

MOVING TOWARDS 2010 Vietnam Partnership Report



An Informal Report Prepared
for the Consultative Group Meeting for Vietnam
Hanoi, December 1-2, 2004

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ACKNOWLEDGEMENTS

This volume is the product of teamwork and partnerships in Vietnam, and brings together contributions from many of the joint Government-donor-NGO partnership groups, all working together to help Vietnam achieve its development targets, to improve the co-ordination and to make delivery of Official Development Assistance (ODA) more effective. Its production was only possible through the co-operation, contributions and active support of a wide range of development partners, including Government staff, donors and NGOs. Key contacts (though not necessarily leaders) of the groups, most of which have reported in this volume, are currently as detailed below. Non-inclusion in this volume does not imply non-activity on the part of a partnership group.

Poverty Working Group/Poverty Task Force	Cao Viet Sinh (MPI); Martin Rama/Doan Hong Quang (World Bank); Nguyen Tien Phong (UNDP)
Partnership to support National Target Program HERP/135	Nguyen Hai Huu/ Tran Phi Tuoc (MOLISA); Do Thanh Lam (UNDP)
Gender Action Partnership	Tran Mai Huong/Lisa Bow (NCFAW)
ISG Environment	Nguyen Thi Tho (MoNRE)
People's Participation's Working Group	Katrine Pedersen (UNDP)
Partnership on SOE Reform & Equitization	Daniel Musson (World Bank)
SME Partnership Group	Philippe Scholtes (UNIDO)
Financial Sector Working Group	James Seward(World Bank); Susan Adams (IMF)
Trade Reforms Working Group	Martin Rama/Nguyen Minh Duc(World Bank)
Vietnam Business Forum	Deepak Khanna (IFC)
Education Working Group	Tran Ba Viet Dzung (MoET); Chu Shiu-Kee (UNESCO); Steve Passingham (DFID)
Health Sector Working Group	Hans Troedsson (WHO)
HIV/AIDS	Nancy Fee (UNAIDS)
Forest Sector Support Program and Partnership	Vu Van Me/Paula J. Williams (FSSP CO - MARD)
Partnership to Assist the Poorest Communes	Le Thi Thong (MPI)
Natural Disasters Mitigation Partnership	Nguyen Sy Nuoi (MARD)
ISG-MARD	Tran Nam Binh (MARD-ISG)
Transport Partnership Group	Truong Tan Vien (MoT); Masayuki Karasawa (JBIC)
HCMC ODAP	Trang Trung Son (HCMODAP)
Urban Forum	Tran Ngoc Chinh (Ministry of Construction)
Legal Reforms Partnership	Luu Tien Dung (UNDP)
Public Administrative Reform Partnership	Pham Van Diem (MoHA); Nguyen Tien Dung (UNDP)
Public Financial Management Partnership	Nguyen Ba Toan (Ministry of Finance);
Partnership group on Aid Effectiveness	Duong Duc Ung (MPI); Bella Bird (DFID)

Bo Thi Hong Mai (World Bank) managed production of this volume and coordinated the Theme Notes from and the Development Partnership Groups. Phan Quynh Nhu (World Bank) provided invaluable support.

Further copies of this report are available from the Vietnam Development Information Center, Ground Floor, 63 Ly Thai To, Hanoi, and at www.worldbank.org.vn, www.un.org.vn and www.vdic.org.vn

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of South East Asian Nations
AFD	Agence Francaise de Developpement
CEPT	Common Effective Preferential Tariff
CIDA	Canadian International Development Agency
CIE	Center for International Economics
CIEM	Central Institute for Economic Management
CPNET	The government information network
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CPLAR	Cooperation Program on Land Administration Reform
DANIDA	Danish International Development Agency
EU	European Union
FAO	Food and Agricultural Organisation
GDP	Gross Domestic Product
ILO	International Labour Organisation
ISG	International Support Group
JICA	Japanese International Cooperation Agency
JBIC	The Japan Bank for International Cooperation
KfW	Kreditanstalt fur Wiederaufbau
LPTS	Legal Professional Training School
LMDG	Like-Minded Donor Group
MDG	Millennium Development Goal
MOJ	Ministry of Justice
MOT	Ministry of Trade
NGO	Non-governmental Organization
NORAD	Norway Agency for Development
NSCERD	National Steering Committee for Enterprise Reform and Development
ODA	Official Development Assistance
ONA	Office of National Assembly
OSS	One-Stop Shop
PPA	Participatory Poverty Assessment
RPA	Regional Poverty Assessment
SDC	Swiss Development Cooperation
SIDA	Swedish International Development Agency
SPC	Supreme People's Court
SPP	Supreme People's Procuracy
UNDP	United Nations Development Programme
UNODC	United Nations Office of Drug Control
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educations, Scientific and Cultural Organisation
UNIDO	United Nations Industrial Development Organisaition
UNV	United Nations Volunteers
UNHCR	United Nations High Commissioner for Refugee
VDG	Vietnam Development Goal
VHLSS	Vietnam Household Living Standards Survey
VNU	Viet Nam National University
SBV	State Bank of Vietnam
WB	World Bank
WHO	World Health Organisation
WTO	World Trade Organization

INTRODUCTION AND OVERVIEW

MOVING TOWARDS 2010: VIETNAM PARTNERSHIP REPORT

Introduction

1. The past year has seen significant progress in achieving a more efficient way of delivering and managing official development assistance (ODA) in Vietnam based on an ever increasing degree of Government ownership of the partnership agenda. The international community is committed to following Vietnam's long-term goals and strategy, and donors continue to align their business plans to support and implement Vietnam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS), which was approved by the Prime Minister in May 2002, as well as sectoral strategies.

The development partnerships highlighted in this volume have made significant contributions to Vietnam's poverty reduction, and are now working to ensure that implementation of the CPRGS and sectoral strategies are as effective as possible, with the goal of helping Vietnam achieve its development goals. New efforts have also been exerted to support the formation of Vietnam's next Five-Year Socio-economic Development Plan 2006-2010 (SEDP), applying the CPRGS – approach and development outcomes to the new SEDP in order to make it the new guiding framework for ODA.

Challenges in enhancing aid effectiveness, reducing transaction cost, while maintaining strong Government ownership, remain. But overall Vietnam is on track to achieve the ambitious targets it has set for itself.

2. The main part of the report brings together a series of notes, prepared by 19 development partnership groups (see content page), setting out the progress they have made in meeting development outcomes since the mid-year Consultative Group meeting in June 2004 and in bringing about significant changes in their sector. Groups highlighted this changed behavior by answering four 'key questions' (Box 1) that form the structure of the notes to be found later in this report; key highlights are presented in Box 2. Most of the groups consist of Government and donor representatives, and many also include both international and local NGOs.

Box 1: The four 'Key Questions'

1. What progress has your partnership group made over the past six months to support CPRGS and sectoral strategies and programs?
2. In follow-up to the discussion at the mid-term CG meeting in Vinh City, what progress has your partnership group made in developing views/proposals for integrating the CPRGS approach into socio-economic planning?
3. Over the next twelve months, what concrete actions will your group take?
4. What are your revised success criteria - or milestones- for 2005 to ensure your partnership group reaches its development outcomes? It may be useful to put this in a matrix format, with Date, Planned Activities, Outcomes, and Key Players as the column headings.

Box 2.1: Examples of Activities of Partnership Groups in the past six months

Poverty Reduction

- Over the past year, attention has focussed largely on making the CPRGS a reality at sub-national levels of government. By now the pilot to “rollout” the CPRGS has been initiated in around 20 provinces and has evolved into an important source of support to those provinces seeking to produce a pro-poor five year plan (known as the Socioeconomic Development Plan, or SEDP).
- The PTF has also supported discussion on the links between strategic plans and investment plans and ways of improving the quality of investment (in terms of both economic and social impact).
- In the coming year, it is likely that the development of the national SEDP 2006-2010 will form an important focus of the PTF. A possible additional issue for discussion will be the new approach to measuring poverty in Vietnam.

National Target Programmes

- The Government’s National Target Programme for Hunger Eradication and Poverty Reduction & Job Creation (NTP HEPR-JC), and Program for Socio-Economic Development in Communes Faced with Extreme Difficulties (known as 135 Programme) were evaluated under an UNDP-supported project in 2003-2004 for the first time.
- The design process of a new National Target Program (NTP) on Poverty Reduction for the period 2006-2010 began.

Gender

- In August 2004, the first-ever National Gender Mainstreaming Guidelines aiming at promoting a gender-responsive manner and Gender Mainstreaming Workshop Facilitation Manual were launched.
- Members of the Gender Action Partnership are supporting the design of the new Law on Gender Equality, this will become an increased focus of GAP’s work in 2005.
- A Gender Taskforce was established in February 2004 within the UNDP-MARD PAR Project to promote and support gender integration into project activities
- GAP plans to support the mainstreaming of gender in the next five-year Socio-economic Development Plan (2006-2010) in general and in planning processes at all levels in particular.

Environment

- Three thematic ad-hoc groups on Water Resources and Environment, CPRGS implementation and Natural Resources and Environment (NRE) and Capacity building and Institutional Strengthening for NRE sector.
- Other activities regards information sharing as website and newsletter are under construction.
- Through meetings held under ISGE, there are presentations, reports and proposed work plans of TAGs have been launched for policy dialogue.

Box 2.2: Examples of Activities of Partnership Groups in the past six months (continued)

People's participation

- Three thematic meetings were held on “‘Clarification of concepts’; ‘Participation, NGOs and Local Governance’; ‘National goals and strategies through the lens of people’s participation’.
- The group provides a forum for exchange of information and networking between international organizations engaged in promoting people’s participation. In the course of 2004 the group has further strengthened its dialogue and partnership with Vietnamese governmental bodies and non-governmental organizations.

SOE Reform and Equitization

- The group has been very effective in disseminating and sharing information and in mobilizing assistance. Donors have used several mechanisms for spreading information.
- Progress in the sector includes: the rate of equitisation has been 40 per month in 2004; so far almost 50,000 former SOE employees have benefited from the Social Safety Net; 42 performance assessments of large SOEs have been carried out.

Financial Sector

- A technical assistance proposal was formed for ASEM resources to support the SBV in developing a detailed implementation and assistance roadmap for the strategy for international integration.
- The full leadership in the Working Group process would be gradually transferred to the Government with donor support of the process.
- The efficiency of donor assistance to support the financial sector reform agenda would be increased through enhanced strategic planning and sequencing of financial sector reforms and assistance initiatives.

Trade Reform

- This group has been used to discuss mainly technical assistance support to the Ministry of Trade, to exchange information on reforms being implemented, and to apprise donors of the numerous analytical and technical aspects of trade reform.
- The group has been used as a forum to coordinate assistance to Vietnam’s accession to the World Trade Organization (WTO). Utilizing information gained from earlier rounds of negotiation, donors have sought to align their support to areas where trading partners have identified weaknesses.

Small and Medium Enterprises (SMEs)

- The Partnership has served as an important instrument for coordination as well as a platform to explore possibilities of new projects and other cooperation activities.

Education

- In January 2004, participants of the Education Sector Group agreed on a draft document, outlining the basic characteristics of the group, and that the purpose of the ESG would be ‘to support the policies and strategies of the Government to equitably develop the education sector and to maximize the efficiency and effectiveness of aid delivery to education.’
- Meetings of ESG focused largely on sharing information and discussions on areas of mutual interest, including how the group could collaborate more effectively with MOET.

Box 2.3: Examples of Activities of Partnership Groups in the past six months (continued)

Health

- Donors programs have been designed to help the most needy provinces with both financial and technical support in management and operation of the Health Care Fund for the Poor.
- In-depth studies were carried out by joint efforts of NGOs, multilateral organizations and government agencies and practical measures have been recommended to make ARVs available and affordable to HIV/AIDS patients in Vietnam.
- The focus of most donors' programs is on improving the quality of health services especially at grassroots level and in mountainous and remote areas.

Forestry Sector Support Programme

- FSSP&P has provided strong support to the revision of the Forest Protection and Development Law
- The Forestry Department will formulate a new National Forestry Strategy with the support from FSSP
- Work is ongoing to combine existing data currently collected on the forest sector from different institutions, both within and outside of MARD, to create a sectoral database.
- Vietnam's Trust Fund for Forests (TFF), a grant facility to support pro-poor and sustainable approaches to forest management, and a transition towards a comprehensive sector-wide approach for development and cooperation in the forest sector, was officially signed in June.
- The FSSP&P has been engaged in development of the Forest Sector Manual and improvement of communication systems, including the launching of a new FSSP&P website (www.vietnamforestry.org.vn).

Natural Disaster Mitigation Partnership

- As a major achievement of the NDM-Partnership during 2004, the first two provincial pilot projects of the NDM-Partnerships have been approved and started in Binh Dinh Province and Da Nang City.
- The NDM-P has finalized its first phase of the assessment of Viet Nam institutional capacity to address natural disasters with a more holistic approach of risk reduction
- A number of NDM-P partners have achieved good progress in their on-going and planned programmes/projects in disaster reduction aiming sector-wide approach issues and poverty reduction.

Poorest Communes

- PAC has begun to develop a constructive model for linking "grassroots lessons and experience" with "policy advice and recommendations"
- A National Workshop on Community Driven Development in Vietnam was held to bring together experience on Community Driven Development (CDD) programs both from within Vietnam and internationally.
- PAC prepared a Synthesis Report for Mid-term CG Meeting (in June 2004) on Grassroots Capacity Building Priorities for the Poor Communes
- PAC also carried out several thematic studies operations and maintenance of commune and village infrastructure, and harmonization of local procedures in community driven development projects and on off-farm income generating activities in rural development projects; opportunities and constraints.

Box 2.4: Examples of Activities of Partnership Groups in the past six months (continued)

International Support Group – MARD

- MARD-donors join discussion on MARD's Draft Action Plan to control Avian Influenza Epidemic in Vietnam was held in February
- ISG made contribution to MARD thematic report Implementation of CPRGS in rural areas which was discussed by Government agencies and donors.
- Support was provided to the GoV-donor joint review on Rural Water Supply and Sanitation (May - December 2004)
- ISG initiated and supported the establishment of 5 provincial dialogue platforms as a strategic effort in "vertical coordination" in the agriculture and rural development sector in Thanh Hoa, Thai Nguyen, An Giang, Soc Trang, Tra Vinh.

Transport

- A new approach focusing on a few specific policy issues for active discussion was introduced, the focus of the partnership to date has been on two specific agendas, "Road Maintenance" and "Hanoi Urban Transport."
- MOT has recently initiated coordination process for the capacity building activities for local provincial/district road authorities.
- A consensus on the outline of donors' inputs to the SEDP was reached. In the outline, donors' inputs would include both sector overview (e.g., comparison of sector strategies and their actual implementation) and policy/structural issues in the sector.

Legal Reforms

- The National Judicial Conference was held in Ha Noi in April to review the achievements and challenges of the two years of implementation of Politburo Resolution No8 on Key Judicial Tasks.
- The year of 2004 has focused on ensuring appropriate understanding of the new requirements of the new Criminal Procedure Code for uniform implementation by judicial agencies, including the court, procuraty and investigation agencies.
- The Legal Systems Development Strategy, based on the multi-donor funded Legal Needs Assessment, is also being finalized.

Public Financial Management

- Information exchanges across the working group chaired by the Government are regularly maintained to evaluate the results of reform activities in public finance management. The Master Plan for financial sector modernization is constantly updated and serves as basis for donors to express their interest to support.
- Outcomes of the partnerships in the public finance management include: implementation of reforms in fiscal policies and budget management and implementation of public finance management reforms.

Public Administration Reform

- Since its official launch (in 2003) under the framework of the UNDP - multi-donor Programme "*Support to the Implementation of the PAR Master Programme 2001-2010*," the PAR Partnership Forum has made remarkable progress and has emerged into one of the most active forums among the 23 development partnerships in Vietnam.
- Development partners interactively discussed PAR Master Programme policy and management issues, resource coordination efforts and share best experiences among the 25 support programmes/projects.
- Local Decentralisation Challenges (in Planning and Budgeting) will be the main subject for this year's PAR Partnership Forum.

The Drive to Partnership – Increasing efficiency

3. Vietnam has been one of the major recipients of ODA in recent years. Between 1994 and 2003, donors pledged a total \$22.6 billion in aid. The pledges have translated into signed commitments for \$21.1 billion. At roughly 2.5 billion dollars per year, annual ODA commitments represent 6 percent of GDP, 24 percent of public expenditures and 10 percent of imports. Although aid inflow is more modest when compared to the size of the Vietnamese economy, strong efforts from both government and donor community are required to ensure best possible use of the resource.

The Partnership Group on Aid Effectiveness (PGAE) led by the Ministry of Planning and Investment has been officially established and become the prime forum for dialogue between the government and donors on the issues of aid effectiveness and harmonization. Significant progress has been made in the past 12 months in the drive to increase effectiveness of ODA and reduce the transaction costs (Box 3).

Box 4: Aid Effectiveness in Vietnam – 10 Highlights in 2004

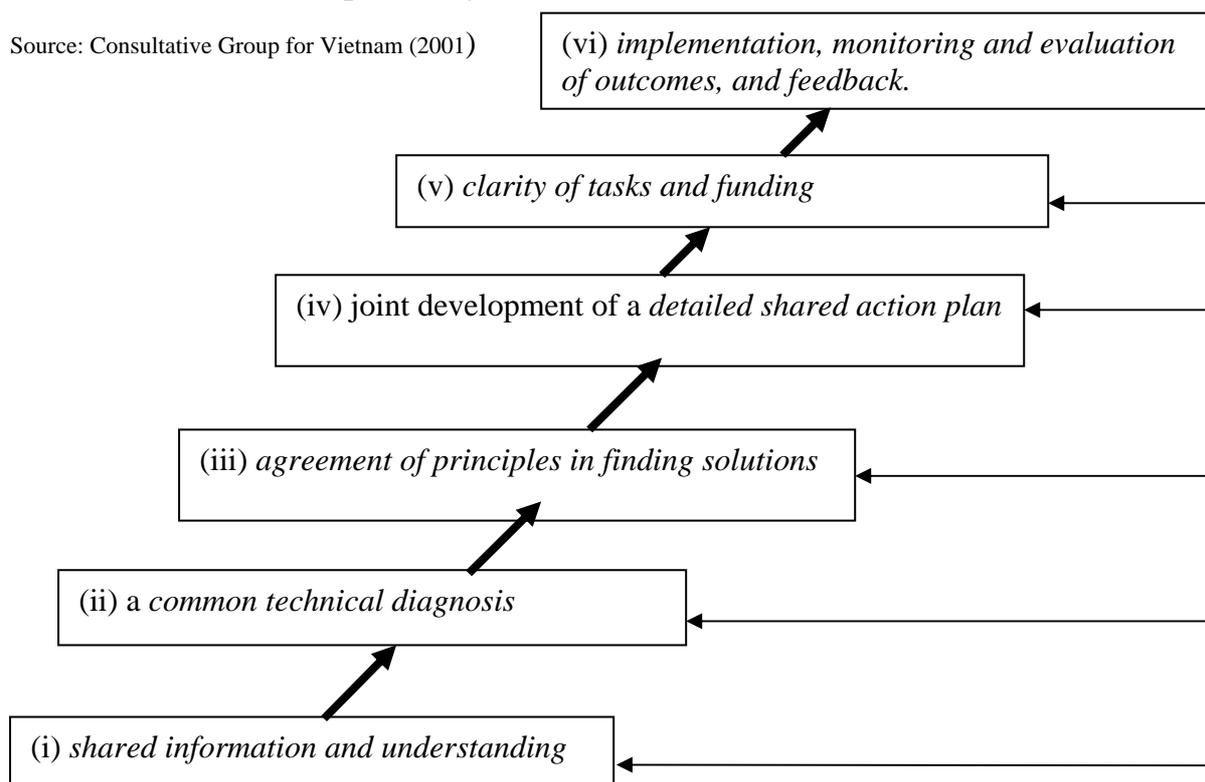
Source: Harmonization and Alignment for Greater Aid Effectiveness – Report 2004 by PGAE

- Revision of Legal Framework for ODA (Decree 17)
- Preparation of ODA Master Plan
- Establishment of an Inter-ministerial Task Force to improve ODA delivery
- Establishment of the Partnership Group on Aid Effectiveness
- Implementation of Government-led Harmonisation Action Plan
- Donor Commitment to Alignment to the 5 Year Plan
- Participation in the Global Dialogue on Aid Effectiveness
- Launching of the Comprehensive Capacity Building Programme (CCBP) for ODA Management
- Piloting Joint Reporting Formats
- Preparation of Targeted Budget Support in Education

4. Since its official launch in Vietnam seven years ago, the Partnership Approach has continuously served as a useful and important instrument to improve coordination, promote open dialogues between government agencies and development partners. The ‘Partnerships Journey’ is still proving fundamental to successful country-led development in Vietnam. The partnership groups in general have moved to much deeper, broader involvement in the country’s development strategies and have made substantial progress in the past year. Some groups made significant steps along the six-stage partnership journey in the past year (Chart 1).

Chart 1: The Partnership Journey

Source: Consultative Group for Vietnam (2001)



5. The journey from the stage “shared information and understanding” to “implementation, monitoring and evaluation of outcomes and feedback” does not necessarily indicate or justify their significance and effectiveness.

The formal structure (for example: the International Support Group – ISG) has proved to some as useful and effective in increasing understanding, transparency and coordination between Government agencies and international donors. The ISG format could also help increase the Government ownership of the process and promote better coordination within the government system, which in turn improve the effectiveness of development programs in general and donor assistance in particular. On the other hand, the informal format like information-sharing forum has been found to be an effective mechanism for some groups and their members. The informal format also provides the partnership more flexibility to raise new issues for discussions and adapt new focuses, although it might not always link to any specific policy-making context.

Each format has its own strength and weakness. It is clear that there is no “one size fits all”, so members of the groups should choose the model that is best for them to achieve their desired outcomes. The success of a working group also depends on the degree of flexibility in working structures and form as the environment changes.

Many partnership groups continue to explore new possible formats. For example, the Transport Partnership Group has introduced a forum of active discussion on sector issues and in joint policy formulation.

The most significant development in the past year is the increasing degree of Government ownership of partnerships, with many groups are chaired by Government (for

example, the Partnership Group on Public Finance Management, Partnership Group on Aid Effectiveness, Partnership to Assist Poorest Commune), and some (for example, the International Support Group at Ministry of Agriculture and Rural Development, PAR Partnership) entirely managed and supported from within existing Government structures. Strong Government ownership is desirable and necessary to ensure the success of partnership.

6. Despite progress and success stories in the past year, many issues remain to be solved on the path of building better partnership for development. Coordination has been raised by many as one of the biggest challenges and some failures in this seem to be internal to donors.

Partnership groups are operating at different levels of effectiveness. Different groups face very different and sometimes wide ranging obstacles in improving partnership effectiveness. Some even have difficulties in convening regular group meetings.

7. Challenges also remain across all sectors. These include gaps, duplication and high transaction costs. The transaction costs have been recognized as too high in Vietnam, they have also imposed a very heavy burden on Government, and there is scope for working together much more efficiently. Working in true partnership, whether through formal or informal structures, is a pre-requisite for overcoming these remaining challenges as well as enhancing aid effectiveness.

Box 5: Increased aid effectiveness

Source: Vietnam Development Report 2005

To be effective, coordination must aim at aligning foreign aid with the development strategy of the government of Vietnam. In recent years, the CPRGS provided a very useful reference for many donors to identify priority areas for action, and to organize their support accordingly. No government strategy is ever perfect, and CPRGS was no exception in that respect. But compared to five-year plans and other strategic documents of the government of Vietnam, CPRGS was much more focused on attaining development outcomes, including poverty reduction and other VDGs. It identified the necessary policy reforms, through a process involving solid analysis and extensive consultations. And it tried to establish a link between planning and budgeting processes.

Towards 2010 – looking ahead

8. Looking forward, Vietnam's next Socio-Economic Development Plan (SEDP) 2006-2010, if built on the same principles as CPRGS, could serve as the main coordinator of ODA activities over the period. Giving the importance of the next Five-Year SEDP, the government has set ambitious targets to renew the procedures and method of plan formation to ensure its focus on quality of growth and development. The donor community has committed to strongly support the process.

A number of donors and line agencies are already strongly engaging in substantial discussions. Good examples include the "Initial workshop on renewal of planning methodology in conjunction with comprehensive poverty reduction and growth strategy" which was successfully co-organized by MARD and MPI and supported by a group of donors, plans for other workshops are under discussion with Ministry of Education and Training, Ministry of Transport and Ministry of Planning and Investment (*see ISG-MARD*

theme note for further information). Lines of communication have also been established between other government agencies and interested donors to identify needs and support formalities.

Partnership groups, which have served as useful fora for information exchange, policy dialogues and technical discussion between development partners, will continue to be a good mechanism to improve coordination, making the best possible use of donor support and enhance government ownership.

9. The experience in Vietnam has shown the benefits of donors and NGOs working in partnership with Government to support all stages of the development process. The country has entered the next phase of implementing CPRGS, when it is important that clear development goals are spelled out and suitable policies are made to attain these goals. Ensuring a stronger partnership between all stakeholders is becoming even more crucial.

The Theme Notes

10. There was strong support for documenting the work of partnerships throughout 2004, and to lay out the path ahead. Thus it was agreed that Partnership Groups should produce brief theme notes answering the 'key questions', detailed in Box 1. These notes form the body of this report

Further information and bibliography

Further information on the Partnerships in Vietnam can be obtained from:
www.un.org.vn , www.undp.org.vn , www.vdic.org.vn , www.worldbank.org.vn

The following documents provide more detailed information about the partnership approach and the CPRGS in Vietnam.

Consultative Group Meeting for Vietnam (December 2001). *Putting Partnership to Work in Vietnam* - Informal report for the Consultative Group Meeting, Hanoi.

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POVERTY WORKING GROUP / POVERTY TASK FORCE

Introduction

The Poverty Task Force (PTF) is a Government-Donor-NGO forum for poverty analysis and strengthening the poverty focus of policy making and development planning in Vietnam. Since its inception in 1999, the PTF has supported the Government in a range of tasks including collaborative analytical work and activities associated with the development of a poverty reduction strategy (the Comprehensive Poverty Reduction and Growth Strategy - or CPRGS). Meetings are held several times a year and comprise representatives from government ministries, from the donor community and from local and international organisations. Where the agenda seems relevant, representatives from provincial governments are sometimes invited to attend. Each meeting is co-chaired by the Ministry of Planning and Investment (MPI) and a representative from the donor community (which rotates every meeting).

CPRGS rollout: strengthening planning processes in the provinces

Over the past year, attention has focussed largely on making the CPRGS a reality at sub-national levels of government. Inspired partly by the success demonstrated by Oxfam GB and UNDP in Tra Vinh MPI invited donors and other organisations to engage closely with a range of provinces to strengthen planning processes at provincial levels. Without imposing any particular guidelines, MPI suggested that the donors could work with local governments to incorporate the principles that guided the preparation of the CPRGS. These principles included:

1. Basing plans on sound data, both quantitative and qualitative to allow strong underpinnings for an analysis of the main challenges of promoting growth and reducing poverty;
2. Encouraging a shift in focus away from input targets to outcomes – particularly those captured in the Vietnam Development Goals (VDGs);
3. Ensuring participation of and consultation with a broad range of stakeholders and taking their input seriously;
4. Linking the strategic plans to budgets and investment plans
5. Developing a monitoring framework for tracking progress and, later, assessing impact

By the time of writing, this pilot to “rollout” the CPRGS has been initiated in around 20 provinces and has evolved into an important source of support to those provinces seeking to produce a pro-poor five year plan (known as the Socioeconomic Development Plan, or SEDP). MPI has announced its intention to ensure that all provinces have upgraded their planning processes along these lines by 2008. In the most recent PTF meeting, discussion was motivated by presentations made by representatives from four provinces where this work was underway. Representatives from provinces suggested that there were a number of lessons that could already be drawn from this exercise. Challenges to improving provincial planning processes – as experienced by those trying to pioneer the reforms – included:

6. confusion about which indicators should be selected, and the difference in their definition and data collection methods;
7. constraints to participation of multiple stakeholders which was implied by the tight timeframe which had been specified; and,
8. Restrictive regulations imposed by national level agencies, which were preventing provinces from allocating total resources available in accordance with their plan.

Both the Participatory Poverty assessments (PPAs) and the Regional Poverty Assessments (RPAs) produced by the PTF during 2003 and the 2004 have been used as a resource in the local-level planning exercises, demonstrating the value of using a broad range of data for planning purposes.

Further details on the discussions that have been taking place regarding the support to provinces are available in the minutes and presentations of the October meeting of the PTF. There is also a website which posts information relevant to the CPRGS rollout. This includes details of workshops held, training materials used, consultants with planning and budgeting skills and links to relevant documentation. The address of the website is www.cprgs.org.

A better link between plans and investment expenditure

The PTF has also supported discussion on the links between strategic plans and investment plans and ways of improving the quality of investment (in terms of both economic and social impact). Work within the PTF has illustrated the need to move away from a strict engineering approach to infrastructure investment to one that is guided more by a close and careful assessment of economic and social returns. This work also highlights the need for setting investment plans within an overall fiscal framework, which could provide the necessary motivation for both prioritising investment decisions and for specifying and estimating future maintenance needs. Further details of this discussion, including presentations of research, are available in the minutes of the April meeting of the PTF.

The next five year plan

The Prime Minister has issued a directive outlining how the next five year plan should be prepared and indicating the possible content of the SEDP 2006-2010 (Directive 33/2004/CT-TTg). MPI explained the implications of the directive in the October PTF meeting and requested the support of the PTF in providing analytical work and in assisting the participatory process that is stipulated in the Directive. The Directive makes clear that the government does not expect to draft a second CPRGS – that instead they expect to incorporate the principles and substance of the CPRGS into the mainstream five-year planning process.

What role for the PTF in 2005?

In the coming year, it is likely that the development of the national SEDP 2006-2010 will form an important focus of the PTF. The PTF will probably also continue to provide support to the provincial “roll-out” of the CPRGS and scale it up to all provinces, with the aim to further strengthening planning and budgeting processes across Vietnam. This will include both the preparation of the provincial SEDPs 2006-2010 and the 2006 annual plans.

The timeframe established by government expects that the SEDP will be discussed by the National Assembly in Autumn, 2005. Until that time, provinces, line ministries and MPI will all require support in conducting research to inform the development of their plans, in linking them to budgets, in establishing a core set of monitoring indicators, and in facilitating a participatory approach, which can engage a range of stakeholders in the planning process.

A possible additional issue for discussion will be the new approach to measuring poverty in Vietnam. A proposal for this is likely to be submitted to the Prime Minister by the end of December 2004. It will suggest a new (higher) poverty line based on a daily intake of 2100 cal per day and a set of basic non-food items. It will also propose methods for data collection that allow for reliable and comparable assessments of the number of poor people in Vietnam at national and sub-national level. The PTF could discuss the new approach as well as the implications it might have in a number of areas, such as budgetary transfers to Provinces Districts and Communes.

Thirdly, the UNDP-MoLISA led design of a new set of targeted programs for the poor, which is about to be completed, could also be discussed at the PTF in the coming year.

PARTNERSHIP TO SUPPORT THE NATIONAL TARGET PROGRAMME ON HEPR AND PROGRAMME 135

1) What progress has your partnership group made over the past six months to support CPRGS and sector strategies and programs?

The Government's National Target Programme for Hunger Eradication and Poverty Reduction & Job Creation (NTP HEPR-JC), and Program for Socio-Economic Development in Communes Faced with Extreme Difficulties (known as 135 Programme) are important means mentioned in the CPRGS for supporting the poorest households in Viet Nam.

This is the first time that these two programs were evaluated under an UNDP-supported project in 2003-2004. The partnership was initiated due to the stakeholders' need for learning from and providing inputs/sharing different view points to the evaluation process. Various ministries, research institutions, donors and NGOs provided, through workshops, seminars and in writing, their comments and inputs on the different evaluation-component TORs and draft reports such as budget allocation and public expenditure tracking studies, review of monitoring system, impact assessment, and the draft of comprehensive evaluation report. The openness of the evaluation process has helped not only enriching the evaluation report but also stakeholders' better understanding of the programmes and their performance, and thus confidence of some donors in considering providing support to the programmes.

The partnership has been further strengthened since the Minister of Labour, Invalids and Social Welfares taking the lead in organising and chairing an international in Do Son in August 2004, where the draft evaluation report was presented and discussed thoroughly by national and international participants. The evaluation report has now been finalised and will be launched jointly by MOLISA and UNDP on 24 November 2004.

Learning from the programs' evaluation, the focus of the involved partners has gradually shifted to the design of a new National Target Program (NTP) on Poverty Reduction for the period 2006-2010, which is expected to be the successor of the HEPR-JC Program, and possibly also of Program 135. The partnership in the new programme design process is spearheaded by a 'Research Committee' made up of officials from 12 ministries and agencies, led by the Vice Minister of MOLISA. Following the discussion on the draft outline of the new Program Document in the Do Son workshop, seven 'Technical Design Working Groups' (TDWGs) have been set up in early September 2004, each with a pair of co-leaders from a Ministry and an international donor or NGO. Members of each TDWG are also from various ministries, mass organizations, donors and NGOs and register according to their interests. These groups are working on and aiming at providing technical inputs to the new programme design in the following topics:

1. Finance management, budget allocation
2. Monitoring & Evaluation, management & coordination
3. Poverty line and targeting
4. Capacity Building and Participation, including Vocational Training
5. Small-scale infrastructure
6. Rural livelihood services (credit, extension)

7. Social services (health, education, water supply & sanitation)

The groups have met several times to discuss Terms of References for technical assistance needed, working principles, workplan, etc. The outputs of the TDWGs are to be reported to the Research Committee, and specifically to a 'Drafting Team', based in MOLISA, which is responsible for writing the new Programme Document. An 'advanced draft' ProDoc should be ready by the end of December 2004. Fine-tuning, piloting of some work, and formulation of implementation guidelines will follow in 2005.

As the new programme design progresses, a series of wide consultations with local people, mass organisations, Government agencies, donors and NGOs, at both national, regional and local levels on the draft programme document; collaboration in the development of implementation guidelines; funding; and further strengthening of coordination and of learning mechanisms is planned to take place from late November 2005 through the first quarter of 2005.

2) In follow-up to the discussion at the mid-term CG meeting in Vinh City, what progress has your partnership group made in developing views/proposals for integrating the CPRGS approach into socio-economic planning?

The current NTPs are important mechanisms to target poorest households, as will be the NTP(s) on Poverty Reduction 2006-2010. This is highlighted in the CPRGS and in guidance (outlines) provide for the development of the national Social Economic Development Plan 2006-2010. The outputs of the TDWGs are expected to feed into the preparation of the new National Target Programme Document which will be an integral part of the Social Economic Development Plan 2006-2010.

3) Over the next twelve months, what concrete actions will your group take?

Under point 1 above the outline of the design process is provided. The process includes many concrete actions, described in the Decision of the Minister of MOLISA to establish the Research Committee, the Terms of Reference of the 7 TDWGs, and the Terms of Reference of various Technical Assistance inputs into the work of these TDWGs. Practically, in 2005, different TDWGs will work closely with the Research Committee to support MOLISA to organize different consultations in order to improve and finalize the Poverty Reduction Programme Document for 2006-2010. This must be completed by May 2005 before official submission to the Government for approval in June 2005. In addition, in 2005, there will be number of key actions must be undertaken as follows: development of suitable implementation and management system; designing and piloting of monitoring and evaluation system as well as pilot testing different programme components; conduct a baseline survey; curriculum development for training and testing; developing detailed guidelines for implementation; and strengthening information sharing among group members through newsletters and websites.

4) What are your revised success criteria - or milestones- for 2005 to ensure your partnership group reaches its development outcomes? It may be useful to put this in a matrix format, with Date, Planned Activities, Outcomes, and Key Players as the column headings.

The work of the Research Committee, Drafting Team and TDWGs will lead to many concrete outputs, the principle two of which are:

- A Pro-Doc for the NTP(s) on Poverty Reduction 2006-2010 (final by May 2005)
- Implementation guidelines for various components of the program (expected by the end of 2005)
- Baseline survey conducted, M&E and management systems piloted by end 2005.

5) The future of this Partnership

As the nature of poverty in Viet Nam has been changed over time, diverse “hard-core poverty” will require more comprehensive, but innovative and adaptive measures. These can only be done by continued and concerted efforts, through a collaborative process, from the government agencies at all levels, from all stakeholders in the society, including donors and NGOs.

This collaborative process has evolved from the evaluation of the HEPR and 135 Programmes and continues during the design process of the new national target programme (2006-2010). This partnership is expected to be further strengthened, under the leadership of the GOVN, based on the practical needs of its members to improve coordination, learning and cooperation on addressing “hard-core poverty”, during the implementation period of the NTP on poverty reduction over the period 2006-2010.

List of VN Agencies, Donors, and NGOs involving in the Design of National Targeted Programme on HEPR for period 2006-2010

Vietnamese Agencies	Donors	NGOs
<ul style="list-style-type: none"> • MOLISA-Depts. of social protection, HEPR Office, ILSSA, ICD • CEM - Dept. of ethnic policy 	<ul style="list-style-type: none"> • UNDP • UNICEF 	<ul style="list-style-type: none"> • Oxfam GB (Oxfam Great Britain)
<ul style="list-style-type: none"> • MPI- Depts. of local economy, social, labour and cultural affairs • MOF-Depts. of admin. Finance and state budget • MOH-Dept. of planning and finance • MOFI • MARD-Dept. of cooperatives • MOET-Dept. of planning and finance • Committee for family, population and children 	<ul style="list-style-type: none"> • UNESCO • UNFPA • ADB • WB • IMF • EU • WHO • IFAD • ILO • Netherland Embassy • DFID • CIDA • Embassy of Japan • JICA • JBIC • Embassy of Germany • Embassy of Denmark 	<ul style="list-style-type: none"> • Save the Children UK • Save the Children UK • Oxfam Hong Kong • Action Aid • CARE International
<ul style="list-style-type: none"> • Bank for social policy • GSO • Farmers' Union • Women's union • Youth Union 	<ul style="list-style-type: none"> • Embassy of Denmark • SIDA • SDC • AusAid • GTZ • Embassy of Finland 	
<ul style="list-style-type: none"> • VASS- Institute of economics • CIEM • Party Committee 's Bureau • National Assembly-Committee for social affairs 		

GENDER ACTION PARTNERSHIP (GAP)

Introduction

The Gender Action Partnership (GAP) is an open forum for discussions on key development issues related to gender, for all members of the development community. GAP's membership comprises representatives from government agencies, international and Vietnamese non-governmental organizations, bilateral donors, United Nations and other multilateral agencies that assist in Vietnam's development. The group contributes to equitable development and poverty reduction in Vietnam by supporting gender-responsive policies, practices and approaches in the national development process.

Because gender equality plays a central role in poverty reduction and sustainable development, GAP's work focuses around promoting **gender equality outcomes**. It does this through dialogue, policy review and specific development initiatives on gender issues between partners and government, and within government. The National Committee for the Advancement of Women (NCFAW), the key government agency responsible for the provision of policy advice to government on gender equality in national policy and planning, acts as the GAP Secretariat. GAP meetings are hosted and facilitated on a rotating basis by member organizations.

Progress over the past six months to support CPRGS and sectoral strategies and programs:

Gender Mainstreaming Guidelines

In August 2004, NCFAW launched the first-ever National Gender Mainstreaming Guidelines (GMSG) and Gender Mainstreaming Workshop Facilitation Manual (GMSFM), developed under the Gender In Public Policy project supported by UNDP and the Netherlands.

GMSG is a "guide" for working in a gender-responsive manner; responding to the different needs of women and men, by developing and implementing policies that treat and benefit men and women equally.

The guidelines include updated background information on Vietnam's gender equality policy framework, basic gender concepts, sector briefs identifying specific gender issues and specific Vietnamese case studies on gender mainstreaming. It is requested that all government officials learn how to develop gender-responsive policies and promote a broad sense of shared responsibility for achieving gender equality.

Gender Equality Law

In November 2003, the 9th Session of the National Assembly (NA) issued a resolution on the law making agenda for 2004, which included the Law on Gender Equality. The first draft of the law will be submitted to the NA in late 2005, and the final draft law is expected to be submitted for NA approval in the second quarter of 2006. GAP members (in particular, the Asian Development Bank) are supporting the design of the law: this will become an increased focus of GAP's work in 2005.

The Gender Equality Law will aim either to outline specific regulations on gender equality (e.g., gender equality in economic opportunities, in politics, in healthcare, etc.), or to provide a mechanism for implementing existing legal regulations on gender equality. The Law in either form has the potential to ensure that all government agencies are afforded the means and capacity for enhancing gender equality and gender mainstreaming, as well as to be held accountable for developing gender responsive policies in their regular work. Thus donor awareness of and support for this Law will be critical to improving its quality and potential effectiveness.

Land Tenure Certificate

The issue of Land Tenure Certificates (LTC) carrying the names of both husband and wife remains important because of the fundamental role of access to and awareness of land in income generation, access to formal credit, shared wealth ownership and the security of women and children, especially in the case of divorce. Despite good progress in recent years, including the provision in the new Land Law that land use certificates should carry the name of both partners, implementation has been limited. For example, GSO statistics show that in 2003 only 2.3% of land use certificates had the name of both husband and wife.

The challenge has now shifted to the administration and application of the Land Law. Key to this is ensuring officials and stakeholders at local levels are aware of and fulfill their responsibilities under the law. Gender Action Partnership members have remained focused on this issue. In particular, the World Bank and MONRE organized a workshop to share experiences in providing new LTCs with both spouse's names in 20 pilot communes. GAP support to and monitoring of the inclusion of both names on LTCs will continue throughout 2005.

Support to Public Administration Reform in MARD

A Gender Taskforce was established in February 2004 within the UNDP-MARD PAR Project to promote and support gender integration into project activities. The members of the Gender Taskforce are representatives from selected units in MARD.

In order to understand the existing needs and future options for gender mainstreaming in the different MARD units and to orientate the gender activities in the PAR project, in July-September 2004 a gender analysis was carried out in form of a qualitative study.

The study drew on wide ranging sources to draw specific recommendations on the activities regarding gender issues for the PAR Project and MARD.

Program for the next six months to support CPRGS and sectoral strategies and programs, and to mainstream gender in the next 5-year plan:

Support to the next five-year Socio-economic Development Plan (2006-2010):

Vietnam's gender machinery was effective in mainstreaming gender in the CPRGS, by supporting the drafting team on gender issues; creating a forum for female National Assembly members to have input to the CPRGS, and ensuring gender input was given in consultative forums.

The GAP will build on this success to support the mainstreaming of gender in the next five-year Socio-economic Development Plan (2006-2010) in general and in planning processes at all levels in particular. It is critical that gender analysis is undertaken and gender-responsive plans and policies are adopted throughout this process. It will be especially important not only to require government agencies to initiate and develop gender sensitive plans and policies themselves, but also that key agencies with expertise on gender issues (e.g., NCFAW at the policy level, the VWU at local levels) are regularly consulted during the planning process. The GAP will support this process.

Mainstreaming Gender in Poverty Reduction Support Credits

Thanks to the efforts of GAP members, gender has become a concern for the fourth Poverty Reduction Strategy Credit (PRSC-4) and for the preparation for PRSC-5. A range of donors co-finance the PRSC, including the World Bank, Asian Development Bank, European Commission, Japan, UK, Denmark and the Netherlands.

GAP Secretariat Contact details:

National Committee for the Advancement of Women

39 Hang Chuoi St, Hanoi

Phone: (84 4) 971 13 49 – Fax: (84 4) 971 13 48

E-mail: ncfaw@hn.vnn.vn

ISGE Notes for Consultative Group Meeting's Partnership Report

November, 2004

Progress

International Support Group on Natural Resources and Environment (ISGE), since the moment of reactivation, has been concerned and supported from all members and stakeholders.

Final Draft of ISGE Work Plan was developed and available to submit for ISGE's Steering Committee approval.

As agreed at the meeting of ISGE Steering Committee on 12th May 2004, three Thematic Ad-hoc Groups (TAGs) were established under Decision No. 1113/QD-BTNMT dated 31/8/2004 issued by the Minister of MONRE. These TAGs are:

- ✓ TAG1 – *Water Resources and Environment*
- ✓ TAG2 – *CPRGS implementation and Natural Resources and Environment (NRE)*
- ✓ TAG3 – *Capacity building and Institutional Strengthening for NRE sector*

The formation of 3 TAGs were greatly received by donor community and other stakeholders. Immediately, key donors for each TAG have been identified and nominated as co-chairmen of TAGs respectively.

The first 3 meetings of 3 TAGs were held on 24th and 27th September 2004 for broad discussion on names, topics, objectives and work plan development processes of 3 TAGs.

Other activities regards information sharing as website and newsletter are under construction.

As a new partnership group, ISGE have not contributed directly to NRE Strategy and Programs yet. However, through meetings held under ISGE, there are presentations, reports and proposed work plans of TAGs have been launched for policy dialogue. The National Strategy on Environment Protection to 2010 and vision towards 2020 (NSEP) as well as CPRGS will be framework for developing TAG2 work plan. A National Strategy on Water Resources is going to be developed and outcomes from TAG2 are expected to be useful for completing this Strategy. One of the most concern from Co-chairs and members of TAGs is integration of TAGs' activities with 5-year socio-economic plan based on which policy dialogue will be oriented for policy dialogue.

II. Proposed actions for next six months

The following actions should be undertaken for next 6-month period:

- ISGE's Work Plan, Budget and Framework Arrangement (FA) will be considered and approved by ISGE Steering Committee around Oct-Nov.
- Roadmap on Natural Resources and Environment development.
- Dialogue on the implementation of National Strategy on Natural Resources and Environment toward 2010 and vision to 2020.

- 3 TAGs' Work Plans are under construction and will be completed latest on April, 2005.
- ISGE Newsletter will be edited, published and disseminated quarterly.
- ISGE Website will be officially opened in Middle November 2004 and updated regularly. Website will be used as forum of information exchange regards NRE.
- Database and other information will be collected and developed quickly not only for sharing but also for better ODA coordination.
- To hold a Plenary Meeting of ISGE early December for reviewing of works done and drawing up future mandates for ISGE.
- There would be several thematic studies apart from 3 TAGs will be set up and run to serve policy dialogue or urgent needs.

For next longer 6-month period, concrete actions of ISGE have not been decided yet due to ISGE work plan has not been approved yet. However, three TAGs formed and will undertake in 2 years and become 3 main policy dialogue forums of ISGE. Website and database will be developed and collected and day by day become effective instrument for information sharing and ODA coordination.

PEOPLE'S PARTICIPATION'S WORKING GROUP

Partnership Note

Hanoi, October 2004

I. Update on PPWG activities in 2004

The objectives of the PPWG - as formulated in the mission statement – is to promote:

- i) an enabling environment and capacity building for enhancing people's participation and
- ii) coordination of activities for efficient use of resources invested in this area.

Towards this end, activities – mainly in the form of workshops and meetings – the PPWG contributes to the production of three outputs:

- i) *information, experience and knowledge sharing*
- ii) *clarification of concepts and*
- iii) *promotion of dialogue*

To ensure the effectiveness of group interactions, a voluntary *core group* of regular PPWG participants was formed in 2004 to take on a coordination role. The core group met regularly throughout the year and helped to organise five PPWG meetings in the course of the year.

Key activities carried out in 2004 include:

- Thematic meetings:
 - 'Clarification of concepts' (April);
 - 'Participation, NGOs and Local Governance' (June);
 - 'National goals and strategies through the lens of people's participation' (November);
- Regular group meetings (February and October): exchanging information about ongoing activities and discussing group activities;
- Update of the inventory of donor/INGO activities in the area of people's participation;
- Ongoing update of the Web site of the Group:
<http://www.un.org.vn/donor/civil.htm> (including 'civil society readings')
- Preparation of Partnership Note for the bi-annual Consultative Group meetings;
- Formulation of work plan for 2005 - including regular annual activities and proposed ad hoc activities.

The PPWG continues to provide a forum for exchange of information and networking between international organizations engaged in promoting people's participation. In the course of 2004 the group has further strengthened its dialogue and partnership with Vietnamese governmental bodies and non-governmental organizations. Especially the thematic meetings have provided a forum for dialogue between different stakeholders.

New regulatory developments together with ongoing efforts to review the implementation of existing regulations for people's participation and grassroots democracy (see below) provides momentum for Government and donors to engage in dialogue about how these principles can further promoted. In drawing up the work plan for 2005 the PPWG will aim to further strengthen the participation of Vietnamese organizations in order to widen and deepen this dialogue.

II. Recent developments and events in the area of Grassroots Democracy and People's Participation in 2004

- Following the promulgation of the (revised) Grassroots Democracy Decree 79 in July 2003 a circular guiding its implementation was issued in February 2004.

The first Grassroots Democracy Decree was promulgated in 1998 and in the past year efforts have been made by the Government as well as the international donor community to review the implementation of the Decree, providing a basis for further dialogue on how to strengthen Grassroots Democracy in Vietnam.

The Grassroots Democracy Decree provides the basis for increased participation by people in local government affairs through four modes of participation: information, discussion, decision-making, and monitoring of works undertaken by the local government. Recent reviews suggest that people today are better informed about local government policies and plans than they were before. Evidence also suggests, that in localities where implementation of the Grassroots Democracy Decree has been linked with other Public Administration Reform efforts the quality of the local political-administrative system has been strengthened. However, while the Grassroots Democracy Decree seems to have some positive impact at the commune level there is a need to extend the principles of Grassroots Democracy to the district and province levels too and to take special measures to strengthen the participation of the poor and disadvantaged.

- Following the promulgation of the Decree on Associations 88 in July 2003 a circular guiding its implementation was issued in January 2004.

The scope and status of Decree 88 in relation to other regulations and to existing organisations has been clarified through a series of workshops and meetings conducted by and with the Ministry of Home Affairs (MOHA). The international donor community and especially NGOs have actively engaged in this process and the Decree has generated considerable interest among local groups exploring the possibilities to establish under its auspices. So far, only limited information is available regarding organizations that have actually been established under the Decree.

In addition to guiding the implementation of Decree 88, MOHA is leading current efforts to draft a new Law on Associations, which is expected submitted to the National Assembly by 2006. While experiences emerging from the implementation of Decree 88 will provide input to the drafting of the new Law, MOHA has indicated that the new Law will be drafted from afresh.

- Recent developments providing a strengthened basis for promoting grassroots democracy and people's participation include:

Resolution No. 8 on Decentralisation from June 2004, which provides strategic guidelines for decentralisation in a number of areas, including 'socialisation' of public services, and serves as a legal foundation to deepen the decentralisation process; the new regulations on the election of deputies to People's Councils (2003/2004); as well as continued implementation of the Public Administration Reform Master Plan (2001) and the revised State Budget Law (2002).

- The ASEM 5 People's Forum was organised in Hanoi in September 2004 by the International Organising Committee and VUFO/PACCOM.

The event attracted over 500 participants from NGOs from ASEM member countries, INGOs working in Vietnam and Vietnamese people's organisations. Under the heading of "People's Actions for Human Security in Asia and Europe", the following themes were discussed in 29 workshops: Peace and Security; Economic and Social Security; and Democratization and People's Rights.

The forum was successfully organized and it was a good opportunity for dialogue among the participants on common concerns. It created a healthy environment for discussion, including of sensitive issues such as the linkages between social and political movements. It was the first time Vietnam organized such big event and observers have noted that overall it was a success and an excellent learning opportunity for the organisers. While the actual impact of the Forum is still unknown it has been noted that participation of local Vietnamese organizations and international media coverage could be strengthened in future similar events.

MATRIX OF DONR/INGO ASSISTANCE TO PEOPLE'S PARTICIPATION AND GRASROOTS DEMOCRACY

Legal policy Framework

Organization	Activity	Duration	Counterpart/Beneficiary
Canada Fund	Support direct dialogue (meeting) between GOV and LNGOs with objectives of affirming roles of LNGOs in development processes and exchanging information.	date pending	LNGOs and Government agencies
The center for reproductive and family health (RaFH)	1. Project on increasing awareness of gender equality and preventing domestic violence against women in Ninh BinhS	2003-2007	Nho Quan ,Gia vien district - Ninh Binh province
RAFH	2. Preventing women trafficking in Mong Cai province	2003-2004	Mong Cai district - Quang Ninh province
RAFH	3. Supporting unmarried women in Yen Thanh - Nghe An	2003-mid 2005	Yen Thanh - Nghe An province
RAFH	4. Integrating sexual reproductive health care services into existing communal health center in Hoa Binh	2003-2006	Ky Son - Hoa Binh province
RAFH	5. Improving community based Maternal and Child Health care services	2002-2007	Lap Thach district - Vinh Phuc province
CIDSE Vietnam	To create appropriate organisational frameworks and processes to transform CIDSE Viet Nam (an international NGO) into independent Vietnamese NGO/s by December 2005. The same process is happening in CIDSE Cambodia and CIDSE Laos.	2003 to end 2005	Independent NGO/s will develop work with existing and new CIDSE Vietnam project partners.
SNV (Netherlands Development Organisation)	SNV supported Ministry of Home Affairs (MOHA) in organising regional workshops to get inputs from provincial stakeholders in the drafting of Decree 88 and supported the dissimination of Decree88	2002-2004	MOHA
SNV	SNV supported the promotion of business associations using Decree 88	2003-2004	Business asociations in Thai Nguyen province
SNV	SNV supported national and regional workshop on Vietnam's future WTO membership and consequences for farmers and provincial government	2003-2004	VUSTA/Vietnam farmer's Union
SNV	SNV supports Vietnam National Administration of Tourism (VNAT) in drafting law on tourism, creating a more pro-poor tourism legal framework	2003-2004	VNAT
CSAGA	Improving the Health care response to victims of gender based violence	2002-2004	Pop. Council, HN Health Service, Gia Lam hospital
CSAGA	Prevention of children corporal punishment at school and in families	2003-2004	SCS: 3 schools in Hanoi
RDSC	Collective forms for people's participation in local governance	2005-2008	CBOs and local mass organisations
Oxfam HGK	Facilitation of design governing policy/regulation for infrastructure projects under HERP National Targeted Programme	2004-2005	MOLISA and UNDP
Viet Nam Assistance for the Handicapped (VNAH)	Support the drafting of the new Association Law. Activities include provision of international technical expertise and assistance, preference materials (sample laws, best practices etc), consultation workshops and focused groups, study tours to countries with progressive NGO laws, capacity buildng and training of local agencies/officals overseeing associations/NGOs.	2001-2005	MOHA, CLA (Commission on Legislative Affairs -of the Office of National Assembly)

Capacity building for NGOs

Organization	Activity	Duration	Counterpart/Beneficiary
ICCO	Support to Center for Community Capacity Development (CCCD), the former Quang Binh office of TEW. It is now dependent - give formal approval from Prov. Authorities. Financing program costs, organization support and staff training since 1998		CCCD (Center for Quang Binh Community Development)
ICCO	Support to Community Health Education Centre (CHEC) with its integrated health programme in Gia Xuan village, Can Tho province		Community Health Education Centre (CHEC)
ICCO	Support to Toward Ethnic Women (TEW): financing of programme costs, organizational support, overhead, and staff training since 1994		TEW (in Son La, Quang Binh, Central Highlands)
ICCO	Support to Research and Training Centre for Community Development (RTCCD): financing of programme costs, organizational support, and staff training since the beginning of 1998		(RTCCD) Research and Training Centre for Community Development
ICCO	Support to Vinastas (Vietnam Standard and Consumer Org.): financing of programme and overhead costs since 1990		Vinastas (Vietnam Standard and Consumer Org.)
ICCO	Support to Rural Development Service Centre (RDSC): financing of programme costs, organization support, overhead, and staff training since 1995		(RDSC) Rural Development Service Centre
Canada Fund	Strengthen capacity of local groups (LNGO) to develop plans and to implement innovative, targeted development initiatives/ projects. Canada Fund has provided small grants, as well as, technical assistance to some 25 LNGOs and community based groups (these groups do not include the mass organizations). A list of the groups supported is attached.	on-going	LNGOs and community based groups
AAV	Support and facilitate the formation of local NGO (social and charity fund as per decree 177 dated 22/12/1999) in Uong Bi, Quang Ninh	2002-2004	Uong Bi township women union
AAV	Support and facilitate the formation of local NGO (social and charity fund as per decree 177 dated 22/12/1999) in Dong Trieu, Quang Ninh	2003-2004	Dong Trieu township women union
AAV	Support and facilitate the formation of local NGO (social and charity fund as per decree 177 dated 22/12/1999) in Can Loc, Ha Tinh, Dien Bien, Lai Chau	2004-2005	AAV field staff
SNV	SNV is supporting LNGO NRM network, we provided ID/OS training	2002-2004	Local NGO network
SNV	Strengthening capacity of AECs and promoting a participatory approach to agricultural extension	2000-2004	Agricultural Extension Centers in Son la, Dien Bien, Thai Nguyen
SNV	SNV supports the Women's Unions and strengthens the group based savings and credit activities, provides technical training, market linkages	2001-2005	District Women's Unions in Dong Hoi, Le Thuy, Quang Ninh, Quang Trach (Quang Binh)
DWC	Compiling and publishing a PLA Guidebook - Participatory Learning and Action	2004	
DWC	Strengthening capacity for local non-governmental organisations (LNGOs) and civil society organisations (CSOs) in poverty reduction	2004-2005	
RDSC	Supporting CBOs and their network in serviceing their members and advocating for people's participation in grass-roots planning	2005-2008	CBOs and their network, local extension serivces
RDSC	Supporting and strengthening local NGOs (as social and charity fund as per decree 177 dated 22/12/1999) in Quang Binh Prouince		

Oxfam HGK	Participatory Natural Resources Management in Son La Province (VTM-1201-03A). Enhance the ability of villagers to manage their own natural resources, especially the forest, and to improve their livelihoods through training and workshops on community forest planting and environment protection, SALT & organic farming .	2003-2004	Thuan Chau district, Son La province/about 1,000 people of H'mong ethnic minority
Oxfam HGK	Participatory Natural Resources Management in Thuan Chau District, Sonla Province (VTM-1201-04/05A). Bring about more tangible effects for villagers, especially in respect of involvement and empowerment of women. Plan workshops specifically for women only aiming at enhancing their self-esteem so that they participate in discussions about their concerns and village issues with more confidence.	2004-2005	Thuan Chau district, Son La province/approximately 1,300 people of the Hmong ethnic minority
Oxfam HGK	Capacity Building for Local NGOs in Poverty Policy Monitoring and Evaluation (VTM-1205-03A). Improve the accountability and transparency of the government in relation to poverty reduction.	2003-2004	Vietnam Union of Science and Technology Associations (VUSTA)/direct - 20 persons (at least 40% are female) staff members of local NGOs under VUSTA; indirect – the poor population who will benefit from the positive impact of changes in CPRGS policy implementation
Oxfam HGK	Community Development in Dakrong district, Quang Tri province (VTM-4117-02A). A component of the program is water supply and establishment of Water User Association. A community-based management group was trained to be able to operate and maintain the water system	2003-2004	District Department of Agriculture and Cadastral, Quang Tri province
VNAH	Facilitate the formation of, and training and dialogues for local civil Association/organizations on Decree 88, provide small grants to organizations of disabled people, promote information sharing and networking among local civil associations/organizations.	1999-2005	NCCD, MOHA, and various organizations in Hanoi, HCMC, Hai Phong and Can Tho
The World Bank	Small Grants program: grants to VN associations, NGOs, and CBOs to support information dissemination, networking and sharing of experiences	2005	Local NGOs, CBOs
UNFPA	The EU/UNFPA Reproductive Health Initiative for Youth in Asia (RHIYA) is a program that focuses on providing youth with information and services on reproductive health. This program is executed and implemented by local NGOs, who are provided with technical assistance/capacity building from international NGOs and UNFPA on issues related to programme management, youth-friendly services, advocacy and behavior change communication.	2004-2006	Counterparts: The Vietnam Youth Union, VNAFPA, VAM, RaFH, LMF, UCNEV, and other local NGOs/centres. Beneficiaries: Youth in 7 selected provinces, NGO partners, teachers, parents, community leaders and local authorities.
UNFPA	Strengthening institutional capacity of the Vietnamese Family Planning Association (VINAFA)	2001-2003	VINAFA Hanoi and VINAFA in Thai Binh, Ninh Binh, Quang Ninh
UNFPA	Capacity building of the Vietnamese Family Planning Association (VINAFA) in reproductive health care and gender equality: improving the organization's organizational and financial management, as well as to develop a human resources development strategy.	2004-2006	VINAFA Hanoi and VINAFA in Thai Binh, Quang Ninh, Hoa Binh, Da Nang, Binh Dinh, Quang Binh, Ninh Binh, Bac Giang, Hue and Hai Phong

Oxfam GB	Project - Capacity building for local NGOs in poverty reduction policy monitoring and evaluation: 1/Establishing and maintaining the Anti Poverty Policy Study (APPS) network; 2/Conducting training courses including M&E training, Policy Analysis Training, Gender Training, Research Methodology Training, etc; 3/conducting research in Lao Cai	2003-2006	<u>Counterpart:</u> VUSTA (Vietnam Union of Science and Technology Associations) <u>Beneficiaries:</u> Local NGOs under VUSTA umbrella
Oxfam GB	Project - Enhancing Poverty Policy Monitoring and Evaluation Capacity for Women's Union and Farmers' Association in Tra Vinh province: 1/ Capacity building on Policy M&E through different training courses including policy M&E Training, Grass root Democracy Training, Gender training, Research Methodology Training... 2/ Capacity building on management skills including Planning skills Training, Newsletter Publication Training, Data collection and Analysis Training, etc; 3/ conducting research and advocacy work, IEC work.	2003-2006	<u>Counterpart:</u> Women Union and Farmer's Association in Tra Vinh Province <u>Beneficiaries:</u> WU&FA staffs at provincial, district, and commune levels

Community Participation

Organization	Activity	Duration	Counterpart/Beneficiary
CECI	Participate in Poverty Policy Learning Group -- a group of INGOs and Vietnamese NGOs who meet to exchange views and information on policy feedback.	ongoing	
Embassy of Finland	Participatory Planning and Implementation of Quang Tri Integrated Rural Development Programme	Phase I: 97-00; Phase II: 01-04	Quang Tri PPC/Hai Lang, Dak Rong, Cam Lo Districts
Embassy of Finland	Increasing participation of women into the process of democratisation	1 Year	CSAGA, HungYen women Union.
Embassy of Finland	Enhancing gender equality and preventing domestic violence in HaTinh and QuangTri provinces	1 year	Central Women Union
AAV	Participatory Review and Reflection in all development areas such as Ha Tinh, Lai Chau, Ha Giang, Tra Vinh, Ho Chi Minh City	2001-2005	Govt staff, CBOs
AAV	Participatory Poverty Assessment in Ha Tinh, Tran Vinh, Ha Giang	2000-2005	Govt staff, CBOs
AAV	Participatory Village Planning in Ninh Thuan	2003-2005	Center for Rural Development, Govt. staff
SNV	SNV supports forest land allocation and community forestry to households and communities in Thua Thien Hue province	2000-2004	Commune authorities/communities in Nam Dong and Phu Loc districts, TT Hue
SNV	Participatory community forest project in Chieng Sinh commune, Son La province	2003-2004	Chieng Sinh commune farmer association, Chieng Sinh commune women's association
DWC	Training workshops on "Environment Protection" using participatory methods in Than Sa commune, Vo Nhai district, Thai Nguyen province	2004	Than Sa commune, Vo Nhai district, Thai Nguyen province

DWC	Training workshops on "Community Development Planning" for community people in 3 poor communes of Sang Moc, than Sa and Phuong Giao, Vo Nhai district, Thai Nguyen province	2004	Sang Moc, Than Sa and Phuong Giao, Vo Nhai district, Thai Nguyen province
DWC	Training workshop on "Participatory methods in Poverty Reduction" for the Farmer Union in Sa Pa district, Lao Cai province	2004	Sa Pa district, Lao Cai province
DWC	Intervention project: "Improving the economic conditions and health status of unmarried women in 2 communes: Van Phai and Tan Phu in Pho Yen district, Thai Nguyen province"	2003-2004	Van Phai and Tan Phu in Pho Yen district, Thai Nguyen province
DWC	Intervention project: "Improving the living conditions and capacity building for Poor Women Headed Households in Bac Son commune and Hong Ky commune, Soc Son district, Ha Noi"	2003-2007	Bac Son commune and Hong Ky commune, Soc Son district, Ha Noi"
DWC	Research: Participatory needs assessment of Poor Women Headed Households in Bac Son and Hong Ky communes, Soc Son district, Hanoi	2004	Bac Son and Hong Ky communes, Soc Son district, Hanoi
DWC	Participatory Needs Assessment in Su Pan commune, Sa Pa district, Lao Cai province & Training on PRA skills for the Farmer Union of Sa Pa district, Lao Cai province	2004	Sa Pa district, Lao Cai province
DWC	Workshop on Mobilizing the people's participation in Irrigation Management Process in Lang Son province	2004	Lang Son province
DWC	Training workshop on Facilitation and Communication Skills in Rural Development for local partners of HELVETAS in Lac Son district, Hoa Binh province	2004	Lac Son district, Hoa Binh province
DWC	Capacity Strengthening for local partners and related stakeholders of Care International in Vietnam on Community Planning using PRA approach to the livelihood improvement and right-based approach in Lac Son district, Hoa Binh province	2004	Lac Son district, Hoa Binh province
RDSC	Participation in local socio-economic planning and management	2005-2008	CBOs and local government
Oxfam HGK	Support to Ethnic Minority Working Group (VTM1203-03A). Support activities to be initiated by Ethnic Minority Working Group (EMWG), a Hanoi based working group of interested international and local organizations, promoting the sharing of resources, disseminating information, documentation of experiences, as well as promoting policy dialogue on issues related to ethnic minorities.	2003-2004	Government agencies and local NGOs
Oxfam HGK	Participation of Vietnam in the World Social Forum 2004 (VTM1206-03A). Support the participation of 4 members of mass organizations in the World Social Forum (WSF) 2004	2004	The Vietnam Union of Friendship Organizations (VUFO)
Oxfam HGK	Integrated Community Development Program in Ha Tinh, Nghe An, and Quang Tri Provinces. - Small Irrigation scheme (Dam and canals system construction)- Water supply and sanitation component	2003-2004	Ha Tinh, Nghe An, and Quang Tri provinces
Oxfam HGK	Improving socio-economic rights of vulnerable women and children for reducing human trafficking (VTM1200-04/05A). Reduce exploitation and abuse of women and children as a result of trafficking through a gender responsive rights-based approach and the development of economic activities.	2004-2006	Ha Giang, Thai Binh, Ha Noi, and Ha Tinh provinces/Women and children, especially who belong to ethnic minority groups

Helvetas/CBRDP	CBRDP project: one component of the project is to support the selected communes to implement small-scale infrastructure schemes on a need-base. Through this process, the project aims to increase the capacity of commune cadres, district and provincial cadres to plan, implement and monitor the infrastructure schemes in a participatory manner; to raise funds and to link participatory grassroots planning with poverty analysis at provincial level.	1995-2005	People's Committees in Cao Bang Province, selected districts, different mass organisations at commune level, interest groups
Helvetas/ETSP	With 3 layers approach: (a) in selected districts, it aims a sustainable use of natural resources and income generation for upland farming communities by strengthening extension service delivery. This includes extension methodology and concepts developments, participatory techniques in capacity building inclusive planning and action, village development and commune development planning etc. On the provincial level, the project supports the concerned agencies mainly through capacity building and platforming. On national level the project is involved in the policy dialogue on agriculture and forestry extension and bring in its grassroots experience and successfully tested tools and concepts.	2003-2006	SDC, MAWR, Thua Thien Hue, Hoa Binh, Daknong Province.
Helvetas/CTC	Support to Cao Thuong commune - a small initiative entails a facilitative support to the Cao Thuong commune (Ba Be district, Bac Kan Province) to manage its own commune development fund.	2003-2005	SDC, Cao Thuong commune's People Committee
UNDP/MARD	Telecenter proposal: establish 13 pilot rural telecenters for farming households in 10 provinces	(tentatively 2005-2008), subject to final agreement	Selected communes in Bac Ninh, Thai Nguyen, Thanh Hoa, Thai Binh, Binh Thuan, Lam Dong, Dak Lak, Binh Phuoc, Tien Giang, Vinh Long provinces. ICARD, NAEC. Proposed operating organisations: Farmers' association, Women's Union, SEDEC (NGO), Cooperatives, People's Committee of the commune People's Committee
The World Bank	The Northern Mountains Poverty Reduction Project: Improves infrastructure, and social services in the Northern Mountain Areas. The components will assess community participation to identify development priorities, focused on the development of rural transport, and market networks	2001-2007	MPI/provinces of Northern Mountains Area
The World Bank	Urban Upgrading Project: alleviates poverty in urban areas by improving the living and environmental conditions of the urban poor using participatory planning methods, and influencing planning processes to become more inclusive and pro-poor.	2004-2012	MOC/HCMC, Haiphong, Can Tho, Nam Dinh
The World Bank	Community Based Rural Infrastructure Project: (i) strengthens decentralized planning and implementation capacity; and supporting information campaigns to ensure widespread public understanding, transparency and accountability; (ii) provides grants to communes for infrastructure development; (iii) finances the operating expenses of a central project management unit	2001-2007	MPI/ 13 provinces in Central Vietnam
The World Bank	PPAs: coordinated the Participatory Poverty Assessment in 9 regions of Vietnam, and provided funding for the exercise in 4 provinces	2003	RDSC, CRP/ Hai Duong, Ha Tay, HCMC, Ninh Thuan

The World Bank	Pilot of Citizens' Report Card: To assess the performance of local service delivery service, the Ministry of Home Affairs commissioned the People's Committees and People's Councils of Ho Chi Minh City, Danang, Nam Dinh and Haiphong to pilot a Citizens' Report Card Survey. The Statistical Offices in the four cities carried out a survey in a range of service delivery areas: Education; Health; and Administrative Service Delivery including notary, land registration, housing construction permits and household registration	2003-2005	MoHA/ HCM City, Nam Dinh, Hai Phong, Da Nang. The World Bank in partnership with SDC.
Oxfam GB	Project - Legal support for good governance in Thai Nguyen and Ha Tinh: 1/Training on system of legal documents, Govt. structure, GRDD, participatory working skills; 2/ Supporting the dissemination of Govt. Policies and Law through Forum on Legal issues, commune loudspeaker system, leaflets.	2002-2004	<i>Counterpart:</i> LERES (Center for Legal Research and Support) in Hanoi <i>Beneficiaries:</i> District, Commune, and Village Stakeholders, Residents
Oxfam GB	Project - Enhancing Poverty Policy Monitoring and Evaluation Capacity for Women's Union and Farmers' Association in Tra Vinh province: 1/ Training on Grass root Democracy, Gender, feedback and legal consultation skills to commune stakeholders and residents; 2/ Building up a feedback and legal consultation system in commune with constant support from Provincial WU and FA.	2003-2006	<i>Counterpart:</i> Women Union and Farmer's Association in Tra Vinh Province <i>Beneficiaries:</i> Commune, Village stakeholders, Residents
Oxfam GB	Research – Commune budgeting and sector financing research in Tra Vinh province: The research is of part of the 2004 PER - IFA, with the following objectives: <ul style="list-style-type: none"> • Establish where the main constraints lie in promoting greater transparency, participation and accountability at the commune level; and, • Determine (and possibly, later, pilot) solutions to these challenges. 	2004	<i>Counterpart:</i> OHK, RDSC, Free lance consultants, Women Union and Farmer's Association in Tra Vinh Province <i>Beneficiaries:</i> The research will provide inputs for consultations on the objectives and scope of the 2004 PER-IFA organized by WB and MoF.
Oxfam GB	Project - Legal support for good governance in Thai Nguyen and Ha Tinh: 1/ Coach local authorities to apply participatory working skills, GRDD; 2/ Establish a system of legal bookcase, which is free to all residents in each project commune; 3/ Provide and answer residents' queries on legal issues, GRDD through Forums on Legal issues, commune loudspeaker system, leaflets.	2002-2004	<i>Counterpart:</i> LERES (Center for Legal Research and Support) in Hanoi <i>Beneficiaries:</i> District, Commune, and Village Stakeholders, Residents
Oxfam GB	Project - Enhancing Poverty Policy Monitoring and Evaluation Capacity for Women's Union and Farmers' Association in Tra Vinh province: 1/ Training on Grass root Democracy, Gender, Policy M&E to commune stakeholders and residents; 2/ Build up a feedback and legal consultation system in commune with constant support from Provincial WU and FA; 3/ Provide and answer residents' queries on legal issues, GRDD through Forums on Legal issues, leaflets.	2003-2006	<i>Counterpart:</i> Women Union and Farmer's Association in Tra Vinh Province <i>Beneficiaries:</i> Commune, Village stakeholders, Residents

UNFPA	Capacity building of local authorities in planning, monitoring and evaluating Population and Reproductive Health activities	2000-2005	Peopl's Committee, District of Health, Provincial Commission of Population, Family and Children and Mass Organizations of : Ha Giang, Yen Bai, Phu Tho, Hoa Binh, Quang Nam, Tien Giang, Binh Phuoc, Thai Binh, Da Nang, Khanh Hoa, Binh Duong and Binh Dinh
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Grassroot Democracy

Organization	Activity	Duration	Counterpart/Beneficiary
Ford Foundation	Support for a study of the impacts of the 1998 Grassroots Democracy Decree on the performance of local governments in 30 communes across Vietnam	2004-ongoing	Ho Chi Minh National Political Academy
DWC	Compiling and publishing a booklet on Regulations on the exercise of Grassroots Democracy Decree, in conjunction with the Decree No.79/2003 ND-CP promulgated on July, 07, 2003 (in English & Vietnamese)	2003-2004	
DWC	Training on Gender Equality and Women's Rights in Law, using participatory methods for local authorities in Pho Yen district, Thai Nguyen province	2004	Pho Yen district, Thai Nguyen province
DWC	Training on Gender and Development, using participatory methods for local authorities of Nong Cong district, Thanh Hoa province	2004	Nong Cong district, Thanh Hoa province
DWC	Intervention project: "Supporting street children through empowerment of their families and relevant government bodies in Hoang Trach commune, Hoang Hoa district, Thanh Hoa province"	2005-2006	Hoang Trach commune, Hoang Hoa district, Thanh Hoa province"
CSAGA	Increasing the participation of women in the process of democratisation	2004-2005	My Hao district, Hung Yen province
Helvetas/ELGC	To develop an effective and efficient training and communication system with the Department of Home Affairs and with the concerned local institutions in charge of management and capacity building of local cadres. As a result the capacity of local government at commune level will be enhanced and the Grassroots Democracy Exercise at communes promoted	2003-2005	DoHA of Cao Bang Province, Cao Bang Political School
HVO	Support the network of self-help groups of people with disabilities nationwide. Provide management training to leaders of the disabilities movement.	2004-2006	Molisa
USAID Vietnam	Provide funding for VNAH who are supporting the preparation and issuance of Law on Association.	Oct 03-Apr05	MoHA - NGO department
UNDP	To strengthen local representative bodies with focus on provincial People's Councils	38084	Office of the National Assembly, People's Councils of Hai Phong, Lang Son, Lao Cai, Nam Dinh, Quang Ninh, Nghe An, Quang Binh, Thanh Hoa, Binh Dinh, Dak Lak, Kon Tum, An Giang, Binh Duong, Long An, Kien Giang

STATE OWNED ENTERPRISE REFORM

1. The working group on SOE reform continues to mobilize and coordinate technical assistance for the formulation of the SOE reform and equitization program, even though the frequency of meetings of the SOE reform group has been irregular.
2. A weakness of the working group previously identified has been its inability to secure representation of the Government on a regular basis, in part because relevant agencies were engrossed in developing greater consensus in the Party and re-organizing their machinery for implementing SOE reform.
3. However, the group has been very effective in disseminating and sharing information and in mobilizing assistance. Donors have used several mechanisms for spreading information. Also, they have helped to mobilize assistance for both formulation and implementation of the program.

Meeting the success criteria and supporting the CPRGS

- The implementation of the multi-year SOE reform program continues. More than 2,500 transformations are planned over the period 2003-05 of which the majority will be equitisations. This would reduce the number of SOEs to less than half this number there were at 31 December 2002. Implementation of these plans is behind schedule, although the target schedule was ambitious. The numbers of SOEs equitised each month continues to increase. In 2004 the rate of equitisations has been 40 per month.
- The Social Safety Net set up for employees leaving SOEs has been operational throughout the last six months. So far almost 50,000 former employees have benefited.
- In January 2003, work began at 3 General Corporations: Vinatex, Vinacafe and Seaprodex directed at producing restructuring plans for the General Corporations themselves and, thereafter, restructuring assistance to several of the SOEs at each of the three industry groupings. This work is being funded by DFID. The restructuring plans for the 3 General Corporations were presented in June 2003 and were adopted by Government. There are several recommendations including converting each of the 3 General Corporations into holding companies. Decree 153 to facilitate the formation of “mother-child” companies was signed in August 2004.
- 42 performance assessments of large SOEs have been carried out. Further assessments are in progress at 5 Vinacoal SOEs. The work has been funded by AusAID, Danida and, latterly, by PHRD funding. The results of the 42 completed assessments were the subject of a well publicised one day high level workshop held in Hanoi on 20 October.

- Since the major meeting held in Hanoi in March at which the status and future direction of SOE reform was discussed, there have been several developments with SOE reform legislation. The criteria for the classification of SOEs (previously Decision 58) has been amended as Decision 155, a Decree 155 on the conversion of SOEs into holding companies has been issued and Decree 41 on excess labour in SOE divestiture has been amended as Decree 155. Further changes are in preparation including the revision of Decree 64 on the equitisation of SOEs. The new SOE Law came into effect on 1 July.

Aligning support to the CPRGS over the next six months

- The remaining agenda for SOE reform as listed in the CPRGS has been largely completed.
- The Government's implementation of the plans to transform smaller SOEs will continue.
- It is programmed to continue the implementation of the restructuring plans for the Vinatex, Vinacafe and Seaproducts and commence upon the reform work at other associated SOEs.
- Further work is in progress to facilitate the clearance of SOE debts through the Debt and Asset Trading Company (DATC). The DATC has drawn up a list of 20 SOEs to carry out a pilot.
- Work is also in progress to improve the reporting of financial data by SOEs and to develop a set of criteria for supervising and evaluating the business performance and effectiveness of SOEs under Decision 271.

Success criteria for 2004 and beyond

Progress measured against the criteria in the CPRGS has been good. SOE reform continues to be regarded as a "litmus test" of reform and is frequently cited by both donors and Vietnamese officials as an area that should be given special attention. As well as tackling the remaining tasks, attention should be focused on:

- Continued implementation of SOE reform and the equitization program.
- Greater participation of Government, including a leadership role in the working group.
- Higher frequency of meetings.

ASSISTANCE TO SOE REFORM

Donor & Grant Amount	Purpose (Implementing Agency)	Status
ADB US\$ 1,400,000	Enhancing institutional capacity of key agencies (MOF, SAGO, SBV, SSC) in diagnostic audit of SOEs and in review and approval of SOEs seeking to equitize and obtain public listing (MOF, SAGO and SSC)	Ongoing.
ADB US\$ 1,600,000	Formulate and implement a strategy and practical method for corporatization of SOEs; Implement and enforce the adoption of international best practice in corporate governance (NSCERD).	Ongoing.
ASEM 1 European (WB administered) US\$ 100,000	Social safety net program to deal with labor displaced by SOE reform (CIEM in coordination with NSCERD)	Completed
ASEM 4 European (WB administered) US\$ 439,000	Acceleration of equitization and restructuring SOEs in the Ministry of Transport.	Completed
ASEM 5 European (WB administered) US\$ 1,470,000 +US\$ 400,000	Support implementation of SOE reform in three line ministries (industry, agriculture, and construction) and two provinces /municipalities (Hanoi and one other). (NSCERD)	Phase I completed, extended to a Phase II – ongoing
ASEM 1 European (WB administered) US\$ 400,000	Project Monitoring of SOE Transformations and new establishments (NSCERD).	Scheduled to run until February 2005.
Danida (Denmark) administered US\$ 3,100,000	Support to Industry Restructuring and Enterprise Development by implementing equitization plans and providing post equitization assistance (Ministry of Fisheries).	Ongoing
Danida (Denmark) US\$ 1,700,000	Support to capacity building in NSCERD in the SOE reform process (NSCERD).	Project started 2001 and will run through 2004.
DFID (UK) UK£ 4,800,000	Pilot restructuring of three general corporations – Vinatex, Vinacafe, and the Seaprodex (NSCERD).	Ongoing
GTZ (Germany) administered US\$ 5,600,000	Support to restructuring SOEs in agriculture (Quang Tri Province, Tan Lam area) by providing advice in implementing equitization plans (People's Committee Quang Tri, CREM).	Under implementation. Expected completion: 2003.
Japan PHRD, AusAID, Danida US\$ 7,900,000	Diagnostic audits to assess financial health and performance of selected SOEs, and recommend restructuring plans to turn around enterprises.	Expected completion: December 2004.

FINANCIAL SECTOR PARTNERSHIP

The Government-donor financial sector working group was established in late 1999 to discuss the proposed banking reform program developed by State Bank of Vietnam (SBV), to support implementation of that program, and to coordinate donor support on banking reform. Since that time, the working group has expanded beyond just banking reform and now covers a wide range of financial sector issues, including capital market development, and representatives of the Ministry of Finance (MOF) and State Securities Commission (SSC) are also invited to participate in the meetings.

The partnership on financial sector reform is informal, but serves as an effective forum in which partners can periodically share information on the financial sector reform program, provide updates on current financial sector developments, and coordinate various donor reform activities. In addition, the working group serves as a forum for seeking donor assistance.

Meeting the Success Criteria and Supporting the CPRGS

Implementation of the Government's financial sector reform program continues with strong donor support as evidenced by an ever increasing number of related assistance projects. The working group is now meeting on a quarterly basis with three meetings of the working group having taken place thus far in 2004 with strong participation from Government, donors and NGOs.

- The March 2004 meeting of the group was focused on the SBV's strategy for international integration, the announced equitization plans for two SOCBs, and improving donor coordination. The meeting was hosted by the World Bank with participation by the SBV and ten other donors. The meeting resulted in concrete action in the formation of a technical assistance proposal for ASEM resources to support the SBV in developing a detailed implementation and assistance roadmap for the strategy for international integration.
- In the June 2004 meeting, the newly passed amendments to the Law on Credit Institutions was presented by the SBV. The five key reform areas of the amendments were outlined and follow-on discussion focused on the implications of the new amendments. In addition, AusAID presented their new Technical Assistance to the SBV for Formulating the Strategy on International Integration in Banking Sector. The USAID-supported Vietnam Competitiveness Initiative was also presented to the group, as were some updates on four other donor projects. The meeting concluded with an offer of the IMF to develop a technical financial sector dictionary for use by the donors and the SBV. Representatives from 15 donor organizations and donor-funded projects were in attendance.
- The October 2004 meeting was another productive session of the working group. The meeting was hosted by the World Bank with participation by the SBV and representatives from 15 donor organizations and donor-funded projects. The ongoing donor projects in the financial sector were the main area of discussion and the key point that was raised was a lack of strategic focus for the large volume of assistance in the sector. Despite the widespread support of numerous assistance projects, many donors expressed concern that there was no guiding strategy for these assistance project. The SBV plan for the international integration of the banking sector was

viewed as the essential foundation of this overall strategy, combined with the MOF/SSC capital market strategies, however, the specific technical assistance (TA) implementation strategies were not formulated yet. AusAID is supporting the enhancement of the SBV's strategy and the World Bank will support the SBV in mapping out its assistance needs based on this overall SBV strategic platform. In addition to this issue, the Poverty Reduction Support Credit (PRSC) 4 was raised in the meeting and some discussion was had as to how it could be used as a vehicle for moving the financial sector reform agenda forward more quickly and for coalescing donor assistance and policies in the sector.

- A meeting in late November of 2004 is being planned and the SBV plans to lead the agenda to discuss the progress of the various technical assistance projects it is implementing, as well as to use the meeting as a platform for requesting additional assistance needs.
- There continues to be good accord between the sections on banking reform in the Government's CPRGS and overall donor supported technical and lending assistance in the area of financial sector reform. In addition, the key Government agencies involved in reform implementation, the SBV and SSC, are beginning to more tightly link their recently issued sector development strategies to their assistance needs.
- The comprehensive matrix covering the technical assistance and lending support provided by all donors on the Government's financial sector reform agenda has been updated, improved, and expanded to cover most areas of financial sector support beyond banking (such as policy lending, microfinance, and non-bank financial institutions). The Financial Sector Assistance Matrix now is organized by financial institution and then by function for easier navigation, with active links to the appropriate contacts for each project, and it is now posted on the on the World Bank Vietnam Country Office (www.worldbank.org.vn).

Aligning Support to the CPRGS Over the Next Six Months

The Government's CPRGS enjoys strong backing by the members of the working group on banking reform. This is expected to continue to be the case going forward, and based on the October 2004 session of the donor working group, below are some descriptive examples of the ongoing and planned assistance projects by bilateral and multilateral donors going forward:

- The World Bank explained some of the ongoing assistance projects underway, with particular emphasis on the Twinning project for Vietcombank, the International Accounting Standard (IAS) audits of the State Owned Commercial Banks (SOCBs), the various trust funds supporting a broad range of reforms that include the restructuring of the SOCBs, strengthening of banking supervision, and enhancement of the corporate governance and regulatory framework for banking. In addition, a loan that is under preparation for an SBV investment in a comprehensive information system solution, covering all aspects of data reporting, collection, storage, and use was explained.
- The European Commission (EC) explained that it will be supporting the SBV with a 1.5 million Euro project focused on banking supervision enhancement. This would be based on direct assistance in the on-site inspection process to assess the quality of compliance and supervision. In addition, the EC will support the State Audit of Vietnam (SAV) to enhance its capacities with a 1.5 million Euro TA project. The EC

is also supporting the sector with an SME revolving fund of 20 million Euro through the Development Assistance Fund.

- The USAID STAR project mentioned their project with the SBV on the some of the key implementing decrees for the Law on Credit Institutions. These decrees including the (i) Decree on Foreign Banks; (ii) Decree on Domestic Banks; and (iii) Decree on Prudential Supervision. This started in August 2004 and will continue into 2005. STAR is also supporting workshops, legal analysis and reference materials to support the development by the State Securities Commission of a new Law on Securities and a Decree on Over-the-Counter Trading. This started in August 2004 and will continue into 2005.
- The International Monetary Fund (IMF) is ramping up its TA program in the financial sector and is working on such issues as banking supervision, SOCB equitization, Anti-Money Laundering, monetary policy, trade in service statistics, and the SAV.
- Agence Francaise de Developpement (AFD) mentioned its TA to the to the Industrial and Commercial Bank of Vietnam, which has been slow to upstart and is preparing a credit line to the Mekong Housing Bank to supporting housing development. In addition, AFD is supporting the Vietnam Bank for Agricultural and Rural Development in its restructuring and capacity building in numerous operational areas.
- The International Finance Corporation (IFC) briefly detailed its upcoming TA program, which included transaction advisory services for the Mekong Housing Bank equitization, housing finance, and the development of a credit bureau.

Success Criteria for 2004 and Beyond

The success of the Financial Sector Donor Working Group for this year and going forward will be based on a number of qualitative measures, including the following:

- Regular meetings of the Financial Sector Donor Working Group with strong participation of donors, NGOs and representatives from relevant Government agencies, such as the SBV, SSC, and MOF.
- Gradual transition of full leadership in the Working Group process to the Government, with donor support of the process.
- Effective information sharing and project progress reporting through the Financial Sector Assistance Matrix, which is posted on the World Bank Vietnam Country Office website and updated as appropriate.
- Increased efficiency of donor assistance to support the financial sector reform agenda through enhanced strategic planning and sequencing of financial sector reforms and assistance initiatives.
- Improved and accelerated implementation of the financial sector reform programs as outlined in the CPRGS and other key Government development strategies

FINANCIAL SECTOR ASSISTANCE PROJECTS IN VIETNAM
FINANCIAL SECTOR DONOR WORKING GROUP
As of November 4, 2004

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
State Owned Commercial Banks (SOCBs)					
Bank Restructuring	Support for implementation. of restructuring plan for ICB	World Bank / European Union ASEM Trust Fund	Completed	2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Support for Implementation of ICB Restructuring Plan	AFD	Ongoing	Sept. 2003	Marc Gilbert, AFD gilbertm@groupe-afd.org
	Twinning arrangement for VCB	Dutch Embassy / World Bank	Ongoing	2003	Hans Peter Verhoeff, Dutch Embassy Han-ea@minbuza.nl Thomas Rose, World Bank Trose@worldbank.org
	Support for implementation. of restructuring plan for BIDV	World Bank / European Union ASEM Trust Fund	Completed	2002	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Support for the implementation of the restructuring plan for BIDV – phase 2	World Bank / European Union ASEM Trust Fund	Approved	2004	James Seward, World Bank jseward@worldbank.org
	Business strategy for VCB	GTZ	Ongoing	2002	Andreas Hauskrecht, GTZ hauskrecht@sbcglobal.net
	Reform internal auditing for VCB	GTZ	Ongoing	2002	Andreas Hauskrecht, GTZ hauskrecht@sbcglobal.net
	Plan for SOCB Restructuring	World Bank / Japan PHRD Trust Fund	Completed	March 2000	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Bank corporate governance	World Bank / European Union ASEM Trust Fund	Completed	Nov. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Mekong Housing Bank IAS Audits, Assessment, and Preparation for Strategic Partnering / Equitization	World Bank / European Union ASEM Trust Fund	Approved	2003	Amanda Carlier, World Bank acarlier@worldbank.org
	Advisory assistance for the Mekong Housing Bank equitization transaction	IFC	Ongoing	2004	Deepak Khanna, IFC Dkhanna@ifc.org
	Mekong Housing Bank Diagnostic Review	Seco (Swiss Embassy) / Private Sector	Completed	Nov 2003	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch Quondam Partners, Juerg Vontobel quondam@bluewin.ch
	Mekong Housing Bank TA for Credit	Seco / Private	Proposed	2004	Barbara Jäggin, Swiss Embassy

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
	Management, Treasury and Asset Liability Management, HR management, IT, and MIS	Sector			Barbara.jaegglin@han.rep.admin.ch Quondam Partners, Juerg Vontobel quondam@bluewin.ch
	Workshops in Bank Restructuring	Seco (Swiss Embassy) / Private Sector	Approved	Dec 2003	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch Quondam Partners, Juerg Vontobel quondam@bluewin.ch
Asset Resolution	Planning the establishment of a national AMC	World Bank / European Union ASEM Trust Fund	Completed	May 2000	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Development of AMCs in each of the SOCBs	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Non-performing loan resolutions for Joint Stock Banks	GTZ	Ongoing	2004	Andreas Hauskrecht, GTZ hauskrecht@sbcglobal.net
	Workshop and training on AMCs	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
Payment System	Payment System and Bank Modernization Project	World Bank	On-going	1996	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org James Seward, World Bank Jseward@worldbank.org
	Second Payment System and Bank Modernization Project	World Bank	Proposed	2005	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org James Seward, World Bank Jseward@worldbank.org
	Payment System and Bank Modernization for VBARD (extension of the WB PSBM)	AFD	Ongoing	Sept.2003	Marc Gillbert, AFD gilbertm@groupe-afd.org
Auditing	Enhancing VAS for Banks (Application of IAS)	World Bank / Japan PHRD Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Workshop on IAS Application	World Bank / Japan PHRD Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Audit Pre-work for ICB	World Bank / European Union ASEM Trust Fund	Completed	Sept. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	IAS Audits 2003-2004 for ICB	World Bank / European Union	Ongoing	2003	James Seward, World Bank jseward@worldbank.org

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
		ASEM Trust Fund			
	IAS Audit 2000 for ICB	USAID	Completed	Sept. 2001	Dennis Zvinakis, USAID dzvinakis@usaid.gov
	IAS Audit 2001 for ICB	USAID	Completed	Nov. 2002	Dennis Zvinakis, USAID dzvinakis@usaid.gov
	IAS Audit 2000 for VCB	Danida (Denmark)	Completed		Mikael Winther, Danish Embassy mikwin@um.dk
	Pilot Training Internal Auditing for VCB	GTZ	Completed	Jan. 2002	Andreas Hauskrecht, GTZ Ahauskrecht@sbcglobal.net
	Audit Training series	GTZ	Ongoing	2003/4	Andreas Hauskrecht, GTZ Ahauskrecht@sbcglobal.net
Joint Stock Banks (JSBs)					
Bank Restructuring	Blue print for JSB restructuring and consolidation	World Bank / Japan PHRD Trust Fund	Completed	1999	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Management information system diagnostic	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Assessment of 10 JSBs	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
Risk Management	Review risk management procedures and techniques	World Bank / AusAID	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Risk management training	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Risk Management for Joint Stock Banks	GTZ	Ongoing	2003	Andreas Hauskrecht, GTZ hauskrecht@sbcglobal.net
	Training of the JSBs credit departments, training of BRC in risk management	Seco (Swiss Embassy) / Private Sector / BTC	Ongoing	1998 - 2004	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch
	Training and enforcement of capacities, specially in the fields of credit policies, risk management and sectoral analysis for VBARD	AFD	On-going	Sept. 2003	Marc Gilbert, AFD gilbertm@groupe-afd.org

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
State Bank of Vietnam (SBV)					
Organizational Change	Banking Sector Review	World Bank	Completed	2002	James Seward, World Bank Jseward@worldbank.org
	Training in change management	Unidentified—to be coordinated by MPDF—Bankers Training Center	Proposed	Nov. 2002	Tony Jennings, BTC Tjennings@ifc.org
	SBV restructuring	GTZ	Ongoing	2002	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Long-term training and technical assistance to the SBV on supervisory, regulatory and banking services issues	CIDA	Proposed	Feb. 2004	Dean Frank/CIDA Dean.frank@dfait-maeci.gc.ca Claude Goulet/CIDA Claude.goulet@dfait-maeci.gc.ca
	SBV Capacity Building in Regulation, Supervision, and Development	World Bank / European Union ASEM Trust Fund	Ongoing	2003	James Seward, World Bank jseward@worldbank.org
	SBV Capacity Building	European Union	Proposed	2005	Francisco Fontan, EC Francisco.Fontan@cec.eu.int
Supervision / Safety-Soundness Standards	Assistance in directing Credit Manual Preparation	IMF / World Bank	Completed	2001	Susan Adams, IMF Sadams@imf.org Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Review on-site inspection manual	World Bank / Japan PHRD Trust Fund	Completed	2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Establish chair for bank auditing at Banking Institute	GTZ	Ongoing	2000	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Training on Bank Auditing	GTZ	Completed	2001	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Strengthening banking supervision/auditing	GTZ	Ongoing	2000	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Training IAS	GTZ	Ongoing	2003	Andreas Hauskrecht Hauskrecht@sbcglobal.net
	Transition of VAS to IAS for banks and improving financial reporting	World Bank / European Union ASEM Trust Fund	Approved	2003	James Seward, World Bank Jseward@worldbank.org
	Training on U.S. financial system and money laundering regulations	Private Sector/US Government	Completed	Feb. 2003	Jennifer L. Bachus, US Embassy Bachusjl@state.gov

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
	Anti-money laundering- assessment and assistance for drafting decree, action plan for FIU establishment	ADB	Approved	Sept. 2003	Shigeko Hattori, ADB shattori@adb.org
	Full Basel Core Principle Assessment of the SBV	World Bank / European Union ASEM Trust Fund	Approved	2003	James Seward, World Bank jseward@worldbank.org
	Assessment of the implementation of a CAMELS-based ratings system for the supervision of banks	World Bank / Irish CTF	Completed	2003	James Seward, World Bank Jseward@worldbank.org
	Assessment of the bank reporting system.	World Bank / New Zealand CTF	Completed	2003	James Seward, World Bank Jseward@worldbank.org
	Assisted self-assessment of the Basel Core Principles	World Bank/ASEM Trust Fund	Approved	2004	James Seward, World Bank Jseward@worldbank.org
	Advisory services for strengthening banking regulation and supervision	IMF/MFD	Ongoing	2004	Susan Adams, IMF Sadams@imf.org
Legal Framework for Banking	Review of State Bank and Credit Institutions Laws	GTZ	Ongoing	2003	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Technical advice on the State Bank and Credit Institutions Laws	CIDA	Ongoing	June 2003	Dean Frank, CIDA Dean.frank@dfait-maeci.gc.ca Claude Goulet, CIDA Claude.goulet@dfait-maeci.gc.ca
	Review of the Banking Sector Legal and Regulatory Framework	World Bank / European Union ASEM Trust Fund	Completed	May 2000	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Introduction of international standards (Basel Principles)	GTZ	Ongoing		Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Workshops, legal analysis and reference materials to support the development by the SBV of the key implementing decrees for the amended Law on Credit Institutions	USAID-STAR Project	Ongoing	Aug. 2004	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
Credit Information	Review and development of key functions of the Credit Information Center (CIC)	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Workshop on CIC	World Bank / European Union ASEM Trust Fund	Completed	Dec. 2001	Miguel Navarro-Martin, World Bank Mnavarromartin@worldbank.org
	Assessment of the CIC	World Bank / Spanish CTF	Ongoing	Nov. 2003	James Seward, World Bank Jseward@worldbank.org
International Agreements	Assessment of and technical workshops on the financial sector implications of the US-Vietnam Bilateral Trade Agreement	USAID-STAR Project	Ongoing	Nov. 2002	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
					Steve_Parker@DAI.com
	Support the amendment of the Law on Credit Institutions, and other SBV-related legal instruments in support of the US-Vietnam BTA and WTO accession	USAID-STAR Project	Complete	Nov. 2002	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
	Assistance to SBV in formulating the strategy for international integration for the banking sector	AusAID	Ongoing	Oct. 2004	Graham Alliband, CEG Facility Galliband@ceg.edu.com
Reserves Management	Reserves Management Capacity Building	SIDA/Swedish Central Bank	Proposed	May 2003	Karl-Anders Larsson, SIDA karl-anders.larsson@sida.se
	Safeguards Assessment	IMF/Treasurer's Department	Ongoing	2001	Susan Adams, IMF sadams@imf.org
	Assistance in auditing the SBV	IMF/MFD	Proposed	2004	Susan Adams, IMF Sadams@imf.org
	Introduction of new monetary policy instruments	GTZ	Ongoing	Thru 2003	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Training in Reserves Investment	Private Sector/US Government	Completed	Jan. 2003	Jennifer L. Bachus, US Embassy Bachusjl@state.gov
Monetary Policy	Financial market/policies Train the trainer, HR management/appraisal, empirical research skills	Seco (Switzerland) / Graduate Institute for International Studies	Ongoing	Phase I: 1997-1999 Phase II: 2000-2002 Phase III: 2003-2005	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch Graduate Institute of International Studies Geneva, Prof. Camen Camen@hei.unige.ch
	Training in Macroeconomic model-building and forecasting	INSEE/Banque de France/ ADETEF	Ongoing	2002	Alain Fontanel Afontanel@hotmail.com
	Workshops in Macroeconomic Policy Coordination	IMF	Ongoing	2002	Susan Adams, IMF sadams@imf.org
	Staff exchange	Sida/Swedish Central Bank	Proposed	2003	Karl-Anders Larsson, SIDA karl-anders.larsson@sida.se
	Research / seminars on monetary statistics	JICA	Completed	July 2002	Daisuke Hosokawa d.hosokawa@fpt.vn
	Guidance on monetary policy instruments and operations	IMF/MFD	Ongoing	2004	Susan Adams Sadams@imf.org
	Training SBV and Commercial Bankers, Monetary Instruments	GTZ	Ongoing	2002	Andreas Hauskrecht, GTZ Ahauskrecht@aol.com
Money Market Development	Drafting regulations on Money Market Development and Repurchase Agreements	ADB	Completed	2002	Alessandro A. Pio, ADB Apio@adb.org
	Assistance in development of a database for tracking money market transactions	ADB	Approved	May 2003	Alessandro A. Pio, ADB Apio@adb.org
SME Credit	SBV Capacity Building as Executing Agency	JBIC	Ongoing	Dec. 2001	Takayuki Sato, JBIC

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
Policies	for SME Credit Policies				ta-sato@jbic.go.jp
	SME Finance Project	JBIC	On-going	1999	Takayuki Sato, JBIC ta-sato@jbic.go.jp
	Pilot Study on Soft Infrastructure development for better Financial Access of SME	JBIC	On-going / Proposed	March 2003	Takayuki Sato, JBIC ta-sato@jbic.go.jp
	SME Credit Line (ICBV)	KfW	Ongoing	2001	Helmut Schoen, KfW helmut.schoen@kfw.de
	SME Development Program Loan (co-financed with ADB and AFD)	KfW	Proposed	Dec 2004	Helmut Schoen, KfW helmut.schoen@kfw.de
	SME Revolving Fund	European Union	Ongoing	Oct. 2004	Francisco Fontan, EC Francisco.FONTAN@cec.eu.int
	Housing Credit Line through Mekong Housing Bank	AFD	Proposed	2004	Marc Gilbert gilbertm@groupe-afd.org
	Vietnam Competitiveness Initiative - training and technical assistance to joint stock banks (JSBs) to facilitate access to finance for SMEs	USAID	On-going	2004	Dennis Zvinakis, USAID dzvinakis@usaid.gov Bob Webster, DAI Robert_Webster@dai.com
	Vietnam Competitiveness Initiative - training and technical assistance to joint stock banks (JSBs) to facilitate access to finance for SMEs	USAID	On-going	2004	Dennis Zvinakis, USAID dzvinakis@usaid.gov Bob Webster, DAI Robert_Webster@dai.com
Policy Lending Institutions					
Operational Framework	Comprehensive TA for the reform and development of the Bank for Social Policies (VBSP)	World Bank / European Union ASEM Trust Fund	Approved	2003	James Seward, World Bank Jseward@worldbank.org
	Comprehensive TA for the reform and development of the Bank for Social Policies (VBSP)	World Bank / European Union ASEM Trust Fund	Approved	2003	James Seward, World Bank Jseward@worldbank.org
Microfinance Institutions (MFIs)					
Access to Microfinance	Support the establishment of the People's Credit Fund network	CIDA	Completed	1994	Claude Goulet, CIDA Claude.goulet@dfait-maeci.gc.ca
	Modernizing a number of People's Credit Fund and improving the services of the Central People's Credit Fund	Développement international Desjardins (DID)/CIDA	Approved	Feb. 2004	jmcrevier@did.qc.ca
	Legal, regulatory and supervisory framework for MFIs	ADB	Ongoing	Aug. 2002	Brett Coleman, ADB bcoleman@adb.org
	Loan and technical assistance to support rural enterprise finance through VBARD and People's Credit Funds	ADB	Ongoing	Nov. 2000	Alessandro A. Pio, ADB Apio@adb.org

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
	Loan to support rural enterprise finance through VBARD	AFD	On-going	Sept. 2003	Marc Gilbert gilbertm@groupe-afd.org
	Study On Rural Finance	JBIC	On-going / Proposed	Feb. 2003	Takayuki Sato, JBIC ta-sato@jbic.go.jp
	Rural Credit and Saving Program (VBARD)	KfW	Ongoing	2002	Helmut Schoen, KfW helmut.schoen@kfw.de
	Revolving Credit Fund for Poverty Alleviation (VBARD)	KfW	Ongoing	2001	Helmut Schoen, KfW helmut.schoen@kfw.de
	Rural Finance Loan - Micro-finance Loan Fund (MLF) and its implementation agencies (Micro-finance Institutions, MFIs)	World Bank	Ongoing	2003	Liza Valenzuela, World Bank lvalenzuela@worldbank.org
	Institutional strengthening for the Vietnam Women's Union on providing microfinance and advice on the MFI legal framework	Embassy of Belgium	Approved	2004	Marcus Leroy, Embassy of Belgium badc@hn.vnn.vn
	Institutional strengthening for the Vietnam Women's Union on providing microfinance and advice on the MFI legal framework	Embassy of Belgium	Approved	2004	Marcus Leroy, Embassy of Belgium badc@hn.vnn.vn
Non-Bank Financial Institutions (NBFIs)					
Leasing	Seminars/courses on financial leasing	JICA	Completed	Jan. 2003	Oshikiri Koji, JICA oshikiri@jica.org.vn
	Second Financial Sector Program Loan to support the development of alternative channels of market-based financial intermediation including insurance sector, leasing sector, money market and capital market, and financial market infrastructure such as secured transactions registration and accounting association	ADB	On-going	Jan. 2003	Shigeko Hattori, ADB shattori@adb.org
	Program Loan, co-financed with ADB and AFD to facilitate diversification of funding sources of financial leasing companies to improve credit access for SMEs	KfW	Proposed	Dec. 2004	Helmut Schoen, KfW helmut.schoen@kfw.de
Market-Based Financial Intermediation	Second Financial Sector Program Loan, cofinanced with ADB, to support the non banking financial sector.	AFD	Approved/On-going	2003	Marc Gilbert, AFD gilbertm@groupe-afd.org
	Technical Assistance for Capacity Building for Nonbank Financial Institutions and the Capital Market	ADB	Ongoing	2003	Shigeko Hattori, ADB shattori@adb.org
	Assistance to State Securities Commission in	ADB	Completed	2003	Shigeko Hattori, ADB

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
	preparation of the Capital Market Roadmap				shattori@adb.org
	Capital Market Development	GTZ	Proposed	2004/5	Andreas Hauskrecht Hauskrecht@sbcglobal.net
	TA for the State Securities Commission (SSC) for capacity building, linking the equitization process with market development, and investor education.	World Bank / European Union ASEM Trust Fund	Approved	2003	James Seward, World Bank Jseward@worldbank.org
	TA for the State Securities Commission (SSC) for the development of the securities market and the medium and long-term capital market	Seco (Swiss Embassy) / Private Sector	Proposed	2004	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch
	Training and advisory services and assessments to the MOF / SSC on Asian Bond Market Initiative, bond market legal framework, OTC government bond market, settlement system for the bond market, and human resource development	IIMA (Japan)	Completed	2003	Junichi Mori, IIMA junmori@iima.or.jp
	Assistance to the MOF to develop the corporate bond market	NRI (Japan)	Approved	2004	Kengo Mizuno, NRI k-mizuno@nri.co.jp
	Assistance to the Government (MOF, SBV, MPI, OOG, MOJ) for external debt management	UNDP	Ongoing	2000	Trinh Tien Dung, UNDP Trinh.tien.dung@undp.org
	Capacity building assistance to the MOF for financial policy analysis	UNDP	Ongoing	2003	Trinh Tien Dung, UNDP Trinh.tien.dung@undp.org
	Comprehensive assessment of municipal bond market issuances and development	USTDA	Approved	2004	Paul Marin, USTDA PMarin@tda.gov
	Supporting the SSC to develop a (transitional) decree on unlisted shares and the (planned) law on securities in support of the US-Vietnam BTA and WTO accession.	USAID-STAR Project	Ongoing	Nov. 2003	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
	Workshops, legal analysis and reference materials to support the development by the State Securities Commission of a new Law on Securities and a Decree on Over-the-Counter Trading	USAID-STAR Project	Ongoing	Aug. 2004	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
	Capacity building for the National Registration Agency of Secured Transactions	ADB	On-going	Dec. 2002	Armes Adhikari, ADB Radhikari@adb.org
Secured Transactions	Supporting the Ministry of Justice to develop the legal framework for secured transactions.	USAID-STAR Project	Ongoing	2002	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com

TRADE WORKING GROUP

2004

The donor-NGO-Government working group on Trade Reform has been meeting regularly for over four years. The group has had limited Government representation. Donors and NGOs have on average met four times a year.

This group has been used to discuss mainly technical assistance support to the Ministry of Trade, to exchange information on reforms being implemented, and to apprise a numerous donor-funded analytical and technical aspects of trade reform. With the implications of reforms in the trade area spilling over to complementary “behind the border” areas, the focus of technical assistance has widened beyond the Ministry of Trade.

The group has been used as a forum to coordinate assistance to Vietnam’s accession to the World Trade Organization (WTO). Utilizing information gained from earlier rounds of negotiation, donors have sought to align their support to areas where trading partners have identified weaknesses.

Areas of donor and NGO support have covered a wide range. Some have helped build capacity of stakeholders on trade policy issues, and raised awareness on the benefits and costs of trade liberalization. This type of support has included the design of tariff reduction roadmaps and their consequences for different stakeholders. The focus of some technical assistance components has been to strengthen negotiating skills for WTO accession. Other donors have supported more technical issues in multilateral and bilateral trade such as TRIPS, TRIMS, SPS and TBT. Another key area relates to assessing the implications of trade liberalization in services for the main service sectors and strengthening related Government capacity. As WTO accession would imply sweeping legal changes, support to legal reform has been the focus of a number of donors. Enhancing export competitiveness, trade promotion, and trade facilitation through, for instance, customs reform, have also received considerable attention from donors. Table 1 highlights the main areas of support by different donors. Greater details about specific programs are provided in Table 2.

Meeting the success criteria and supporting the CPRGS

- The Government’s efforts to integrate more closely with the world economy are progressing well. Commitments under regional trade agreements (AFTA) and bilateral agreements (USBTA) are broadly on track. On the multilateral front, Vietnam’s latest tariff offer was well received by WTO members and Vietnam expects to discuss a full draft Working Party Report in December 2004.
- The Government seeks to accede to the WTO “as soon as possible” and accession in 2005 is a strong possibility. Several donors are funding activities with the aim of preparing Vietnam for early WTO accession (as noted above).
- While representatives from the Government have attended the meetings of the group, progress on strengthening their involvement and leadership has been more modest.

Aligning support to the CPRGS over the next 12 months

- The group will continue to be a forum for exchange of ideas and presentations of planned major projects and studies, as well as dissemination of outcomes and conclusions from completed studies and other analytical work.
- Many of the planned policy changes in the CPRGS reflect recommendations from studies and analytical work stemming from work by members of the working group. These include plans for QR removal, tariff reductions, and simplification and rationalization of customs procedures.
- The Group will continue to focus on information sharing about important new policy issues and technical and analytical work on trade reform in Vietnam undertaken by members including e.g. preparation for WTO accession, and implementation of the bilateral trade agreement with the US.

Success criteria for 2004 and beyond

- Continued implementation of trade reform and broad understanding of the program in the donor community. Co-ordination of trade reforms with complementary “behind the border” reforms.
- Greater and more regular government participation in the working group, including a leadership role as in the working group on the PER-IFA.

Table 1: Assistance for Trade Reform

Donor	Areas of Support
ADB	Tariffs and Industrial Policy, Investment Incentives
Australia	Agriculture, Anti-dumping, Banking, Commercial law, SPS
Belgium	Environmental and socio-economic impact
Canada	Legal reform
Denmark	Agriculture
European Commission	SPS and TBT, Legal reform, TRIPS, Environment, Social issues, Gender
Finland	General capacity building on trade policy
France	Legal reform, Media
Germany	General capacity building on trade policy
IMF	Legal, BOP, Statistics for services trade
Italy	Subsidies and countervailing measures
Japan	GATS, Safeguards, TRIPS, SPS, Customs
Korea Republic	General WTO issues, Economic Adjustment
New Zealand	General capacity building on trade policy
Norway	TBT
Singapore	Trade facilitation
Sweden (SIDA)	Rules of origin, Trade promotion, Export development
Switzerland	Export promotion, TBT, TRIPS, Negotiation skills
UK (DFID)	Tariff reduction roadmaps, Subsidies and countervailing measures, Negotiation skills
UNDP	Services trade, Negotiation skills, Agriculture, Legal reform (including Commercial and Competition laws)
USA (STAR)	SPS, TBT, Legal reform, TRIPS, TRIMS, Customs, Services trade, Dispute settlement
World Bank	Tariff reduction roadmaps, Diagnostic of WTO readiness, Awareness building, Customs, Export competitiveness

Table 2: Vietnam's WTO Accession: Summary of TA programs

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
ADB	Tariff and Industrial Policy Analysis		Aug 03 -March 2004		Policy analysis and capacity building.	Analysis of trade policy regime and the structure of protection in the context of trade liberalization.				ADB
ADB	Capacity building for MOF to support Analysis (tariffs, industry and subsidy) for WTO Accession	\$150,000	Jan-Dec 2004		Policy analysis and capacity building	Build capacity in MOF to conduct tariff policy analysis; review and assess in detail the current Government assistance programs, in particular, the financial supports, such as the subsidies in the context of WTO accession; propose modalities/approaches to the Government on how to deal with these issues; and assist MOF to strengthen the WTO accession and implementations issues.		MOF		ADB
ADB	The Implication of Vietnam's WTO Accession on Existing Investment Incentives and Market Reform		Dec 04 - Feb 05		Policy, and institutional analysis.	Detailed diagnosis of the regulatory framework of investment in Vietnam. Examine the possible economic and social implications and adjustment costs that the elimination or adaptation of investment measures and incentives may have on the key domestic goods and services sectors. This work intends to build on the TA for Capacity building for MOF to support analysis of tariffs, industry and subsidy for the WTO accession, and covers services and manufacturing sectors.				ADB
Australia	AusAid Regional WTO	From 2,500,000	/2004 /2006		Policy analysis and	To support a program of WTO related capacity building	Training Research			AUSAID

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	Capacity Building Project	USD – 3,500,000 USD, in the design finalization stage			capacity building in 4 selected ASEAN countries		Policy Analysis			
Australia	AusAid-MARD program on capacity building for WTO accession and training on WTO-related issues under CEG facility	600,000 USD	/2003 /2005-	Agriculture Agreements	Policy analysis and research Capacity Building	Improving understanding of the implications of integration, Developing policies to optimize the domestic consequences of integration	Policy research Training seminar	MARD	MARD	the Governments of Australia and Vietnam
Australia	Vietnam integration in the World Economy Capacity Building for Anti Dumping under CEG facility	393,032 USD	2003-2004	Anti-dumping Agreement	Policy development	Improving the capacity to develop policy	Policy development	MOT		
Australia	Technical Assistance for Formulating a Strategy of International Integration in the Banking Sector	460,000 USD	2003-2004	Strategy of Integration in the banking sector	Policy analysis and research Capacity Building	To strengthen the capacity of the SBV to formulate and implement a Strategy on International Integration of the Banking Sector;	Output 1 Research on existing context and proposed strategies for the formulation and implementation of the Integration Strategy completed. Output 2 Increased skills of SBV staff and other selected stakeholders in policy analysis, formulation and implementation on banking integration	SBV	SBV	AusAID

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
							issues			
Australia	Assistance for improving the Commercial Law in the integration process.	100,000 USD	2004	Improving the domestic legal document regulating the commercial activities and the international integration requirements	Policy development Capacity Building	To improve the professional knowledge and legislative capacity of those who participate in the drafting and approving of Commercial Law and its major supporting guidelines.	Draft, finalize and incorporate articles/stipulations related to the issues of Commodity futures trading and Franchising in the draft Commercial Law. Organize workshops to gather feedback/raise awareness on the revise draft	MOT	MOT	AusAID
Australia	AusAid Regional SPS Capacity Building Project	3,000,000 AUD	/2004 /2006	SPS Agreements	Capacity Building on Trade related Plant and Animal quarantine for 8 ASEAN countries	Building capacity for MA	Study tour, surveys, booklet, Seminars workshops and courses on the SPS issues	N/a		AUSAID
Belgium	Trade liberalization and environment, socio-economic impact of WTO accession	100,000 EUR		Environment			Assess the socio-economic impact of VN's accession to WTO Assess impact on the environment			
Canada	APEC Economic Integration Program (APEC/EIP)	9,000,000 CAD	/2004 /2008		Capacity building	To assist in building the capacity of some developing economies in APEC in Southeast Asia to negotiate their accession to the WTO and/or implement their specific WTO commitments.	Training, WTO-related technical assistance, development of regional learning forum	Conference Board of Canada	Vietnamese authorities and five other APEC countries	CIDA
Canada	Legal Reform Assistance Project (LERAP)	4,995,000 CAD	/2001 /2006		Capacity building	Assisting Vietnamese Government in promoting the rule of law by achieving greater efficiency, coherence and transparency in the legal system.	Strengthening the legal capacity for international economic integration and capabilities for the enforcement of civil judgments - Increasing	BearingPoint and University of Victoria	Ministry of Justice	CIDA

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
							comparative law research and analysis capacity enforcement of civil			
Denmark	Agricultural Sector Program Support / WTO assessment and related training	330,000 USD	5/2002 – 5/2004		WTO assessment and related training			MARD/ Program Officer Pham Thi Hong Hanh		DANIDA
European Commission	Multilateral Trade Policy Assistance Program (MUTRAP)	3,250,000 Euro	01/2001-3/2004		Capacity building, technical assistance and advisory	Supporting Vietnamese officials in policy-making departments of all relevant ministries involved in multilateral trade policy issues	Training on WTO issues, Research on the impact of service liberalization; Fostering knowledge of the Doha Development Agenda; Establishment of the Technical Barrier to Trade (TBT) and Sanitary/ Phyto sanitary (SPS) enquiry points; Training of judges on trade and related issues; Trade Law Chairs in Universities; and negotiation techniques;	Multilateral Trade Policy Department, Ministry of Trade	Relating ministries	
European Commission	MUTRAP Bridging	191,076 Euro	8-11/2004			Short term TA to assist the beneficiaries in strengthening the capacity of the government of Vietnam and Vietnamese stakeholders for managing WTO accession and meet their commitments and challenges from other international and regional trade related agreements	Several short term EU experts missions on SPS Action plan, SPS and TBT enquiring points and services.	Multilateral Trade Policy Department, Ministry of Trade	Relating ministries	
European Commission	Trade needs assessment	200,000 Euro	2005			Trade Needs Assessment exercise. Understanding of TRA priorities for next Country Strategy Paper.				
European	Asia TRTA trust	4,500,000	1/7/2004-			Short term TRTA and capacity	WTO rules &	ITC		

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
Commission	Fund to Asian developing countries (19) and Asian regional organizations (ATF)	Euro EC 500,000 Euro ITC	31/12/2009			building to Asian developing countries and Asian regional organisations	agreements issues, private international trade law, contract negotiation and commercial arbitration, regional trade integration. Trade information, packaging and trade finance	ATF sub-site will be part of ITC sites Http://www.inttracen.org		
European Commission	Multilateral Trade Policy Assistance Program II (MUTRAP II)	5,100,000 Euro	2004-2007			The project purpose is to strengthen the capacity of the government of Vietnam and Vietnamese stakeholders for managing WTO accession and meet their commitments and challenges from other regional and international trade related agreements.	- Sector specific: legal, policy, capacity building, training (Agriculture, Services (general and sectoral), SPS (Animal, plants, health, fisheries/TBT, enquiring points) - Horizontal issues (legal, capacity building network & curricular development, information & awareness raising, trade and environment, gender, social issues	Multilateral Trade Policy Department, Ministry of Trade	Relating ministries	
European Commission	European Technical Assistance Programme	11,034,800 Euro	2003-2008			Supporting Vietnam transition to market economy and international integration/ preparation for WTO accession and eventual implementation. It includes the drafting of taxation/custom/ accounting legislation and procedures in line with international standards, norms and recommendations, development and implementation of trade facilitation mechanisms and information systems to minimise the burden of customs procedures on trade.			MPI, MoF, MoST (Directorate for Standards and Quality)	

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
						Harmonization of both the conformity assessment procedures and the quality assessment infrastructures with international standards.				
European Commission	EU-ASEAN Intellectual Property Rights Co-operation Programme (ECAP II)	1,500,000 Euro for Vietnam component (7,500,000 Euro for the whole programme)	1999-2006			Enhancing EU/ASEAN investment and trade to achieve further economic cooperation by upgrading the ASEAN intellectual property rights systems, in line with the highest international standards and practices.	Seminars, training, research	and Technology (National Office of Intellectual Property Right)	Ministry of Science and Technology (National Office of Intellectual Property Right) and MOCI (Copy right office)	---
Finland	Project on assistance on Capacity building for the Ministry of Trade	2,374,347 Euros	12.2000-12.2004		Human Resources Development	Assisting the Ministry of Trade to raise the capacity of its officials in formulating and managing policies.	Providing training programs and training consulting on formulating and implementing trade strategies and policies. Supporting to upgrade the information system of the Ministry of Trade.	MOT	MOT's staff and its subordinates, and provincial trade services.	Ministry for Foreign Affairs of Finland
France	Technical assistance to the NCIEC and line ministries for economic integration and WTO accession	1,600,000 EUR	1/2002-11/2005	Laws	Regulatory Capacity building	Training and assisting reviewing of legal system Capacity Building and Support to media	Training, Study tour	NCIEC	NCIEC	Ministry of Foreign Affairs, France
Germany	Vietnam's Accession to WTO:		10/2003		Seminar on subsidy agreements, anti-dumping regulations,		Seminar	NCIEC		Ministry for Economic Cooperation

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	Preparation for Competing in a New Environment.				impacts on business, and trade disputes.					and Development, Germany
Germany	Support for Economic Reform (GTZ/CIEM Project)	5,624,211 EUR	10/1993 03/2003		Economic advice	Economic advice to Government through support to CIEM. One (of four) results to be achieved in the present phase: " The conditions of regional and global integration of Vietnamese economy are improved."	Advisory	CIEM	Target group of decision-makers in the Government, the Communist Party and in central and local admin. Units	GTZ
IMF	Legal Aspect of International Financial Institution		Annual Seminar		Covers legal, institutional and operational aspects of IFIs and WTO	Human capacity building for senior lawyers responsible for legal aspects of IFI and WTO membership.	Seminar	IMF-JVI Institute	SBV, MOF, and MOT	IMF
IMF	Balance of Payments statistics mission		9/2003		Statistics of trade, investment income, transfers, and FDI	Enhance the accuracy of the BOP statistics towards international practices.	TA report	IMF	SBV, GSO, MOT, and MPI	IMF
IMF	Article VIII Review		6/2003 - ?		Removal of all exchange restrictions under Article VIII of the IMF's Articles of Agreement	To verify that Vietnam has a fair and open international trade and investment environment.		IMF	SBV, MOF, MOT, and MPI	IMF
IMF	Balance of Payments		Annual Seminars		Covers main concepts of the BOP and how to compile the BOP	Enhance human capacity building in compiling the IMF standards BOP	Seminars	IMF Institute, IMF-Vienna Joint-Institute, IMF-Singapore training Institute	SBV, GSO and MOT	IMF
IMF	Seminar of the manual of the International trade statistics in		One-day seminar on October		Covers the key concepts of on international trade statistics in services	Enhance human capacity building to develop statistics concepts on trade in services	Basic training course		GSO, SBV, MPI, MOLISA, MOT,	IMF

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	services		15, 2004						Ministry of training and education, and Tourism Department	
Italy	Providing technical assistance for institutional enhancement to facilitate the Socialist republic of Vietnam's accession to the WTO	EUR 786,202	01/2003-07/2003 (estimated)			Enhancing the skills and knowledge of Vietnamese policy and regulations makers in addition of researching and organizing current knowledge body in order to develop a long-term subsidy and countervailing measures policy and WTO-compatible detailed regulations which support domestic production while establishing fair competition for domestic producer	Basic training course Initial Follow-up and Evaluation Workshop; Tailor-made training course composed of four phases WTO trade policy course participation through scholarship; Intermediate follow-up and evaluation workshop; Final Seminar presentation of training component results.			
Japan	TA Project on WTO issues	---	/2001/2003	GATS, Safeguard, IPR, Competition	Human resources development	To support capacity building related to the implementation of the WTO Agreements	Seminar by Japanese experts	Multilateral Trade Policy Department - MOT	NCIEC member agencies	JICA
Japan	APEC Regional Training for WTO related		/2002/2004	TBT, AD, Safeguard, SPS	Human resources development	To train government officials to improve the basic knowledge of the individual WTO agreement	Training in Japan	MPI	Govt. officials	JICA
Japan	(*5) Modernisation of IPA project	n/a	04/2000 03/2004	TRIPS	Institutional capacity building	To training maintenance staff of computer system, management staff of industrial property administration, application formality examination, substantial examination registration, publication licensing	Dispatch of Japanese experts Vietnamese officials, providing equipment	NOIP	NOIP/MOST	JICA

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
						and legislation staff will be developed				
Japan	Modernisation of Customs Administration		/1998 /2003		Institutional capacity building	Capacity building for General Department of Vietnam Customs to realize the modernisation of customs procedures	Dispatch of Japanese experts, training Vietnamese	GDVC	Govt. officials	JICA
Korea Rep	Knowledge Partnership: Sharing Korean Economic Development and Crisis Management Experiences with Developing Countries	About 200.000 USD (Under preparation)	2003-2004		General WTO issues, economic adjustments	Sharing Korean experience of economic development: economic development planning, financial crises and the implemented adjustment and restructuring programs ... Assisting policy makers of developing countries gain both theoretical and practical knowledge to achieve their economic development goals and overcome the on-going financial crisis;	Selected consultants will be dispatched to Vietnam and disseminate knowledge and experiences related to a variety of issues regarding economic development processes.	MOT	MOT and other relevant Ministries	Korean International Cooperation Agency
New Zealand	English language training for trade policy specialists Scholarships for Masters level study at Hanoi National Economic University on trade liberalization topics	185,000 NZD	Ongoing Ongoing							
Norway	Market Access and Trade Facilitation	USD 908,520	1/2003 – 6/2005	TBT	Integration into the global trade environment through	Facilitate industrial development and export capabilities (and consequently spurring economic	1) National capacity creation related to market access	UNIDO	Apex institutions in each country	NORAD

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	Support for Mekong Delta Countries, through Strengthening Institutional and National Capacities Related to Standards, metrology, Testing and Quality (SMTQ)				alleviation of technical barriers to trade for Vietnam, Cambodia and Lao PDR	growth and employment opportunities) of the assisted countries by reducing technical barriers to trade through the strengthening of standards, metrology, testing and quality institutional structures and national capacities.	requirements and technical barriers to trade (TBT) and identifying manufacturing sub-sectors and export market focus for remedial action in each beneficiary country 2) Upgrade the required technical infrastructure for (a) standards development and harmonization, (b) metrology and testing laboratories required by the selected sectors; (c) standards for labeling and accreditation and/or certification of laboratories and quality systems		dealing with Standards, Accreditation, Metrology and Testing Manufacturing facilities exporters	
Oxfam	Analysis of impact of WTO accession on poor maize farmers in four provinces		2004-2005	Agriculture	Poverty and Social Impact on poor farmers	Analysis of impacts of accession on poor maize farmers in rural areas as input to MARD members of WTO negotiating team	Research in Nghe An, Lao Cai, Son La and Dak Lak	MARD/OGB		Oxfam GB
Singapore	International Trade Institute of Singapore				Trade facilitation, TA	To provide premier training, research and consulting institution in customized training programmes, courses, seminars, conferences in international business and trade to help companies maintain their	Training, research, consulting, seminar		Companies, officials from relevant agencies	Singapore Trade Singapore Trade

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
						competitive edge (ASEAN Initiative for CLMV)				
Sida (Sweden)	Technical assistance on rules of origin (ROO)	About 200.000 EUR	9/2003-6/2004	ROO	Capacity Building	Reviewing legal framework on ROO, case studies and study tour in Sweden	Seminar, training	NCIEC	NCIEC members	Sida
Sida (Sweden)	Strengthening of research capacity for Vietnam Institute of Trade	100,000 USD	Ongoing - 2005		Capacity Building		Training, research	VIT		Sida
Sida (Sweden) and seco (Switzerland) co-financing (see seco)	Support to Trade Promotion and Export Development in Vietnam	3,165,000 USD	6/2004 5/2007		Trade promotion and Export development	To assist Vietnam in achieving the export growth rates set for the decade. To assist the government of Vietnam, Vietrade, trade supporting institutions and exporting enterprises to take advantage of the new export opportunities offered by trade liberalization and global economic integration.	Update National Export Development Strategy; Set up Operational Trade Support Network; Strengthen Training & Counselling Capacity of TPO/TSIs; and Develop Effective Trade Information Capacities	ITC, VIETRADE	VIETRADE, Trade supporting institutions and exporting enterprises	seco and Sida
Switzerland	Swiss Import promotion Program (SIPPO)	1,500,000 USD	04/1999 - open		Export promotion capacity building	To assist SMEs in Vietnam in their efforts to gain access to the Swiss and European markets	Technical assistance; training information; contacts	SIPPO	Small and medium sized enterprises (SMEs)	seco
Switzerland	Vietnam WTO Accession – negotiation support	320'000 USD	10 / 2004 12 / 2005		Negotiation analysis and advise	- To increase negotiating expertise among the Vietnamese negotiators - To assist in solving negotiating issues - To foster a favourable negotiating climate in Geneva through the services of a “honest broker”	- Negotiation Analysis and advise – specific TA	IDEAS Center Geneva	MOT	seco

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
Switzerland	(5*) Special Program of Co-operation in the Field of Intellectual Property	1,800,000 USD	01/2002 - 12 / 2005	TRIPS		To assist Vietnam to fulfill the obligations set forth in International treaties on I.P. incl. TRIPS Agreement under WTO	TA in enforcement of Intellectual Property Rights	Swiss Federal Institute of Intellectual Property, NOIP, Swiss Consulting Co.Ltd	NOIP	seco
Switzerland (seco) and Sida co-financing (See above)	Support to Trade Promotion and Export Development	3,165,000 USD	6/2004 - 5/2006		Export promotion	To assist Vietrade, trade supporting institutions and exporting enterprises to take advantage of the new export opportunities offered by trade liberalization and economic integration.	Update National Export Development Strategy; Set up Operational Trade Support Network; Strengthen Training & Counselling Capacity of TPO/TSIs; and Develop Effective Trade Information Capacities	ITC, VIETRADE	VIETRADE, Trade supporting institutions and exporting enterprises	Seco and Sida
Switzerland (seco) (UNIDO executed)	Market Access Support for Vietnam, through the Strengthening of Capacities Related to Metrology, testing and Conformity	USD 985,000	2/2003-	TBT and SPS	Integration into the global trade environment through alleviation of technical barriers to trade for Vietnam	Facilitate industrial development and export capabilities (and consequently spurring economic growth and employment opportunities) of the assisted countries by reducing technical barriers to trade through the strengthening of standards, metrology, testing and quality institutional structures and national capacities.	Upgrade the required technical infrastructure for metrology, textile/apparel, microbiology and chemical testing and calibration needs in industry, system certification capacity and strengthen SMTQ institutional service capability	UNIDO	STAMEQ, Manufacturing facilities and exporters	SECO
UK (Department for International Development)	Support to analytical and outreach activities to prepare for WTO accession	300,000 USD	Ongoing		Sectoral tariff reduction options in industry and agriculture, WTO accession awareness raising	To support the preparation of WTO accession roadmap.	Research into the various tariff reduction options in industry and agriculture sectors, training and outreach activities for high level officials on the challenges and	World Bank Institute and Vietnam Academy of Social Sciences	Ministries of Industry and Agriculture and Rural Development	DFID

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
							implication of WTO accession.			
UK (Department for International Development)	Training in subsidy and countervailing measures, and negotiation skills	40,000 USD	First quarter 2004			To support the formulation of subsidy and countervailing measures and WTO accession negotiation	Training in subsidies and countervailing duties, and negotiation skills for officials dealing with WTO negotiation	NCIEC		DFID
UNDP	Managing Vietnam's Integration into Global Economy (Phase I: Integration Study)	230,000 USD	10/2001 9/2003		Research and stock takings	Stocktaking of Vietnam integration process and signed trade and trade-related agreements including the US BTA, AFTA, APEC, World Bank's PRSC, IMF's PRGF, WTO accession. Road mapping the integration strategy. Capacity gap assessment on implementing international trade-related commitments. Study on the inter-ministerial coordination mechanism for WTO accession and experience of acceding countries.	Integration Study	NCIEC	NCIEC member agencies	UNDP
UNDP	Integration Study Extension: Commercial Law Revision	55,000 USD	2003		Legal reform and Capacity Building	Revision of the Commercial Law to support a level play field for commercial activities and for WTO compliance	In-depth research to examine the status of the Commercial Law in relation to other domestic legislation and its consistency with the WTO treaty and BTA obligations. Clear set of recommendations relating to the proposed changes of the Commercial Code.	NCIEC	MOT	UNDP
UNDP	Competition Law	200,000 USD	2001-2003	Competition policy	Legal reform and Capacity Building	Support drafting and finalisation of the first Competition Law	Technical support provided by UNDP/UNCTAD and	MOT	MOT Legal Department and Drafting	UNDP

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
							international competition experts to review the successive drafts of the laws. Organise several advocacy events to raise awareness on the competition law and policy. Conduct a study on state monopoly applied to 5 sectors.		Committee	
UNDP	Capacity Strengthening to Manage and Promote Trade in Services in Vietnam in the Context of Integration (or "Trade in Services Project")	2,550,000 USD	2003-2005	Service sector development	Promoting the Regional and Global Integration Process	<ul style="list-style-type: none"> - To provide technical support to formulate a comprehensive and integrated development strategy for the services sector in the context of Vietnam's international economic integration to ensure a long-term inter-agency and cross-sector coordination on policy formulation and implementation of integration commitments; - To provide substantive inputs to assist in the on-going negotiations for WTO/GATS accession; - To enhance human and institutional capacities in the area of trade in services; and - To increase public awareness of required reforms in the services sector. 	<ul style="list-style-type: none"> - Formulation of a comprehensive strategy for the development of the services sector; - Improvement of information flows on services and of the current trade in services statistics system; - Assessments of the competitiveness and impacts of trade liberalization of selected services sectors; - Conduction of specialized and targeted training programs and study tours in Vietnam and overseas. 	Ministry of Planning & Investment (MPI)	MPI and other related agencies	UNDP
UNDP	Training and research capacity building for	300,000 USD	2003	GATT, GATS, Agriculture, S&D, Trade remedies	Curriculum development and research capacity building	To enhance the capacity of Vietnamese trainers to adapt the "generic" UNCTAD/Commercial	Conduct a series of workshop on selected issues in the international economic	UNCTAD	Universities	UNDP

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	Vietnam on trade and development policy making and negotiations					Diplomacy training tools on WTO issues to the local data, legislation, economic structure, development needs	agenda, WTO accession, training of trainers on trade policy. Research done by national university lecturers and researchers on WTO related issues in agriculture, trade in services, market access, and trade remedies for the post-curriculum development.			
UNDP	Asia Trade Initiative	1,500,000 US D	mid-2002 2004			To facilitate the cross fertilization of experiences and lessons learnt on trade, investment and economic governance. To strengthen the ability of countries in the region. To facilitate the coming together of governments (developed and developing) and non-governmental groups to learn from each other and strengthen their collective perspectives in trade fora and institutions. To advocate for human development policies.		Participating national governments, UNCTAD, Regional CSOs, UNDP COs and SURFs	Participating national governments, UNCTAD, Regional CSOs, UNDP COs and SURFs	UNDP
USA	Support for Trade Acceleration	10,661,000 USD	09/2001 12/2005	Trade in goods and services, customs	STAR is demand driven, responding on an ongoing basis to	To support the Government of Vietnam's efforts to implement reforms required for the	TA on legal and economic issues, support for policy and	The STAR-Vietnam and the GVN's	Assigned to work with 46 state agencies,	USAID

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	Program (STAR)			valuation, transparency, right to appeal, investment relations, protection of IPRs, dispute settlement and arbitration.	requests by state agencies. ¹	successful implementation of the US-Vietnam Bilateral Trade Agreement -To support Vietnam's efforts to accede to the World Trade Organization (WTO).	training workshops and seminars, provision of reference materials and guidebooks, limited study tours, support of legal and economic research	Steering Committee for a Program to Implement the BTA, chaired by the Office of the Government and including 9 other state agencies	including many ministries, the national assembly, the Supreme People's Court, the party and including 10 People's Committees	
USA	Trade and Law Exchange and Partnership Program	1,192,000 USD	9/2002 - 5/2005	Trade in goods and services, customs valuation, transparency, right to appeal, investment relations, protection of IPRs, dispute settlement and arbitration.	Institutional capacity building ; demand-driven technical assistance program	To assist the GVN in implementation of the BTA with additional focus on WTO disciplines and international best practices that are important for overall international economic integration, including WTO accession.	Design and facilitate study tours abroad for Government officials involved in BTA implementation.	Educational Forum of US-VN Trade Council (USVTC) with Various ministries (MOT, MOJ, etc.)	Key ministries such as Ministries of Trade, Justice, Finance, SBV, Office of the Government etc.	USAID
World Bank Institute (Multi-donor Trust Fund in preparation)	Diagnosis of Vietnam's WTO readiness and awareness building among key	USD 700,000	2003 -			Provide Institutional support to the Vietnamese Authorities that are preparing roadmaps for policy reform that will pave the way to Vietnam's accession to the WTO.		Vietnam Academy of Social Sciences		WBI

¹ The BTA covers much of what is in the WTO, with stronger investment requirements and limited requirements on agricultural support, tariff levels, subsidies and anti-dumping. Key focus areas for STAR's work, as currently requested by our Steering Committee, include: for trade in goods -- customs reform, commercial arbitration, trading rights, non-tariff barriers, SPS, TNT, safeguards; for IPR includes -- conforming with 5 international conventions on IPR and IPR enforcement in TRIPS, which includes strengthening court procedures and skill levels, remedies and enforcement of judgments and publication of court decisions; work on services includes -- complying with GATS and Annexes on Telecommunications, Financial Services and natural persons, the Telecoms Reference Paper, and liberalization of joint venture and other market access for more than 30 services, including banking, insurance, telecommunications, professional services, construction services, education services, health-related services, and travel-related services; investment includes -- TRIMS plus export requirements, strengthened investment protections, investment dispute settlement processes (ICSID),streamlining investment procedures, eliminating discriminatory pricing, certain corporate governance issues; transparency includes -- rules for publishing laws of general application, rules for public comment of draft laws; the right to appeal administrative actions; and general including -- non-discriminatory cross-border transactions. Trade in goods and services, transparency, investment relations, protection of IPRs, dispute settlement

Donor	Project	Project budget	Start - End	Related WTO Agreements	Focus area	Objectives	Project components	Executing Agency	Benefici-aries	Funding Agencies
	Government stakeholders									
World Bank	Vietnam's exports: Challenges and Opportunities; Assessment of policy recommendations for improving Vietnam's competitiveness		Completed in 2003							
World Bank	Vietnam Customs Modernization Project (Preparation phase)	USD 1,000,000	2004-		Customs modernization through addressing legal issues, information technology and other equipment upgradation, human resource development, and organizational change.	Conduct a gap analysis of the current situation of Vietnam's customs system against international good practice; identify policies and mechanisms to address the gaps; and support their implementation through current and future projects.				WB (PHRD)

THE SME PARTNERSHIP GROUP REPORT TO THE 2004 CG MEETING

On 19 November, a vibrant gathering of the SME Partnership Group was held at Melia Hotel, drawing an attendance of over 70 including representatives from multi- and bi-lateral donors as well as from International Non Governmental Organisations. Delegations from Governmental bodies were also in attendance (see the full list attached).

The Partnership Meeting was co-chaired by the Agency for SME Development, the Embassy of Japan and UNIDO². In his opening address, MPI Standing First Vice-Minister Mr Tran Dinh Khien stressed the important role that the SME sector plays as engine of economic growth and in mobilizing resources for development investment. He also pointed out the Government's great effort towards improving the legal environment, developing support policies, and promoting programmes to help SMEs grow and increase their competitiveness in domestic and international markets. Finally, while appreciating the continued support of donors in the sector, the Vice-Minister acknowledged the role of the Partnership Meeting as an important instrument for coordination as well as a platform to explore possibilities of new projects and other cooperation activities.

Opening remarks by the co-chairs

- Mr Phuc, Director-General (DG) of ASMED echoed the Vice Minister's statement by presenting the state of the SME sector, while underlining the importance of better coordination between Government and donors in the light of the formulation of the Socio-Economic Development Plan 2006-2010. Indeed, Prime Minister's Instruction No. 33/2004/CT-TTg, of 23 September 2004 on the Socio-Economic Development Plan, gives ASMED the responsibility of drafting the SME Development Strategy.

In the first part of his presentation the DG presented recent major activities in supporting the SME sector; two major steps, since the last Partnership meeting in May 2004, were the promulgation of Government Decree 109/2004/ND-CP on business registration and Decree 125/2004/ND-CP on Implementing the Enterprise Law. The meeting of the SME Promotion Council under the chairmanship of the Minister of MPI, the PM's approval of the Human Resources Training Support Programme (HRTSP) for SMEs and the development of three Technical Assistance Centres (TACs) in Hanoi, Da Nang and Ho Chi Minh City, were also crucial steps undertaken in recent months. Mr Phuc then called for targeted donor's assistance in the HRTSP and TACs.

In the second part of the presentation, the Government's current priorities were outlined: with the overall target of reaching 500,000 enterprises by 2010, ASMED places on top of its agenda the task of producing by March 2005 a first draft of the SME Development Strategy, to be included in SEDP 2006-2020.

The DG informed the Partnership members of MPI's decision to seek the support of the UNIDO-executed project (see below for the intervention of the CTA) to prepare a draft strategy while counting on valuable contributions from other donors along the process.

² Upon instruction of MPI, Japan and the United Nations Industrial Development Organization (UNIDO) act as co-chairs of the "Partnership Group for SME Promotion and Private Sector Development" in Vietnam.

The second priority of ASMED is related to Business registration: the DG stressed the urgent need to extend to the whole country the coverage of the National Business Information System, currently reaching out 10 provinces only. The third priority of ASMED is in the promotion of the three Technical Assistance Centres.

After mentioning the three projects under implementation (ADB, EU, UNIDO) and under preparation (Danida, GTZ), the concluding remarks were addressed to donors' coordination: the need to further develop an efficient cooperation mechanism between ASMED and donors is required in order to use more effectively SME target ODA.

- Mr Fukahori, Head of Economic Division of the Embassy of Japan, referred to the Vietnam-Japan Joint Initiative signed December 4, 2003 as a historical event: among the 44 items of the underlying Action Plan, the first one is about SMEs and supporting industries. The Embassy of Japan through Mr Fukahori reiterated the determination of the Japanese Government to continue their assistance in this sector.

With regard to direct investment, Mr Fukahori informed the SME Partnership of the signing ceremony of the Vietnam-Japan investment agreement that will come into force on 19 December 2004. Finally, Mr Fukahori said that JBIC is preparing a large SME support loan, in addition to the substantial share of JBIC's JPY 2 billion contribution to the PRSC that includes SME sector as a supporting target.

Mr Kohata, Chief Technical Advisor of the JICA project aimed at supporting the three TACS, complemented the intervention of the Japanese Embassy; in his intervention, Mr Kohata distinguished general activities of the JICA programme touching on issues such as technology and production system, and specific aspects relating to SME modernization and competitiveness analyses on a sector-by-sector basis.

He also referred to the mutual exchange with the UNIDO CTA, as a valid example of cooperation on the ground.

- While noting the growing attendance of the Partnership Meeting, Mr Scholtès, UNIDO Representative in Vietnam, stressed the need to maximize its impact to get down to concrete actions on the ground. The conclusions of focussed working groups such as the SME Partnership must feed into the Consultative Group mechanism. The donor community at the mid-term CG meeting in Vinh (June 2004) called for a closer alignment of donor programmes to the Vietnamese Government's very own planning process. Thus the formulation of the SME Strategy to be part of the SEDP 2006-2010 should make use of the SME Partnership forum to mobilize donors behind the definition of the Government's strategy, and rally their support to its execution.

Mr Scholtès also informed the Partnership that donors had expressed concern at the possible ambiguity between SME and private sector development. To the extent that the two domains of SMEs and private sector enterprises vastly overlap, Mr Scholtès responded that private sector was implicit in the scope of the SME Partnership, but submitted nonetheless to a vote a possible modification of the title "SME Partnership" to "Partnership for SME Promotion and Private Sector Development". As the audience overwhelmingly favoured the new title, the co-chairs agreed to record the proposal for change in the official proceedings of the meeting, and to submit it thereby to the appreciation of the leadership of the Consultative Group.

Keynote address

- In his keynote address, Mr Luetkenhorst, Director of the SME Branch at UNIDO Headquarters, delivered a stimulating presentation on “Economic development, the role of SMEs and the rationale for donor support—some reflections on recent trends and best practices”.

Mr Luetkenhorst quoted recent empirical research challenging the role of SMEs in economic growth and poverty reduction, and listed in response the key contributions of SMEs to economic development and enterprise and industrial system level, and in the pursuit of broader societal objectives.

He referred to the recent UN Report “Unleashing Entrepreneurship” (known as the Martin-Zedillo report) to highlight the justification for Government and donor support to the promotion of SMEs: SMEs face relatively greater difficulties complying with the regulatory environment, they are fraught by a range of market failures particularly at the level of information, and they are instrumental in ensuring the cohesion of the economic and social fabric, a critical public good.

Mr Luetkenhorst then proceeded with recommendations on the design of donor programme in support of the SME sector: the necessity to link together financial assistance and business development services, the promotion of linkages at horizontal (SME clusters) and vertical (global value chains) levels, and the importance of a proactive engagement of the private sector through “commercially embedded BDS”.

Ms Carlier, Head of the Private Sector Development unit at the World Bank mission in Vietnam, intervened to stress the role the Bank plays in the promotion of the SME sector in Vietnam which does not materialize through institutional support, but is nonetheless effective by fostering a level playing field and a conducive regulatory framework.

Presentation of donors programmes

- Representatives from the EC delegation in Hanoi presented: (i) the Asia Invest Programme, which targets PSD in general and specifically SME development with the aim to build business partnership between EU and Asian companies; (ii) PSSP-Private Sector Support Programme whose financing agreement was signed in October and is expecting technical expert to be on the ground in January 2005; (iii) a brief overview of the SME Development Fund which will be implemented in the next four years, together with the counterpart agency the Development Assistance Fund, and is endowed with a budget of €20 million.
- Speaking on behalf of the German Development Cooperation (EoG, KfW), Ms Kuesel, GTZ provided an update of the progress of their SME Promotion Programme and new initiatives developed along the way: the project has been approved by the German Ministry, and is now under consideration by the Vietnamese Government. The four strongly integrated components, which are closely linked with other instruments of the German Development cooperation, are: (i) SME Policy and enabling environment for business, (ii) local economic development, (iii) competitiveness of selected value chains and sectors, and (iv) advanced technical services.

Under the first component, new initiatives for a better investment climate for private sector were carried out with reference to the new Enterprise Law and Common Investment Law; as for the second component, GTZ has conducted a number of sensitization workshops on local economic development; within the component of value chain, a new initiative with the private partners is ongoing in aquaculture, developing strategic alliance with private partners.

- Ms Trang, MPDF took the floor to solicit the assistance of the Partnership group and its members to produce an assessment of gaps and overlaps amongst donors' programmes in the field of PSD, following a request to that effect by their governing board. MPDF has just completed a similar activity in Cambodia, where they found that over 20 donors were implementing or had recently completed a staggering 135 projects aimed in one way or another at the development of the private sector.
- Ms Tas, Chief Technical Advisor of the ASMED-UNIDO initiative "Assistance to establish the national and provincial SME support infrastructure" reported on the recently completed inception phase of the project co-funded by Italy and Finland.

As per assessment made in the inception phase, the expected results are to assist in enhancing the capacity of ASMED to emerge as a strong SME advocate, to assist the SME Promotion Council to better undertake its role as inter-ministerial, multi-sectoral advisor to the PM, and to improve the capacity of ASMED in conducting SME-related research.

The project will assist the local authorities to operate the provincial gateways in a total of five municipalities and provinces, including Hanoi, Danang and HCMC. Information flows will be encouraged in two directions: information produced by the Government and the private sector will be best disseminated from the ASMED to the provinces and *vice versa*; a communication programme is a final expected result.

As the project was launched very recently (August 2004), an overview of the planned activities for Year One was made: the emphasis will be on supporting the development of the SME strategy, and on policy advice for the business registration system.

As a good example of cooperation between donors, Ms Tas announced a joined work plan with the European Commission on the Business Registration system; the partnership with JICA was also shown as a good example to be replicated in other initiatives.

Finally, Ms Tas also stressed the role of the SME Partnership to share information amongst donors on local initiatives: with programmes under way in as many as 28 provinces at present, there is much to learn by ASMED and donors alike.

- On October 28, the ADB's SDPL was signed for a total value of \$100 million in two phases of US\$60 million (2004-2006) and a second sub-programme of US\$40 thereafter. In addition, the Governments of Italy, France (AFD) and Germany (KfW) will co-finance a US\$1.4 million technical assistance component.

SDPL will focus on three main areas: (i) the policy and regulatory environment (including the business information network), (ii) access to key resources (including finance and land), and (iii) enhancing the dissemination of technical standards (support to MOST to the preparation of an ordinance on the subject, the development of online

databases of technical standards and the separation of the commercial and the regulatory functions of the General Directorate for Standards).

As far as the first component is concerned, a close coordination with UNIDO in the effort to expand the business information system is necessary.

- The USAID-funded Vietnam Competitiveness Initiative is now implemented with ASMED. The project focuses on: (i) cluster initiatives in selected sectors (fruit, house decoration etc — in this respect it is important to share experience with GTZ current initiative; (ii) competitiveness in value chains, and (iii) policies for an SME enabling environment.

The project has already produced a number of studies on enterprise law, investment incentives (with emphasis on the corporate income tax regime), a case-study on the competitiveness of the telecoms industry, and the development of a provincial competitiveness index.

Other comments

GTZ welcomed the initiative of MPDF to draw a systematic overview of donor support in the field of SME promotion and private sector development with a view to identifying possible gaps and overlaps. GTZ also stresses the need for greater donor coordination at local level.

Final remarks:

In his concluding remarks on behalf of the co-chairs of the SME Partnership, Mr Scholtès noted with appreciation the rapidly expanding resources available to the SME sector: financial resources such as the Government's recent appropriation of VND 119 billion for human resource development, the EC's SME Development Fund and Asia Invest window, the ADB's SDPL and JBIC's forthcoming sector loan, but also research on the investment climate, regulatory framework, competitiveness, access to land, capital and technology etc.

However, Mr Scholtès noted the relatively low involvement of donors—at least judging from the sequence of presentations at the Partnership meeting—in critical areas of human resources development and the strengthening of central and local capacities.

UNIDO welcomed in conclusion the initiative of MPDF to map donors programmes in the SME/PSD arena, and indicated that this ought to be done against the backdrop of the Government's vision in the contribution of the sector to socio-economic growth in Vietnam, as encapsulated in the forthcoming SME Development Strategy.

The full text of the presentations will be shortly available at www.un.org.vn/unido and www.business.gov.vn

SME PARTNERSHIP GROUP MEETING
Friday, 19 November 2004; Melia Hotel, Hanoi
Agenda

- 8.00am Registration
- 8.30am Opening remark by Dr. Tran Dinh Khien, First Vice Minister, MPI
Presentation by Mr. Nguyen Ngoc Phuc, Director-General, SME Agency
[30 min]
- Opening remarks by Mr. Yasukata Fukahori, First Secretary, Embassy of Japan and presentation by Mr. Kenichi Kohata on ASMED-JICA cooperation
[10 min]
- Opening remarks and presentation by Mr. Philippe Scholts, UNIDO Representative [10 min]
- 9.20am Keynote address by Mr. W. Luetkenhorst, Director, SME Branch at UNIDO HQ on “Economic Development, the Role of SMEs and the Rationale for Donor Support - Some Reflections on Recent Trends and Best Practices” [20 min]
- Floor open to Presentation by donors of their on-going or planned activities in SME/PSD field:
- EC Delegation’s presentation on Asia Invest [10 min]
 - EC Delegation’s presentation on Vietnam Private Sector Support Program and SMEDF [10 min]
 - Ms. Corinna Kuesel’s (GTZ) presentation: “Vietnam-German technical cooperation for SME promotion – status of program development and some major highlights of work” [10 min]
- 10.10am Coffee break
- 10.30am Presentation by donors (continued)
- Ms. Nguyen Phuong Quynh Trang’s (MPDF) “Cambodia Private Sector Development Donor Activity Gap Analysis” [15 min]
 - Ms. Nilgun Tas’ presentation on current capacity building UNIDO project [10 min]
 - Other donors [limited to 10 min per presentation] and open discussion
- 12.00pm Concluding Remarks, Work plan for future donor coordination

SME PARTNERSHIP GROUP MEETING
Friday, 19 November 2004
Registered Participants

No.	Invited	Organization
Donors		
1	Ms. Kanokpan Lao-Araya Head of Finance, Trade, Governance and Private Sector ADB VRM	ADB
2	Mr. Bui Trong Nghia Financial sector economist ADB VRM	ADB
3	Ms. Duong Hong Loan Senior Program Manager Development Cooperation Australian Embassy	AUSAID
4	Ms. Sylvie Dupuis Project Manager Rural Enterprise Expansion Project	OXFAM-QUEBEC
5	Mr. Leonard G. Buckles, Regional Representative for Oxfam Quebec	OXFAM-QUEBEC
6	Mr. Phil Harding, Senior Policy Advisor	DFID
7	Mr. Frank Bingen EC Delegation to Vietnam	EC
8	Ms. Nguyen Thi Thu Hang, Program Officer, EC Delegation to Vietnam	EC
9	Mr Philippe Guitard, Technical Assistance Team Leader	SMEDF
10	Mr Michael Culligan, Lending Adviser o SMEDF	SMEDF
11	Ms. Corinna Kuesel Chief Technical Advisor SME Promotion Project	GTZ
12	Mr. Thomas Finkel Senior Technical Advisor SME Promotion Project	GTZ
13	Mr Le Duy Binh	GTZ
14	Mr. Jens Christensen CTA, ILO Program Support	ILO
15	Mr. Pietro Sequi Director - Development Cooperation Office Embassy of Italy	ITALY
16	Mr. Martin Albani Senior Trade Promotion Advisor	ITC
17		ITC
18	Mr. Yasukata Fukahori First Secretary Embassy of Japan	JAPAN
19	Mr. Makoto Uchida Representative JBIC	JBIC
20	Ms. Nguyen Thu Huong	
21	Mr. Kenichi Kohata Advisor JICA	JICA
22	Ms. Do Kim Diep, Assistant Program Officer, JICA	JICA

23	Ms. Luong Ngoc Thuy, Counsellor Assistant	LUXEMBOURG
24	Mr. Adam Sack General Manager, MPDF	MPDF
25	Ms. Nguyen Phuong Quynh Trang Senior Officer, MPDF	MPDF
26	Ms. Nguyen Thien Huong Business Development Analyst, MPDF	MPDF
27	Mr. Dag Larsson Advisor, Royal Norwegian Embassy	NORAD
28	Mr. Tran Trong Chinh Advisor (Development Cooperation) Royal Norwegian Embassy	NORAD
29	Mr. Markus Eggenberger First Secretary, Development & Cooperation Assistant Country Director, SDC	SDC
30	Ms. Dai Peters CTA, Small-scale agro-enterprise development in the upland of Lao PDR & Vietnam	SDC PROJECT
31	Ms. Dang Mai Dung Programme Officer, SDC - Embassy of Switzerland	SDC
32	Ms. Barbara Jaeggli-Sprengler First Secretary, SECO - Embassy of Switzerland	SECO
33	Mr. Le Duy Binh sme.com	GTZ
34	Ms. Haasje van der Mandele Programme Coordinator, SNV	SNV
35	Ms. Vu Thi Quynh Anh Program Officer, SNV	SNV
36	Ms. Do Thi Nguyet Nga Programme Officer, UNDP	UNDP
37	Mr W. Luetkenhorst, Director, SME Branch, UNIDO Headquarters	UNIDO
38	Mr. Philippe Scholtès Representative, UNIDO Vietnam	UNIDO
39	Mr Paolo Casilli, Programme Officer, UNIDO	UNIDO
40	Mr N. Haraguchi, Programme Officer, UNIDO	UNIDO
41	Ms. Nilgun Tas CTA, ASMED-UNIDO project	UNIDO
42	Ms Tran Tuyet Van, Programme assistant, UNIDO	
43	Ms. Do Hong Hanh Development Assistant. USAID	USAID
44	Ms. Huynh Mai Huong, Policy Research Officer VNCI	VNCI
45	Ms Do Khanh Linh, Strategy Advisor, VNCI	VNCI
46	Mr. Doan Tien Giang Regional Coordinator, VNCI	VNCI
47	Ms. Amanda Carlier Senior PSD Specialist, World Bank	WORLD BANK
48	Ms. Emel Tekin, Third Secretary	TURKEY

Government		
49	Le Thu Thuy Deputy Division Manager, SME Promotion Centre	VCCI
50	Mr Tran Dinh Kien, Vice Minister	MPI
51	Mr Nguyen Ngoc Phuc, Director General, ASMED	MPI
52	Mr Nguyen Chi Dung, Deputy Director General, ASMED	MPI
53	Mr Tra Dinh Xuyen, Director, TAC Hanoi, ASMED	MPI
54	Mr Bui Trong Dinh, Head of General Economics Issues Division, ASMED	MPI
55	Ms Pham Thi Thanh Ha, Deputy Head of General Economics Issues Div., ASMED	MPI
56	Mr Nguyen Trung Nam, Head of Business Registration Div., ASMED	MPI
57	Mr To Dinh Thai, Director, ICD, ASMED	MPI
58	Mr Nguyen Hoa Cuong, ICD, ASMED	MPI
59	Ms Bui Thu Thuy, ICD, ASMED	MPI
60	Ms Nguyen Thi Minh Hue, SME Promotion Div., ASMED	MPI
61	Ms Nguyen Hong Lien, Director of Business Information Centre, ASMED	MPI

HEALTH SECTOR PARTNERSHIP REPORT

1. Introduction

The Health Sector Working Group (HSWG) was established a number of years ago to strengthen collaboration and coordination between the Ministry of Health (MOH) and the international community. The HSWG comprises the MOH, bilateral and multilateral donors and other international organizations working in the health sector. During 2004, the HSWG has continued to meet on a monthly basis in order to:

- Share information on on-going and future projects and programs;
- Identify ways to improve the management and effectiveness of ODA in the health sector, both in terms of financial and technical assistance;
- Exchange ideas on how to best support the development and implementation of health policies, programs and the CPRGS;
- Enhance priority setting in the health sector;
- Plan and conduct special HSWG meetings to focus on particular themes.

Smaller Working Groups (WGs) of the HSWG meet regularly to coordinate activities and discuss technical issues in specific areas of the health sector. The WGs include Health Management Information Systems, Health Financing, HIV/AIDS, Reproductive Health, Safe Motherhood and Newborn Health, Adolescent Health and Tobacco.

2. Progress over last 12 months to support CPRGS and sectoral strategies and programs:

a) *Formulate appropriate policies to reduce the burden of medical expenses for the poor*

- ✓ A key issue that has been raised in nearly every meeting of the HSWG is the implementation of Government Decision 139, which established the Health Care Fund for the Poor (HCFP). Donors highly appreciate this Decision of the Government and try to align their programs to support the effective implementation of this Decision. Donor programs recently approved or in the pipeline will provide significant additional resources to the HCFP. These programs have been designed to help the most needy provinces with both financial and technical support in management and operation of the HCFP. The key activities focus at grassroots, commune and district level. Improving access to, and quality of, health care services and the capacity and skills of health care providers, enhancing the benefit package, and introducing appropriate provider payment methods are considered important vehicles to strengthen implementation. An in-depth evaluation of the implementation of the Fund is being conducted in collaboration with the Institute of Health Strategy and Policy and the Health Policy Unit of the MOH. Lessons learnt from this evaluation will inform efforts to enhance the future implementation of the HCFP in order to more effectively reach the poor and improve their health status.
- ✓ Health financing and health insurance, particularly related to the poor and near poor, have constituted one of the group members' concerns. Several models of

rural health insurance have been piloted to provide financial protection against medical expenditures for the rural and near-poor population and to increase their access to health services. The initial results have been mixed and more careful study of the nature of the health system and better analysis taking into account on-going social-economic changes are needed to guide the work in this area. Health financing is regarded as one of prioritized themes for HSWG in the coming year.

b) Focusing on conditions that effect the poor disproportionately and the Millennium Development Goals (MDGs) / Viet Nam Development Targets (VDTs)

- ✓ Nutrition, child and newborn health, safe motherhood, sexual health remain of salient importance to the group members. A number of donors have aligned programs with government strategies in these areas. Sharing of training materials and program strategies in these areas has been routine. A number of coordinating committees and National Action Plan have been established and developed in collaboration between the Government and international organizations. The establishment of the National Steering Committee on Child and Newborn Health, chaired by the Vice Minister of Health, is regarded as an important step to renew focus on this important area of the health sector. The MOH, other government stakeholders at the central and provincial level and international organizations have begun the process of developing a National Action Plan for Newborn Health. The MOH and National Institute of Nutrition, with input from international organizations, have drafted a National Plan on Infant and Young Child Feeding. The Safe Motherhood Initiative, the first phase of the implementation of the Master Plan for Safe Motherhood and New Born Care, has started and will provide significant financial resources to improving maternal and newborn health. To enhance coordination, promote effective national leadership, and improve overall effectiveness within the maternal and newborn care arena a National Technical Backstopping Group has been formed and the first meeting was held in October 2004.
- ✓ This year has been marked by progress in HIV/AIDS care thanks to joint efforts of international organizations and MOH and a wide range of government players. An impressive impact has been made in the area of Antiretroviral Drugs (ARVs) availability. In-depth studies were carried out by joint efforts of NGOs, multilateral organizations and government agencies and practical measures have been recommended to make ARVs available and affordable to HIV/AIDS patients in Vietnam. At the moment, the coverage of HIV/AIDS patients with ARV treatment is still modest in comparison with the huge actual needs; therefore sustained effort and commitments from both donors and government are needed. A wide range of government bodies, such as the Central Party Commission, the National Assembly, Mass organizations and NGOs have been involved in this process.
- ✓ The first regional meeting (Mekong region) on Tuberculosis control and HIV/AIDS was held in Ho Chi Minh City in October 2004. Representatives from MOH (HIV/AIDS), the National Tuberculosis Program (NTP), WHO, and bilateral- and international organizations discussed critical issues in the

fight against TB and HIV/AIDS, and how to improve necessary cooperation and coordination among the programs.

- ✓ HSWG members have called for improved integration of HIV/AIDS prevention and care with other intervention programs like Family Planning, Reproductive Health, Maternal and Child Health, and Safe Motherhood Programmes to create synergy and increase efficiency.
 - ✓ A number of donors are working on Human Resource Development and the professional training of health staff. Training programs, on quality of care and infection control, are being carried out for health workers at all levels, including provincial and central hospital level. Hospital management and financing have received increased attention. Several programs are being designed to support and train hospital managers and staff in effective hospital management in the current changing context of Vietnam.
- c) *Improve the quality of health services especially at grassroots level and in mountainous and remote areas.*
- ✓ The focus of most donors' programs is on remote, mountainous and resource-poor areas. This is in line with the Government's implementation of Directive 06 of the Executive Committee of the Central Party on consolidating and strengthening the basic health care network.
 - ✓ In the years to come, Northern and Central mountainous and Mekong delta provinces will continue to receive investment in improving health care infrastructure and quality of care in a number of commune health stations, district hospitals and provincial hospitals.

3. Avian Influenza

- ✓ It is important in this report also to acknowledge the collaborative work between MOH, other key government players, FAO, WHO and the international community in avian influenza control. The two main threats are those to human health and to poultry. The work includes 1) epidemiological research; 2) research on prevalence of antibodies for the virus; 3) establishing sentinel sites for general influenza symptoms; and 4) assistance to Vietnam on publishing national research in international fora.

4. Coordination and policy dialogue

- ✓ In April 2004, the HSWG actively participated in the Meeting of Interested Partners in Health (IPH) organised by MOH. The MOH aims to organize such a meeting at least once or twice a year to review the work and identify priorities and strategies for the coming years. The meeting focussed on the issues of safe motherhood, newborn care, human resources, health financing and health care for the poor.
- ✓ An inventory list of all health sector related working groups was made and shared with MOH for better coordination and information exchange. MOH has

assigned different department to collaborate with relevant working group while HSWG remains the focal one.

- ✓ In the next few months, a series of policy dialogues will be held with the National Assembly where the key topics of discussion and information sharing will be: 1) Pharmaceutical law; drug price and essential drug policy implementation; 2) implementation of the HCFP; 3) human resource development for health; and 4) nutrition; safe motherhood and child health.

5. Next steps

- It has been agreed that HSWG should be more proactive in helping the Vietnamese Government in moving key issues on the development agenda forward;
- The HSWG members should continue to meet monthly, while special meetings with key government bodies can be organized as needed to facilitate policy dialogue on key issues identified by both sides;
- SWAPs has been identified as one of the key topics for next year's agenda.
- Support integration and complementarity in the areas of safe motherhood and newborn health and streamline the various steering committees to make these more effective. Consider the Master Plan for Safe Motherhood and Newborn Care as the framework for our support in these areas.
- Encourage the co-ordination between the National Tuberculosis Control program and the fight against HIV/AIDS.

EDUCATION

The Government's Education Development Strategy 2001-2010 and National Education For All (EFA) Action Plan 2003-2015 provide a comprehensive vision and coherent framework within which Vietnam's international partners can align their support for the sector, particularly in relation to contributing to the targets and programs required to achieve Government's objectives for education.

The Education Sector Group (ESG)

The joint Government-donor review of the National EFA Action Plan in September 2003 prompted a joint statement to the Minister of Education and Training, signed by almost all agencies supporting education, confirming international partners' intention to align their support to the Government's strategy and plans. This support is based on the recognition that the combination of strong local ownership and well-coordinated implementation is essential to the development of education, and to its contribution to economic growth, poverty reduction and social inclusion.

To help achieve this, international partners agreed to establish an Education Sector Group (ESG). Partners agreed that representatives of DFID and UNESCO would co-chair the ESG. The first meeting was held in December 2003.

In January 2004, ESG participants agreed on a draft document (Purpose, Principles and Working Arrangements), outlining the basic characteristics of the group. It was agreed that the purpose of the ESG, at least initially, would be 'to support the policies and strategies of the Government of Vietnam to equitably develop the education sector and to maximize the efficiency and effectiveness of aid delivery to education.' Whilst informal and not legally binding, members of the ESG committed themselves to respect the principles specified in this document.

The ESG met monthly during the first half of 2004, with participation from a wide range of agencies. Meetings focused largely on sharing information and discussions on areas of mutual interest, including how the group could collaborate more effectively with MOET. MOET officials participated informally in the May ESG meeting and on 8 July, MOET wrote to confirm the Minister's decision to nominate four MOET officials as 'members of the Secretariat from MOET to work with the ESG'. The ESG met for the first time at MOET on 26 August. More recently, MOET has focused strongly on preparing the Government report to the National Assembly on the education situation. It is hoped to hold one more ESG meeting before the end of 2004, to include a focus on developing the draft terms of reference for the ESG Secretariat and concrete areas for coordinated MOET-donor cooperation.

International partners' support for education

The challenge of improving the quality of education has become an even higher profile focus of public, media and Government attention during 2004. All international support for education seeks to help MOET and other Government agencies address this challenge. Support is provided in a wide range of forms, reflecting a diversity of approaches. These include small-scale, focused initiatives; large-scale nation-wide programs; NGO, bilateral and

multi-donor projects; and direct and sector budget support. Key activities during 2004 have included:

Planning, Finance and Management

Following the approval of the National EFA Action Plan, the joint Government-donor review of the National EFA Action Plan (16-18 September 2003) assigned high priority to building modern education planning and management capacity at provincial and at MOET level. Aiming at assisting MOET and provincial education authorities in this endeavor, CIDA, the World Bank and UNESCO have jointly supported the pilot project on Provincial Education Planning (PREP). This has focused on developing and testing a modern education planning approach for medium term planning and planning tools to improve resource allocation to education, to increase cost-effectiveness of resource utilization within education, and to ensure the achievement of national education goals and targets. An independent review of the current phase of this project will be completed in January 2005.

Following the issuing of the Prime Minister's Instructions on the preparation of the 5 year Socio-Economic Development Plan (2006-2010) on 23 September, international agencies agreed to offer support for the preparation of national and provincial plans, with the EC and DFID as 'Sector Facilitators for education' and other international donors as participants to collaborate with MOET. Initial work has focused on supporting the preparation of draft guidelines, including consultation workshops, to direct and support the development of national and provincial plans.

MOET, in collaboration with Ministry of Finance and the World Bank and with support from several members of the LMDG, have facilitated a comprehensive analysis of financing and efficiency issues in the sector as part of the 2004 Public Expenditure Review. The World Bank and the EC have supported MOET to continue work on strengthening budgeting processes as part of the development of a Medium Term Expenditure Framework.

Several initiatives have aimed to support the development of the planning management, monitoring and evaluation capacity at the central and local levels. The EC, for example, has supported the development of a national EMIS to strengthen education management. UNICEF has supported the development of Community-based Monitoring and Progress Assessment System (COMPAS), a database on child friendly learning in project schools.

Strengthening basic education

Many agencies have provided support for the four National EFA Action Plan focal groups, i.e., early childhood care and education; primary education; lower-secondary education; and non-formal education. Examples of support include:

Numerous agencies, including ADB, UNICEF, UNESCO, the EC, the Save the Children Alliance (SCUK, SC Japan, SCUS), World Vision, Plan International, CIDSE and Enfants et Development have participated in the ECCD Interagency Group, and worked on implementing and developing new initiatives in collaboration with MOET.

In line with Government priorities, primary education has received much support from many partners, including CIDA, DFID, JICA, NORAD, UNICEF, and the World Bank. The Primary Teachers Development Project, co-financed by Government, the World Bank and

DFID, is helping MOET to lay the foundation for a nationwide program to upgrade the quality of the primary teaching service. This will enable teachers, trainers and managers to implement the Government's curriculum renovation program more effectively and to address emerging requirements in primary education.

The Primary Education for Disadvantaged Children (PEDC) project, co-financed by the Government of Vietnam, AusAID, CIDA, DFID, NORAD and the World Bank, recently completed its first year of implementation. PEDC will improve access and opportunities for disadvantaged girls and boys by, for example, promoting minimum quality standards in all schools and initiatives for highly vulnerable children, such as those with disabilities, street and working children and other high risk groups. Work to date has included establishing management arrangements and work teams, considerable recruitment and training, district audit and analysis and the development of a communications strategy and several guidelines, including for implementation planning and monitoring.

The Child Friendly Primary Education Project has been designed and implemented with the support of UNICEF since 2001, and is operating in 16 provinces to provide participatory learning opportunities to disadvantaged children, particularly girls. The aim is to promote quality education with equity and for policy-makers, education managers, teachers, students, and community members to understand and support child friendly concepts and their application.

Save the Children Sweden (SCS) is supporting pre- service teacher training on inclusive education in four provinces namely Tien Giang, Vinh Phuc, Thua Thien Hue and Phu Tho. SCS support has also focused on increasing understanding and respect for children's rights among children, teachers and development of right based child friendly learning environments which promote child participation, protection, active learning and community-school partnership.

Both Save the Children Sweden and Save the Children Australia (SCA) have been involved in projects that assists primary teachers to implement a more active approach to teaching and learning in classroom. The Binh Thuan Basic Education and Teacher training project supported by SCA aims at improving the quality of education provided for children in grades 1-3, particularly for children from ethnic minority backgrounds.

CRS/VN has been working in inclusive education for almost eight years. The program started in partnership with NIESaC at the local level developing models to better include children with disabilities in mainstream classrooms. This also involved working with provincial level departments of education to coordinate activities and train teachers to work in this new child-focused way. Over the last three years, CRS has developed a direct partnership with MOET to look at developing the national level capacity for Inclusive Education by sending MOET staff for advanced training and exposure . More recently, CRS has assisted MOET in developing guidelines for an over-arching policy and related guidelines for inclusive education in Vietnam. By working with NIESaC to create effective local models to support inclusive education while simultaneously working with partners at the national level, CRS/VN aims to developing a strong relationship between the process of policy and practice.

JICA has provided support to MOET in some areas. First, the Primary Education Development Program (PEDP) (2001 - 2004) is a comprehensive action program, aiming to achieve EDS 2010 targets for primary education in Vietnam. PEDP completed 61 provincial

up-dates and identified Broad Areas of Possible Intervention. The contents of the PEDP document have been integrated into the primary education of the National EFA Action Plan. Second, the Technical Cooperation Project for “Strengthening cluster based teacher training and school management” in primary education field, implementing in Bac Giang Province (2004 - 2007) aims to develop a model of training for in-service primary school teachers, school managerial personnel, and local education administrators. Third, the Japan’s Grant Aid for the improvement of facilities of primary schools in the Northern Mountainous Region of Vietnam (Phase II) is on going in 4 provinces of Bac Giang, Thai Nguyen, Tuyen Quang and Phu Tho. Finally, Japan Overseas Cooperation Volunteers (JOCV) have been dispatched to primary schools in Ha Nam province, and some are going to be dispatched to primary schools in Bac Giang Province.

MOET's Second Lower Secondary Project is under preparation with ADB assistance, in accordance with the Secondary Education Sector Master Plan, the Education Development Strategy 2001-2010 and the National EFA Plan framework. This project will help MOET develop minimum quality standards for lower secondary, promote access and efficiency and strengthen management and planning capacity at provincial level, including in schools.

Belgium has worked with MOET to prepare a new project to strengthen teacher training in lower secondary in 14 provinces, to start in 2005.

Oxfam GB has been working in education sector in Vietnam for a decade in three areas: Sapa - Lao Cai, Ky Anh - Ha Tinh, Duyen Hai - Tra Vinh. The goal is to improve access to good quality basic education for poor children in disadvantaged areas with focus on ethnic minority and girls. The main activities include (i) in-service training for teachers in Child Centered Methodology (CCM); (ii) improvement of infrastructure and teaching equipment; (iii) capacity building for partners and educational managers; (iv) support activities of Parents Associations and IEC campaign on education; and (v) support extra curriculum activities for school children to build child-friendly schools.

Non-formal Education (NFE) is one of the four key priority components of Viet Nam’s National EFA Action Plan. Understanding the potential impact of NFE in reducing poverty, upgrading human resources for socio-economic development and improving quality of life especially for the out-of-school youth and adults, the Government plans to expand the network of Community Learning Centres (CLCs) to cover all 10,436 communes in Viet Nam as a concrete measure to advance towards a lifelong learning society and knowledge society. Over the past three years, the number of CLCs increased from some 60 to 4,002 as of 28 October 2004, together with diversification of learning programmes and expanded participation. Besides many agencies providing support for non-formal and continuing education, UNESCO has begun organizing comprehensive technical assistance to MOET and the disadvantaged Central Highland provinces and Northern Mountainous provinces in developing CLCs as venues for providing NFE opportunities in literacy, life skills and income-generation skills. The assistance includes establishment of model quality CLCs, improving human resources, curriculum and learning materials, monitoring and management. In doing so, the UNESCO CLC Programme also contributes to comprehensive capacity building on NFE policy-making, strategy, planning and management in order for the government to continue and expand the programmes during the UN Literacy Decade, in achieving the national EFA goals. In 2005, the CLC programme will extend to the third disadvantaged area in Viet Nam, i.e., the Mekong River Delta.

UNICEF supports MOET, the Vietnam Youth Association and the Vietnam Women's Union to implement a healthy living and life-skills education project with in and out of school adolescents to address daily risks and issues facing young people.

A wide range of partners, including WHO, General Statistics Office, Ministry of Health and UNICEF have worked on the groundbreaking Survey and Assessment of Vietnamese Youth (SAVY). The development of the survey has also counted on the broad participation of MOET, the Women's Union, Youth Union and other partners. SAVY will produce results to inform the development of policies and programmes for young people in Vietnam, both in and out of school.

Several partners, including Belgium, CIDA, DFID, the EC, NORAD and the World Bank, have indicated their willingness and interest in supporting the Government of Vietnam in implementing the National EFA Action Plan through Targeted Budget Support approach, using the National Targeted Program mechanism. This support, which is intended to become effective in 2005, will represent an important step towards greater alignment of international support with Government programs and procedures.

Following the First Higher Education Project, MOET's Second Higher Education Project is under preparation with the World Bank assistance. This project will help MOET to increase the relevance and raise the standards of higher education, in response to changing economic and social needs, by establishing and maintaining an effective, coherent and flexible framework at the system level, while building capacity, relevance and autonomy at the institutional level. The project will (i) provide incentives for integrating university teaching and research in the areas of science and technology, the social sciences and the humanities; (ii) improve the technical and professional capacity within higher education institutions and research institutes; and (iii) promote national and international cooperation to enable selected higher education institutions and research institutes to achieve wider recognition for standards of teaching and research.

In addition, there has been a wide range of other activities that have received international support. These have included publication of the 2001 Grade 5 reading and mathematics assessment study summary, an Education Forum on quality and assessment issues in education, a national conference on policies and strategies on the use, teaching and learning of ethnic minority languages and Vietnamese among ethnic minorities, and a national conference on promoting inclusive education.

Looking forward

There will be many opportunities and challenges to improve the quality and effectiveness of international support for education. Progress will require progressive implementation of good practices to (i) ensure that international support contributes to Government objectives and priorities and, whenever possible, is aligned with Government procedures; (ii) reduce unproductive transaction burdens on Government; and (iii) strengthen the focus on promoting delegated cooperation and the achievement of education outcomes. Important first steps will include enabling the ESG, under MOET leadership, to facilitate dialogue and coordinated action to promote harmonization and the development of specific, concrete operations that align international support with Government priorities and systems.

FOREST SECTOR SUPPORT PROGRAM AND PARTNERSHIP (FSSP & P)

(Progress report for the last six months of 2004)

The Forest Sector Support Program & Partnership is a broad framework for collaboration between the Government of Vietnam and 23 international development partners working in the forestry sector. The FSSP MOA includes a Program Framework, which specifies indicative performance standards for the broad goal, focused objective, or purpose, and specific activities under 9 Result Areas. FSSP & P has been operating for 3 years.

This report mainly refers to major Forest Sector Support Program implemented activities during the last 6 months and their contributions towards achievement of the CPRGS, actions proposed for 2005, and revised success criteria of FSSP & P.

I. Main activities implemented in the last 6 months

1. Forest Protection and Development Law (revised)

After a meeting with the Minister of MARD on April 8, 2004, several other meetings were held with FSSP international partners on how to support the revision of the law. The FSSP partners discussed the revision of the Forest Protection and Development Law at the 23 June workshop. This workshop created a forum for both national and international partners to give their comments to the 29th draft of the revised law.

Further support of the FSSP international partners was provided for specific activities. The Netherlands Development Organization (SNV) supported the field survey conducted in August. The field survey helped the team (consisting of representatives for National Assembly, National Assembly Office, and the Editorial Board) to get a practical views on issues relating to community forest management and land allocation. The World Conservation Union (IUCN) provided 2 international consultants, an environment lawyer to work with the Law Editorial Board on proposing changes to the latest draft of the law, and an economist to work on decree formulation. The Swedish Development Cooperation Agency (Sida) provided financial support to these consultants. The Asian Development Bank (ADB) provided 2 international consultants to assist in formulating the Forest Fund Decree and Forest Valuation Decree in order to guide implementation of the new revised law. The Support to Reform of the Forestry Administration System (REFAS) Project supported a National Workshop on the draft law on 9 September. The FSSP Coordination Office (CO) provided logistical support and translation service.

The revised law is scheduled to be promulgated after endorsement by National Assembly at the 6th meeting in November 2004. With participation of the international partners in revision of the Forest Protection and Development Law, the revised law refers to not only forest protection but also forest development, which will create “an opening” policy for the forest – dependent people to improve their livelihoods. A key provision of the revised law is the possibility for allocation of forests to local communities for management and development. Decision 178 already allows for an increased share of forest benefits to go to those to whom the forest is allocated for management. Thus, it is anticipated that these changes will enhance the ability of the forest sector to contribute considerably to implementation of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS).

2. Formulation of National Forestry Strategy (2005-2020)

The Forestry Department was assigned to revise the existing National Forestry Development Strategy (2001-2010) by the MARD leader. The FSSP CO also mentioned this activity in its annual work plan 2004 to support the Forestry Department in this issue.

At an inception workshop conducted in Halong, agreed that with the support from FSSP through the FSSP CO, the Forestry Department will formulate a new National Forestry Strategy to be submitted to MARD, then to the Government Office for the Prime Minister's approval. The new strategy will make good use of the current strategy, update and merge it with the FSSP framework. The workshop developed a draft outline and work plan for the new strategy.

Subsequently, four national consultants and two international consultants were contracted. They closely cooperate with the national strategy team, who include representatives from the Government Office, Ministry of Planning and Investment, Ministry of Natural Resources and Environment, MARD, etc. The strategy team leader is Director of the Forestry Department. Support for the strategy development is being provided by the FSSP CO Trust Fund, the new Trust Fund for Forests, ADB and the World Bank.

The strategy will articulate a vision for the sector, which will seek to balance social objectives, such as poverty reduction and improvement of rural livelihoods, with improving the forest sector's contribution to the national economy and ensuring environmental and biodiversity conservation for selected forests. It is planned that the new strategy will be approved by the Prime Minister in June, 2005.

3. 5 Million Hectare Reforestation / 661 Programme

The Five Million Hectare Reforestation Programme (5MHRP), implemented by Decision 661, is government's major forestry programme for the period 1998-2010. It is a major government programme intended contributed towards the achievement of the CPRGS. The 5MHRP aims not only to reforest Vietnam, but also to address issues of rural poverty and national socio-economic development. Its objectives are to:

- speed up forest plantation, regreen bare land, protect existing forests as well as new forests, increase the protective function of forests and protect the environment and biodiversity; create favourable conditions for sustainable national development, and increase the forest cover to more than 40% of the national territory;
- create employment, increase incomes for local people [residents in forest areas], thus contributing to hunger elimination and poverty reduction; develop production and create conditions for secure livelihoods, and ensure national defense and security; and
- create raw material areas in association with development of industries processing forest products.

Thus, the 5MHRP aims to contribute to improved environmental protection, poverty reduction, and enhanced contributions of forestry to the national economy.

As of 2004, the 5MHRP has achieved approximately 2 out of 5 million hectares of planned reforestation. The Government is concerned about how to improve implementation, especially with respect to increasing the programme's impacts on poverty reduction. Currently, a study of 661 implementation is ongoing, with support from one of the FSSP

partners – GTZ/REFAS. This study aims to document the successes and shortcomings to date, and serve as the basis for a revision of 661 in early 2005. It is anticipated that the study will be completed in late 2004.

4. Forest Sector Monitoring and Information System (FOMIS)

Work is ongoing to combine existing data currently collected on the forest sector from different institutions, both within and outside of MARD, to create a sectoral database. This database will include information on the poverty levels and living standards of people in forest-dependent districts³. Numerous technical team meetings have been held to finalize indicators. Accordingly, data are being collected from the relevant institutions. The contractor is developing the designed software and processing the collected data to set up a sectoral database system.

5. Trust Fund for Forests (TFF)

On 23 June, the TFF Memorandum of Agreement was officially signed. Signatories included Vice Minister Bui Ba Bong of MARD, Ambassador Gerben de Jong of the Netherlands, Mr. Jan-Olov Agrell, Chargé d' Affaires for the Swedish Embassy, Mr. Pradeep Itty, First Secretary of the Swiss Embassy, and Ms. Merja Sundberg, Counselor of the Finnish Embassy.

Vietnam's Trust Fund for Forests (TFF) is a grant facility to support pro-poor and sustainable approaches to forest management, and a transition towards a comprehensive sector-wide approach for development and cooperation in the forest sector. By pooling resources from several donors into one fund, the TFF will provide a more effective means for supporting key sectoral priorities, which are agreed and updated annually by the FSSP partnership. Initial contributions to the fund are anticipated to be at least 15 million Euro, including earmarked support to co-finance the new World Bank Forest Sector Development Project (FSDP).

The FSSP CO has collected initial ideas for possible activities to be funded by TFF, either as small grants or full-sized projects: three small grants have already been approved. A short-term international consultant provided assistance to the FSSP CO on development of the initial TFF work plan and budget. TFF Advisor and Financial Advisor have been recruited by GTZ/REFAS, and start work in November.

Formulation of TFF operational guidelines, including screening criteria, is ongoing. The special Partnership Steering Committee meeting was organized on 12 November to endorse the initial TFF work plan and budget, so that the TFF donors can make their initial contributions. Separate bilateral agreements between individual TFF donors and MARD are being prepared, to authorize such financial contributions.

6. Harmonization of Implementation Frameworks (HIF) Study

The HIF report was prepared by the team and consultants. The final National Workshop was held on November 10 to (1) review and finalize the report of the HIF Working Group; (2) identify commitments and approaches for the further steps to formalize harmonized Investment Procedures and Project Implementation Frameworks for large-scale ODA forestry

³ Forest-dependent districts are defined as those having 20% or more forest cover.

projects in Vietnam. This study is intended to promote improve management of the 5MHRP/661 and major ODA forestry activities, which will contribute to good governance and thus support the CPRGS goals.

7. Other Ongoing FSSP&P Activities

The FSSP&P has been engaged in other ongoing activities, such as development of the Forest Sector Manual and improvement of communication systems, including the launching of a new FSSP&P website (www.vietnamforestry.org.vn). Other communications activities include publication of quarterly newsletters, a FSSP&P leaflet, and preparation of a video, which has been screen several times on VTV1's environmental programme. A press briefing (workshop) was conducted in early October, to better inform the mass media about FSSP&P activities. Information exchange among FSSP, International Support Group (ISG), 5 MHRP, and the Science and Technology Journal of Agriculture and Rural Development is being improved through regular newsletters, magazines and publications.

The mid-year Partnership Steering Committee (PSC) meeting was held on 14 June. An extraordinary PSC was held on 12 November, to discuss and endorse the initial TFF work plan and budget. Improvements have been made in the operations of the Technical Executive Committee (TEC), which meets every month or two. The TEC is becoming increasingly involved in the management of the TFF. The Provincial Reference Group continues to work to disseminate information about FSSP&P among the provinces.

Work has been ongoing to strengthen the effectiveness of the FSSP Coordination Office. Following preparation of a training plan in April-May 2004, staff training has begun. Such training has included a three-day course on basic forestry issues and a field trip to Hoa Binh Province.

The 2004 FSSP Annual Review is being conducted in October-November 2004. An international consultant is working with FSSP Coordination Office staff to conduct the review. Four workshops were held with FSSP stakeholders to assess the partnership's achievements and shortcomings in 2004, and propose recommendations for 2005. The CO staff then held a four-day workshop to consolidate the findings to date, and discuss organizational development issues for the CO. The 2004 work plan and budget will be prepared in mid-November 2004. The Annual Review exercise is seen not only as an evaluation exercise, but also as an important step for staff training and organizational capacity development of the CO.

All these activities aim to improve the communications, transparency and governance among FSSP&P partners. Such improvements will, in turn, contribute to greater effectiveness in reaching the goals of the partnership, which include supporting forestry's contributions towards improving rural livelihoods and poverty reduction. Other objectives of the partnership, supporting forestry's contributions to national economic development, and environmental / biological diversity conservation and protection, are also integral to the comprehensive goals of poverty reduction.

On the basis of the Annual Review, ideas for the 2005 Annual Work Plan of the Partnership are now being formulated and discussed. The following are the tentative ideas coming from the Annual Review process. They include both proposed plans for the partnership, as well as

proposed success indicators. The following ideas are subject to discussion and approval at the upcoming FSSP Partnership Steering Committee's Annual Review Meeting.

Proposed Plans for 2005

- Ongoing support for key sectoral activities and building stakeholder understanding and consensus (strategy, law & legal decrees, 661 revision, FOMIS, TFF, HIF) → also study on sectoral financing issues (EC) and forest law enforcement; possible FAO support for “national forestry programme”
- More focus on decentralization of FSSP&P activities, and possible development of regional groups to support Provincial Reference Group
- Piloting forestry activities, especially in areas with critical forestry-poverty linkages, i.e., northern uplands and central highlands
- More attention to forestry's biodiversity, poverty/social, and economic impacts
- Studies on gender issues in forestry study and forestry, poverty, and rural livelihoods study will be conducted, to improve forest policies and strategies
- TFF-supported activities will focus on pro-poor and sustainable forest management and movement towards a sector-wide approach

Proposed Success Indicators for 2005:

- FSSP Forestry, Poverty, and Rural Livelihoods Study completed
- FSSP Forestry and Gender issues study completed
- Outputs of poverty and gender studies provide inputs into new strategy
- New National Forest Strategy (2006-2020) adopted by Prime Minister
- New strategy used to guide preparation of 5-year forest sector development plan for 2006-2010, with a more explicit focus on how the forest sector can contribute to implementation of the CPRGS and national socio-economic development
- 5MHRP / 661 Programme revised
- More coherent linking of various ongoing initiatives (i.e., link with CIFOR, ADB research on poverty, etc.)
- Trust Fund for Forests supporting one or more full-sized projects focusing on forestry-poverty linkages
- Forest Sector Monitoring and Information Systems (FOMIS): sectoral monitoring system being piloted, and improved, including indicators on poverty in forest-dependent districts
- Support to SFE reform, with a particular focus on reallocation of forest land currently allocated to SFEs to local communities and households
- Strategy prepared to improve research, extension, training, and education linkages
- Improving support to communities and households allocated forest land, i.e. extension, credit, seeds and seedlings, forest management guidelines, etc.
- Decentralisation of key forest sector and FSSP activities, with a particular focus on the northern uplands and central highlands. Activities may include:
 - Support to regional networks
 - Support to the national community forestry working group
 - Support to allocation of forest lands to communities

NATURAL DISASTERS MITIGATION PARTNERSHIP

(NDM - PARTNERSHIP)

Introduction

The NDM-Partnership completed its initial phase of implementation in late 2003, which has resulted in setting up the Partnership institutions and coordination mechanism and finalization of several provincial pilot projects. A more comprehensive Action Plan of the Partnership for the next three years has also been developed setting more challenging targets for the Partnership in strengthening coordination while contributing more actively to sectoral priorities and the implementation of the CPRGS. This note provides a brief update on progress of the NDM-Partnership during 2004, which was devoted mainly to mobilizing partners in discussing and finalizing the new Action Plan in addition to starting actual pilot projects in provinces.

1) Progress of the NDM-Partnership in 2004 to support CPRGS and sector strategies and programs

- As a major achievement of the NDM-Partnership during 2004, the first two provincial pilot projects of the NDM-Partnerships have been approved and started in Binh Dinh Province and Da Nang City. These projects are a combination of upgrading small-scale flood control infrastructure and grassroots capacity building to reduce vulnerability of people, particularly the poor to annual flooding. As such, they will contribute to reducing the human and property loss due to floods while empowering the communities and people in planning for their own actions in disaster reduction.
- With wide consultations and inputs from different partners in the formulation process of the NDM-P's new Action Plan, the Plan has incorporated CPRGS implementation targets and sectoral priorities including mobilization of support for finalizing the Strategy for disaster reduction, integration of disaster risk concerns in the new Water Resources Management Strategy and preparing a new Law on dyke management and disaster reduction, etc.
- The NDM-P has finalized its first phase of the assessment of Viet Nam institutional capacity to address natural disasters with a more holistic approach of risk reduction. Findings of the Study were discussed in a workshop organized in early August 2004.
- A number of NDM-P partners have achieved good progress in their on-going and planned programmes/projects in disaster reduction aiming sector-wide approach issues and poverty reduction. Examples of these are the AUSAID project in Quang Ngai, formulation of the World Bank NDM project and other INGOs projects combining disaster reduction with water-supply and sanitation and vulnerability reduction.

2) In follow-up to the discussion at the mid-term CG meeting in Vinh City, what progress has your partnership group made in developing views/proposals for integrating the CPRGS approach into socio-economic planning?

- As part of its workplan for 2005, the NDM-P, in close collaboration with the International Support Group (ISG) of the Ministry of Agriculture and Rural Development (MARD), facilitate discussions and provide inputs to ensure that a holistic approach for disaster reduction is clearly reflected in Ministry and subsequently the National 2006-2010 Socio-economic development plans.
- The Action Plan has outlined a number of studies on inter-linkage between natural disasters and poverty, environmental degradation and

3) Over the next twelve months, what concrete actions will your group take?

The key milestone of the NDM-P will be approval of its Action Plan to allow implementation of the above planned activities. The Netherlands Embassy, AUSAID, Luxembourg Embassy and UNDP have expressed their continued support to NDM-P and actual implementation of its Action Plan is expected to start in early 2005.

4) What are your revised success criteria - or milestones- for 2005 to ensure your partnership group reaches its development outcomes?

The approval and implementation of the new Action Plan of the NDM-P will lead to many concrete outputs, the principle three of which are:

- A final Strategy for Natural Disaster Reduction that emphasizes vulnerability reduction, particularly for the poor in hazard-prone areas (by June 2005)
- Recorded inputs to the MARD and National 2006-2010 Socio-economic Development Plans for 2006-2010
- An Implementation Framework that shows priorities and clear assigned responsibilities across sectors and at all levels to implement the Strategy for natural disaster reduction (draft for discussion by end 2005)

5) The future of this Partnership

Natural hazards are forecasted to be on the rise with high risks to turn into disasters without exceptions for a disaster prone country like Viet Nam. There has been an increasing recognition on causes of natural disasters for poverty in Viet Nam and the CPRGS has set a clear target to halve by 2015 the number of people falling back to poverty due to disasters. Further, awareness on climate variability and the risks of natural disasters is increasing. Much remains for the NDM-P to further promote its coordination and mobilization of other sectors, institutions to support a broader disaster reduction agenda. The Government and MARD renewed commitments to this Partnership as well as participation of new partners from other sectors, research institutions and local levels are keys to success.

PARTNERSHIP TO ASSIST THE POOREST COMMUNES

Progress Report for 2004

PAC Secretariat

Department of Agriculture Economy
Ministry of Planning and Investment
2 Hoang Van Thu, Ha Noi.
Email: dagiamngheo@netnam.vn
Tel: (04) 08043057

Objectives of PAC

The Partnership to Assist the Poorest Communes (PAC) is an open forum for the exchange of lessons and experience on issues relating to the socio-economic development of the poor communes. The poor communes are taken to include 2,362 communes (out of around 10,000 rural communes nationwide) that are included in Government Program 135, and an additional 157 communes that are included in the new Government Program on coastline and island communes facing special difficulties. The specific objectives of PAC are as follows:

- *Objective 1:* Improved coordination of government and donor funded projects and programs working on poverty reduction and community development in the poor rural areas.
- *Objective 2:* To foster and develop more unified, more effective and more efficient approaches and procedures across government and donors for the preparation, administration and implementation of poverty reduction and community development efforts in these areas.
- *Objective 3:* Strengthened mechanisms for learning from project and program implementation through the exchange of lessons and experience between partners, and incorporating this learning into the design of future programs and the policy framework.
- A longer-term objective of the partnership is to work towards increasing complementarity between donor and government procedures, and the integration of lessons and experience into the review and revision of the Government's poverty reduction target programs.

The PAC Work Program for the period 2002 to 2004 has been funded by an ASEM-EU Trust Fund⁴. This is used to conduct thematic studies and monitoring activities, organizing workshops, publications, and running costs of the PAC Secretariat. The current funding period under the ASEM-EU Trust Fund comes to an end in January 2005.

PAC activities are closely coordinated with those of the UNDP supported project on *Strengthening Capacity for Management of Integrated Rural Development (VIE/01/023)* – and these coordinated activities are covered in this partnership progress report. Certain PAC activities have been jointly funded with donors, and many other partners have voluntarily and

⁴ ASEM-EU (Asian Financial Crisis Response Fund) Grant Number TF050255 for strengthening community driven development in Vietnam.

actively contributed through collaborative field studies and by preparing papers and presentations for PAC workshops.

Organization of the partnership

PAC consists of a Partnership Group, a Core Group and a Secretariat under the guidance of the Vice Minister of the Ministry of Planning and Investment, as follows:

- *Partnership Group.* A wide range of partners have been involved in different activities organized by PAC, including: central government agencies; province and district authorities and departments; poor communes; donor agencies and INGOs; development projects and programs; universities and provincial training organizations; research organizations, centres and associations; and media organizations (see Annex 1 for a list of partners).
- *Core Group.* The PAC Core Group consists of representatives from different departments within MPI and from the World Bank, UNDP, AusAid, Oxfam GB, ActionAid, DFID and GTZ. The Core Group meets on average twice a year in order to give direction to the partnership activities, to provide inputs to the Work Plan, to identify important topics and issues for the thematic studies.
- *Secretariat.* The Secretariat is located in the Department of Agriculture Economy of MPI (with a Vice-Director of the Department as Head of the Secretariat) and is managed by staff from the department with the assistance of international and national consultants.

Overall achievements of PAC (2002 to 2004)

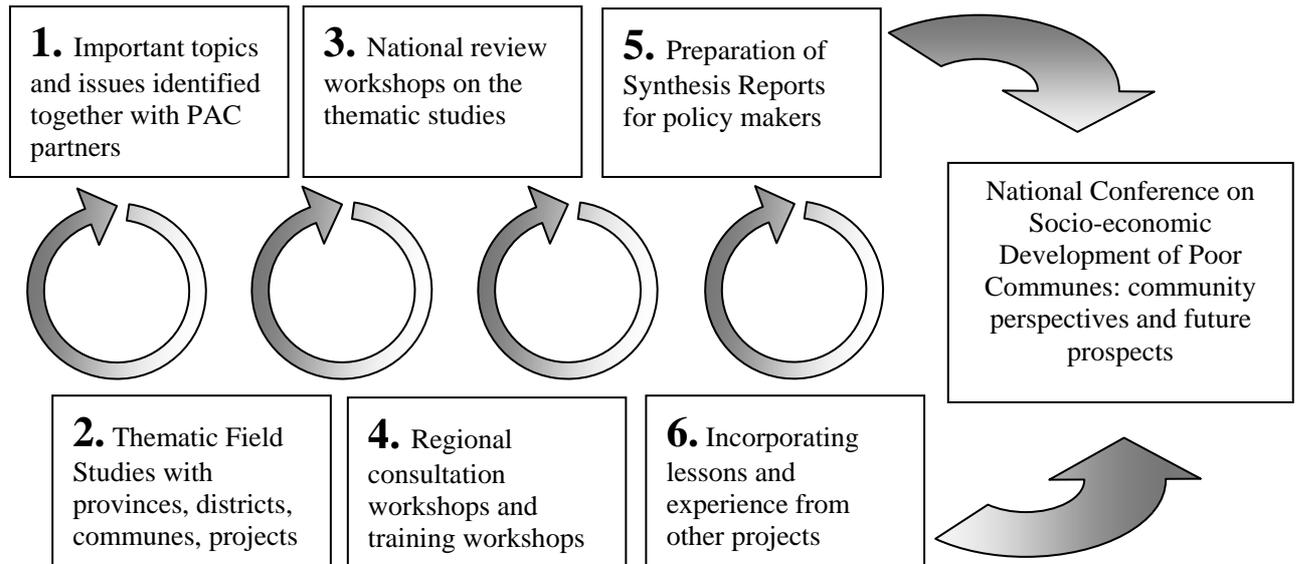
Now that PAC is coming to the end of its current work program and funding period, this is a good time to assess the overall progress and achievements, and strengths and weaknesses of the partnership in the period 2002 to 2004. These can be summarized as follows:

- PAC has begun to develop a constructive model for linking “*grassroots lessons and experience*” with “*policy advice and recommendations*” (see Figure 1). This model is based on conducting **Thematic Field Studies** on important topics and issues identified together with PAC partners⁵, which are carried out in collaboration with different provinces and projects and programs. These thematic field studies have a practical focus, and are designed to document best-practices, to gather stakeholder viewpoints and opinions from district, commune and village levels, and to collect evidence on newly emerging issues. The results and recommendations from these thematic field studies have been shared and discussed at a series of **National Review Workshops** and **Regional Consultation Workshops**, and they have also formed the basis for several **Synthesis Reports** produced by the partnership.
- In total, around 20 such field studies and synthesis reports have been carried out in association with PAC in the period 2002 to 2004 (see Annex 2). These have been in several main thematic areas: commune and village infrastructure; sustainable rural livelihoods, community driven development, commune and village cadre training; and project and program design and implementation. An important point about this model is that within each of these thematic areas, a series of studies has been carried out to

⁵ Including the PAC Core Group, and the Focal Point for Rural Development under the UNDP Project (VIE/901/023).

progressively build-up understanding on inter-related sets of issues. So, for example, a series of studies has been carried out on different aspects of commune and village infrastructure, including: community contributions in infrastructure construction; harmonization of local procedures; operations and maintenance of small-scale infrastructure; the activities of commune supervision boards; and decentralized management of commune infrastructure budgets.

Figure 1. PAC model for linking ‘grassroots lessons and experience’ with ‘policy advice and recommendations’



- One of the most successful aspects of PAC is the extent to which it has actively involved a large number of provinces (and districts and communes) as well as province projects and programs in its activities (see Annex 1). In total, 27 provinces nationwide have participated in two or more PAC activities such as the thematic field studies and national/regional workshops. This has included representatives from the province, district and commune People’s Committees, sector departments and the mass associations. Similarly, over 20 donor and INGO supported projects have been regularly involved in the partnership activities. It can be said that this has greatly contributed to achieving the PAC objectives of improved coordination and the exchange of lessons and experience between these provinces, between projects and programs and with partners at central level.
- Because PAC operates as a relatively in-formal forum – this has enabled the partnership to raise new issues for discussion (for example, on operations and maintenance, and decentralized management of commune budgets etc.). In this respect, one advantage of the partnership is that it is able to bring experience to bear from different sectors. At the same time, the in-formal nature of the partnership has some weaknesses. This is because PAC has not been linked to any specific policy-making context. However, it is anticipated that the lessons and experience generated by PAC will find their way into the design of future projects and programs due to the large number of agencies that have been actively involved.

- PAC has also made a positive contribution through the application of approaches and methods that are comparatively new in Vietnam. This includes the Sustainable Livelihoods (SL) Approach for which PAC organized a series of regional training workshops in 2003 (with DFID). This has been followed by a sustainable livelihoods assessment in coastline communes facing special difficulties in 2004.

Main activities and progress in 2004

a) Progress made to support CPRGS and sector strategies and programs

This section provides a summary of the main activities carried out in association with PAC in 2004 as related to sector strategies and programs (with funding from the ASEM-EU Trust Fund and through the UNDP project VIE/01/023).

- *National Workshop on Community Driven Development in Vietnam*

The objectives of this workshop, jointly held by PAC and the World Bank in April 2004, were to bring together experience on Community Driven Development (CDD) programs both from within Vietnam and internationally, including relevant experience from other countries in Southeast Asia. A second objective was to help lay the foundation for future programs in Vietnam that focus on community infrastructure and rural livelihoods by identifying some of the most important issues that should be addressed by these programs. The presentations and discussions at the workshop covered many practical topics including key principles in the design of CDD programs, the scope of community infrastructure and livelihoods components, monitoring and evaluation, scaling-up and institutionalization of these approaches, and local capacity building priorities. The workshop also formally presented a review and publication on Community Driven Development in Viet Nam that was jointly conducted by the World Bank and PAC in 2003.

- *Inputs to the Government program on support for the investment of essential infrastructure in communes on coastal fronts and islands facing special difficulties*

In 2003, PAC undertook two studies (together with the Ministry of Fisheries and the Ministry of Natural Resources and Environment) to provide inputs to the preparation of this new program (that was approved under Decision No. 257/2003/QĐ-TTg of December 3rd 2003). Following on from this, in 2004, PAC has undertaken a sustainable livelihoods assessment in two communes in two provinces involved in this new program (Thanh Hoa and Nghe An). The main objectives of this study were: (i) to provide an in-depth understanding of livelihoods and poverty issues facing poor coast-front communes; and (ii) to assess the implications of this for poverty alleviation programs such as that covered by Decision 257. The study was presented at the National Conference in November 2004 and will be published in the new year.

- *Work on grassroots capacity building and commune and village cadre training*

This has been a main focus of PAC activities in 2004. In March 2004, the Government issued a framework for planning for the training of elected officials and technical officers in communes, wards and district townships for the period to 2010 (Decision No. 03/2003/QĐ-TTg of March 3rd 2003). Related to this, PAC prepared a Synthesis Report for Mid-term CG Meeting (in June 2004) on Grassroots Capacity Building Priorities for the Poor Communes.

Combined with this several more specific studies have been conducted, or are planned on: (i) training of commune cadres and community facilitators (experience from the Community Based Rural Infrastructure Project); (ii) priorities for the development of a more comprehensive training program for commune and village cadres in the remote communes (with the Province Technical and Economic Training School in Hoa Binh Province); and (iii) a survey of the potential role of the provincial training institutions in grassroots capacity building.

- *Thematic studies on operations and maintenance of commune and village infrastructure, and harmonization of local procedures in community driven development projects*

These inter-linked studies have been carried out by PAC in 2003-2004. The objective of the first study was to investigate in more detail the current situation of the Operations and Maintenance (O&M) of small-scale commune and village infrastructure in a selection of communes in three provinces. This was in order to get a better understanding of the current status of O&M as applied to different types of small-scale infrastructure, and mechanisms under different projects and programs, and constraints in the system. On this basis, and with due consideration given to prevailing regulations of the Government and the requirements of different projects, the study also makes recommendations to solve some of the main issues relating to O&M in order to improve the sustainability of small-scale infrastructure works.

The second study looks at harmonization issues from the perspective of project and program managers at province, district and commune levels. This is particularly important with regard to community development projects and programs that are promoting decentralized approaches to implementation, which often involve numerous small-scale schemes and activities over scattered geographical locations, and which are working in the remote districts and poor communes where existing management capacities are weakest. Based on fieldwork undertaken in three provinces, the study assesses the current situation and makes practical recommendations with regard to four procedural areas of implementing community-based projects, including: (i) procurement and contracting procedures; (ii) financial management and disbursement procedures; (iii) monitoring and reporting requirements; and (iv) procedures for mobilization of community participation.

- *Thematic study on off-farm income generating activities in rural development projects; opportunities and constraints*

Off-farm employment and income generation activities are an increasingly important component in many integrated rural development projects and are viewed as an important means to widen the income base of rural poor and women. Despite the ever increasing visibility of off-farm income generation initiatives, no comprehensive study or situational analysis has been carried out so far. This thematic study, undertaken by VIE/01/023, aimed to fill this gap by undertaking a survey in three provinces where projects are working on these activities, including: Tuyen Quang with IFAD funded Rural Income Diversification Project; Nam Dinh with the CRS-funded project on skills training for youth and disabled people; and Quang Binh with the SNV-funded project on support to woman in employment and income generation.

- *National Workshop on Integrated Rural Development*

This national workshop on Integrated Rural Development was organised by VIE/01/023 in

August 2004 with participants from central and provincial agencies, donors and projects. The conference objective was to provide a forum for sharing experience among management staff of IRDPs and policy makers on issues and constraints at the implementation level with a view to further fine-tuning of regulatory environment and policies for effective implementation of IRDPs in Vietnam. Three presentations on topics of project staffing, decentralized implementation, and flows of funds and disbursement mechanisms were presented at the conference by the National Project Directors of the World Bank-funded Northern Mountains Poverty Reduction Project, the IFAD-funded Ha Ting Rural Development Project, and the AusAid-funded Quang Ngai Rural Development Programme. The proceedings of the workshop were disseminated to relevant government agencies, donors and projects.

b) Progress made in developing views and proposals for integrating the CPRGS approach into socio-economic planning

The culmination of the current PAC Work Program period has been the **National Conference on Socio-economic Development of Poor Communes: community perspectives and future prospects** held in November 2004. The main objectives of this conference were to provide practical recommendations and ideas for implementation of the Socio-economic Development Plan (2006 to 2010), as follows:

- i) To identify and stimulate policy-discussion on critical development trends and issues that are likely to become increasingly important in the socio-economic development of the poor commune areas over the next few years.
- ii) To bring together and share practical experience and lessons from projects and programs working in the poor commune areas to contribute to socio-economic development planning and future poverty reduction programs.
- iii) To explore the role of community-based organizations (at commune and village level) in strengthening service provision and in the management of resources at the local level.

The National Conference included over 30 papers and presentations drawn from PAC studies as well as invited presentations from other agencies. A special feature of the conference was that it directly involved commune and district representatives, supported by projects and programs working in these areas, to prepare and present commune and project case studies. The conference was organized around four main themes, bringing together experience from different sectors and from different regions of the country, as follows:

- Theme 1: Sustainable commune and village infrastructure
- Theme 2: Rural livelihood opportunities and natural resource management and protection
- Theme 3: Promoting markets and economic services in the remote rural areas
- Theme 4: Public education, information and training for commune and village governance.

Related to each of these themes, the conference participants discussed a set of Policy Recommendations that will be included in the **PAC Synthesis Report (2002 to 2004)**.

Future directions of the partnership

Based on the results and achievements of PAC so far, it can be concluded there is good value in maintaining a partnership group such as this which serves as a forum for the exchange of practical lessons and experience from working in the poor communes.

As indicated above, the current funding period of PAC (under the ASEM-EU Trust Fund) comes to an end in January 2005. Consultations are currently underway with the PAC Core Group and other partners to identify priorities for the next period of the PAC Work Program (2005 and beyond). And it is requested that the Government and donors give due consideration to continuing to support the partnership and in helping to secure continued funding.

Proposed priorities for the content of the PAC Work Plan for 2005 and recommendations for improvement of the partnership work are as follows:

- **Studies on the development situation and socio-economic livelihoods of the poorest rural communities (villages, hamlets and population groups) in the uplands and midlands**

The poverty reduction policies and programs of the Government are aimed at broad-based poverty reduction and growth across all regions of the country. These policies and programs are achieving considerable success. However, it is recognized that there are certain rural communities that are in a more difficult development situation than others, and for which the gains in poverty reduction have been slower to achieve. Combined with this, increasing emphasis is being given to equity issues in the development process. These studies will take a forward looking perspective – in order to understand the current situation and to propose solutions for these rural communities that are facing particular difficulties. This will include: (i) the situation of Zone III villages and hamlets located in more prosperous Zone I & II communes and districts; and (ii) the situation of the very poorest category (or destitute) households in upland communes and villages.

- **Intensify work on documenting and disseminating best-practices in appropriate formats that are targeted on district level managers and commune and village cadres**

This will extend the analytical work which has been started by PAC on grassroots capacity building, and on commune and village cadre training in particular, as well as strengthening the regional focus of the partnership activities involving local authorities and projects and programs. This will involve drawing together best-practices in the form of manuals and training materials that will be useful to district level managers and commune and village cadres working in the poor communes. The topics will cover issues related to commune and village infrastructure and rural livelihoods. These manuals and training materials will be developed and tested in collaboration with different province projects and programs, as well as with national and provincial training organizations and media agencies.

Annex 1. Partners that have been involved in one or more activities organized by PAC in the period 2002 to 2004

A. Central government agencies

- Ministry of Planning and Investment
- Ministry of Home Affairs
- Committee on Ethnic Affairs
- Ministry of Agriculture and Rural Development
- Ministry of Labour, Invalids and Social Affairs
- Ministry of the Interior
- Ministry of Finance
- State Bank of Vietnam
- Farmer's Association
- Women's Union
- Ministry of Health
- Ministry of Natural Resources and the Environment
- Ministry of Construction
- Ministry of Education and Training
- Ministry of Fisheries
- Bank for Social Policy
- Bank for Agriculture and Rural Development

B. Provinces

Ha Giang	Son La	Kon Tum
Cao Bang	Hoa Binh	Dak Lak
Bac Kan	Bac Giang	Quang Nam
Tuyen Quang	Thanh Hoa	Quang Ngai
Lao Cai	Nghe An	Khanh Hoa
Yen Bai	Ha Tinh	Phu Yen
Phu Tho	Quang Binh	Binh Phuoc
Lai Chau	Quang Tri	Soc Trang
Dien Bien	Thua Thien Hue	Tra Vinh

C. Research institutes, universities, association etc

- Ho Chi Minh Political Academy
- Central Economic Management Institute (MPI)
- Agriculture Planning Institute (MARD)
- Institute of Labour and Social Affairs (MOLISA)
- Institute of Sociology
- Institute of Economics
- Vietnam Water Resources Institute
- Livestock Husbandry Institute
- Rural Development Services Centre (RDSC)
- Centre for Gender, Environment and Development (GENDCEN)
- Hanoi Agriculture University No.1
- Construction University of Hanoi
- Hue University
- Centre for Rural Development (Hue University)
- Vinh University
- Tay Nguyen University
- Thai Nguyen University of Agriculture and Forestry
- Technical & Economic Training School (Hoa Binh)
- Investment Review
- Voice of Vietnam
- Vietnam Television
- Asian Institute of Technology

D. Donors & INGOs

- World Bank
- UNDP
- DFID
- AusAid
- SDC
- Sida
- ADB
- EU
- CIDA
- GTZ
- Embassy of Finland
- Embassy of Netherlands
- Embassy of New Zealand
- Helvetas
- ActionAid
- Oxfam GB
- SCUUK
- IDEVN
- FFI
- Partners (Canada)
- NGO resource Centre
- SNV

E. Donor supported province projects

- Ha Giang Project for Ethnic Minorities (IFAD)
- Cao Bang / Bac Kan Rural Development Project (EU)
- Tuyen Quang Rural Income Diversification Project (IFAD)
- Son La / Lai Chau Rural Development Project (EU)
- Northern Mountains Poverty Reduction Project (World Bank / DFID)
- Community Based Rural Infrastructure Project (World Bank)
- Central Region Livelihoods Improvement Project (ADB)
- Chia Se Project (Sida)
- Forest Sector Support Project (ADB)
- Thanh Hoa Improved Livelihoods for Mountainous Communities Project (Cida)
- Coastal Wetlands Rehabilitation Project (World Bank)
- Ha Tinh Rural Development Project (IFAD)
- Quang Tri Rural Development Project (Finland)
- T.T. Hue Rural Development Project (Finland)
- Quang Ngai Rural Development Project (AusAid)
- A number of INGO projects.

Annex 2. Thematic studies and synthesis reports undertaken in association with PAC in the period 2002 to 2004

Commune and village infrastructure:

- Community contributions in commune infrastructure construction (VIE/01/023).
- Operations and maintenance of commune and village infrastructure.
- Commune supervision boards and supervision of infrastructure construction (with NMPRP).
- Principles and approaches for decentralized management of commune infrastructure projects (Synthesis Report with VIE/01/023).

Sustainable rural livelihoods:

- Sustainable livelihoods training workshops: case studies in rural transport, small-scale irrigation and upland livestock production (with DFID).
- Poverty situation, selection criteria, and on-going poverty reduction projects in coastal / island communes of central Vietnam (with MONRE).
- Planning and utilization of land for aquaculture development in coastal communes of central Vietnam (with Ministry of Fisheries).
- Sustainable livelihoods assessment in coastline communes facing special difficulties in Thanh Hoa and Nghe An.
- Evaluation of applied agriculture demonstrations in rural development projects (VIE/01/023).
- Off-farm employment promotion activities in rural development projects (VIE/01/023).

Community driven development:

- Community driven development in Vietnam: a review and discussion platform (with World Bank).
- Legal basis for community-based organizations to support socio-economic development activities.

Commune and village capacity building:

- Grassroots capacity building priorities for the poor communes (PAC synthesis report for the Mid-term CG Meeting, June 2004).
- Experience with training of commune cadres and community facilitators (with CBRIP).
- Priorities for the development of a more comprehensive training program for commune and village cadres in the remote communes.
- The potential role of the provincial training institutions in grassroots capacity building (VIE/01/023).

Project and program design and implementation:

- Best practices in integrated rural development projects: design and implementation (Synthesis Report from VIE/01/023).
- Harmonization of local procedures in community driven development projects.

INTERNATIONAL SUPPORT GROUP (ISG-MARD)

Progress report

7 key areas of ISG activities

- Facilitation of policy dialogue within and between MARD and donors
- Coordination in formulation of foreign-funded programs/projects
- Development and coordination of thematic studies
- Support to ICD
- Information collation and dissemination
- Capacity building and management processes (appropriate training and other capacity building activities)
- Monitoring and evaluation (in ISG process)

Main activities highlight

- ***ISG Steering Board Meeting***
(30 March 2004)
 - The Framework Arrangement signed between ISG Core Donors Group to fund ISG Work Plan 2004 - 2006
 - ISG Work Plan 2004-2006 approved by the Board
 - The Swiss Agency for Development Cooperation (SDC) became the official member of the Board. The Board now includes 11 international members and 12 national members.

- ***MARD-donors join discussion on MARD's Draft Action Plan to control Avian Influenza Epidemic in Vietnam***
(10 February 2004)
 - About 100 national and international participants attended the meeting
 - This is one of the special coordination activities of ISG.

- ***Organization of ISG Annual Plenary Meeting***
(9 November 2004, co-chaired by Dr. Cao Duc Phat, MARD Acting Minister and Mr. Frans Makken, Deputy Head of Mission of Netherlands Embassy in Vietnam).
 - Theme: Growth for Poverty Reduction in Agriculture and Rural Areas
 - More than 200 participants, national and international, attended the meeting.
 - Presentations: Growth for poverty reduction in agriculture and rural areas; Framework to achieve growth and poverty reduction in the 5-year plan 2006 - 2010 of the agriculture and rural development sector; Development for sustainable growth and poverty reduction in rural areas; Operation of business sector, households, cooperatives and collaboration groups in agricultural and rural sector; and agricultural commercialization and poverty reduction.
 - Important themes for discussion: trade-off between growth and resources for poverty reduction; strengthen coordination of resource utilization; how public sector and private sector can be mobilised for growth and poverty reduction
(Visit ISG website at <http://www.isgmard.org.vn> for more details)

- **Contribution to CG Meeting mid-term 2004**
(16 - 17 June 2004, Vinh)
 - MARD thematic report **Implementation of CPRGS in rural areas** welcome and discussed by Government agencies & donors
 - ISG updates (including its TAGs activities) contributed to the donors' Partnership Report at the meeting.

- **Support GoV-donor joint review on Rural Water Supply and Sanitation**
(May - December 2004)
 - Many government agencies and donors involved
 - This is one of the special coordination activities of ISG.

- **Processing the first Advisory Briefing**
 - Policy theme: **Streamlining CPRGS into MARD rural development strategy** (advised by the informal core donor group)
 - Process & content was discussed and approved by the Board. A final product is expected by end of 2004.

- **Establishment of provincial dialogue platforms**
 - 5 provinces committed and participate in ISG dialogue process: *Thanh Hoa, Thai Nguyen, An Giang, Soc Trang, Tra Vinh*
 - 2 provincial training workshops held in Soc Trang and Thanh Hoa
 - Initiative of the National Workshop on CPRGS Result-based Planning, co-chaired by MARD&MPI (*held 15 Oct. 2004*) –*For details, see report attached in Appendix 5*
 - Involvement of MARD departments, MPI, ISG Sec, CECI, CIDA, WB, JICA
 - TAGs will be mobilized to support platforms
(*For details, see report attached in Appendix 4*)

- **Thematic Ad-hoc Groups (TAGs):**
 - **TAG1** (*International agro-economic integration and policy*) proposes 3 thematic studies:
 - Training need assessment with respect to international economic integration at sector-wide scope
 - Assessing commercial transaction patterns of agro products in Vietnam
 - Evaluation of FDI in the agriculture
 - **TAG2** (*Hydraulic works development, disaster control and rural water supply*) focuses on strengthening coordination among Ministries and donors in water sector strategies and RBOs.
 - **TAG3** (*Implementation of CPRGS in agriculture and rural areas*) supports vertical coordination.
(*For details, see attached progress reports of each TAG in Appendix 1,2 and 3 respectively*)

- **Management Information System (MIS)**
in service of policy dialogue, exchange and sharing of information and lessons learnt:
 - ISG Newsletters
 - Monthly Briefings

- ISG Website
 - MARD ODA & NGO database
 - Training on information system for ICD officers and ISG staff
 - Development of the International Cooperation Integrated Database
- ***Support MARD in revising the regulation on management of programs and projects using external fund sources under responsibility of MARD***
 - MARD approved and issued the new regulation in Decision No. 45/QD/BNN dated 30 September 2004, to replace the Decision 132 promulgated in 199 on the same issue.
(Full text can be obtained from ISG website)

Main ongoing Activities

- Completion of the first Advisory Briefing
- Strengthening provincial policy dialogue platforms
- Development of ICD website & integrated database in service of international cooperation
- Contribution to Annual CG Meeting 2004
- Surveys on stakeholders satisfaction to ISG process via approved questionnaires and other tools

*Relevant documents are available
 in English and Vietnamese on the ISG website at*

<http://www.isgmard.org.vn>

TAG1 PROGRESS UPDATE COORDINATION MEETINGS

TAG1 regular meeting 5:

(Organized on 29th April 2004, co-chaired by ICD – MARD and New Zealand Embassy. More 30 participants from national and international organizations attended the meeting).

The main purposes are: (i) to update TAG1 members of TAG1 Work Plan in 2004; (ii) to introduce the tendency of ASEAN to expand AFTA to the key partners like China, Japan, South Korea and India; and (iii) to share information on donor's activities.

TAG1 members constructively discussed and provided precious comments to TAG1 activities and every item of the meeting program and agreed to the following main issues:

- Results of the activities and projects relating to integration of the agriculture sector should be synthesized and shared to stakeholders involved in the ISG process.
- Scope of the TAG1 activities should be larger than within MARD, as agriculture integration relates to many other sectors. ISG should play the active coordination role.
- According to the ToRs of the ISG process as well as of the TAG1, to address several policy issues, there should be sometimes specific studies and activities to produce inputs for policy dialogues. Three main proposed studies that TAG1 will carry out in the time to come (including: (i) Training Need Assessment with respect to international economic integration at sector-wide scope, (ii) Impacts of medium and small trading enterprises in agricultural sector when Vietnam becomes member of WTO, (iii) Performance analysis of FDI in agriculture and rural development) and some other proposed studies were presented for participants to comment.
- There should be a mechanism for collation of information relating to IEI of not only MARD but many other related economies so as to share with stakeholders in policy dialogues. ISG TAG1 should collaborate with MARD's relevant projects and programmes such as the ASPS to consider the possibility of establishing IEI information network.
- As planned, the first ad-hoc meeting of TAG1 on IEI road map would be held in June, however, due to the complicatedness of the study, the report on the IEI roadmap of the sector can not be completed soon. Therefore the ad-hoc meeting will be moved to October 2004.
- Attention should be paid to private sector to ensure an equal platform, as the private sector also made great contributions to the national economy.

TAG1 regular meeting 6:

(Organized on 29th April 2004, chaired by ICD – MARD. More 30 participants from national and international organizations attended the meeting).

The main purposes are: (i) Collecting comments for thematic studies of TAG1; (ii) Sharing information on activities on International Agro-economic Integration and policy; (iii) Discussion on co-ordination mechanism between ISG and MARD's International Economic Integration Board.

TAG1 members constructively discussed and provided precious comments to three proposals of thematic study (including: (i) Training Need Assessment with respect to international economic integration at sector-wide scope; (ii) Assessing commercial transaction patterns of agricultural products in Vietnam; (iii) Preliminary evaluation of the mobilization and utilization of foreign direct investment in the agriculture and rural development) and co-ordination mechanism between ISG and MARD's International Economic Integration Board; and agreed to the following main issues:

- In general, proposed thematic studies are of practical purposes, meeting real demand.
- Study objectives are large, whereas the budget for TAG1 is limited, efficiency of the studies should be taken into consideration.
- The participants also gave comments on methodology, collaborative stakeholders, concerned aspects... for each study in order to better implement the studies.
- Based on the comments, the study implementing agencies should take into consideration incorporating them into the revised study outlines, so the studies could be implemented soon.

At TAG1 meetings, many information were shared such as:

- Report "Tendency to expand AFTA and preparation of Vietnam to deal with the new situation" presented by Mr. Dong Phuong, Deputy Director, Multilateral Trade Policy Department, Ministry of Trade.
- Report "AFTA - China with particular touch on agriculture sector" presented by Ms. Pham Thi Tuoc, Deputy Director, Planning Division, MARD.
- Information on two projects related to international economic integration funded by ADB for agricultural and rural development sector of Vietnam: The Agriculture Science and Technology Project (The PPTA 4194-VIE); and Agricultural Sector Development Support TA 4105-VIE.
- Mr. Tom Elhaut, Director of Asia and Pacific Region, IFAD introduced the study result: Rural Sector Performance.
- Ms. Carole LY, Technical adviser, MISPA/ICARD introduced some studies on the way related to Economic integration under MISPA.
- At each TAG1 meeting, Technical Coordinator has summarized TAG1's and MARD's activities related to international economic integration.

In order to ensure smooth flows of information shared among TAG1 members and other if relevant through the ISG Information System (Newsletters, Monthly Briefings, email system, ISG website, ODA database, etc.), ISG Secretariat has regularly collected and disseminated relevant information, including:

- Results from the above TAG2 activities.
- Activities of related projects.

The notes from all TAG1 meetings were completed and sent to all the TAG1 members for reference and implementation. This notes can also be obtained from ISG website at <http://www.isgmard.org.vn/Information%20Service/TAGs/TAG1/TAG1-Meetings.asp>

(For detailed documents of the meetings, please contact ISG Secretariat at isgmard@fpt.vn)

TAG2 PROGRESS UPDATE AND PROPOSED ACTIVITIES FOR 2005

1. Updated activities

Coordination meetings

TAG2 regular meeting 6:

(Held on 23 April 2004, co-chaired by ICD MARD and the Royal Netherlands Embassy)

- TAG2 members agreed to the work plan 2004 and considered it as an open one. The activities considered priority and feasible would be incorporated into the work plan.
- As an open work plan, it requires close collaboration among donors, relevant partners, and ISG Secretariat through TAG2 to constructively and actively discuss activities to be done. Donors should be to support the implementation of the work plan.

TAG2 regular meeting 7:

(held on 28 September 2004, co-chaired by the International Cooperation Department of MARD, and the World Bank Office Hanoi. Around 40 participants from national international organizations attended the meeting)

The meeting objectives were (i) to update TAG 2 activities, prepare for TAG2 work plan 2005; (ii) to discuss formulation of MARD strategies relating to water resources, including MARD's PIM Strategy Framework and Road Map, the Water Resources Development Strategy until 2020 of MARD, the Resources Science and Technology Strategy until 2010 and Orientations to the Year 2020; and (iii) to exchange information between MARD, other ministries and donors regarding ongoing and planned activities in the water sector.

TAG2 members constructively discussed and provided precious comments to TAG2 activities and every item of the meeting program.

The members agreed to the following main issues:

- Many strategies are being prepared, which underlines the need to enhance coordination between all relevant agencies and stakeholders. TAG2 has contributed to improve this coordination on water-related issues, but the effort must be sustained in order to develop adequate strategies and enhance efficiency. TAG2 has enhanced coordination among GoV relevant agencies on water-related issues. This is one of the efforts made towards GoV efficiency. TAG2 is a very good place for MARD and donors to discuss and exchange ideas on various water-related issues.
- TAG2 work plan is open and its members should take a proactive role in submitting their proposals. The core donor group in the water sector will support TAG2. Comments made from this meeting will be incorporated into the TAG2 work plan 2004 and 2005. The revised work plan will then be sent to TAG2 members for comments.
- The TAG2 members are requested to give suggestions in written to ISG Secretariat on the mechanism and resources for carrying out any proposals made by them and sent to ISG Secretariat to integrate into the work plan of TAG2.
- Donors will support MARD during the implementation of the PIM strategy.

- There remains a big gap in coordination between MARD and MONRE. TAG2 members are expected to help strengthening the coordination.

Ad-hoc meeting 1: on Priority Integrated Water Resources Management Issues in Vietnamese River Basins

(Held 12 February 2004, chaired by MARD Vice Minister Pham Hong Giang).

- To compare the three river basins, their water resource endowments vs. demand and the priority integrated water resources management (IWRM) issues and challenges in each basin from both the stakeholder and technical perspectives.
- Various issues related to RNM, including: policies on river basins; Priority IWRM Issues in the Dong Nai, Cuu Long and Red Rivers Basins; Start-up of RBM for Ca and Srepok Rivers; Comparison of Priority IWRM Issues in Three Basins; and a brief presentation on regional water resource management activities, especially those of the recently established Network of Asian River Basin Organizations (NARBO).

Ad-hoc meeting 2:

- A second ad-hoc meeting titled “*Creating the legislative basis for water user groups in rural water supply and irrigation; Working towards Participatory Irrigation Management*” was proposed by ISG members. However, so far, needed resources and specific steps for the meeting have not been identified. In fact, no feedback was received from neither MARD nor donor community. TAG2 members are requested to give comments on this issue.

A Workshop on Decree 143 that specifies functions of IMCs was proposed to be participated by IMCs in several provinces. MARD Department of Water Resources has held several workshops nationwide on this topic. TAG2 work plan will not need no more workshop on this issue.

The notes from the all TAG2 meetings were completed and sent to all the TAG2 member for reference and implementation. This notes can also be obtained from ISG website at <http://www.isgmard.org.vn/Information%20Service/TAGs/TAG2/TAG2%20Meetings.asp>

(For detailed documents of the meetings, please contact ISG Secretariat at isgmard@fpt.vn)

Other thematic activities:

National Workshop on Rural Water Supply and Sanitation in Vietnam 4 - 5 March 2004

At the request of MARD and Danida, ISG TAG2 provided direct support to prepare and organization of the captioned workshop in collaboration with WaterSPS and CERWASS .

The result of the workshop was consensus and understanding reached on:

- The status of implementing the National Rural Water Supply and Sanitation Strategy and working towards achieving the Vietnam Development Goals related to rural water supply and sanitation;
- The strategies and plans of Government and donors for future support to rural water supply and sanitation;
- Key thematic issues to be addressed by GoV and donors for implementing the National Rural Water Supply and Sanitation Strategy and achieving the Vietnam Development Goals related to rural water supply and sanitation; and

- Identify opportunities for new modalities of GoV and donors working together in the rural water supply and sanitation sector.

Support to the Joint GoV – Donor Sector Review on Rural Water Supply, Sanitation and Health in Vietnam:

- Support has been provided to the Review since March 2004.
(An update on the review progress has been reported in the seventh TAG2 regular meeting by the representative of the review consultant team, and uploaded on the ISG website for larger audience's reference)

Information collation and dissemination

In order to ensure smooth flows of information shared among TAG2 members and other if relevant through the ISG Information System (Newsletters, Monthly Briefings, email system, ISG website, ODA database, etc.), ISG Secretariat has regularly collected and disseminated relevant information, including:

- Results from the above TAG2 activities.
- Reports and documents relating the water sector from relevant stakeholders.
- Information/news regarding ongoing and pipelined activities of MARD and donors in the water sector (including NDMP, VNWP...)

Reports to mid-term CG Meeting June 2004

ISG Secretariat prepared TAG2 Notes and provided inputs for MARD Report to mid-term CG Meeting June 2004. This task will also be done for the annual CG meeting in December 2004 in Hanoi

2. Some proposed activities for TAG2 in 2005

- Continue implementation of the activities proposed in 2004.
- Thematic studies to be proposed by TAG2 members.
- Update results of TAG2 in 2004 into ISG information system for sharing among TAG2 members.
- The TAG2 members are requested to give suggestions in written to ISG Secretariat on the mechanism and resources for carrying out any proposals made by them and sent to ISG Secretariat to integrate into the work plan of TAG2.

TAG3 PROGRESS UPDATE AND PROPOSED ACTIVITIES FOR 2005

3. Updated activities

Coordination meetings

TAG3 regular meeting 3:s

(Held on 19 May 2004, co-chaired by ICD MARD and the Asian Development Bank)

Objectives of the meeting were to: (i) share information on effort made to CPRGS implementation, especially at the local levels; (ii) discuss on how to better facilitate CPRGS implementation at local levels; (iii) collect ideas/issues to improve work plan of TAG3 for 2004-2006

- TAG3 members, in principle, agreed to the work plan 2004 and considered it as an open one. The activities considered priority and feasible would be incorporated into the work plan. The members appreciated the initiative of Provincial Policy Dialogue Platform proposed by ISG to support vertical coordination and CPRGS implementation at provincial level.
- As an open work plan, it requires close collaboration among donors, relevant partners, and ISG Secretariat through TAG3 to constructively and actively discuss activities to be done. Donors should support the implementation of the work plan.

Ad-hoc meeting 1: on Preparation for CPRGS implementation

(Held 15 March 2004, co-chaired by ICD-MARD and National Economic Issues, Ministry of Planning and Investment).

Objectives of the meeting were to: (i) introduce preparation works for the CPRGS implementation to leaders of MARD's Departments; (ii) Share information on CPRGS implementation.

- Representatives of MARD's departments were introduced CPRGS document
- Information related to efforts made by different partners to CPRGS implementation was shared among the participants.

Ad-hoc meeting 2: on support to CPRGS implementation at provincial level

(Held on 8 September 2004, co-chaired by ICD-MARD and Canadian Centre for International Studies and Cooperation (CECI) Vietnam)

Objectives of the Meeting were to: (i) share information on efforts made to support CPRGS implementation at the local level; (ii) present and discuss proposed work plans for Policy Dialogue Platforms of the 5 selected provinces (An Giang, Tra Vinh, Soc Trang, Thanh Hoa and Thai Nguyen); (iii) present and discuss MARD proposed "National workshop on CPRGS & Result-based planning for agriculture and rural development sector"; (iv) discuss (among donors and Ministries) how to coordinate and facilitate the CPRGS implementation in the agriculture and rural development at the national and provincial levels

Other thematic activities:

“CPRGS&Result-based Planning” workshops

(Held, one in Sóc Trăng (10 – 11 Aug 2004) for 29 representatives from An Giang, Sóc Trăng, Trà Vinh, and one in Thanh Hoá (24 – 25 Aug 2004) for 19 representatives from Thái Nguyên và Thanh Hoá).

ISG, CECI and CDEEP co-organised the workshops for the five selected provinces.

Objectives of the Meeting were to: (i) introduce and review key concepts of the CPRGS planning, reporting and monitoring process, including the CPRGS results-based approach; (ii) apply the CPRGS results-based approach to developing appropriate work plans for the five selected provinces; (iii) agree on the form and draft content of each work plan by the end of the 2-day workshop.

- This is the first activity of the dialogue platform system, and MARD has been the first Ministry to carry out such comprehensive activities. Of course, organizing workshops is not the only activity of the system.
- Main contents regarding CPRGS, result-based planning skills, development orientations and planning of the agriculture and rural development sector were shown through presentations and guidance of the representatives of MPI, MARD, CIDA, and WB. Participants also had time to discuss, made questions to presenters and made comparison of important issues.

Information collation and dissemination

In order to ensure smooth flows of information shared among TAG3 members and other if relevant through the ISG Information System (Newsletters, Monthly Briefings, email system, ISG website, ODA database, etc.), ISG Secretariat has regularly collected and disseminated relevant information, including:

- Results from the above TAG3 activities.
- Reports and documents related to CPRGS implementation from relevant stakeholders.
- Information/news regarding ongoing and pipelined activities of MARD and donors related to CPRGS implementation.

Reports to mid-term CG Meeting June 2004

ISG Secretariat prepared TAG3 Notes and provided inputs for MARD Report to mid-term CG Meeting June 2004. This task will also be done for the annual CG meeting in December 2004 in Hanoi

4. Some proposed activities for TAG3 in 2005

- Continue implementation of the activities proposed in 2004.
- Thematic activities to be proposed by TAG3 members.
- Update results of TAG3 in 2004 into ISG information system for sharing among TAG3 members.

- The TAG3 members are requested to give suggestions in written to ISG Secretariat on the mechanism and resources for carrying out any proposals made by them and sent to ISG Secretariat to integrate into the work plan of TAG3.

BRIEFING:
**PROVINCIAL DIALOGUE PLATFORM – A TOOL IN SUPPORT OF CPRGS
 IMPLEMENTATION**

Tran Nam Binh
 Manager, ISG Secretariat

I. Context

1. The establishment of several dialogue platforms at provincial level was originally initiated by ISG Secretariat early 2003. The ISG Work Plan 2004 – 2006 describes the system of the dialogues platforms as a strategic effort in “vertical coordination” in the agriculture and rural development sector. Over the past year, ISG Secretariat made several consultations to some provinces, relevant ministries, many donors and international organizations, some donor-funded projects ongoing in localities to get comments, studied their interest and commitment to get involved in the dialogue platforms. CECI closely coordinated with ISG Secretariat to formulate a work plan to work with several selected provinces. So far, there have been 5 provinces (Thái Nguyên, Thanh Hoá, Trà Vinh, Sóc Trăng, and An Giang) officially joined the system by appointing appropriate staff to be focal points.
2. What’s important is that MARD and localities have agreed to select the topic “**Support for the CPRGS implementation in agriculture and rural areas**” to be the first for **dialogue**. The issue of CPRGS implementation in agriculture and rural areas was firstly introduced by MARD in a report to the mid-term CG meeting 2004 in the Central City of Vinh, and was greatly supported by the donor community. The rolling out of CPRGS to the provinces will be supported by activities within the ISG TAG 3, sector partnerships as FSSP and NDM, as well as ongoing and pipelined projects in local areas.
3. CPRGS implementation and operation of provincial dialogue platforms have been done in the context of “planning reform”. **CPRGS and Results-based planning** is a completely new approach in planning in Vietnam. The Ministry of Planning and Investment issued a Letter (No. 2215 BKH/TH dated 14 April 2004, *guiding the formulation of local socio-economic plan with consideration of poverty reduction*) introducing the new planning method to DPIs for preparation of Plan 2005, and 5-year Plan 2006 – 2010.
4. To join efforts from different directions, two training workshops titled “**CPRGS and Results-based planning**” were held, one in Sóc Trăng (10– 11 Aug 2004) for 29 representatives from An Giang, Sóc Trăng, Trà Vinh, and one in Thanh Hoá (24 – 25 Aug 2004) for 19 representatives from Thái Nguyên và Thanh Hoá. This is the first activity of the dialogue platform system, and MARD has been the first Ministry to carry out such comprehensive activities. Of course, organizing workshops is not the only activity of the system.

II. Organization of workshops with 5 provinces

Objectives of the two workshops:

To increase the awareness of officers of the local agriculture and rural development sector on CPRGS and Results-based planning;

To study the advantages, disadvantages and needs of the provinces regarding CPRGS and Results-based planning in order to formulate a procedures for planning and

drafting a plan format for the year 2005 of the 5 selected DARDs: An Giang, Sóc Trăng, Trà Vinh, Thái Nguyên và Thanh Hoá);

To prepare a draft action plan of each provincial platform.

Programming. The workshops in Sóc Trăng and Thái Nguyên had the same contents, with two main sections:

Overview of CPRGS, results-based planning skills, development orientations of the agriculture and rural development sector.

Facilitated group discussions with two exercises: (i) to convert basic contents of the DARD Plan 2003 formulated in a traditional way into a brief log-frame with consideration of problems tree and objectives tree, at the same time to discuss and withdraw lessons in planning of DARDs; (ii) to develop a log-frame for the five work plans of the five provincial dialogue platforms.

Composition. Mainly DARDs, Extension Centres, DPIs, PPCs, Farmer Association, and Women Association. Highest rank official is a Deputy Chairman of Tra Vinh PPC. Observer: JICA.

Presenters. Main contents regarding CPRGS, result-based planning skills, development orientations and planning of the agriculture and rural development sector were shown through presentations and guidance of the representatives of MPI, MARD, CIDA, and WB. Participants also had time to discuss, made questions to presenters and made comparison of important issues.

Facilitators. ISG staff, CECI, WB, CIDA, Department of National Economic Issues of MPI, Planning Department of MARD with close collaboration to support participants to discuss in plenary session and group discussions. Participatory skills were applied to minimise the impacts of facilitators in the contents of discussions. That's why the results of group discussions and practices almost reflected opinions of provincial representatives.

Logistics. ISG, CECI, CIDA, WB, MARD Planning Department, Department of National Economic Issues of MPI. CECI, CDEEP project and ILMC project in Sóc Trăng and Thanh Hoá funded local participants. ISG funded central participants. International participants covered their own costs.

III. Some remarks through the consultation process to prepare for the establishment of policy dialogue focal point and workshop with 5 provinces

- 1. Provincial policy dialogue focal point can bring about a better cooperation mechanism** not only vertically between the central and provincial level but also strengthen the horizontal cooperation between the agriculture and rural development sector and other ministries, agencies as well as international donors at both central and local level. Especially, DARDs can improve their activeness in cooperation with other sectors, central agencies and donors to develop and carry out their tasks. This is of great benefit in the context of higher decentralization.
- 2. Provinces clearly show their interest and commitment to CPRGS and result-based planning** with their partners at all levels. Most of provinces, however, have not yet had complete data/information and evidence-based analysis to make the basis for dialogue. Moreover, policy dialogue skills (especially foreign language and access approach) are being obstacles, which need to be overcome with the support from international donor community.

3. **Cooperation between sectors and localities has not been complete and consistent.** This is partly due to the lack of specific guidance on how to integrate CPRGS and combine vertical development orientation from the central and bottom-up planning; there is a shortage of integrated coordination between decentralize planning and budgeting, and in strengthening capacity for local levels.
4. **Participatory and result-based planning approach has not been introduced in a standard way in guidance documents.** Especially, use of the result of Monitoring and Evaluation (M&E), public expenditure review (PER), public investment program (PIP) and mid-term expenditure framework (MTEF) has not been coherently described in planning sat all levels.
5. **Local agriculture and rural development sectors lack of information regarding CPRGS and planning reform.** There is a common think that CPRGS is a separate activity from local socio-economic development plan, and regular budget planning and allocation at each level. Additionally, the conjunction between “growth” and “poverty reduction” needs to be clarified both conceptually and practically in guidance documents of agencies since these concepts will be represented in strategies, policies and priorities which are being developed by localities.
6. Although MPI is providing guidance on CPRGS-based planning for localities but line ministries have not been prepared for cooperation. Whereas, centrally oriented sectoral planning mechanism still exist. Vertical mechanism and relations in plan development: **Ministry of Planning and Investment – Provincials Department of Planning and Investment, line ministries – line provincial departments** should be supplemented with a horizontal mechanism.

IV. Some recommendations

1. MARD to hold a “**National Workshop on CPRGS result-base oriented planning in agriculture and rural development sector**” to strengthen the coordination with concerned Ministries and provinces. The workshop needs the coordination with MPI, GSO, concerned Ministries and donor community.
2. Developing **official guidelines on planning** for Government agencies and **a standard set of training documents** for both levels: trainers and trainees who participate in similar training workshops in other localities. 5 provinces participating in the Soc Trang and Thanh Hoa workshops believed that after training, they could apply the standard training documents to train other colleagues including the ones at district level. This proposal was submitted to WB office in Hanoi by ISG Secretariat and received a positive response.
3. **Support should be provided for provinces** in training and giving guidelines to integrate poverty reduction with result based planning, with reference to the standard training documents and learning-by-doing method. In addition, it is needed to assist provinces in poverty data collection and analysis. In the long-term, with the direct support from donor community, it is also needed to **enhance skills in support of policy dialogue and policy dialogue preparation.**
4. **Coordinating resources** is a key factor in the context when there is a need for unified methodologies as well commitments of stakeholders. As found at many internal meetings between ISG members, the system of provincial policy dialogue platforms should take full use of existing resources from donor-funded projects and from on-going donors’ activities in their provinces; the existing line system of MPI and MARD

as well as FSSP, NDM, VNWP, and TAGs of ISG. At present, similar activities as participatory poverty assessment of 8 donors to be carried out in 20 provinces, or training courses by MPI being held under Poverty Reduction Task Force with a leading role of WB should be combined to ensure systematization and maximization of resources.

5. Continuously discussing on other topics. MARD's report presented in the mid term CG meeting 2004 held in Vinh City "Implementation of CPRGS in Agriculture and Rural Development" proposed 4 topics for discussion. These 4 topics were stressed as giving comments by an informal group of donors on the ISG Briefing Advisory on agriculture and rural development.
 - i. Priority areas and actions of implementing CPRGS in agriculture and rural sector;
 - ii. Role of MARD and provincial DARDs in CPRGS implementation;
 - iii. Cross-sectoral coordination between MARD and related GoV agencies;
 - iv. How the international donors and NGOs can coordinate and support the best for CPRGS implementation in agriculture and rural development sector;

In fact, 4 mentioned above topics are still valid for activities of the provincial policy dialogue platforms and the framework of TAGs.

**THE MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT
DEPARTMENT OF PLANNING**

Hanoi, 19 October 2004

SUMMARY OUTCOMES OF THE WORKSHOP ON

**AGRICULTURE AND RURAL DEVELOPMENT:
RENEWAL OF PLANNING METHODOLOGY IN CONJUNCTION WITH
COMPREHENSIVE POVERTY REDUCTION AND GROWTH STRATEGY**

Dated 15th October 2004, the Ministry of Agriculture and Rural Development (MARD), in association with the Ministry of Planning and Investment (MPI) and some international donors, hold a workshop entitled “Agriculture and rural development: renewal of planning methodology in conjunction with comprehensive poverty reduction and growth strategy” in MARD, Meeting Room 201-B6, No 2 Ngoc Ha, Ba Dinh-Ha Noi.

Participating in and presided over the workshops: Mr. Diep Kinh Tan-Deputy Minister of MARD, Mr. Klaus Rohland-Director of World Bank in Viet Nam, Mr. Cao Viet Sinh, Director of National Economy Department and Mr. Pham Hai, Director of Local and Territory Department-MPI.

Other participants in the workshop included: representatives from nine PDARD and PDPI of Son La, Thai Nguyen, Nam Dinh, Ninh Binh, Thanh Hoa, Quang Tri, Dak Lak, An Giang and Tra Vinh, representatives from Departments under MARD and some international organizations in Ha Noi.

In the Opening Ceremony, Deputy Minister Diep Kinh Tan- the representative from MARD had a remarkable speech. In this speed, the implementation of the Directive 33/2004-CT-TTg of the government of Viet Nam to formulate the 5 year plan of 2006-2010 for socio-economic development and the necessary to renew planning methodology had been highlighted in order to meet requirements in new periods. Following by Mr. Klaus Rohland’s speech, Director of WB in Hanoi on supporting the process of renewing planning methodology, emphasizing on multi-participants in planning process, and some initiatives need to be discussed.

Reports were presented at the workshop: Current situation of planning process, orientations to renew planning methodology on agriculture and rural development; requirements, contents and methods to prepare five year plan 2006-2010, new methodology to formulating plan based on development strategy and comprehensive poverty reduction (CPRGS); experiences on horizontal cooperation in formulating plan with participation from various parties; monitoring indicators, and evaluating the plan implementation etc, presented by MARD and MPI.

Reports on renewal of planning methodology for agriculture and rural development, presented by DARDs and PDPIs of Thai Nguyen, Thanh Hoa and Tra Vinh, also had been discussed in the workshop. Those reports focused on analyzing advantages and disadvantages, experiences and lessons drawing from pilot project at local levels, and proposed some solutions, initiatives.

In the workshop, there were some international experiences in formulating plan, presented by experts from WB. Working groups to discuss planning tools, basic contents in outline on guideline in formulating plan and necessary stages in this process had been taken during the workshop. Some other contents and action plans have also been proposed for the next stages.

After a hard-working day, all agreed that contents and planning methodology should be renovated and in conjunction with comprehensive growth and poverty reduction. A number of proposals, initiatives and implementing methods have been adopted. At the same time, some specific activities are also taken into account such as:

- The MARD, in association with some other ministries, sectors, experts and donors continue to accomplish the draft guideline on formulating medium term plan according to new approach for agriculture and rural areas.
- Pilot project on applying a newly planning approach to the five-year plan of 2006-2010; continue fulfilling methodology serving plan formulation.

This is summary report on the workshop entitled “Agriculture and rural development: renewal of planning methodology in conjunction with comprehensive poverty reduction and growth strategy”- reported by the Planning Department-MARD.

Department of Planning of MARD appreciates the help from donors and participants, and hope that we continue to receive your supports and cooperation in the next time.

References:

- MARD, 2004: *Implementation of Comprehensive on Poverty Reduction and Growth Strategy (CPRGS) in Agriculture and Rural Development* (report in CG-midterm Meeting 2004 in Vinh)
- Poverty Reduction Task Force, 2003: a series of reports on *Poverty Assessment with Community Participatory*
- ISG, 2004: *ISG Work plan 2004 - 2006*
- ISG and CECI, 2004: *Action plan with Policy Dialogue Platfroms* (Draft)
- ISG and CECI, 2004: Workshop documents “*CPRGS and result based planning*” for 5 provinces including *An Giang, Soc Trang, Tra Vinh, Thai Nguyen và Thanh Hoa*
- ISG, 2003: *Proposal for establishment of Policy Dialogue Platfroms* (draft)

TRANSPORT PARTNERSHIP GROUP

1. Partnership Assessment

1.1 The status of the partnership group

Since its establishment in July 2000, the group has consolidated information and experience on projects and programs in the transport sector in order to encourage the alignment of supports and the improvement of aid effectiveness. The group is currently moving toward a forum of active discussion on sector issues and in joint policy formulation. A new approach – focusing on a few specific policy issues for active discussion -- has been introduced since the 8th partnership meeting in May 2004. The focus of the partnership to date has been on two specific agendas, “Road Maintenance” and “Hanoi Urban Transport.”

1.2 The structure of the partnership group

Presently, MOT and JBIC jointly chair the partnership group with participants from MOT-affiliated organizations and donors involved in the sector. The partnership group values flexibility in its membership and actively involves new participants relevant to discussed topics. Hanoi People’s Committee (Hanoi PC) participated in the 8th and 9th partnership meetings which focused on specific issues in the transport sector in Hanoi.

2. Activities of the partnership group and its members

2.1 The 9th Transport Partnership Working Group Meeting

The 9th transport partnership meeting was held on October 27, 2004 with the focus being on “Road Maintenance” and “Hanoi Urban Transport”. In addition, discussion was held on “Donors’ Inputs to the next SEDP” (For details, please see **3. Socio Economic Development Plan**).

MOT updated the progress of the sector/subsector strategies and the ongoing/pipeline projects. Additionally, MOT stated challenges in the transport sector, including ODA disbursement, rural transport, coordination among project management groups, and adoption of BOT modalities. On “Road Maintenance”, VRA introduced its vision statement to donors. One of the goals of the statement is to properly position donors’ support in the long-term organizational strategy. VRA intends to refine the vision statement over time through inputs from involved stakeholders. On “Hanoi Urban Transport”, a presentation was made by Hanoi PC on the proposed tramway project in Hanoi. In addition, JICA provided an overview of its Hanoi City Master Plan and referred to two lessons from its study in HCMC (“Strong financial base” and “Stepwise shift from busway to urban train”). Given that several mass transit projects are being considered within the greater Hanoi area, it is anticipated that Hanoi PC will be the coordinating agency for these projects.

2.2 Efforts to align supports for the improvement of aid effectiveness

(1) Road management system at VRA

Several donors are currently supporting VRA in building maintenance capacity for national highways. After the discussion held in the previous partnership meeting in this May, the group members regard “Road Maintenance” as the area which could receive significant gains from coordination among stakeholders, especially ADB, DFID, JBIC, and WB where support to maintenance programs have recently commenced. MOT, VRA, and donors shares the perception that VRA, as a user of the road management system, is in a focal position to handle the overlap issue. With the recent commencement of the ADB project, stakeholders have commenced coordination activities in order to avoid duplication and to achieve

effective division of roles among the involved donors. Stakeholders agreed to hold regular coordination meetings. .

(2) Capacity building for provincial transport

WB and DfID have assisted the capacity building of local provincial/district road authorities and are currently preparing the third program. ADB is preparing a project to support capacity building of PDOTs in the central region. MOT has recently initiated coordination process for the capacity building activities. Following MOT's initiative, donors are discussing ways in conceptualizing a framework to align supports in this subsector. The framework would ensure the compatibility of maintenance procedures for national highways and provincial/district roads. The process of coordination will be shared through the partnership group and/or other appropriate venues

(3) Mass transit system in Hanoi:

Hanoi PC and the French government recently reached an agreement in principle on the support to the tramway project in Hanoi. WB is conducting a study on bus transit system and preparing a transport project including the reorganization of public bus system in Hanoi. Both the French government and WB recognize the importance of smooth inter-modal transport systems. Several coordination plans including common ticketing system and transit terminals are being considered by the two donors and Hanoi PC. The F/S of the tramway project contains the analysis on the integration of different transportation modes. This analysis and other studies will be shared among stakeholders and fed into JICA's Master Plan Study. JICA's study is expected to become one of the coordination tools to align supports.

3. Socio Economic Development Plan

3.1 Defining donors' inputs to the SEDP

PM's instruction, which suggests that several new components be added to the next SEDP, was taken into consideration in the process of defining donors' inputs. Some of these new components are relevant to CPRGS. In the transport sector, the partnership group is expected to play a vital role in channeling inputs from donors to the line ministry (MOT). After the mid-term CG, both MOT and donors exchanged views on "How donors can become more involved in the planning process" and "What kind of inputs are required by MOT in formulating the next SEDP."

3.2 Consensus at the 9th Transport Partnership Meeting

At the 9th Transport Partnership Working Group Meeting, the participants reached a consensus on the outline of donors' inputs. In this outline, donors' inputs would include both sector overview and sector issues. On sector overview, gaps between sector strategies such as VITRANSS and the current status of the sector would be examined. In particular, the alignment of sector strategies and ongoing/pipeline projects would be reviewed. This analysis would identify sector issues and gaps between prioritized investment in strategies and actual investment. Sector issues would include "Maintenance and Operation" and "Monitoring Framework (indicators can be taken from CPRGS and other researches)." Furthermore, broad participation of stakeholders would be ensured through workshops. The analysis on these issues and organizing workshops can contribute to the integration of the SEDP and CPRGS. Other Studies in the transport sector such as including WB's "Public Expenditure Review" and the infrastructure development study would be reviewed for further refinement of donors' inputs.

For accurate estimation of public expenditure, MOT emphasized the importance of information on donors' support for both investment and maintenance funding over the period covered by the next SEDP. Donors agreed in principal to provide the above information to MOT.

5. Actions for the Next 12 Months

- To provide MOT with inputs to the SEDP by utilizing DfID's support.
- To organize regular Government/Donor coordination meetings on road management system to ensure a focused and sustainable approach to this issue.
- To provide VRA with inputs for the refinement of its vision statement.
- To share the progress of master plans and the F/S related to the transport sector in Hanoi and, with the lead of Hanoi PC, provide inputs for refining these planning activities.

**TRANSPORT SECTOR ASSISTANCE PROJECTS IN VIETNAM
TRANSPORT PARTNERSHIP GROUP**

PROJECT	DONOR	STATUS	DURATION	CONTACT
Road Improvement	ADB	Completed	1993-2001	
Sai Gon Port	ADB	Completed	1994-2001	
Second Road Improvement	ADB	Completed	1997-2003	
Third Road Improvement	ADB	Ongoing	1998-2005	wcostin@adb.org ldthang@adb.org
GMS: HCMC-Phnom Penh Highway	ADB	Ongoing	1998-2005	wcostin@adb.org ldthang@adb.org
GMS: East-West Corridor	ADB	Ongoing	2000-2005	wcostin@adb.org ldthang@adb.org
Provincial Roads Improvement	ADB	Ongoing	2001-2006	wcostin@adb.org ldthang@adb.org
Central Region Transport Network	ADB	Preparation Stage	2005-2010	pvalley@adb.org wcostin@adb.org ldthang@adb.org
GMS: Kunming-Haiphong Corridor	ADB	Preparation Stage	2005-2010	ytanaka@adb.org wcostin@adb.org ldthang@adb.org
GMS: Southern Coastal Corridor	ADB	Concept Stage	2006-2011	pvalley@adb.org wcostin@adb.org ldthang@adb.org
Implementation of Sector Development Policy (Road Information and Management System)	ADB	Consultants mobilized	2004-2005	pvalley@adb.org wcostin@adb.org ldthang@adb.org
F/S on rehabilitation of Long Bien bridge	France (MoF)	Completed	2004	thanh-binh.nguyen@missioneco.org
F/S of tramway line on Road 32	France (MoF)	Completed	2004	thanh-binh.nguyen@missioneco.org
Study on Integrated Long-term Public Transport Development Plan in Hanoi	France (FFEM: AFD / MoF)	Ongoing	2004	freyf@groupe-afd.org thanh-binh.nguyen@missioneco.org
Rehabilitation of 15 Main-Line Locomotives	KfW	completed	15.03.1996 - 2000	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Feasibility Study on Urban Railway System of Hanoi	KfW	completed	1999-2000	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Supply of Modern Railway Cranes	KfW	Ongoing	2000-2003	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Workshop Programme Danang	KfW	Ongoing	19.05.1999 - 2004	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Main Line Locomotives	KfW	Ongoing	Begin: 11.10.2001	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Hopper Suction Dredger	KfW	Ongoing	Begin: 29.08.2000	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Vietnam Railway Control Center	KfW	Feasibility Study	Strat:2005	Dr. K. Mueller; Mr. Nguyen Van Minh: office@kfwn.com
Vietnam Railways Project	GTZ	Ongoing	2001- 2006	Mr. Nguyen Van Tau gtzvr@hn.vnn.vn
National Highway No. 5 Improvement Project	JBIC	Ongoing	1996 – 2004	Makoto Uchida, JBIC m-uchida@jbic.go.jp
National Highway No. 1 Bridge Rehabilitation Project	JBIC	Ongoing	1996 - 2005	Makoto Uchida, JBIC m-uchida@jbic.go.jp

Second National Highway No. 1 Bridge Rehabilitation Project	JBIC	Ongoing	1999 - 2004	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Third National Highway No. 1 Bridge Rehabilitation Project	JBIC	Ongoing	2003 - 2009	Makoto Uchida, JBIC m-uchida@jbic.go.jp
National Highway No. 10 Improvement Project	JBIC	Ongoing	1998 -2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
National Highway No. 18 Improvement Project	JBIC	Ongoing	1998 -2008	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Bai Chay Bridge Construction Project	JBIC	Ongoing	2001 - 2008	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Binh Bridge Construction Project	JBIC	Ongoing	2000 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Red River (Thanh Tri) Bridge Construction Project	JBIC	Ongoing	2000 - 2008	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Can Tho Bridge Construction Project	JBIC	Ongoing	2001 - 2009	Makoto Uchida, JBIC m-uchida@jbic.go.jp
National Highway No. 1 Bypass Road Construction Project	JBIC	Ongoing	2001 - 2009	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Hai Van Tunnel Construction Project	JBIC	Ongoing	1997 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Rural Development and Living Standard Improvement Project III (Rural Road)	JBIC	Ongoing	1999 - 2006	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Small-Scale Pro Poor Infrastructure Development Project (Rural Road)	JBIC	Ongoing	2003 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Hanoi – Ho Chi Minh City Railways Bridge Rehabilitation Project	JBIC	Ongoing	1994 - 2005	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Hai Phong Port Rehabilitation Project (Phase II)	JBIC	Ongoing	2000 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Cai Lan Port Expansion Project	JBIC	Ongoing	1996 - 2005	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Da Nang Port Improvement Project	JBIC	Ongoing	1999 - 2004	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Coastal Communication System Project in Southern Vietnam	JBIC	Ongoing	2000 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Tan Son Nhat Airport International Terminal Construction Project	JBIC	Ongoing	2002 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Sai Gon East-West Highway Construction Project	JBIC	Ongoing	2000 - 2007	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Transport Infrastructure Development Project in Hanoi	JBIC	Ongoing	1999 - 2006	Makoto Uchida, JBIC m-uchida@jbic.go.jp
National Weak Bridges Reconstruction Project	JBIC	Ongoing	2004 - 2008	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Hanoi – Ho Chi Minh City Railways Bridge Rehabilitation Project (III)	JBIC	Ongoing	2004 - 2009	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Cai Mep-Thi Vai International Port Development project	JBIC	Proposed	2004 - 2012	Makoto Uchida, JBIC m-uchida@jbic.go.jp
National Highway No.3 Construction Project	JBIC	Proposed	2005-	Makoto Uchida, JBIC m-uchida@jbic.go.jp
Detailed Design Study of CAI MEP-THI VAI International Terminals	JICA	Ongoing	2004-2006	Komori katsutoshi, JICA komori@jica.org.vn
Traffic Safety Program	JICA	Ongoing	2004-2005	Komori katsutoshi, JICA komori@jica.org.vn
Study on Urban Transport Master Plan and Feasibility Study in HCN	JICA	Ongoing	8/2002-6/2004	Komori katsutoshi, JICA komori@jica.org.vn

Metropolitan Area				
Study on urban transportation master plan in Hanoi (as one component of the Hanoi City Planning Master Plan)	JICA	Proposed	2004-2006	Komori katsutoshi, JICA komori@jica.org.vn
Project for Reconstruction of Bridges in Mekong Delta Area	GOJ/JICA	Completed	6/2001-3/2004	Komori katsutoshi, JICA komori@jica.org.vn
Project for Reconstruction of Bridges in the Central District	GOJ/JICA	Ongoing /Proposed	4/2002-3/2006	Komori katsutoshi, JICA komori@jica.org.vn
Urban Transport Improvement Project	WB	Ongoing	11/1998-12/2003	Edward Dotson/ Shomik Mehndiratta edotson@worldbank.org
Inland Waterways and Port Rehabilitation Project	WB	Ongoing	03/1998 - 09/2005	Simon Ellis sellis1@worldbank.org
Mekong Transport and Flood Protection Project	WB	Ongoing	06/2001 - 06/2006	Maria Margarita Nunez mnunez@worldbank.org
Road Network Improvement Project	WB	Ongoing	12/2003-9/2008	Jerry Lebo jlebo@worldbank.org
Road Safety Project	WB	Under preparation	2005-2010	Jerry Lebo jlebo@worldbank.org
Hanoi Urban Transport Development Project	WB	Under preparation	2006-2011	Shomik Mehndiratta smehndiratta@worldbank.org
Mekong Transport Infrastructure Development project	WB	Under preparation	2006-2011	Simon Ellis sellis1@worldbank.org
Second Rural Transport Project	WB/DFID	Ongoing	01/05/2000 - 12/2005	pid1pmu18@fpt.vn Simon Lucas s-lucas@dfid.gov.uk or Simon Ellis sellis1@worldbank.org
Third Rural Transport Project:	WB/DFID	Proposed	2005 - 2010	pmu5@hn.vnn.vn Simon Lucas s-lucas@dfid.gov.uk Simon Ellis sellis1@worldbank.org
Rural Road Surfcing Reasearch	WB/DFID	Ongoing	01/05/2003 - 12/2005	RITST or Robert Petts intech-trl@fpt.vn
Review of Rural Road Strategy	DFID	Proposed	July 2005-	Simon Lucas s-lucas@dfid.gov.uk
Transport sector co-ordination	JBIC/DFID	Design	TBC	TBC
Trasnpport Safety Design Work	NZ/DFID	Design	TBC	TBC

PARTNERSHIP NOTE IN THE LEGAL SECTOR

Partnership Update, December 2004

A major event of the year was the National Judicial Conference, held in Ha Noi in April, reviewing the achievements and challenges of the two years of implementation of Politburo Resolution No8 on Key Judicial Tasks (issued in January 2002). Subsequent to the Conference, a long-term strategy on judicial reforms has been drafted and submitted to the National Steering Committee for Judicial Reform. Indications are that the strategy, when approved, would give the strategic directions for the renovation of the court system, the procuracy, and investigation as well as quasi-judicial bodies to enhance judicial independence and the overall capacity of the judiciary. It is expected that the strategy will be finalized and submitted to the Politburo by the end of 2004 for consideration.

While a Judicial Reform Strategy is being formulated, a number of components of the judicial reform agenda have been taken place. The year of 2004 has focused on ensuring appropriate understanding of the new requirements of the new Criminal Procedure Code for uniform implementation by judicial agencies, including the court, procuraty and investigation agencies. A number of training activities have been carried out for judges, prosecutors and investigators with support from the donor community. It is expected that with this initial reform in the criminal justice, there will be less judicial errors and more accountability of judicial institutions/officials to ensure that legitimate rights of the citizens and people will be more adequately protected. The civil justice has been also improved by promulgated the first ever Civil Procedure Code this year, laying out a clearer and predictable procedure for people to access justice. The Code will come into force since January 1, 2005.

In conjunction with the upcoming judicial reform strategy, the Legal Systems Development Strategy, based on the multi-donor funded Legal Needs Assessment, is also being finalized. While expectations are that the judicial reform strategy and the LSDS will complement each other, details of the contents of the two strategies are not publicly available.

Meanwhile, the fight against corruption has emerged a key focus area of the Party and the Government of Viet Nam. At the October session of the National Assembly, Prime Minister Phan Van Khai stated that a specialized anti-corruption body would be established. Another indication of the political commitment to the issue was Viet Nam's signing of the UN Convention against Corruption late last year. The Government Inspectorate has been mandated to prepare for the ratification of the Convention, as well as developing a national strategy on anti-corruption, and has invited donors to provide assistance in this process.

To update the donor community about recent development in the legal and judicial sectors the Legal Partnership Forum has been created under UNDP-SIDA-DANIDA funded project, based at MOJ, supporting the implementation of the Legal System Development Strategy. The first forum was held in December last year and the second one took place in November this year, where the donor community was briefed about the current status of the judicial reform agenda, including the drafting of the judicial reform strategy, the update on LSDS development, anti-corruption efforts/policy, Access to Justice from a perspective of the new Criminal Procedure and Civil Procedure Codes.

MEMBERS OF THE LEGAL PARTNERSHIP GROUP

No	REPRESENTATIVES	PARTNERS	CONTACT NUMBER
1	Mr. Jordan Ryan, Resident Representative	UNDP	ryan@undp.org.vn
2	Mr. Subinay Nandy, Deputy Resident Representative (P)		subinay.nandy@undp.org
3	Mr. Jonas Lovkrona, Governance Advisor		jonas.lovkrona@undp.org
4	Mr. Luu Tien Dung, Programme Officer		luudung@undp.org.vn
5	Ms. Katrine Pedersen		pedersen@undp.org.vn
6	Mr. Doris Buddenberg	UNODC	Doris.Buddenber@unodc.org
7	Mr. Troels Vester		Troels.Vester@unodc.org
8	Mr. Klaus Rohland, Country Director	WB	krohland@worldbank.org
9	Mr. Soren Davidsen, Governance Specialist		sdavidsen@worldbank.org
10	Mr. Ramesh Adhikari – Principal Governance Specialist	ADB	radhikari@adb.org
11	Mr. Dao Viet Dung, Governance and Public sector Reform Specialist		dvdung@adb.org
12	Mr. Jan-Olof Agrell, Minister for Development Cooperation	Sweden	
13	Ms. Annette Dahlstrom,		anette.dahlstrom@sida.se
14	Mr. Vu Tuan Minh, Programme Officer		mr.minh@sida.se
15	Dr. Lars Goran Malmberg, Project Coordinator	A SIDA funded Project	largm@fpt.vn
16	Mr. Rolf Larsson, Leader of Sida Policy Dev Forum		rolf.larsson@servisen.se
17	Mr. Phan Nguyen Toan, National Legal Expert		pntoanleadco@hn.vnn.vn
18	Mr. FUJIWARA Hiroaki, Counselor	Japan Embassy	hiroaki.fujiwara@mofa.go.jp
19	Mr. KIKUMORI Hiroshito, Second Secretary of Dev. Cooperation		
20	Mr. Soma Atsushi, Deputy Resident Representative	JICA Deputy Rep.	soma@jica.org.vn
21	Mr. Morinaga, Taro JICA Legal Expert and Prosecution Attorney	JICA experts	tkmorinaga@fpt.vn
22	Mr. Sakakibara, Shinji JICA Legal Expert and Judge		emuwan.shinji@nifty.ne.jp
23	Mr. Anders Jorgensen Counsellor (Development Cooperation)	Danish Embassy	anbajo@um.dk
24	Mette Jacobsgaard, Senior Legal Advisor JOPSO, Danida	DANIDA funded Legal Reform Project (JOPSO)	sla@jopso.org.vn
25	Ms. Susanne Ravn, JOPSO, Danida		pc@jopso.org.vn
26	Ms. Anne-Dorte Johansen, JOPSO, Danida		jpo@jopso.org.vn
27	Mr. Dean Frank	Canadian Emb., CIDA	dean.frank@dfait-maeci.gc.ca
28	Ms. Vu Thi Yen, Programme Officer		Vu.yen-thi@dfait-maeci.gc.ca
29	Mr. Michael McCabe, PIAP – CIDA	CIDA funded Projects	mmccabe@piap.org.vn
30	Mr. Isabeau Vilandr�, LERAP - CIDA		lerap@fastmail.fm
31	Mr. Nghiem Thanh Tung LERAP – CIDA		tung@fastmail.fm

No	REPRESENTATIVES	PARTNERS	CONTACT NUMBER
32	Ms. Pham thi Le Dung, Programme Assistant USAID	USAID	Dpham@usaid.gov
33	Mr. Dennis Zvinakis: USAID Country Manager	USAID	dzvinakis@usaid.gov
34	Mr. Hank Baker, STAR Vietnam, USAID	STAR Project	hankbaker@fpt.vn ,
35	Mr. Steve Parker, STAR Vietnam, USAID		steve_parker@dai.com ,
36	Mr. John Bentley, STAR Vietnam, USAID		johnbentley@fpt.vn
37	Ms. Helle Weeke, STAR Vietnam, USAID		Helle_weeke@dai.com
38	Mr. Nguyen Quang Hung, STAR Vietnam, USAID		hung.starvn@fpt.vn
39	Ms. Sandra Henderson, Australian Embassy	Australian Embassy	Sandra.Henderson@dfat.gov.au
40	Mr. Russell Miles, Focal	AusAid	russell.miles@dfat.gov.au
41	Ms. Nguyen Thu Phuong, Senior Programme Officer		thu-phuong.nguyen@dfat.gov.au
42	Mr. Graham Alliband	AusAid Funded CEG	Galliband@ceg.edu.vn
43	Mr. Fabien Dulphy, Maison du Droit	Vietnamese-French House of Law	Fabien.dulphy@maisondu droit.org
44	Mr. Serge Durand, Maison du Droit		Serge.durand@maisondu droit.org
45	Mr. Dao Minh Chau	SDC	minhchau@sdc.net
46	Mr. Francisco Fontan Pardo, Deputy Head of Cooperation, EC Delegation	EU	Francisco.Fontan@cec.eu.int
47	Mrs. Vu Thi Tuan Anh, Programme Officer, EC Delegation		anh.vu@cec.eu.int

MATRIX OF DONOR ASSISTANCE IN THE LEGAL SECTOR

GENERAL SUPPORT						
Area of support	Donors	Key objectives	Counterparts	Status	Start-end dates	Contact persons
Support the Legal System Development Strategy	UNDP/SIDA/DANIDA /WB/ADB UNDP/SIDA/DANIA	To strengthen the Management Capacity for the LSDS implementation To implement a number of high priorities of the legal and judicial reform agenda	MOJ and other legal agencies	On going On going	Sep. 2003- Sep. 2007 Sep. 2003-Sep. 2007	UNDP: Luu Tien Dung at luudung@undp.org.vn or Katrine Pedersen at pedersen@undp.org.vn SIDA : Anette Dahlstrom at anette.dahlstrom@sida.se or Mr. Vu Tuan Minh at mr.minh@sida.se DANIDA: Mr. Anders Jorgensen Counsellor at anbajo@um.dk WB : Hoi-Chan Nguyen Hnguyen3@worldbank , Or Soren Davidsen sdavidsen@worldbank.org ADB: Mr. Ramesh Adhikari at radhikari@adb.org or Mr. Dao Viet Dung at dvdung@adb.org
Professional advice and assistance in carrying out legal reforms needed for the implementation of the Bilateral Trade Agreement between Viet Nam and the United States (BTA) and accession to WTO	USAID/STAR	To create a legal environment for implementation of the BTA and accession to WTO	36 government and state agencies at the national level, and 10 provincial/ city governments	On going	2002-2005	Mr. Steve Parker: steve_parker@dai.com Mr. John Bentley at johnbentley@fpt.vn Mr. Hank Baker at hankbaker@fpt.vn Mr. Phan Vinh Quang at Quang.starvn@fpt.vn Ms. Helle Weeke at helle_weeke@dai.com
EC Institutional Support Programme (ISP) for Vietnam (EC contribution: 8 million Euro)	EC	Institutional support to the legislative and legal/judicial sectors in Vietnam pertaining to integration	M OJ, ONA, SPC, SPP	Planned	2004 three years	Mr. Francisco Fontan Pardo at Francisco.Fontan@cec.eu.int ; and Mrs. Vu Thi Tuan Anh at

		issues including a) policy advice and institutional support and b) capacity building and training.				anh.vu@cec.eu.int
LAW MAKING AND DRAFTING, INCLUDING SPECIFIC LEGISLATION						
Area of support	Donors	Key objectives	Counterpart	Status	Start-end dates	Contact persons
Strengthening legislative drafting process	UNDP	To strengthen capacity of reviewing constitutionality, legality and consistency of normative legal documents	MOJ	On going	Sep. 2003	Luu Tien Dung at luudung@undp.org.vn or Katrine Pedersen at pedersen@undp.org.vn
Support for developing a follow-on Roadmap for changes to laws, regulations, and procedures needed to implement the BTA and to accede to WTO	USAID/STAR	Support a research study and workshops by MOJ and related agencies	MOJ	On going	2004	Ms. Helle Weeke at helle_weene@dai.com
Support for developing a Legislative Development Report ("LDR") for National Assembly legislative action needed to implement the BTA and Accede to WTO	USAID/STAR	Support a research study, workshops and publication of the Report by the ONA Center for Legal Information, with dissemination to all Deputies and relevant NA staff	ONA	On going	2003	Ms. Helle Weeke at helle_weene@dai.com
Revision of Commercial Law	UNDP	To revise the Trade Law	MOT	On going	2003	Khuong Viet Thang at viethang@undp.org.vn
Revision of the Commercial Law	USAID/STAR	Workshops and comments on drafts to develop a consistent, effective set of contract provisions and enabling legislation regarding trade in goods and services	MOT/NA	On going	2003-2005	Ms. Helle Weeke at helle_weene@dai.com
Amending the Civil Code	USAID/STAR	Workshops and comments on draft amendments to develop a consistent, effective set of contract provisions, clearer IPR protection, more effective protection of property rights more generally, and an effective regime for secured transactions.	MOJ/NA	On going	2003-2005	Mr. John Bentley at johnbentley@fpt.vn
Repeal of Ordinance On Economic Contracts	USAID/STAR	Workshops to develop a consistent, effective set of contract provision to	SPC/NA	On going	2003-2004	John Bentley at johnbentley@fpt.vn

		ensure clarity in applicable law to contracts in Vietnam.				
Drafting the new Civil Procedure Code	USAID/STAR	Workshops and comments on drafts to develop effective rules of procedures for court operations in compliance with BTA/WTO and best practices to effectively handle IPR and civil cases.	SPC/NA	Completed	2003-2004	John Bentley at johnbentley@fpt.vn
Drafting implementing regulations for the Civil Procedure Code	USAID/STAR	Workshops and comments on drafts to develop effective procedures for court operations in compliance with BTA/WTO and best practices to effectively handle IPR and civil cases.	SPC	Just begun and on-going	2004-2005	John Bentley at johnbentley@fpt.vn
Revision of Ordinance on Procedures for Administrative Cases	USAID/STAR	Workshops and comments on drafts to develop effective procedures for judicial review of administrative actions in line with BTA/WTO requirements.	SPC	On going	2003/2005	John Bentley at johnbentley@fpt.vn
Draft of SOE Law and Revision of Cooperative Law	UNDP	To increase a more efficient business environment	CIEM	On going	2003	Do Thi Nguyet Nga at nga@undp.org.vn
Draft of government regulations on business registration and licenses	UNDP	To effectively implement the Enterprise Law	CIEM	On going	2003	Do Thi Nguyet Nga at nga@undp.org.vn
Draft of a Law on Investment	UNDP	To create an uniformed legal basis for both foreign and domestic investment	CIEM	On going	2003-2004	Do Thi Nguyet Nga at nga@undp.org.vn
Draft Common Investment Law and Unified Enterprise Law	USAID/STAR	Workshops, support for research studies and comments on drafts to develop a level playing field for all business sectors in line with the commitments in the BTA and WTO and best practices to enable more and better investment.	MPI /CIEM/ PMRC	On going	2004-2005	John Bentley at johnbentley@fpt.vn
Draft Competition Law	UNDP	To create a legal foundation for fair competition in business	MOT	On going	2001-2004	Steven Geiger at steven.geiger@undp.org
Draft Competition Law	USAID/STAR	Workshops and comments on drafts to develop healthy competitive	NA (Committee on	On going	2004	John Bentley at johnbentley@fpt.vn

		environment for businesses in line BTA and WTO commitments	Economy and Budget)			
Draft regulations on customs valuation, classification, post-entry audit and border measures for IPR enforcement; amendment to the Customs Law	USAID/STAR	Workshops and comments on drafts to develop WTO/BTA compliant customs regulations in these areas.	MOF/ Customs	On going	2003-2005	Phan Vinh Quang at Quang.starvn@fpt.vn
Amended Law on Complaints and Denunciations	USAID/STAR	Workshops, support for research studies, regional study tour and comments on drafts to develop effective, BTA/WTO-compliant mechanisms for handling administrative complaints and judicial review of administrative decisions	SI/IAC	On going	2003-2004	John Bentley at johnbentley@fpt.vn
Law on Electronic Transactions	USAID/STAR	Workshops and comments on drafts to develop effective rules on electronic transactions to enable trade in goods and services, and development of e-government and e-customs	NA/S&T Committee	On going	2004-2005	Phan Vinh Quang at Quang.starvn@fpt.vn
Law on Concluding and Implementing International Treaties	USAID/STAR	Workshops and comments to develop a BTA/WTO compliant law to enable the effective implementation of international treaties	MOFA	On going	2004-2005	John Bentley at johnbentley@fpt.vn
Ordinance on Commercial Arbitration and implementing regulations	USAID/STAR	Comments on drafts to develop effective, BTA/WTO-compliant rules for commercial arbitration and enforcement of arbitral awards	VLA/SPC/ MOJ	Completed	2003	John Bentley at johnbentley@fpt.vn
Ordinance on Anti-Dumping	USAID/STAR	Workshops and comments on drafts to develop WTO compliant rules and procedures for anti-dumping cases	MOT/NA	Completed	2003-2004	Ms. Helle Weeke at helle_weeke@dai.com
Bankruptcy Law	USAID/STAR	Workshop and comments on a draft to develop effective legislation on bankruptcy	NA/CEBA	Completed	2004	John Bentley at johnbentley@fpt.vn
Development of Regulations on	USAID/STAR	Workshops on BTA/WTO	MOPT	Completed	2003-2004	Steve Parker

Telecommunications		requirements and comments on drafts to develop effective regulations in telecommunications to foster competition, liberalization and regulation in line with the BTA/WTO commitments.				Steve_parker@dai.com
Amendment of the Law on Local Election and the Law on Organization of People's Councils and Committees	UNDP	To support the debate on amendment of the law and in consultation with people's councils and committees	ONA	On going	2003-2004	Shane Sheils at shane.sheils@undp.org
Draft of a Decree and other legal regulations to implement the State Budget Law	UNDP/AusAid/SECO/DFID	To support the implementation of the Revised Budget Law	MOF and CEBA	On going	2003-2006	Trinh Tien Dung at tiendung@undp.org.vn
Legislation on human trafficking, smuggling of migrants and transnational organized crime.	UNODC	Enable VN to ratify the UN Convention on Transnational Organized Crime and its protocols	MOJ	On going	August 2003 – August 2005	Troels Vester at Troels.Vester@unodc.org
Drafting Ordinance on registration of secured transactions	ADB	To assist in drafting the Ordinance	MOJ	On-going	2003	Ms. Xuechun Zhang at xzhang@adb.org or Mr. Ramesh adhikari at radhikari@adb.org
Support revision and implementation of law related to court procedure.	DANIDA	To support a speedy introduction of the adversarial system in Vietnam	SPP	On going	2005	Mette Jacobsgaard, sla@jopso.org.vn
Support revision and implementation of law on administrative procedure	DANIDA	To increase capacity to deal with administrative cases	SPC	Ongoing	2005	Mette Jacobsgaard sla@jopso.org.vn
Strengthening the NA and ONA participation in the legislative process (study tours on specific laws, comparative studies, workshops, internships etc.)	DANIDA	To reduce the adoption time of laws presented to the NA and increase the number of laws passed in each session of the NA.	ONA	On-going	2005	Anne-Dorte Johansen jpo@jopso.org.vn
Legislation on Anti-Dumping	CEG Facility (AusAID)	Develop legal and institutional framework to deal with anti-dumping measures taken against Vietnam and against foreign products in Vietnam	MOT	On-ging	2004	Graham Alliband GAlliband@ceg.edu.vn
Increasing capacity to undertake comparative law analysis	CIDA	Improving law drafting and research	MOJ	On going	2001-2007	Vu Thi Yen at vu.yen-thi@dfait-maeci.gc.ca

						Isabeau Vilandré at lerap@fastmail.fm
Amendments to the Law on Credit Institutions	USAID/STAR	Workshops and comments on drafts to develop a strong legal underpinning for a sound, competitive commercial banking sector in line with BTA/WTO commitments and best practices.	SBV/NA	Completed	2003-2004	John Bentley at johnbentley@fpt.vn
Revision of Law on Credit Institutions	CIDA	Creating a legal foundation for credits	VSB	On going	2003-2004	Vu Thi Yen at vu.yen-thi@dfait-maeci.gc.ca Isabeau Vilandré at lerap@fastmail.fm
Consolidation of Decrees on Securities and Development of a new Securities Law	USAID/STAR	Workshops and comments on drafts to develop effective legislation on securities to enable development of capital market and portfolio investment in line with BTA/WTO and best practice	SSC	On going	2003-2005	John Bentley at johnbentley@fpt.vn
Drafting of Judgment Enforcement Code	USAID/STAR	Workshops, study tour and comments on drafts to develop a more effective mechanism for execution of judgements.	MOJ	On going	2004-2005	John Bentley at johnbentley@fpt.vn
Amended Law on Promulgation of Legal Normative Documents (“Law on Laws”), and implementing regulations	USAID/STAR	Workshops and comments on drafts to develop a transparent and effective system of publication of enacted laws and regulations and consultation on draft legislation	MOJ/OOG/NA	Law Completed, Regulations On going	2002-2004	John Bentley at johnbentley@fpt.vn
Decree On Official Gazette	USAID/STAR	Workshops and comments on drafts to develop legislation to ensure timely and effective publication of regulations before their effectiveness	OOG/MOJ	Completed	2003-2004	John Bentley at johnbentley@fpt.vn
Draft Law on Local Laws and implementing regulations	USAID/STAR	Workshops and comments on drafts to develop a transparent and effective system of publication of enacted laws and regulations, and consultation on draft legislation, at local levels	MOJ/OOG/NA	On going	2003-2005	John Bentley at johnbentley@fpt.vn

Support legislative drafting and review process	CIDA	Strengthening law drafting and reviewing	Law Committee and Committee for Social Affairs of NA	On going	2001-2007	Vu Thi Yen at vu.yen-thi@dfait-maeci.gc.ca Isabeau Vilandré at lerap@fastmail.fm
Establishing legal framework for fisheries sector	NORAD	Creating a legal environment in the fisheries sector	Ministry of Fishery	On going	2000-2004	Chinh Tran < tran.chinh@norad.no >
JUDICIAL REFORMS						
Area of support	Donors	Key objectives	Counterparts	Status	Start-end dates	Contact persons
Drafting a Bench book for Judges	CEG Facility (AusAID)	Improve the professional and practical skills of the judiciary in court proceedings	SPC	On-going	2004-2005	Graham Alliband GAlliband@ceg.edu.vn
Legal Aid	UNDP/DANIA/SIDA/NOVIB/SDC/	To develop a sound legislation on legal aid and supporting the provincial legal aid centers	MOJ	On going		Luu Tien Dung at luudung@undp.org.vn or Katrine Pedersen at pedersen@undp.org.vn
Legal Aid	Sida	Strengthen NLAA capacity to carry out legal aid, strengthen the PLAC's capacity to carry out legal aid, strengthen the capacity of mediation groups NLAA/MoJ	MOJ	On going	2001-2004/10	Anette Dahlstrom at anette.dahlstrom@sida.se or Mr. Vu Tuan Minh at mr.minh@sida.se
Legal Aid	CIDA	Strengthening legal aid service for disadvantaged groups in two provinces	MOJ	On going	2003-2005	Vu Thi Yen at vu.yen-thi@dfait-maeci.gc.ca Isabeau Vilandré at lerap@fastmail.fm
LAW IMPLEMENTATION/ENFORCEMENT						
Area of support	Donors	Key objectives	Counterparts	Status	Start-end dates	Contact persons
Support for law enforcement in dealing with administrative violations	UNDP	To strengthen capacity of the police force in implementing the Ordinance on Dealing with Administrative Violations	Ministry of Public Security	On going	Sep. 2003	Luu Tien Dung at luudung@undp.org.vn or Katrine Pedersen at pedersen@undp.org.vn

Drug law enforcement	UNODC	To strengthen the law enforcement efforts over trafficking in drugs	Ministry of Public Security	On going	1 Jan 2004 –31 Dec 2006	Troels Vester at Troels.Vester@unodc.org
Law making and law implementation	Sida	- To strengthen the capacity of MoJ in law making and law implementation - To strengthen law implementation ability of judges and civil executors, - To strengthen MoJ's admin. management capacity	Ministry of Justice	On going	2001- 2004/06	Anette Dahlstrom at anette.dahlstrom@sida.se or Mr. Vu Tuan Minh at mr.minh@sida.se
Assistance in drafting Civil Code, Civil Procedure Code, Enterprise Bankruptcy law, and other laws related to Civil Code including Security transaction Ordinance, Immovable property registration law and Judgment Execution law.	JICA	Basic civil laws consistent with market economy are enacted through the increased law drafting capacity of legislative staff.	MOJ, SPC	On going	July 2003 – June 2006	Mr. Morinaga, Taro tkmorinaga@fpt.vn or Mr. Sakakibara, Shinji emuwan.shinji@nifty.ne.jp
Registration of secured transactions	ADB	To support the capacity building and training	National Registration Agency of Secured Transactions, MOJ	On-going	2003	Ms. Xuechun Zhang at xzhang@adb.org or Mr. Ramesh adhikari at radhikari@adb.org
Support the establishment of an Agency for Criminology and Statistics	DANIDA	To collect, process and disseminate accurate data on crime	SPP	On going	2005	Mette Jacobsgaard, sla@jopso.org.vn
Support the international economic integration	CIDA	Strengthening legal capacity for international economic integration, access to WTO	MOJ	On going	2001-2007	Vu Thi Yen at vu.yen-thi@dfait-maeci.gc.ca Isabeau Vilandré at lerap@fastmail.fm
Support for enhanced enforcement of Intellectual Property Rights (IPR) by the economic police	USAID/STAR	Workshops to strengthen the capacity of the economic police force in enforcing IPR and assisting the Police Academy to develop training manuals on IPR enforcement	Ministry of Public Security/Economic Police	On going	2004-2005	Hank Baker at hankbaker@fpt.vn
Support for enhancing the capacity of the courts to enforce Intellectual Property Rights (IPR)	USAID/STAR	Workshops to strengthen the capacity of the Supreme People's Court and local courts in enforcing IPR, including an intensive 3-week training course in Vietnam and	Supreme People's Court	On going	2002-2005	Hank Baker at hankbaker@fpt.vn

		Thailand in addition to a number of on-going workshops				
Support for enhancing the capacity of local governments to enforce Intellectual Property Rights (IPR)	USAID/STAR	Strengthen the awareness of and coordination within People's Committees in Hanoi and Ho Chi Minh City on the importance and means of IPR enforcement through awareness-raising, coordination, and training workshops	Hanoi and HCMC PCs	On going	2003-2005	Hank Baker at hankbaker@fpt.vn
Support for enhancing the capacity of Vietnamese right-holders to enforce their Intellectual Property Rights (IPR)	USAID/STAR	Strengthen the capacity of the Vietnam Copyright Center in enforcing IPR of Vietnamese artists and authors through awareness-raising workshops	Vietnam Copyright Center	On going	2003-2004	Hank Baker at hankbaker@fpt.vn
Improving capacity to enforce civil judgments	CIDA	Strengthening law enforcement capacity	MOJ	On going	2001-2007	Vu Thi Yen at vu.yen-thi@dfait-maeci.gc.ca Isabeau Vilandré at lerap@fastmail.fm

LAW EDUCATION AND TRAINING

Area of support	Donors	Key objectives	counterparts	Status	Start-end dates	Contact persons
Support for the law training for officials at the grass root level	UNDP	- To strengthen capacity of officials at the grass root level in law implementation	Central Party Internal Affairs Committee	On going	Sep. 2003	Luu Tien Dung at luudung@undp.org.vn or Katrine Pedersen at pedersen@undp.org.vn
Strengthening legal education	Sida	- Upgrading law teachers' knowledge on teaching methods, - library development," - improving project management and international relations	Hanoi and HCMC Law University and the Ministry of Education and Training	on going	2001-2005/02	Anette Dahlstrom at anette.dahlstrom@sida.se or Mr. Vu Tuan Minh at mr.minh@sida.se Lars Malmberg at Hanoi Law University vpsidadhl@hn.vnn.vn larsgm@fpt.vn Duong Thi Hien at Hanoi Law University adb2853@hn.vnn.vn Lu Dong Tung at the Law University Ho Chi Minh City Ldtung74@hcm.vnn.vn
Strengthening judicial training	JICA	Judicial training institutions become capable	LPTS (MOJ)	On going	July 2003 – June	Mr. Morinaga, Taro

		of developing high-caliber human resources			2006	tkmorinaga@fpt.vn or Mr. Sakakibara, Shinji emuwan.shinji@nifty.ne.jp
Assistance to education in Law Faculty of Vietnam National University	JICA	Ditto	VNU	On going	Ditto	Ditto
Support to the Judicial Training School of SPC Constructing mock court and develop training material. Procurement of Vietnamese and international books for library	DANIDA	Strengthen the capacity of the court system to move towards greater independence for the courts	SPC	Ongoing	2004 (2005)	Mette Jacobsgaard sla@jopso.org.vn
Support to the capacity building in SPC in administrative law, court management and case management. Procurement of Vietnamese and international books for library and translation of selected books	DANIDA	Strengthen the capacity of the court system to move towards greater independence for the courts	SPC	Ongoing	2004 (2005)	Mette Jacobsgaard sla@jopso.org.vn
Training in general judicial skills for prosecutors	DANIDA	Train prosecutors in international and comparative law	SPP	Ongoing	2005	Mette Jacobsgaard sla@jopso.org.vn
Training in judicial skills for judges	DANIDA	Increase independence of judiciary and their capacity in selected areas	SPC	Ongoing	2005	Mette Jacobsgaard sla@jopso.org.vn
Intensive training programs and workshops for government agencies and business leaders on BTA and WTO commitments and their implications for Vietnam	USAID/STAR	Increase awareness about the BTA/WTO, especially in IPR, transparency, investment, and trade in goods and services, and develop consensus and support for respective legal changes.	NA/SPC/ MOT/IAC/ MOJ/OOG and others	On going	2002-2005	John Bentley at johnbentley@fpt.vn
LAW INFORMATION AND DISSEMINATION						
Area of support	Donors	Key objectives	Key government counterparts	Status	Start-end dates	Contact persons
Support publication of court decisions	USAID/STAR	Support for publication of one or two volumes of judicial decisions for the Supreme Judicial Council (Vietnam's highest court decision making body) and	SPC	On going	2004	John Bentley at johnbentley@fpt.vn

		continuing awareness raising workshops				
Development of an Electronic Official Gazette	DANIDA/ SCOG and USAID/STAR	Develop a Roadmap for Creating an Electronic Official Gazette to publish laws and regulations on the internet, .	OOG	On going	2003-2005	John Bentley at johnbentley@fpt.vn
Support enhanced transparency in legislative operations of the National Assembly	USAID/STAR	Support a research study and workshops by the ONA Center for Information.	ONA	On going	2004	Phan Vinh Quang at Quang.starvn@fpt.vn
Support online business forum for publishing draft regulations for comments by businesses	USAID/STAR	Support the development of a website operated by VCCI for publishing draft legal documents for public comment.	VCCI	On going	2004	Phan Vinh Quang at Quang.starvn@fpt.vn
Support publication of reference materials on BTA/WTO and related legal reforms and research on economic impact of the BTA	USAID/STAR	Raise awareness and build support for legal changes in BTA implementation and WTO accession and the economic impact of the BTA.	NA/SPC/ MOT/IAC/ MOJ and others	On going	2002-2005	Mr. Steve Parker at steve_parker@dai.com Phan Vinh Quang at Quang.starvn@fpt.vn
Support for the development of national legal database	UNDP	- To better coordinate existing legal databases and make them available for public use.	MOJ	- On going	Sep. 2003	Luu Tien Dung at luudung@undp.org.vn or Katrine Pedersen at pedersen@undp.org.vn
Strengthening legal information	Sida	- enhance capacity of MoJ's staff in accessing legal information in the National Legal Database - strengthening legal dissemination - library development	Legal Research Institute, MoJ	on going	2001-2004/11	Anette Dahlstrom at anette.dahlstrom@sida.se or Mr. Vu Tuan Minh mr.minh@sida.se
Assistance in improving Judgments and compiling court precedents	JICA	The quality of judgment documents is improved.	SPC	On going	July 2003 – June 2006	Mr. Morinaga, Taro tkmorinaga@fpt.vn or Mr. Sakakibara, Shinji emuwan.shinji@nifty.ne.jp
Support for IT networks	DANIDA	To improve and expand the communication and information system	ONA, SPC, SPP	On-going	2004/2005	Mette Jacobsgaard sla@jopso.org.vn
OTHER AREAS						
Strengthening the skills of the MPs as representatives of the people	DANIDA	Improved general skill sets of MPs. Communication with voters, handling of claims and petition, policy analysis, debating and presentation skills and assessment of bills.	ONA	On-going	2005	Anne-Dorte Johansen jpo@jopso.org.vn

Abbreviations:

UNDP: United Nations Development Programme;
SIDA: Swedish International Development Agency
DANIDA: Danish International Development Agency
WB: World Bank
JICA: Japanese International Cooperation Agency
CIDA: Canadian International Development Agency
ADB: Asian Development Bank
EU: European Union
CEG Facility:
SDC: Swiss Development Cooperation
UNODC: United Nations Office of Drug Control
NORAD: Norway Agency for Development
SPC: Supreme People's Court
ONA: Office of National Assembly
SPP: Supreme People's Procuracy
MOJ: Ministry of Justice
MOT: Ministry of Trade
MOFA: Ministry of Foreign Affairs
LPTS: Legal Professional Training School
VNU: Viet Nam National University
VSB: Viet Nam State Bank
MOT: Ministry of Trade
CIEM: Central Institute for Economic Management
NA: National Assembly
SI: State Inspectorate
IAC: Internal Affair Commission of the Central Executive Committee of the Communist Party of Vietnam
USAID: U.S. Agency for International Development
VLA: Vietnam Lawyer's Association
SSC: State Securities Commission, Ministry of Finance
Customs: General Department of Customs, Ministry of Finance

**PARTNERSHIP DEVELOPMENT
IN PUBLIC FINANCE MANAGEMENT
PROGRESS REPORT**

(Documents for the Consultative Group Meeting, December 2004)

I. Background:

Donors' support in the public finance management has been widened and deepened in 2004. Proposals for technical assistance in the Master Plan for financial sector modernization has been realized through specific activities focused on the comprehensive reform objectives of the financial sector.

II. Development of cooperation relations in 2004:

1. Information exchange across the working group chaired by the Government is regularly maintained to evaluate the results of reform activities in public finance management. The Master Plan for financial sector modernization is constantly updated and serves as basis for donors to express their interest of support. Several major activities among 6 areas of the Master Plan for the financial sector modernization have been implemented and to a considerable extent met the needs of reforms. Lack of interest in areas of public asset management and price control is an outstanding problem that has not yet been resolved.
2. Improved technical assistance: Technical assistance provided by bilateral and multilateral organizations in public finance management in 2004 mainly focuses on the following works:
 - Public Finance Management Reform Project (funded by a concessional credit from the WB and a grant from DFID) has been officially implemented since October 2003 in accordance with its schedule. Project activities in all three project components have been carried out: bidding process for component I and associated technical assistance are underway; three technical working groups have been established , dealing with education,, health sector and cross-sectoral issues; consultants for development of medium-term expenditure and medium-term fiscal framework are being hired to work with Ministry of Finance, Ministry of Planning and Investment, Ministry of Health, and Ministry of Education and Training; and implementation arrangements for component 3 have been completed and its activities have started. .
 - Technical Assistance for preparation of Customs Modernization Project funded by the Japanese Government (Policy and Human Resources Development (PHRD) Fund) entrusted through the WB has been started. It is intended that the project to be funded by a concessional credit from the WB will be approved in the mid 2005 with four main components, namely: 1) commercial facilitation; 2) establishment of a management system and information and technological structure; 3) customs enforcement; and 4) human resources development.
 - A Multi-donor Trust Fund (MDTF) with contributions from the Governments of the United Kingdom, Canada, Denmark, Netherlands, Norway, Sweden and Switzerland has officially come into operation since February 4, 2004 and has gained certain achievements. As a first step, the MDTF has shown its active role and proved to be an effective supporting model for the Master Plan for the financial sector modernization. The Swedish Government has decided to increase its contribution and

the European Union has shown its readiness to participate in the Trust Fund. At present, an additional amount of SEK5 million from the Swedish Government has been approved by the Government and a contribution of 1.5 million Euro from the EU is in the final negotiation stage for signing.

- Euro-TapViet 2 (ETV2) Program with the non-refundable aid of about 11 million Euro from EU for three years, has not reached an agreement in selecting consultants for key positions. The Ministry of Finance hopes that in the coming time, this Program shall be soon pushed ahead by the parties to the implementation stage in order to meet the needs for technical assistance in public finance management (tax, customs, accounting – auditing and insurance management).
- In 2004 there are four projects within the ASEM II Trust Fund for public finance management reform, of which three on-going projects including: the project on strengthening the governance capacity for directors of enterprises; Phase-II of the project on support for the operation and supervision of the social safety net for redundant workers and capital market development project. The project on management of debt and assets trading of state own enterprises (SOEs) is the only one still in the process of completion of procedures for approval by the Government. The project is expected to come into operation by the end of 2004.
- Technical assistance provided by the Japanese Government for public finance management has advanced. Support for tax policies has been executed by both parties through a Memorandum of Understanding and has been implemented; the contents of a technical assistance project on capacity building for key trainers for the customs modernization process has been agreed by both parties and is now pending for the Government's approval; while tax administration reform support project is in the final negotiation stage.
- Other public finance management projects have been implemented in line with the schedule, including capacity building for fiscal policy analysis for human development project – VIE/03/010 funded by UNDP, 4th stage of the State Budget Reforms project (SB) funded by the German Government, Capacity Building for Public finance management and Economic Statistics training project funded by the French Government, Strengthening External Debt Management project (VIE/01/010) funded by the Australian and Swiss Governments and UNDP etc. However, the Development and Implementation of Financial Policy Mechanism for Private Economic Sector Development project funded by the National Effective Capacity Building Fund (CEG) of the Australian Government is still in the process of completing the procedures.

III. Outcomes of the partnerships in the public finance management:

1. To actively conduct reforms in the areas of fiscal policies and budget management :
 - In 2004 - the first year of implementation of the State Budget Law (revised), the state budget is further decentralized to local authorities and local entities; ministries, central agencies, and localities are assigned higher responsibilities and power for budget management and utilization. Besides, the state budget implementation process has been also renewed in line with public administrative reforms to improve its transparency. Thus, national financial resources have been better mobilized, managed and utilized to achieve socio-economic development goals, ensuring the national defense and security; the number of provinces that are able to balance their budget

and make contributions to the state budget has increased (from 5 provinces and cities previously to 15 provinces and cities in 2004).

- Implemented amendments and supplements of revenue collection policies, enhancing administrative reforms in taxation and customs system to create a favorable business environment, and to improve investment environment to implement the road-map that Vietnam has committed with international organizations. Direct dialogues with enterprises have been organized to respond in a timely fashion to take recommendations from enterprises and discrepancy in policies and the management process have been adjusted. Tax collection management has been strengthened, tax revenue losses has been prevented, functional departments and forces (police, market managers, tax, customs,) have closely coordinated to reinforce the fights against smuggling, counterfeit goods, and commercial fraud; tax evasion and dodging have been strictly dealt with.
- The process to restructure, reform, develop and improve effectiveness and productivity of the state-owned sector has been strengthened and reinforced; the Government has provided new policies including those on equitization of state-owned commercial banks, general state corporations; amendments and supplements of methods to valuate enterprises and related financial regimes; utilization of the fund for redundant workers and the fund for SOEs restructure aimed at speeding up the equitization ; elimination of unreasonable protection; termination of debt freezing , debt reschedule, debt forgiveness, loss compensation, etc. The state-owned enterprises restructure process has been quickened in 2004 due to the above-mentioned efforts. Ministries, branches and localities have focused on the preparation of development planning, especially planning for production of goods and services that are essential for economic development and competitiveness in the face of international and regional integration. Trade associations and enterprises have conducted analysis of the competitiveness of their products, and closely coordinated to take specific measures to reduce production costs, to improve quality and competitiveness of each product.
- The management mechanism for the state development investment credit has been renovated in accordance with the Government Decree No. 106/2004/ND-CP dated April 1, 2004; the implementation of the Regulation on investment and construction has been closely directed and strictly examined, especially regulations on bidding process and on investment monitoring; the volume of work and the estimated unit cost have been carefully checked, etc. Basic construction projects and state budget unitization and management have been financially inspected, and audited, attention has been paid on inspection to check the level of compliance with state important policies in order to maintain good outcomes, at the same time to identify and deal with of problems and violations; inspection and audit results have been disclosed to the public.
- Efforts have been carried out to provide guidance and monitoring to speed up implementation of important tasks related to socio-economic development of provinces in Northern mountainous area, Central highlands, border areas, areas of ethnic minorities and in Mekong Delta (in accordance with the Decision No. 168/2001/QD-TTg dated October 30, 2001, Decision No. 186/2001/QD-TTg dated December 7, 2001, Decision No. 132/2002/QD-TTg dated October 8, 2002, Decision No. 120/2003/QD-TTg dated June 11, 2003; Decision No. 173/2003/QD-TTg dated November 6, 2001 signed by the Prime Minister), implementation of programs of construction of schools and classes, investment in important transport and irrigation

projects which are funded through education bonds and government bonds. Various sectors and entities at various levels have coordinated closely to solve obstacles and to speed up disbursement of the mobilized capital sources. Decision No. 134/2004/QĐ-TTg of the Prime Minister dated July 20, 2004 on a number of policies on support of production land, residential land, residential houses and water for poor ethnic minorities facing with difficulties has been implemented so that good results could be seen at the beginning of 2005.

2. To promote the implementation of public finance management reforms:
 - State budget's preparation and estimation, allocation of central budgets in 2004 in accordance with the provisions of the State Budget (revised):
 - Regarding the local budget discussion and estimates:

Based on the provisions of the State Budget Law (revised), the People's Committees of all 64 provinces and cities have prepared appropriate plans to assign revenue sources and expenditure for each of local budget levels to submit to the People's Councils for approval in accordance with the State Budget Law (revised), the budget decentralization to district and commune levels has been enhanced together with the decentralization of socio-economic management.

At the same time, based on the actual local situation, the People's Committees of all 64 provinces and cities have developed norms for local budget allocation, ensuring that they are appropriate to the characteristics of each sector or each level, to submit to the People's Councils for approval to be used as basis for local budget allocation.

On the other hand, according to provisions of the State Budget Law (revised) and based on plans submitted by the People's Committees, the People's Councils of a number of provinces and cities have made decision on a number of regimes, standards, norms of expenditures at local level, such as : salary allowances to attract qualified officials etc., to be suitable to local situations and requirements.

Results of decisions made for state budget and allocation of central budget and local budgets for the first year of implementation of the State Budget Law (revised) have shown that:

- ✓ People's Councils of 64 provinces and cities have decided to allocate revenue collection estimates in strict accordance with provisions of the taxation regulations and the collection regime, which are appropriate to the economic development in the areas; higher than the previous year and equal to or higher than the estimates allocated by the Prime Minister.
- ✓ The total state budget expenditures ensure the priorities of investment for development program, priority is given to education and training, science and technology, hunger elimination and poverty reduction, and ensure timely debt repayment and saving of expenditures.
- ✓ Budget reserve provisions have been made at four budget levels in strict accordance with the prescribed ratios.
- ✓ State budget balance is maintained with the budget deficit not exceeding 5% of GDP.
- ✓ 15 provinces and cities can balance their budgets by themselves and make contributions to the central budget, therefore the budget revenues have been

increased to better support the mountainous and disadvantaged areas (3 times higher than the previous budget revenues prior to amendments of the State Budget Law.)

In conclusion, the preparation and approval of the 2004 State budget estimates have been carried out in strict accordance with the process prescribed in the State Budget Law, ensuring the functions, duties and powers of the National Assembly, of the central and local governments and other organizations during the process of preparation of the 2004 State budget estimates; ensuring that the timing, principles and contents of the preparation of State budget estimates would be in accordance with the State Budget Law and its sub-law documents; the quality of the State budget estimates has been significantly improved: the nation's financial sources has been better mobilized for better implementation of the socio-economic development tasks, ensuring the national defense and security; and at the same time, ensuring the stability and sustainability of the state and local budget.

- The allocation and appropriation of the 2004 state budget of ministries, agencies at central level and localities are carried out in accordance with provisions of the State Budget Law (revised):

Based on Resolutions of the National Assembly on the state budget estimates and allocation of central budget in 2004; and Prime Minister's Decision on budget allocation and indicators for 2004 budget estimate; ministries, central agencies and localities will conduct the appropriation and allocation of budget estimates to budget spending units at relevant budget levels in accordance with provisions of the State Budget Law (revised) as follows:

- At ministries and central agencies level:

Based on provisions of the State Budget Law (revised) and Decision No. 139/2003/QĐ-TTg of the Prime Minister dated July 11, 2003 on promulgation of the norms of allocation of the 2004 state budget expenditure estimates, ministries, agencies at central level take the initiative in deciding allocation norms of their own ministries and agencies to their subordinate units, ensuring that they are appropriate to the reality, characteristics of each subordinate unit and that the total amount and detailed items fall within the budget estimates allocated by competent authorities.

- At local level:

The allocation of local budgets to budget spending units is similar to the way it is done at the central level, but the timeframe is shorter. In many provinces and cities, right after the People's Councils approve the estimates, departments, branches and sectors immediately have conducted the allocation based on the method agreed with the financial agencies. Some People's Councils of provinces and cities under Central Authority have directly allocated budgets to budget spending units.

- Regarding execution of State budget estimates in the first months of 2004 in accordance with provisions of the State Budget Law (revised):

The highlights in the course of implementation of the State Budget Law is the compliance with basic contents of the new budget expenditure process, i.e., to eliminate quarterly budget allotment by financial agency. This is a reform to simplify administrative procedures, increase the autonomy for budget spending units, and at

the same time, closely control expenditures to reinforce rules and disciplines in budget management.

The initial results showed that the new budget expenditure execution process has received support from line agencies and budget spending units. Responsibility of the heads of budget spending units has been clearly enhanced. Financial agencies, line agencies have been freed from a number of unnecessary administrative procedures (preparation of quarterly limits, notification and distribution of limits etc.) and have more time to focus on policy development, provision of guidances and supervision of budget execution.

- Implementation of budget publication and fiscal transparency:

- 2004 budget estimates disclosure:

In accordance with provisions of the State Budget Law, the Minister of Finance issued Decision No. 67/QD-BTC dated January 7, 2004 on publication of the 2004 budget revenue and expenditure estimates, the 2004 budget expenditure estimates of ministries, central agencies, and the 2004 budget revenue and expenditure estimates of provinces and cities have been decided by the National Assembly in strict accordance with the prescribed regime; Decision No. 2621/QD-BTC dated August 17, 2004 signed by Finance Minister on publication 2002 state budget final accounts. With these decisions, the disclosure and transparency of the state budget have been therefore greatly improved. In terms of forms of disclosure, in addition to printed publication, the state budget estimates and final accounts have been published on MoF's website accessible to by all interested organizations and individuals.

- On-going works to supplement and perfect the provisions on financial and budget disclosure:

In order to promote the implementation of fiscal-budget disclosure in accordance with provisions of the State Budget Law (amended), the Ministry of Finance has drafted and submitted to the Prime Minister a set of regulations on financial and budget disclosure, which meets requirements to further expand the subjects and contents of disclosure; stipulate the time and forms of disclosure to be appropriate to the financial and budget management process and to further improve transparency of State budget activities and relevant financial activities; and at the same time, enhance supervision and monitoring roles of mass organizations, social organizations, state employees and the public in the process of approving, allocating and utilizing the state budget and financial activities. These regulations also strictly comply with provisions of the Ordinance on Protection of State Secrets, Decision No. 237/2003/QD-TTg of the Prime Minister dated November 13, 2003 on the classified list of state secrets as strictly confidential and top secret in the fiscal sector, and regulations on state secrets applied for other sectors as decided by the Prime Minister.

- Undertaking public expenditure review in 2004:

On December 1, 2003, the Government Office issued the Official Correspondence No. 5932/VPCP- QHQT announcing the Prime Minister's consent to allow the Ministry of Finance to take initiative in coordinating with the World Bank (WB), relevant agencies and localities to undertake a public expenditures review and integrated fiduciary assessment (PER_IFA) in 2004. The PER-IFA report would consist of the following 3 contents:

- ✓ Public expenditures review

- ✓ Country financial accountability assessment
- ✓ Country procurement assessment

In order to meet the timeline set by the Government, the Ministry of Finance, relevant agencies, and localities, which are authorized by the Government to conduct 2004 PER-IFA, have coordinated with the WB and other donors to review the public expenditures of the State budget, public expenditures in 04 sectors (i.e., education, health, transport and agriculture) and of 04 provinces (Hanoi, Phu Tho, Binh Duong and Vinh Long). By now the draft report has been completed and will be further perfected in the coming time.

IV. Some main tasks to be carried out by the end of 2004 and in the first months of 2005 in the public finance management field:

1. To continue to maintain and develop relationships, consultation and coordination with relevant partners through the Government – donors working group.
2. To complete procedures for projects preparation: technical assistance in the tax administrative reform and customs training for trainers with JICA, “Support for the Resolution of Non-Performing Debt and Asset of State-owned Enterprises” TA program within the framework of the ASEM II Trust Fund, contributions from EU for MDTF and aids from the Australian Government.
3. To continue to carry out on-going public finance management programs and projects.
4. To continue fiscal policy reform, to encourage all economic sectors to increase savings for development investment, and at the same time - to renew management method; to focus on, restructure, provide direction to, increase effectiveness of capital investment. To speed up the restructuring process and improve business efficiency of state-owned enterprises; to continue the equitization process and to diversify forms of capital mobilization for some corporations and big state-owned enterprises etc.
5. To allocate state investment for development with focus on key national projects; to give priority to socio-economic infrastructure in the Central Highland region, the NorthWestern and South Western regions; extend the investment objectives in accordance with Decisions No. 168, 186 to northern mountainous provinces, western mountainous areas of Central provinces; to implement the district healthcare system upgrading (2005-2008) throughout the country, to invest in important national cultural projects. To issue education bond and government bond to finance the school concretization program ; to implement transport and irrigation development project, to implement the Son La hydro-power re-investment project; and extend investment financed by government bond to cover transport projects in mountainous and remote areas which currently have no roads linking villages with commune centers.
6. To increase the state budget investment for education, health, cultural and social development, especially in mountainous areas, where ethnic minorities are facing with great difficulties; to continue hunger elimination and poverty reduction program (according to government policy on free healthcare service for the poor and for children under 6 and policy on education and healthcare system for ethnic minorities; funds for socio-economic development in the mountainous areas; subsidy for people with meritorious services; those who fought during the war and their children who suffered from agent orange need to be increased, etc.); to secure budget resources to implement the salary reform program; to proactively prepare conditions for

international integration and joining WTO; actively balance the budget, maintain the government outstanding debts and national outstanding debts at reasonable level to ensure macro-economic stability.

7. To continue to implement the targeted supplement policy from central level budget for local budget to support important project investment. This aims at economic structural adjustment in those areas still facing difficulties, and the implementation of state newly-promulgated policies and regimes.
8. To exercise thrift practice and fight against squandering budget money; to enhance state budget disclosure and transparency. To continue to implement reforms in the public finance management.

V. Success criteria for cooperation relations:

1. Integrated activities and coordination will be continuously promoted under the leading role of the Ministry of Finance.
2. Donors are interested in and timely respond to the needs for assistance in line with Government's priorities.
3. The two-way information exchange between the Government and donors will be ensured.

PROJECTS OF TECHNICAL ASSISTANCE FOR THE FIELD OF PUBLIC FINANCE MANAGEMENT REFORM

Fields of reforms	Name of projects	Donors	Current status	Date of commencement	Note
Ministry of Finance					
Public finance management	Multi-donor Trust Fund to support modernization of public finance management (MDTF)	7 donors + WB	On-going	2/2004	
	Strengthening capacity of training on public finance management and economic statistics	Government of France	On-going	2003	
	Sharing	Government of Sweden	On-going	11/2003	
	Vietnamese-French Financial Cooperation Program	French Ministry of Finance	On-going	7/2004	
State budget management	Public finance management reform project (PFMRP)	WB/DFID	On-going	10/2003	
	State budget reform support (Phase IV)	Government of Germany	On-going	2004	
	Feasibility Study of information and technology development plan (State Treasury)	USTDA	On-going	10/2002	
Management of State own enterprises	Improving the capacity of corporate governance for directors of enterprises	WB/ASEM II	On-going	1/2004	
	Support for operations and monitoring of social safety net for redundant workers (Phase II)	WB/ASEM II	On-going	6/2004	
	Auditing 100 state own enterprises	WB	On-going	2001	
Debt management	Strengthening capacity of financial management of ODA projects through decentralization	ADB	On-going	2001	
	Strengthening of the external debt management (VIE/01/010)	UNDP	On-going	2002	
Tax administration	Support for VAT and CIT self assessment pilot	IMF	On-going	2003	
Customs	Technical Assistance for preparation of the customs modernization project	WB (PHRD)	On-going	7/2004	

Fields of reforms	Name of projects	Donors	Current status	Date of commencement	Note
Securities market/ insurance	Development of capital market	WB/ASEM II	On-going	8/2004	
Policy making	Improving capacity of financial accountability for Vietnam	WB	On-going	2002	
	Improving the analytical capacity of financial policies for human development (VIE/03/010)	UNDP	On-going	12/2003	
	Improving capacity of legal framework and institutionalization of compensation for re-settlement in Vietnam	ADB	On-going	2001	
	Support on the tax policy making	JICA	On-going	2004	
	Support on WTO accession	ADB	On-going	2003	

PUBLIC ADMINISTRATION REFORM PARTNERSHIP
Partnership Note, December 2004
Ministry of Home Affairs

General Information

The year 2004 saw the Government's sustained efforts to promote Public Administration Reform (PAR), to improve the transparency of the Government machinery and governance effectiveness and efficiency, which in turn facilitates sustainable economic growth and development. During the past ten months, PAR activities have been carried out according to the PAR Master Programme 2001-2010, in a more systematic and pro-active manner, and have brought about positive impacts in a number of areas. Despite several significant achievements however, PAR remains slow in pace, inefficient and inconsistent in substance against the requirements for socio-economic development and the demands of the overall renovation process. The relationship between administrative institutions and citizens and entrepreneurs also needs to be improved further in order to enhance efficiency and overcome acts of misconduct.

The impact of PAR remains uneven and needs to be deepened in order to create an enabling environment to maximise potential resources and bring about tangible impacts on socio-economic development.

A. SUPPORT TO THE PAR MASTER PROGRAMME

I. Institutional reform

Ongoing activities; outcomes; outputs

- Significant and encouraging results have been achieved in the area of institutional reform with many important legal documents having been issued **(see Annex A)*. In general, these legal documents have highlighted the spirit of reform for developing and fine-tuning the institutional framework. Specifically, the guidelines and policy for speeding up decentralisation between the central and local governments have been clearly defined in: The Law on State Budget, the Land Law, the Law on Organisation of the People's Council and the People's Committee, the Decree on Decentralised Staff Size Management for Administrative Agencies and Public Service Delivery Agencies; the Block Grants Mechanism; and the Financial Mechanism for Income-Generating Public Service Delivery Agencies. Separation of the State management and public service delivery functions is also clearly outlined in the amended Ordinance on Cadres and Civil Servants.

Resolution No 08/2004/NQ-CP, issued by the Government on June 30th, 2004 on promoting decentralisation between the Government, provinces and centrally-affiliated cities has marked a new step forward in the PAR process. The Resolution aims to promote decentralisation of management between Government and provincial authorities and among local authorities at all levels in order to fully mobilise resources and encourage motivation, ownership, and responsibility. Local authorities will provide clear identification of duties, authorities and responsibilities for each level of the State apparatus, ensuring the unified,

consistent and streamlined management of the Government, and strengthening the administrative order to improve the efficiency of state management. This will directly assist socio-economic development and provide improved services for the people. In order to ensure an effective decentralisation process, tasks will be assigned appropriately to those working closer to the public, and will be implemented efficiently to better meet the needs of organisations and citizens.

The Resolution clearly states that assignments and responsibilities must be clearly identified in the decentralisation process and linked to the functions and responsibilities of authorities at each level. Activities and schedules for implementing the tasks of Ministries, central agencies and localities are also clearly identified in the Resolution. As an immediate result from the Resolution, decentralisation between the central and provincial level will hopefully be improved, existing shortcomings will be overcome, the ownership of local authorities will be further encouraged, and socio-economic development of localities will be promoted for better service delivery.

With a strategic guideline defined for the 6 decentralisation management areas⁶ taking into account the lessons learnt from HCM City, the Resolution, for the first time, provides a legal foundation to deepen the decentralisation process between sectoral ministries and local governments.

Administrative procedure reform has been carried out with significant results. Local governments have combined the reform of administrative procedures with the introduction of the “One-Stop-Shop (OSS)” mechanism. Most provinces have been directing the implementation of the OSS mechanism at provincial and district levels. Up until October 2004, the OSS mechanism has been implemented in:

- 510 out of 1523 provincial departments (40.28%)
- 564 out of 659 districts (85.58%)
- 1223 out of 10751 communes (11.37%).

Future Activities; Expected Outcomes

- Functions and mandates of the Government, ministries, central agencies and local governments at all levels should be reviewed and amended further; decentralisation from the central to local government and among various local levels should be promoted; the application of different government models for urban and rural areas will be piloted.
- Effective measures to curb bureaucracy and corruption should continue with a focus on PAR. This will help create an enabling environment for organisations and citizens and strengthen administrative order.

Constraints:

The institutional system remains unsynchronised and inconsistent, and to some extent, has not met specific requirements as indicated below:

- (i) Slow to issue Decrees and Circulars on guiding the implementation of Laws and Ordinances;
- (ii) Lack of consistency in Laws and Ordinances;
- (iii) Weak monitoring system and enforcement.

⁶ Development Planning and Investment; State Budget; Land, Natural Resources and Public Property; SOEs; Public Services; and Administrative Apparatus and Employees.

II. Reform of the organisational structure of public administration

Ongoing activities; outcomes; outputs

- Initial adjustments have been made to the functions of the Government, ministries, central branches and local authorities to meet the management demands of the Socialist-oriented market economy.
- The machinery of the central Government and local administration has been further streamlined. As a result, there are currently 38 ministries and government-affiliated agencies; the number of departments in each province ranges from 20 to 24; there are 10-12 divisions in each district; the inter-sectoral organisations at the central level have been reduced to 56, and at the local level from 80-100 to 15-20;
- The organisation and operation of administrative agencies have been changed through various measures, namely: Decentralisation and transfer of power to local authorities; development and implementation of mechanisms related to organisational affairs; and finance and personnel for administrative agencies and public service delivery agencies.

Future Activities; Expected Outcomes

- Continue the renovation of the organisational structure of the Government and local authorities at all levels following PAR objectives and goals. This will help ensure the new organisational structure better meets the needs and demands of the new economic mechanism.

Constraints

The organisational structure of public administration is still cumbersome and bureaucratic; and there are still many specialised departments and units within ministries and agencies. The implementation of decentralisation procedures between the central and local level, and among local levels is still slow. Downsizing results also remain low.

III. Building and developing the contingent of civil servants and cadres

Ongoing activities; outcomes; outputs

- Recently, through implementing the amended Ordinance on Cadres and Civil Servants and 5 associated Decrees, a number of circulars have been issued on detailed regulations for the implementation of the Decree related to commune-level civil servants; “On-Reserve” civil servants (awaiting vacant positions); and the recruitment, deployment and management of civil servants and employees in public service delivery agencies. These are important prerequisites for creating fundamental changes in the civil service system.
The Prime Minister has also approved training plan guidelines until 2010 for commune civil servants.
- The Proposal for salary reform was approved by the National Assembly (the 11th Legislature) in its 4th Meeting Session and is effective in October 2004.
- Training for civil servants has been strengthened. MoHA has recently conducted the review of the 3-year implementation of Decision No. 74/2001/QD-TTg by the Prime Minister on approving the plan to train and upgrade civil servants and cadres for the period 2001-2005. Several comments indicated as follows: **(See attached documents and data in Annex B1)*

1. Training plans and schemes have been developed and implemented effectively.
2. Sound foundations for the development of normative legal documents on the training and upgrading of civil servants and cadres have been laid down.
3. The training curriculum system has been updated and improved; the quality of trainers has been enhanced.
4. The training results for civil servants and cadres focused on: enhancing the qualification levels of administrative civil servants and those at the grassroots level; providing political theory and state management knowledge for civil servants and cadres; training and upgrading leaders and managers; forming an initial pool of leading specialists and cadres specializing in state management; delivering English and IT training as required by the public service; adding new contents to the training and upgrading programme for civil servants and cadres in some selected ministries and central agencies.
5. The achievement of concrete objectives: **(see Annex B2)*.
6. The programme of “overseas training and upgrading” for civil servants, funded by the State budget, has been improved, particularly in terms of selection and placement; training has also been linked with master-planning and the deployment of civil servants.

Training and upgrading activities for civil servants and cadres have been carried out through a systematic and targeted approach, which has helped contribute significantly to quality improvement of the contingent as a whole. This has also reflected on the effectiveness and quality of operations within the administrative apparatus and public service system.

Future Activities; Expected Outcomes

- The salary reform roadmap will be continued.

Key directions for the training and upgrading of civil servants and cadres, (2004-2005)

1. To review and screen the assigned tasks in order to complete as required.
2. To accelerate the progress and enhance the quality and effectiveness of the training courses on advanced political theory for leaders at the provincial department, district and intermediate level, and political theory for key leaders at the communal level; improve the quality and the effectiveness of training planning with appropriate objectives and targets; link training with long-term deployment; and improve the quality and structure of the training programmes and curricula.
3. To adjust contents of the training and planning to conform with PAR tasks and progress in 2005.
4. To implement the training plan for elected members of People’s Councils at different levels (2004-2009).
5. Prepare data and information for training and upgrading plans for civil servants and cadres (2006-2010).

The amended Civil Service Ordinance will be carried out; policies and regulations for commune officers should be developed and implemented; training for local officers should be strengthened; PAR advocacy should also be strengthened.

Constraints:

- Although a number of positive results have been achieved in this area, the quality of implementation methods for capacity development still needs to be improved;
- The training is still dominated by formal requirements and is weak in terms of professional skills and competence development;
- Training is still not closely related to actual work issues.

IV. Public finance reform

Ongoing activities; outcomes; outputs

- Through the implementation of the new Budget Law (December 2002), the new budgetary process has increased the authority of local governments in terms of making decisions on budget allocations for local levels, highlighting the autonomy and accountability of various local authorities. Transparency has also been improved in the budget management process.
- Central and local agencies continue to implement Decision No. 192 of the Prime Minister on Block Grants. The Block Grant model has proven to be highly effective in improving efficiency of financial management, increasing autonomy, changing management formalities, reducing pressure for upsizing, and promoting savings, productivity and increasing incomes of civil servants.
- Decree No. 10/2002/ND-CP of the Government on the Financial Mechanism for Income -Generating Public Service Delivery Agencies is being implemented with a significant number of positive outcomes already achieved. This mechanism has been implemented by 520 out of 797 agencies at the central level (62.5%), and by 6745 out of 13641 agencies at the local level (49.5%). The autonomy of public service delivery agencies has increased with respect to: Re-arranging the organisational structure, downsizing, savings, promotion, and the handling of issues and problems. It is a significant step forward to separating the tasks of public service delivery and administrative agencies.

Future Activities; Expected Outcomes

- Management mechanism for public service delivery agencies should be developed and adopted to promote socialisation of public services;

Constraints:

There are still many shortcomings in financial and monetary management; revenue collection and budget expenditure has not been carried out effectively, resulting in losses; and the tax and customs systems still create many obstacles for people and businesses.

V. Other Initiatives

a. Steering and guiding PAR efforts:

The Government and the Prime Minister have paid close attention to steering and guiding PAR efforts, and consider PAR to be one of the six key solutions for realising national socio-economic development plans and goals. The steering, monitoring and supervision of the PAR Steering Committees at all level needs to be enhanced since PAR has been slow, inefficient and inconsistent, still failing to meet expectations of the people and socio-economic development requirements.

One of the causes rests with the steering and guiding of PAR implementation. Recognising the role and impact of this important function, the organisational structure of the Government PAR Steering Committee has been improved and its operation has been strengthened through clarified functions and authorities. Its role is not only to provide advice but also to directly assist the Prime Minister in steering and guiding the implementation of PAR tasks and to report on PAR implementation at the monthly Government meeting.

The PAR Steering Committees of ministries, central agencies and provinces are not yet well staff and in full operation and have not made the most of their role and function in steering and guiding PAR implementation.

In order to achieve better results, PAR should focus on strengthening the efficiency of the government machinery system, and the promotion of accountability, transparency and democracy. In so doing, significant contributions will be made towards combating corruption and red-tape, hence improving the confidence of the people in the Government.

The Government PAR Steering Committee has also focused heavily on the monitoring and supervision of PAR in ministries and provinces and is seen as one of the most effective instruments/ bodies for monitoring and evaluating PAR progress. This also helps the Government PAR Steering Committee to assess feedback for timely and relevant adjustments to their PAR steering work.

b. PAR Advocacy as per Decision No. 178/TTg, by the Prime Minister, dated September 3rd, 2003

PAR advocacy has been promoted through the mass media and the regular PAR broadcasts on Vietnam Television on Monday evenings have been maintained. In order to help increase PAR awareness within society, the MoHA and the Ho Chi Minh Central Youth Union recently signed a cooperation programme, "Participation of vanguard youth in PAR and development of modernised, administrative offices (2004-2005)."

c. Socialisation

Socialisation is a major policy of the Party and the State and covers the following contents:

- Efforts should focus on socialisation in big cities and more developed localities. Coordinated and effective socialisation will enable the Government to increase its investment in core tasks to meet the basic demand of society and provide better services for remote and disadvantaged areas, for the poor and for those who need special care.
- Efforts should be made to fulfil socialisation targets by 2010 in 4 areas: education and training, health care, culture, sports and games.
- Socialisation developments should be coupled with improvements in governance standards to prevent any wrong-doings; the policy, mechanism and legal framework for socialisation in each sector should therefore be adjusted to facilitate implementation at the local level.

- Ministries should take the leading role to finalise proposals to identify viewpoints, objectives, contents, measures and specific recommendations for changes in the policy and mechanism to promote socialisation.

B. PAR Partnership Activities

The year 2004 saw a progress in Government - donor partnerships in the area of PAR. Since its official launch (in 2003) under the framework of the UNDP - multi-donor Programme "*Support to the Implementation of the PAR Master Programme 2001-2010*," the PAR Partnership Forum has made remarkable progress and has emerged into one of the most active forums among the 23 development partnerships in Vietnam.

The regular meetings in the past year provided good opportunities for over 20 development partners to interactively discuss PAR Master Programme policy and management issues, resource coordination efforts and share best experiences among the 25 support programmes/projects. PAR and the VDGs / CPRGS has always been a substantive topic for discussion, which is incorporated into the PAR Partnership Notes for the CG Meetings. Local Decentralisation Challenges (in Planning and Budgeting) will be the main subject for this year's PAR Partnership Forum.

New PAR Projects and new Phases of on-going PAR Projects in the pipe-line or signed include:

- The Project "Strengthening capacity in financial policy analysis for human development" of the Ministry of Finance, funded by UNDP and signed in December 2003;
- The Project "Strengthening capacity of commune authorities" in Cao Bang Province, funded by Helvetas, Switzerland, which has been signed and implemented since early 2004;
- The Project on "Local Governance" in Cao Bang province, funded by SDC-Switzerland is in the appraisal process.
- The Project on "Rural Development" Phase 2, with the component of institutional development for Thua Thien Hue Province, funded by the Government of Finland, was signed in April 2004, and put into operation.
- The PAR project of Ninh Binh Phase 2, to be funded by the Norwegian Government: The project document is being finalised for approval;
- The PAR Project for Dak Lak Province Phase 2, funded by DANIDA, was put into operation in June 2004;
- The PAR Project of Quang Tri Phase 2, funded by SIDA – Sweden: The project document is in the preparation stage;
- The MoHA is preparing a new project funded by SIDA to support MoHA and selected provinces and ministries in personnel management.
- The Asian Development Bank (ADB) has assisted the MoHA to organise a number of workshops and meetings to support the salary reform and civil service management. The workshop outcomes assisted the preparation of a number of circulars on Regulations for the Introduction of the New Salary Schedule. The ADB has also assisted the Vietnam State Inspectorate in conducting a study on oversight, inspection and auditing in Vietnam.

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The Citizens' Report Card: Measuring performance of service delivery in decentralisation

The Citizens' Report Card represents an assessment of public services from the perspective of citizens. Citizens are the users of these services and can provide authentic feedback on the quality, efficiency and adequacy of the services, as they perceive them, and the problems they face in their interactions with the service providers. At a broader level, data from the Citizens' Report Card can inform local planning, from land zoning policies to the accelerated development of urban infrastructure and social services.

To assess the performance of local service delivery service, the MoHA commissioned the People's Committees and People's Councils of Ho Chi Minh City, Danang, Nam Dinh and Haiphong to pilot a Citizens' Report Card Survey. The Statistical Offices in the four cities carried out a survey in a range of service delivery areas: Education; Health; and Administrative Service Delivery including notary, land registration, housing construction permits and household registration.

The Citizen's Report Card is also helpful to identify bottlenecks in service delivery. On all indicators land registration comes through as a major problem. In particular, transparency on official fees, reasonableness of fees and attitude of officials emerge as areas where improvement is needed. Although land registration is far more complicated than simple notary services, it should not automatically warrant a lower citizen satisfaction with the attitude of officials in land registration agencies. On the positive side, the notary service receives consistently high marks on all indicators.

MoHA – SDC nationwide assessment of the One-Stop Shop (OSS) mechanism at the commune level

The Prime Minister issued Decision 181/QĐ.TTg in September 2003 on the implementation of the OSS mechanism in public administrative agencies (provincial, district and commune) at the local level. According to this Decision, the provincial and district levels should start implementing the OSS mechanism from January 1st, 2004, and at the commune level from January 1st, 2005.

At the commune level, about 10.23% of more than 10,000 communes in the country have already applied the OSS mechanism. MoHA is responsible for issuing "Guidelines for the implementation of the OSS mechanism at the commune level." To develop this document, MoHA and SDC have conducted a review of the existing commune OSS. The review report will be distributed at the CG meeting in December, 2004.

C. Support to the implementation of the comprehensive poverty reduction and growth strategy (CPRGS)

- Supported by UNDP in the PAR project, the People's Committee of HCM City adopted the "PAR and Sustainable Growth" strategy paper. The document was circulated to the mid-term CG development partners and presented at the PAR Partnership Forum. By aligning the MDGs/CPRGS with the City's five Development Clusters (with 50 development targets), this document provides the strategic foundation for developing the City's 2006 - 2010 socio-economic plan. It also outlines a more outcome-oriented and pro-poor PAR strategy for the 2005 - 2010 period with four reform pillars: (i) Result-based Performance and Accountability, (ii) E-governance and Decentralisation, (iii) Pro-poor Public Services, and (iv) Advocacy, Participation and Grassroots Democracy.

- Rigorous pilot and expansion of Quality Management System (ISO) is underway in 5 administrative and service agencies (HCMC P.Com Office, DPI, DONRE, HEPZA and Tax Authority). The specialisation of the administrative services – further developing the OSS model with the introduction of ICT - is under experiment by the three district People's Committees (3, 11 and Binh Thanh). This is seen as the standardised model to promote service transparency and equity while holding civil servants accountable for their tasks.
- Following recommendations from the Farmer Needs Survey conducted with the assistance of the UNDP- Netherlands supported PAR project, the Ministry of Agriculture and Rural Development (MARD) is planning to test ICT-based Telecentres in 13 communes of 10 provinces. Together with the development of the National Agricultural Extension Centre (NAEC) at the central level, this initiative is a first step aimed at developing a service-oriented MARD service system to improve agricultural services, economic opportunities and social benefits for Vietnam's rural poor farmers.
- The World Bank, in coordination with a number of donors, is finalising details of a project to provide credit for the Government of Vietnam to support poverty reduction (Stage 3).
- Some projects such as the SDC-funded project for Nam Dinh, the GTZ-Funded PAR Project for the Forestry Sector, and the BTC (of Belgium) – funded PAR project for Can Tho City and Hau Giang Province have carried out activities linking PAR with HEPR efforts.

D. KEY CHALLENGES AND SOLUTIONS

I Support to the PAR Master Programme

Some key lessons learnt:

1. PAR is a complex undertaking, and can only be successful if carried out in alignment with the renovation of the political system.
2. Strengthening of reform, accountability and commitment of agencies and managers at all levels through advocacy measures will help ensure successful reform results.
3. Ministries and localities should develop PAR programmes/plans relevant to their cultural practices, context and management capacities.
4. Mismatches between theory and practice in PAR programme planning and implementation result in difficulties in road-mapping the PAR process; this requires further study and lessons learnt from international experience.
5. Timely measures implemented to encourage and support those ministries and localities proactively carrying out reforms, with their best practices reviewed for wider replication.

The year ahead

- The Review Report of the three-year PAR MP Progress suggests
- prioritised actions be undertaken in 2005, which include: (i) deepening structural reform and decentralisation, (ii) promotion of accountability, transparency in performance and PSD, (iii) acceleration of local democracy and participation, and, (iv) improvement of PAR MP management and advocacy.

- In the new development context, the year 2005 represents a critical, turning point in Vietnam's ten- year PAR implementation process.
- Despite some significant achievements over the past few years, stronger efforts are required to accomplish the goals and objectives laid out in the PAR Master Programme. 2005 will therefore be a time to review the progress of the first period and draw useful lessons to identify strategic directions and specific actions for the next five years.
- Through a holistic and participatory approach, the PAR Master Programme plan for 2006-2010 aims to address the priority and sequencing issues to ensure that objectives are results-oriented and activities are well monitored, to bring about visible impacts and long-term sustainability at all levels.

ANNEX A
LEGAL NORMATIVE DOCUMENTS ISSUED SINCE THE BEGINNING OF 2004
TO DATE, RELATING TO PAR AND THE ADMINISTRATIVE APPARATUS

- Land Law issued on 10/12/2003, effective as of July 1st, 2004
- Construction Law issued on 10/12/2003, effective as of July 1st, 2004
- Law on Election to the People's Councils (amended & revised), December 2003
- Law on Organisation of People's Councils and People's Committees, 2003
- Law on State Owned Enterprises, December 2003
- Decree No. 109/2004/ND-CP dated 2/4/2001 on business registration
- Decree No. 112/2004/ND-CP dated 8/4/2004 on regulating the staff-size management mechanism in public service delivery agencies
- Decision No. 137/2004/QD-TTg of the Prime Minister on approved orientations for the training and upgrading of cadres and civil servants at the grassroots level towards 2010
- Legal documents for the implementation of the amended Ordinance on Cadres and Civil Servants have been issued. Circulars providing guidance for the implementation of 5 Decrees issued as a result of and for the rolling out of the said Ordinance have also been issued
- Law on Bankruptcy, issued on 24/6/2004, effective as of October 15th, 2004
- Law on Inspection, issued on 24/6/2004, effective as of October 1st, 2004
- Decree No. 125/2004/ND-CP of the Government dated 19/5/2004 on the amendment and revision of some articles of Decree No. 03/2000/ND-CP dated 3/2/2000 providing guidance for the implementation of some articles of the Business Law
- Decree No. 133/2004/ND-CP of the Government dated 9/6/2004 on the establishment and stipulation of functions, tasks, powers, organisational structure and staff-size of the Offices of the Provincial People's Councils
- Decision No. 102/2004/QD-TTg of the Prime Minister dated 8/6/2004 on perfecting the Government's PAR Steering Committee
- Decision No. 103/2004/QD-TTg of the Prime Minister on issuing the working regulation of the Government's PAR Steering Committee
- Resolution No. 08/2004/NQ-CP of the Government dated 30/6/2004 on speeding-up the decentralisation between central Government and provincial governments.
- Decree No. 141 and No. 142 of the Government on administrative violations with regards to post and telecommunication and radio frequencies

ANNEX B1

RESULTS FROM THE IMPLEMENTATION OF DECISION NO. 74/2001/QD-TTG OF THE PRIME MINISTER, APPROVING THE PLAN FOR THE TRAINING AND UPGRADING OF CIVIL SERVANTS AND CADRES FOR THE PERIOD 2001-2005

B1- Legal documents issued:

1. Decision No. 161/2003/QD-TTg dated 4/8/2003 of the Prime Minister issuing the Regulation on training and upgrading of cadres and civil servants
2. Decision No. 137/2003/QD-TTg dated 11/7/2003 of the Prime Minister issuing the HRD Plan for international economic integration, 2003 – 2010
3. Decision No. 03/2004/QD-TTg dated 7/1/2004 of the Prime Minister on approving the training plan direction for civil servants and cadres at the grassroots level towards the year 2010
4. Circular No.105/2001/TT-BTC dated 27/12/2001 of the Minister of Finance providing guidelines on the management and use of budgets for the training and retraining of cadres and public servants
5. Decision No. 52/2004/QD-BNV dated 27/7/2004 of the Minister of Home Affairs issuing the Regulation on appraising the curricula, programmes and training materials for civil servants and cadres
6. Decision No. 28/2003/QD-BNV dated 11/6/2003 of the Minister of Home Affairs issuing the training and upgrading plan for trainers/lecturers specialised in State Management and administration, (2003-2005)
7. Decision No. 51/2004/QD-BNV dated 22/7/2004 of the Minister of Home Affairs issuing the training and upgrading plan for trainers specialised in political theory, (2005-2010)
8. Circular No. 105/2001/TT-BTC dated 27/12/2001 of the Minister of Finance providing guidance on the management and utilisation of the budget for training and upgrading civil servants and cadres.

B2- Results of training and upgrading activities for cadres and civil servants over 3 years, from 2001-2003

Training completed: 1,213,000 people/rounds
(Ministries and branches: 238,000 people/rounds; provinces and cities: 975,000 people/rounds)

Implementation Results:

No.	Target to 2005	Total number to be trained according to targets	Results gained during 3 years		Remaining number to be trained	
			Number	%	Number	%
1	100% of administrative civil servants at different levels: expert, principal expert and senior expert are provided with training on political theory and state management, respectively.	63.903	47.869	75%	16.034	25%
2	Civil servants under 50 years of age who do not have university degrees (by 2005) to be trained/educated to university level	6.845	4.178	61%	2.669	39%
3	100% key leaders in districts, provincial departments, and department levels have university qualifications and senior levels, knowledge in political theory	22.026	7.134	32%	14.892	68%
4	Each year, 10% of civil servants in public service delivery agencies to be trained in specific professional skills	409.078	238.375	58%	170.703	42%
5	Each year, 20% of communal officers trained and retrained	79.619	53.868	68%	25.751	32%
6	50% of key officers at the communal level in flat land, urban areas and highland areas have intermediate and higher level qualifications, 25% of those, in mountainous and island areas.	27.653	14.097	51%	13.556	49%
7	35% of professionals at the communal level have intermediate level training and higher	21.546	10.840	50%	10.706	50%
8	State management knowledge to be provided for all Heads of villages and hamlets	56.368	48.497	86%	7.871	14%