge were transferred through series of meetings, workshops, and study tours. Such strategies were able to build trust and convinced policy makers who were initially not supportive to change their support for TCF, besides gaining consensus support from National Assembly. Despite a marginal win when the establishment of
TCF was put to a vote at the National Assembly meeting. Such achievement was possible because of the commitment and exemplary leadership shown among key leaders in Ministry of Health, VINACOSH, WHO and local tobacco control advocates including HealthBridge.

e) Evidence-informed Policy Making

It is evident that many countries with health promotion foundations have strengthened their health policies and programs using dedicated tax revenues from tobacco or alcohol taxes as the main source of fund. This fund is used to accelerate the implementation of WHO FCTC and other non-communicable risk factors reduction initiatives, and generating a strong local evidence base as one of the important strategies used to convince policy makers. This was made possible through the establishment of a Tobacco Research Working Group (TRWG) comprising officials from VINACOSH, TPD, WHO, HealthBridge, Center for Research and Community Development Services (CDS), Vietnam Public Health Association (VPHA) and Hanoi School of Public Health (HSPH) to oversee tobacco research. While VINACOSH took a lead, available funding support from different projects funded by WHO, Atlantic Philanthropies, Bloomberg (Union and Tobacco Free Kids) and SEATCA through HeathBridge has enabled the generation of new knowledge to help in the formulation of policies. Several research priorities have been identified and conducted by the research team in partnership with TPD-MOF to promote a sense of ownership over the research findings as well as to help build research skills among the team members. A range of information, education and communication (IEC) materials on lessons learned, common challenges and best practices that are related to health promotion fund initiatives and mechanisms were developed and used by VINACOSH to advocate for the TCF establishment. Such materials are an important communication tool for garnering support and coordinating all stakeholders working towards establishment of the fund.

f) Roles of Regional and International Support

In 2009, the Bloomberg Philanthropies (through Union) had supported the Ministry of Health in tobacco control law development and the tobacco control fund. This collaboration resulted in raising awareness and support from MOF, Government Bureau, National Assembly and other relevant ministries for TCHPF establishment. On the other hand, SEATCA, as a regional alliance, continues to support the development and implementation of tobacco control policies in the ASEAN region, particularly in Vietnam. Through Southeast Asia Initiative on Tobacco Tax (SITT), VINACOSH and HealthBridge Vietnam partnered with SEATCA to work closely with all sectors in advancing tobacco tax policies including supporting the establishment of tobacco control fund through the enactment of tobacco control law. The on-going SITT project supports this...
collaboration to work towards a sustainable funding mechanism for tobacco control and health promotion till now.

The first regional initiative commenced in 2010 with a workshop on strengthening health promotion foundations and tobacco control. It was held in Hanoi through collaboration between Vietnam Steering Committee on Smoking and Health (VINACOSH) as the local host, co-organized with SEATCA through its Southeast Asia Initiative on Tobacco Tax (SITT) and Western Pacific Regional Office (WHO-TFI-WPRO). At that point in time, Vietnam was still in its infancy in setting up tobacco control fund. For that it was placed together with other countries in the Basic ProLead group.

The workshop provided a good platform for knowledge sharing of lessons learned and experiences from regional and international health promotion experts. These experts were from the Swiss Health Promotion Foundation, Thai Health Promotion Foundation (Thaihealth), Victoria Health Promotion Foundation (VicHealth), Western Australia Health Promotion Foundation (Healthway), Singapore Health Promotion Board, Nossal Institute for Global Health (Australia), De La Salle University (Philippines), La Trobe University (Australia), and the Johns Hopkins Bloomberg School of Public Health (the US). Different types of health promotion models and governance structure were shared to provide an insight of what works and what don’t in some contexts. Having an organization that improves health promotion was critical for Vietnam and to develop a draft legislation to establish a health promotion fund (HPF) was the priority. However, identifying which HPF model would be appropriate for Vietnam was a challenge. To move forward, Vietnamese team identified counter measures strategies that included: 1) consultation with government officials of relevant agencies to obtain their commitment, 2) enhance access to high ranking officials and obtain their commitment, and 3) build relationships with agencies with similar funding mechanisms in Vietnam.

These were achieved through workshops with relevant government officials regarding the development process. Consultants were invited as resource persons for technical meetings or briefings with high ranking officials, as well as holding study tours for relevant policy makers. VINACOSH’s Bloomberg-funded project was identified as the largest funding source for the proposal with some support from SEATCA-SITT and WHO. Responsibilities to implement the activities that correspond to the practical methods were placed under MOH (VINACOSH) and MOF (Department of Tax Policy).

A follow-up regional workshop was organized in 2011 by SEATCA in collaboration with WHO and Malaysian Health Promotion Board (MySihat) on Mid-Term Review of Country Projects on Health Promotion Foundations and Tobacco Taxation held in Malacca, Malaysia. The workshop aimed to assess the progress of each country in relation to their proposed projects and a panel of experts would then advise on the way to move forward. After six months, Vietnamese team shared their accomplishments in facilitating the process of establishment of tobacco control fund (TCF). They included identifying the steps forward to generate local evidence and review models for sustainable funds and existing health promotion foundations of other countries for Vietnam. The Vietnamese team helped to determine an appropriate model of TCF for Vietnam. In addition to that, several challenges were identified. These challenges included the existence of a small
number of sustainable foundations in Vietnam and a low level of awareness among policy makers. However, with technical support from Tax Policy Department (TPD), active involvement from Ministry of Finance (MOF) and local partnership as well as regional and international support, they provide an opportunity to facilitate the establishment of TCF in Vietnam.

The Final Project Presentation on Health Promotion Foundations and Tobacco Taxation, was held in September of 2011, in Bangkok, Thailand, co-organized between The World Health Organization’s Western Pacific Regional Office (WHO-WPRO) and the Southeast Asia Tobacco Control Alliance (SEATCA). vietnamese team presented the development of a draft model of health promotion fund and to legislate it through inclusion in the draft tobacco control law that would be regulated by the MOH and the MOF. In addition to that, they also highlighted the anticipated challenges in terms of arguments on the operation mechanism, controlling and monitoring the expenses of the fund, and limited awareness on the benefits of the fund among government officials. It is imperative for Vietnamese team to organize more government meetings to gain support from other stakeholders. Their support is needed for the submission of the draft model to the respective National Assembly committees for discussion and approval, acquiring support of the standing committee in Parliament, and preparing for the guidelines of implementation. Throughout the one year period, SEATCA and WHO, along with international experts, provided technical assistance and mentoring to country team in pushing for the establishment of TCHPF. At the country level, a series of advocacy activities such as study visits, workshops, and meetings were organized to gain support from relevant policy makers, media and public. Such collaboration and support are continued on a regular basis to the country.

Recognizing the need to assist Vietnam and Lao PDR in implementing the right governance and mechanism for tobacco control fund, SEATCA and WHO co-organized the Pro-lead 2 workshop for Vietnam and Lao PDR in Vientiane, Lao PDR, in 2013. The workshop aimed to provide further assistance to both countries. Particularly in Vietnam, the Ministry of Finance, Ministry of Health and VINACOSH have worked together to develop a draft decision to establish a tobacco control fund with technical support from SEATCA and WHO. The on-going support was given through series of workshops and consultations to provide comments and advice on the tobacco control fund regulation between January and March 2013. At the same time, proactive actions were identified to ensure that approval was obtained from the Prime Minister to implement the tobacco control fund by 1 May 2013.

The nature of such strong partnership was built on shared goals and trust and that would lead to a long-term process for policy reform in Vietnam. Apart from funding resources, SEATCA together with other international partners have also provided direct and indirect technical assistance. SEATCA brought in technical experts to share experiences and lessons learned in establishing a health promotion fund. Resource persons such as those from ThaiHealth in the in-country meetings and workshops also helped to facilitate the process. This approach, to some extent, helped to motivate and gained support from policy makers to follow the blueprint of ThaiHealth.
The Journey Forward

“The establishment of the TC Fund will create a larger, more sustainable, and long-term financial source in comparison to the budget that the Government invested in TC previously... this financial source meant for support to comprehensive activities and for all provinces and cities.”

*Madam Nguyen Thi Xuyen, Vice Minister of Health, Vietnam.*

While the country struggled to push for implementation of tobacco control fund, the greatest challenges remained in ensuring the effective use of tobacco control fund for the benefit of its people. A clear governance structure and fund mechanism needs to be in place to set the direction of the way tobacco control fund would be operated and the appropriate use of the fund.

With the strong support from various stakeholders, the tobacco control fund was established according to Prime Minister Decision No 47/2013/QĐ-TTg, dated 29 July 2013. This was followed by the formation of Inter Ministerial Management Council on 19 November 2013 with members from relevant ministries and other agencies. A strong line-up for the management board was appointed to spearhead the first tobacco control fund in Vietnam with the appointment of Executive Board members on 25 April 2014. Dr. Luong Ngoc Khue was appointed as the tobacco control fund’s Director; Dr. Phan Thi Hai, the Vice-Director; and one chief accountant were appointed. At the same time, a staffing list of the Board of Advisory and the Board of Controllers and other divisions under the Executive Board was submitted to the Chairman of Inter Ministerial Management Council for approval.

**Organization Structure of Tobacco Control Fund**

![Organization Structure Diagram]

1. **Management Council** (Chaired by Minister of Health)
   - Board of Controllers
   - Executive Board
   - Board of Advisory
     - Director of the Fund
       - Administrative Office
       - Planning and Finance Section
       - Technical Section
       - Monitoring and Evaluation (M&E) Section
       - Center of Tobacco Cessation and Community Support
Several concerns were identified at this infancy stage of tobacco control fund, particularly on the lack of well-trained human resources (including media officers) to implement tobacco control fund. Inadequate experience and knowledge of tobacco control fund management among most of the provincial officials is another challenge for the country to ensure that the fund is effectively used in pursuing its objectives.

Setting up an effective and transparent mechanism for fund management and fund disbursement is imperative to ensure long-term sustainability of the fund with low risk of mismanagement and corruption. Therefore, a document serving as a guideline on fund implementation is being developed. The document includes professional regulations with guidelines for applying and receiving fund from external sources; contract format between tobacco control fund office and individual or organization; regulations on internal expenditure; development of strategies and priorities areas; criteria for selecting types of activities or programs to be funded within a given period; a detailed work plan for 2013-2014; its budget; roles and responsibilities of each division under the supervision of the Executive Board as well as the regulations on monitoring and supervising the entire management.

Effective implementation of tobacco control fund requires concerted and multi-sectoral effort across different ministries at the central and provincial levels. While there remains much work to be done before the tobacco control fund could be fully utilized in meeting its objectives, the Ministries of Health and Finance have collaborated closely in setting up a proper structure and fund management mechanism with technical support from regional and international partners. It was estimated about USD 4.3 million would be collected annually between 2013 and 2016; USD 6.5 million between 2016 and 2019; and USD 8.5 million would be channeled into the fund as from 2019. Vietnam has proven that the establishment of tobacco control fund could secure a larger and sustainable funding to improve the people’s health to achieve the goals of public health. In general, the Vietnam tobacco control fund would serve a stable and predictable source of funding to support the implementation of both short- and long-term health promotion and tobacco control programs across the country.

Overview of Vietnam Tobacco Control Fund (VNTCF)

Vietnam Tobacco Control Fund (VNTCF) was established under the Tobacco Control Law passed by the National Assembly of Vietnam on 18 June 2012 and took effect on 1 May 2013. The fund is for the prevention and control of tobacco harms.

It is managed and administered by an Inter-sectoral Management Board, under which there are other supporting boards including: Board of Controllers; Executive Board and Board of Advisory.

The inter-ministerial Management Board is chaired by Minister of Health and vice chaired by the Deputy Minister of Finance as well as member representatives from Ministry of Industry and Trade, Ministry of Education and Training, Ministry of Information and Communication and other relevant ministries and mass society.
VNTCF is a national fund under the arm of the Ministry of Health (MOH) and subjected to state financial management by Ministry of Finance (MOF). The MOH is also responsible for reporting to the government annually and to the National Assembly biennially on performance management and the use of funds.

The funding source for VNTCF is derived from a compulsory contribution which is calculated as a percentage of the excise tax-based prices imposed on tobacco manufacturers and importers. They are required to contribute one percent (1%) of taxable price for excise tax of all cigarette packs produced locally or imported to be consumed in the country beginning from 1 May 2013. This contribution will be increased to 1.5% from 1 May 2016 and 2% from 1 May 2019. The fund is also open for voluntary contribution from national and international organizations and individuals as well as other legal sources. All the collections received are directed to the Fund and used for prevention and control of tobacco harms.

Based on a not-for-profit principle and subject to approval by the Director of the Fund, the fund aims to support a wide range of short-, medium- and long-term strategies and activities. These include communication and community-based campaigns about the harmful effects of tobacco use and other prevention and control strategies; development of pilot models of smoke-free communities, agencies and organizations; community-based smoking cessation services; evidence generation through research; building capacity among the network of collaborators; content development on the harms of tobacco and on tobacco control for educational programs; and support the implementation of measures for alternative occupations for tobacco growers, tobacco raw material processing and tobacco manufacturing workers.

**Vietnam Tobacco Control Fund: Summary of Key Points**

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<th>Funding Source</th>
<th>Estimate Annual Total Budget (USD)</th>
<th>Purpose of the fund</th>
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| A compulsory contribution equals to 1% of taxable price for excise tax of all cigarette packs consumed in Vietnam, effective 1 May, 2013; increase to 1.5% from 1 May, 2016; and 2% from 1 May, 2019 | USD 4.3 million (2013-2016)  
USD 6.5 million 2016-2019  
USD 8.5 million 2019 onward | 1. To support communication and community-based campaigns on the harmful effects of tobacco and initiatives on prevention and control of tobacco harms.  
2. To support development of pilot models of smoke-free community, agencies and organizations as well as community-based smoking cessation services.  
3. To generate evidence through research.  
4. To building capacity among the network of collaborators.  
5. To support development of teaching materials and integration of teaching on tobacco harms and tobacco control in the educational programs.  
6. To support the implementation of measures for alternative occupation for tobacco growers, tobacco raw material processing, and tobacco manufacturing workers. |


