

PUTTING PARTNERSHIPS TO WORK IN VIETNAM: UPDATE

An Informal Report Prepared by Government-Donor-INGO
Partnership Groups



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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 in Vietnam, all working together to help Vietnam achieve its development targets, and to improve the co-ordination and delivery of Official Development Assistance (ODA). 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 contributing to the theme notes in this volume are currently as follows:

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Putting Partnerships to Work in Vietnam: Update

Introduction

Since the 2001 Consultative Group meeting, development partnerships in Vietnam have made progress in both delivering development outcomes, and in improving the efficiency of ODA delivery. Three important events have underpinned this progress:

- The completion by Government of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) with significant input from sectoral ministries and partnerships;
- The decision of many donors to use the CPRGS to inform and guide their individual business plans; and,
- The progress made by Government, the ‘Like Minded’ group of bilateral donors, and others, towards simplifying and harmonizing ODA procedures.

Many of the development partnership groups in Vietnam have worked over the past six months to ensure that their sector’s interests are as well represented as possible in the CPRGS, while also striving to deliver their defined development outcomes, as outlined in ‘Putting Partnerships to Work in Vietnam’ (Consultative Group Meeting for Vietnam, December 2001). This volume collates notes from a range of development partnerships, addressing the ‘key questions’ detailed in Box 1. It should be noted that some active partnerships have chosen only to provide an update on an annual basis: non-inclusion in this document does not imply non-activity on the part of a partnership group.

Box 1: Three ‘Key Questions’ addressed in the Partnership Notes

1. Over the past six months, what specific progress has your partnership made towards:
 - meeting the success criteria you identified in ‘Putting Partnership to Work in Vietnam’ (the report for the Dec 2001 CG), and
 - to support sectoral strategies and programs, and the CPRGS?
2. Over the next six months, what concrete actions will your group take, including to align donor support to the CPRGS?
3. What are your revised success criteria for December 2002, to ensure your partnership group reaches its development outcomes and that the CPRGS is effectively implemented?

Box 2: Examples of Activities of Partnership Groups in the past six months

Poverty

- CPRGS finalized by Government with PTF support
- 6 village level consultations, and 7 regional consultation workshops held on the CPRGS
- 6-country workshop sharing experience of national poverty reduction strategies held

Gender

- 10 year national strategy approved by the Prime Minister
- Women's participation rate in Government legalized (at 30% of NA deputies)
- Training for over 200 women first time-candidates for NA elections delivered

Environment

- ISGE MOU formally signed in May 2002
- Support provided to integrate environment in CPRGS

Urban Forum

- Urban Poverty Task Force established and has contributed to CPRGS drafting process
- One Stop Shop Approach ready for national replication; approval expected in June 2002

SOE Reform and Equitization

- Group mobilized grant technical assistance
- Overall implementation capacity of National Steering Committee for Enterprise Reform and Development (NSCERD) strengthened

Banking Reform

- Two sub-committees on central banking reform and on micro-finance reform set up
- Analysis and assessment of the banking system and the non-bank financial system initiated and discussed
- Details of the multi-year banking reform program well reflected in the CPRGS

Trade Reform

- Trade reform program well reflected in the CPRGS, drawing on discussions and ongoing work-program of the group.
- The group has coordinated donor assistance and informs donors regularly on various TA support (ongoing and planned)

Education

- Education Sector Strategy to 2010 approved by the Prime Minister
- Education chosen as a pilot for trial of new output budgeting mechanism for FY2003
- UNESCO assisting MOET to coordinate an EFA framework and action plans

HIV/AIDS

- National AIDS Standing Bureau has consulted widely and is closely collaborating with INGOs in technology transfer, sharing experiences and financial management
- UN Theme Group on HIV/AIDS has been reinvigorated

Natural Disasters

- Partnership expanded
- Preparatory assistance document approved by Government

Box 2: Examples of Activities of Partnership Groups in the past six months (continued)

Public Financial Management

- Budget transparency has increased
- HCMC's block grant budgeting pilot replicated elsewhere
- Revised budget law at an advanced stage

5 Million Hectare Program

- Partnership structure set up (PSC, TEC, FSSP-Coordination Office)
- Forestry Research Workshop held in Nov 2001
- Forestry training and extension workshop organised in March 2002

Partnership to Support the Poorest Communes (PAC)

- A grant of \$415,000 mobilized from ASEM II approved to support coordination and analysis of community driven development in Vietnam; to be managed by MPI and directed by a rejuvenated PAC (awaiting final approval of Government)

MARD CPRGS Task Force

- Task Force set up and Small Expert Group established
- Substantive and important contributions made to the CPRGS

Water Resources

- The Vietnam Water Partnership (VNWP) formed 4 February 2002
- Joint training needs assessment and training plan prepared
- Thematic Ad-Hoc Group on Support for Water Resources terms of reference and action program for 2002-2003 prepared. Studies on important policy issues identified

Transport

- Group focused on information sharing and consolidation

HCMC ODAP

- Pilot training in ODA project management in Dec 2001 and Jan 2002 strengthened capacities of HCMC PMUs, and incorporated training of trainers
- Workshop on 25 Apr 2002 addressed HCMC poverty reduction and brought together for the first time all directly relevant departments, donors & organisations

Public Administration Reform

- Many actions taken by Government to move PAR forward
- PAR steering committee expanded; program of actions taken forward

Legal Needs

- Key legal development needs clearly identified and analyzed
- Long-term development strategy elaborated
- Action Plan to carry out the strategy set out
- ODA framework to support the implementation of the Action Plan proposed

SMEs and PSD promotion

- Enactment of Decree for SME development support on Nov 23, 2001 and Decision No. for SME credit guarantee funds on Dec 20, 2001 stimulated discussions among donors on how to galvanize partnership activities
- Series of key workshops on SME/PSD support policies held.

Sharing the vision: moving to implementing the CPRGS

The coalescence around the CPRGS as the key strategy for guiding ODA in Vietnam has been remarkable, and this now challenges partnerships and the ODA community in general to respond. This will require individual donors, NGOs and Government to work in a deeper and more sustained sense of partnership, and to be prepared to give some ground as programs are adjusted to be led by the CPRGS. The need to avoid overlap and reduce gaps becomes all the greater as the CPRGS becomes the overall strategy for ODA in Vietnam: without this, the CPRGS will be unable to reach its potential.

Many groups have found that as a result of working to influence, and now implement, the CPRGS they are moving further along the ‘Partnerships Journey’ of six distinct stages - (i) *shared information and understanding*; (ii) *a common technical diagnosis*; (iii) *agreement of principles in finding solutions*; (iv) *joint development of a detailed shared action plan*; resulting in (v) *clarity of tasks and funding*, and (vi) *monitoring and evaluation of outcomes, and feedback*.

Taking up the Challenge: moving to harmonization

As individual donors’ business plans are gradually aligned to the CPRGS - essentially harmonizing country strategies to a single, Government-owned strategy – some donors are now seeking to harmonize procedures for ODA management and delivery. The Government is providing strong leadership in this area, not least through the implementation of Decree 17 (regarding ODA Management) and Decision 64 (on management of INGO inputs). The Government is also encouraging a number of initiatives that are currently ongoing, including that facilitated by the ‘Like-Minded’ group of bi-laterals, which is linking with the DAC’s global efforts, and a new initiative that is likely to be piloted in Vietnam, with an initial focus on harmonization between the development banks.

While partnerships and donors have a range of perspectives on the costs and benefits of working to harmonize ODA procedures at the country level, it is likely that those who choose to embark on this endeavor will focus on a variety of areas in which concrete progress is possible. Such areas may include:

- Improving and exploiting synergies in identifying, scoping, scheduling, and preparing analytic work;
- Using the CPRGS as the strategic framework for identifying priority areas for analytic work;
- Seeking to harmonize the guidelines for country analytic work, toolkits, and quality assurance arrangements;
- Adopting common procedures for project identification and using standard forms for project proposals and feasibility studies;

- Adopting common training for PIUs/PMUs in project implementation, monitoring, and supervision;
- Harmonizing financial reporting and auditing approaches, and financial management standards for project, sector, and budget support;
- Harmonizing application of procurement methods, and expand use of standard or common bidding documents for international and local contract bidding;
- Harmonizing environmental and social approaches in development assistance and adopting a common framework for involuntary resettlement;
- Aligning monitoring and evaluation activities; and,
- Enhancing collaboration in country Portfolio Performance Reviews.

Looking forward: the next six months

In the theme notes that form the main body of this report, as well as reviewing past progress, individual partnership groups set out their plans and success criteria for the second half of 2002. The way that the partnership approach has taken root in Vietnam is increasingly being recognized as global best practice: the challenge now is to build on this to deliver enhanced development outcomes in the most appropriate, efficient and timely manner possible. How partnership groups are helping do this is reflected in the following pages.

Poverty Task Force

Progress over the past six months

1. The Poverty Task Force has made significant progress towards meeting the success criteria identified in 'Putting Partnerships to Work (2001)', as summarized in the table below. All these activities were in support of the Government's Comprehensive Poverty reduction and Growth Strategy (CPRGS).

Planned activity	Target Date	Key players	Progress to date
Support the government to develop CPRGS			
Revise and finalize 8 Vietnam development Target papers	January, 2002	ADB, DFID, UNDP, WB, JBIC	Papers in advanced draft; many VDTs incorporated by MPI drafting team into CPRGS; will be finalized by June 15 2002.
Support MPI to carry out 14 consultation workshops on CPRGS	December, 2001 - end of March, 2002	ADB, WB, GTZ, SCF (UK), ActionAid, Oxfam GB, CRS, Plan International	6 village level consultations carried out in Dec/Jan; 8 regional /national consultation workshops held in Feb-April 2002
Support MPI to finalize CPRGS (technical assistance)	November 2001 - April, 2002	UNDP, DFID, IMF, WB	CPRGS expected to be sent to Prime Minister for approval in May 2002 and to be launched at the mid-year CG in May 2002.
Organize a regional workshop on PRSP for 6 countries from East Asia	December, 2001	WB, IMF, ADB, UNDP	Workshop successfully held in December 2001; additional 6 country regional workshop on integrating gender in national poverty reduction strategies held in March 2002.
Continue to support GSO to finalize household survey strategy			
Three regional non-sampling error workshops	November, 2001	WB	Two workshops held in November 2001 in Hanoi and Ho Chi Minh City (proposed third workshop combined with these two)
Pilot survey	October, 2001	WB, UNDP	Undertaken by GSO; completed in Dec 2001
Implement the first two rounds of MPHS 2002	January and April, 2002	UNDP, SIDA, WB	First round completed in January 2002; second expected in May 2002
Forum to provide feedback on donors' CASs			
ADB CAS consultation	October 25, 2001	ADB and others	ADB CAS completed; many donors now aligning their business plans to the CPRGS

2. In addition, PTF members have worked with a wide range of donors and sector ministries to ensure that sectoral interests have been adequately represented to the CPRGS drafting team. This has included support to sectoral CPRGS teams within individual ministries.

Plans and success criteria for the next six months

3. Over the next six months, the overall aim of the Poverty Task Force will be to support the work of the CPRGS Secretariat, which is expected to be set up by Government to manage implementation of the CPRGS. The PTF will also consider ways of supporting monitoring and evaluation of the CPRGS as it is implemented.

4. The key success criterion for the PTF is for implementation, monitoring and evaluation of the CPRGS to be underway by the 2002 Consultative Group Meeting in late 2002. Specific activities planned for the next six to eighteen months include the following:

Activity	Target Date
Support the government to implement CPRGS	
Agree and start to implement a program of support for the planned CPRGS Secretariat (activities to be decided according to need)	By December 2002
Finalize VDT papers	June 2002
Support the government in integrating CPRGS into socio-economic and sector annual (action) plan for implementation	By December 2003
Support the government to develop regional CPRGS	By December 2003
Study of development of Mekong Delta region (including quantitative and qualitative studies)	By December 2003
Support the government to monitor and evaluate CPRGS's implementation: continue to support GSO with household survey strategy	
Support GSO in 3 rd and 4 th rounds of Vietnam Household Living Standards Survey (VHLSS)	August 2002
Support GSO in 4 th round of VLHSS including piloting governance questions and possibly feedback on public services	October 2002
Support GSO in the development of a strategy for an enterprise survey	December 2002

Gender

1. The Gender Partnership Group recently underwent a review of its purpose and operational style with a view to strengthening its support for efforts towards gender equality in Vietnam. A recent workshop of Gender Partnership members, including representatives of the National Committee for the Advancement of Women, agreed that the group will tighten its focus, facilitate structured learning opportunities to explore 'Good Practice' examples of gender mainstreaming in Vietnam, support targeted working groups on specific issues, and increase two-way efforts to support and influence dialogue and policy between government and partners.

Key outcomes during the past six months towards meeting the success criteria identified in 'Putting Partnerships to work in Vietnam' (CG December 2001)

2. Prime Minister Phan Van Khai issued Decision No 19/2002/QS-TTg on January 21 2002 approving the National Strategy for the Advancement of Women in Vietnam to 2010, which has 5 objectives covering labour and employment, education, health, participation in leadership and decision-making, and strengthening capacity to mainstream gender. A launching ceremony for the strategy was held in Hanoi on February 1 2002. The second National Plan of Action for the Advancement of Women (POA2 2001-2005) has been approved by Mme Ha Thi Khiet, Chairperson National Committee for the Advancement of Women, and is currently being translated in preparation for printing and distribution. An orientation conference to promote the National Strategy and Plan of Action was organized for CFAWs in more than 50 ministries and central agencies.

3. Women's participation rate in Government was legalised (in the Law on Elections) for the first time following the Vietnam Women's Union successful recommendation that the National Assembly comprise of at least 30 percent Women Deputies. Following this decision leaflets were distributed widely to voters raising awareness about the importance of women's participation in the National Assembly and outlining relevant Party directions and State policies.

4. The 3-year NCFAW-UNDP-Netherlands Project VIE-01-015-01 *Support to the National Machinery for the Advancement of Women to Mainstream Gender in National Policy and Planning* was approved on 8 February 2002. In support of Vietnam's goal to increase the number of women in the 11th National Assembly to 30%, the project coordinated six 4-day National workshops for over 200 first time women candidates preparing for the National Assembly election to be held on 19 May 2002. The project has actively supported efforts of the NCFAW CPRGS Task Force in its efforts to strengthen the gender focus of the CPRGS.

5. In relation to the Joint Government Donor Gender Framework (JGDGF), NCFAW is exploring the possibility for collaboration between the NCFAW Project and the MPI Vietnam Australia Monitoring and Evaluation Strengthening Project (VAMESP). If agreed, the goal of this collaboration would be to integrate gender into MPI's National ODA Monitoring and Evaluation Management Information System currently under development. Collaboration between the two projects could achieve the dual benefits of strengthening the ODA M&E system by incorporating gender,

and by providing NCFAW and GoV with an effective mechanism to monitor, evaluate, and report on ODA projects and programs in terms of the extent to which they consider and address gender issues, and how they contribute to the objectives of the National Strategy for the Advancement of Women.

Key outcomes during the past six months towards the development of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS)

6. NCFAW has been proactive in facilitating a comprehensive consultation and analysis process aimed at ensuring that the development of the CPRGS has been informed by country-specific gender dimensions of poverty, and that the strategies and goals of the CPRGS place a high priority on interventions and outcomes that respond to the needs of women and men, and contribute to reducing gender inequality. Key activities have included the development of a CPRGS Gender Task Force with representation of NCFAW and the VWU, wide-ranging consultations from grassroots level up to the National Assembly, participation in a World Bank Regional Conference on engendering Poverty Strategies where a plan of action to engender the CPRGS was developed, coordination of a round-table meeting with the MPI CPRGS Drafting Committee to discuss critical gender issues, and the submission of recommendations to strengthen the gender focus of the CPRGS. The importance of gender-sensitive indicators, and monitoring and evaluation mechanisms based on sex-disaggregated data and intra-household analysis was a high priority recommendation.

Actions planned for the next six months to align donor support to the CPRGS

7. Recommendations to strengthen the gender focus of the CPRGS are in line with the objectives and strategies of the National Strategy for the Advancement of Women to 2010 and the POA2. Following approval of the final CPRGS by the Prime Minister, it is anticipated that NCFAW and the Gender Partnership Group will review key gender policy objectives, strategies and targets in the CPRGS and develop recommendations as to how donors can best align their support.

Revised success criteria for December 2002 - to ensure that the Gender Partnership Group achieves its development outcomes, and the CPRGS is effectively implemented

8. Gender Partnership Group has a strengthened mandate and operates effectively in supporting gender equality efforts through planned structured learning events, focused sub-working groups, and improved policy-level dialogue between partners and GoV.

9. The objectives, targets and actions of the National Strategy, POA, and CPRGS are widely disseminated through a series of orientation workshops, and key responsibility areas are specified for partners and GoV.

10. Committees for the Advancement of Women (CFAWs) in key line Ministries, central agencies, and provinces are given training and support to develop specific POAs in line with sector objectives.

11. JGDGF - collaboration between the NCFAW and VAMESP Projects to engender MPI National ODA Monitoring and Evaluation System commences in consultation with the Gender Partnership Group.

12. Awareness raising for policy makers, leaders and key target groups of the relationship between gender equality, poverty reduction, and economic growth takes place through training of National Assembly Deputies, HCOMPA curriculum development, and a National Media Conference to improve gender-sensitivity amongst the mass media.

International Support Group on Environment (ISGE)

Progress towards meeting success criteria, support to sectoral strategies and the CPRGS

1. The Memorandum of Understanding (MoU) for the International Support Group on Environment (ISGE) was signed on May 9, 2002. The MoU provides a shared and formalized framework to the signatory partners for the implementation of the ISGE and is open to any Vietnamese or international organisation committed to supporting the environment sector in Vietnam. Considering the multi-sectoral nature of environmental protection, it was regarded as very important to ensure the participation by as many line ministries as possible. The efforts to broaden the participation resulted in a later than expected signing of the MoU, but it also led to stronger support than expected. Eight ministries and 13 donors are signatories to the ISGE and more parties have indicated their interest in signing the MoU. The broad support is encouraging as it provides the basis for improved coordination and coherence in the environment field.

2. The ISGE partnership showed its ability to quickly respond to emerging needs of the Government during the CPRGS process. Support was mobilized within the partnership to enable the National Environment Agency (NEA) to establish a taskforce who conducted a thorough review of the CPRGS and submitted substantial recommendations on how to improve the integration of sustainable development and environmental protection considerations in the CPRGS paper. Furthermore, within the framework of the ISGE, three Roundtable Consultations were conducted on how to strengthen the environment pillar of sustainable development in the CPRGS.

Concrete actions over the next six months and support to the CPRGS

3. The objective of the ISGE is to support the implementation of the 2001-2010 National Strategy for Environment Protection and the 2001-2005 Environmental Action Plan. Among the identified barriers for successful implementation, the most pressing issue relates to the few linkages between the various sectoral plans and the long term national planning strategies. A challenging task will be to ensure that the Government has the necessary capacity to align the sectoral strategy and action plan towards the overall CPRGS target of promoting growth and poverty reduction as well as carry out the recommendations in the National Agenda 21 which is currently being formulated.

4. In the next six months the ISGE will operationalise its formal platform – the secretariat - and concentrate its activities on improved information sharing and coordination. The operation of specific sub- or pilot partnerships will be the main driving force for the ISGE. Pilot partnerships will be formed to mount collaborative programmes of work around high-priority issues. The first pilot partnership to be launched under the ISGE is on Environment Institutional Development. Based on the lessons from this pilot partnership other partnerships will be established.

5. It is foreseen that activities in support of both the CPRGS and the National Agenda 21 will be identified under the ISGE partnership.

Revised success criteria for December 2002

Objective	Planned activities
Raised awareness about environment projects and sustainable development	a) Create and update database on all environment projects. b) Publish CD ROM with all environment project information. c) Create email list of all ongoing environment projects sorted by location, theme and donor. d) First quarterly Newsletter published. e) ISGE website established. f) Provide a monthly summary of environmental activities by email list. g) Concerted approach for the World Environment Day with focus on sustainable development. h) Support to the Government's preparations for WSSD in Johannesburg.
Pilot partnership initiated	Environmental Institutional Strengthening has been selected as the first pilot partnership to be launched. The experience should be used for developing other pilot partnerships.
Improved coordination of funding and execution of technical studies.	During 2002 the ISGE should gradually take up more and more responsibility in the field of coordination and act as a clearing house for environmental information.

6. In the long term the success of the ISGE will have to be measured on whether it has improved and assisted in:

- a) Integrating national and international investment in the environment under the one policy framework.
- b) Integrating the National Environment Protection Strategy and Action plan into the plans and programmes of all arms of government and at local levels.
- c) Channeling resources to the highest priority concerns while minimizing overlap.
- d) Harmonizing government and donor practices and procedures in e.g. reporting and auditing requirements.
- e) Strengthening the management capacity of MOSTE/NEA to promote working linkages on the environment across sectors and between different levels of government.
- f) Involving NGOs, community groups and the private sector in environment programmes.

Urban

Progress towards meeting success criteria, support to urban strategies and the CPRGS

1. The formation of the Urban Forum was decided in the Consultative Group Meeting 2000, when Vietnam presented its development goals for the next decade through the Socio-Economic Development Plan 2001-2010. As one of the three trans-sectoral partnerships, the Urban Forum is building up relations with a variety of partners. From the start, this informal partnership has put effort in attaining concrete outputs rather than engaging in lengthy discussions on how to operate the Forum. However, it seems inevitable to formalise the relations with the Ministry of Construction and with other Ministries involved in urban governance (CGOP), urban environment (MOSTE), urban socio-economic strategy and planning (MPI) etc. A strong commitment is needed to allow the Urban Forum to promote a network of exchange between municipalities, including NGOs, private sector and civil society partners. A Memorandum of Understanding will therefore be drafted and all informal Urban Forum members will be invited to sign it.
2. In the diagnostic work and preparations for the CPRGS made until 2001, the urban agenda was neglected. The Urban Forum has therefore concentrated on including the issue of urban poverty, based on millennium target 11 (cities without slums) and 10 (safe water supply). A first Urban Forum subgroup was formed: the Urban Poverty Task Force (TOR available). This task force has participated in the CPRGS consultations, has drafted comments on the progressive drafts and has arranged or participated in consultations with MOC, MPI and municipalities.
3. The task force has proposed promoting the CPRGS approach at the city level. This would correspond to localised versions of a "city development strategy" approach as supported by the global Cities Alliance (Habitat, World Bank, ADB, bilateral agencies) network. In parallel, the Urban Forum has worked on sub-strategies and planning of new programmes with MOC and the World Bank linked to millennium target 11 (urban upgrading) and 10 (district town water supply).
4. Urban Forum members engaged in local government PAR (public administration reform) have started to share their experiences and plans, of how to support the PAR Master Programme 2001-2010, especially programme 2. As a first "product" of transparent, efficient, client-oriented service delivery, the One-Stop Shop (OSS) approach is now ready for replication in all cities and district towns. Government approval is expected in June and the Urban Forum will support GCOP, cities and towns in setting up OSS or improving services in existing OSS.

Concrete actions over the next six months

5. The Urban Forum as an informal, broad-based partnership will continue its output-oriented approach while defining a MoU with the Government of Vietnam through the Office of the Government, identifying Government partners and their roles in the Urban Forum. Based on the approved CPRGS, the Urban Forum will organise a series of consultations to define further the priorities in the urban agenda and the corresponding draft action-plan proposed by the Urban Poverty Task Force. The action-plan includes support to the strategy and policy level, the elaboration of a concept and guidelines for the implementation of CPRGSs for cities (including support from the Cities Alliance) and the preparation of testing the new strategic approach in a few cities. Activities will include:

- Collaboration with Vietnam's cities to prepare city development strategies/city level CPRGS and to establish a network for sharing knowledge and experience in collaboration with the Cities Alliance.
- Discussions on the policy and strategy agenda with the Ministry of Construction, focusing within the next two years on urban upgrading, district water supply, shelter policy, urban planning, urbanisation and spatial planning.
- Support the Government's priority agenda linked to Millennium Target 10 on safe urban water, including the new focus on district towns.
- Support GCOP, cities and towns in the promotion, establishment and operation of "one stop shops".
- Participation, together with representatives of cities and Government Agencies of Viet Nam, ODA partners, NGOs, community groups and the private sector, in policy analysis and work to develop and test new approaches in the following areas:
 - land tenure and access of the urban poor to housing and basic infrastructure;
 - development of small urban centers (district towns);
 - strengthening rural-urban linkages;
 - planned development of peri-urban areas;
 - defining the role and functions of urban local government institutions (municipalities, public utilities, etc.) as required in programme 2 of the PAR Master Programme (2001-2010);
 - environment and pollution (waste management, sanitation, cleaner production);
 - economic strategies, including the development of the private sector and household micro-enterprises;
 - assessment of the urban transition Vietnam is experiencing and finding appropriate responses to migration, globalisation and regional integration; and developing and testing participatory urban management and planning tools and approaches.

6. In addition to thematic consultations, proposed forthcoming activities within the next two years will continue to include the stock taking of urban development initiatives and programmes, policy analyses, surveys and case studies, local capacity building, and information exchange activities, such as the development of the Urban Forum website and newsletter.

Urban Forum's revised success criteria for December 2002

- MoU for Urban Forum drafted and agreed with Government of Vietnam and partners.
- Vietnam's CPRGS addresses urban poverty adequately and is promoted by the Urban Forum as the major strategic framework and approach for urban development issues.
- 5 cities agree to develop CPRGS or city development strategies in collaboration with the Urban Forum. A network of cities has started to exchange experiences and information.
- Study on Urban Transition in Vietnam discussed and published.
- Strategy for the promotion of One-Stop-Shops through the Urban Forum defined. All cities and district towns informed about the national evaluation, the replication policy of GCOP and the support strategy and options available. 50 OSS operational or planned to open within 6 months.
- Urban upgrading and district water supply approaches and planned programmes discussed, first pilot project launched.

SOE Reform

1. The working group on SOE reform has been extremely effective in mobilizing and coordinating technical assistance for the formulation of the SOE reform and equitization program, even though the frequency of meetings of the SOE reform group has not been more than three times a year.
2. A weakness of the working group for the last 12 months 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. Nevertheless, donors and NGOs have met more often than donors, NGOs and Government together. This is something that is expected to improve over the next 12 months as SOE reform implementation is consolidated.
3. However, the group has been very effective in disseminating and sharing information and in mobilizing assistance, probably because the Government had announced a multi-year SOE reform program in early 2001, around which donor support could be coordinated. 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, albeit at a slower pace than planned; however, the overall policy environment for SOE reform have been strengthened over the past 12 months, with the Party Plenum and the Prime Minister's decision on a timetable for implementing numerous measures.
- Participation of donors and NGOs in the working group continues to be strong. At the same time, it has not been possible to secure strong participation from the Government in the working group meetings on SOE reform, especially in the last 6 months. This is beginning to change with the recent reinvigoration of the implementation machinery.
- The details of the multi-year SOE reform program developed by the Government in collaboration with the WB and IMF and adopted in the I-PRSP in early 2001, has been well reflected in the CPRGS (and its policy matrix).
- Donor's TA projects are generally well aligned with the CPRGS. Indeed, major components of the SOE reforms that are envisaged in the CPRGS are viable under the proposed time frame thanks to the support that is provided by members of this group (e.g. the numbers of equitizations and liquidations, and development of monitoring systems).

Aligning support to the CPRGS over the next six months

- Denmark and the World Bank (with Japanese PHRD funds) will continue to support the Ministry of Finance in doing diagnostic audits of SOEs in sugar, rubber, steel and paper industries.
- DfID and the World Bank will support the Government's plans to restructure a number of General Corporations. Specifically, pilot restructuring of Vinacafe, Seaprodex and Vinatex will be carried out over the coming two years.
- ADB, Australia, Denmark, Japan, and the World Bank are the major players that have supported, and will continue to support, the Government's efforts to reach the goal of 2,800 equitizations, sales or liquidations by 2005.
- A UNDP project is assisting the Ministry of Finance to implement an Management Information System for SOEs.

Success criteria for 2002 and beyond

- Continued implementation of SOE reform and the equitization program.
- Greater participation of Government, including a leadership role in the working group as in the partnerships for PER and banking reform.
- 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	Support implementation of SOE reform in three line	Phase I completed,

SOE Reform

(WB administered) US\$ 1,470,000 +US\$ 400,000	ministries (industry, agriculture, and construction) and two provinces /municipalities (Hanoi and one other). (NSCERD)	extended to a Phase II – ongoing
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).	Approved and ongoing. Expected completion: 2002; an extension is expected
Danida (Denmark) (WB administered) US\$ 390,000	Advisory services, public awareness campaign, the establishment of a MIS for SOEs, and capacity building in NERC (NSCERD)	Completed in Jan.00.
Danida (Denmark) (WB administered) US\$ 340,000	Advisory services on implementation of the decree on divestiture, and establishment and use of Support Fund for Equitization and Restructure (NESCERD)	Completed.
Danida (Denmark) administered 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£ 1,800,000	Pilot restructuring of three general corporations – Vinatex, Vinacafe, and the Seaprodex (NSCERD)	Approved initial phase; consultants prepared inception report.
GTZ (Germany) administered US\$ 5,600,000	Support to restructuring SOEs in agriculture (Quang Tri Province, Tan Lam area) by providing advise in implementing equitization plans (People’s Committee Quang Tri, CREM)	Under implementation. Expected completion: 2003.
IFC administered /Danida (Denmark) US\$ 410,000	Dak Lak pilot project to equitize and divest 51 SOEs, using the auction process for equitization.	Ongoing
IFC administered US\$ 782,000 AusAID & US\$ 180,000, IFC	Support a pilot divestiture program for small SOEs in Haiphong People’s Committee, using the auction process for equitization.	Completed, never finalized
Japanese Int’l Coop Agency -- SOE part US\$ 250,000	Study on Economic Development Policy in the Transition Toward a Market Oriented Economy in Vietnam (MPI)	Phase II 1997 – 1998, follow-up is ongoing.
Japan PHRD (WB administered) US\$ 218,000	Data collection and monitoring system for SOEs under SAC-preparation. It is also financing a survey of 350 SOEs (GDMSCAE, Ministry of Finance)	Completed in June 1999.
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 2003.
UNDP US\$2,145,800	“Strengthening the Capacity of the General Department for the Management of State Capital and Assets in Enterprises” by setting up a MIS for SOEs and valuation (GDMSCAE, Ministry of Finance)	Ongoing. Expected to run through June 2002.

Banking Reform

1. The Government-donor-NGO working group on banking reform was established in late 1999 to discuss the proposed multi-year banking reform program developed by the Government of Vietnam led by the State Bank, to support formulation and implementation of that program and to coordinate donors.

2. The partnership on banking reform is informal but serves as an effective forum in which SBV share information on the banking reform program, ask questions that concern them, seek donor assistance - both urgent and more medium-term - and update each other in various areas of banking reform and current developments.

Meeting the success criteria and supporting the CPRGS

- Implementation of the Government's banking reform program continues, as is evident from the reports of the Deputy Governor of the State Bank of Vietnam to the working group. Donors continue to express keen interest in supporting implementation of the Government's existing banking reform program and formulation of reform programs in other areas of the financial sector.
- Two quarterly meetings of the working group have been held since the CG meeting in Hanoi in 2001. Both meetings have had strong participation from Government, donors and NGOs. On both occasions, the Deputy Governor of SBV, Mr. Tuan apprised the meeting of the progress made on the implementation of current banking reform program, new thinking on future reforms and the need for further technical assistance grants in support of implementation as well as formulation of new reform agenda in banking (e.g. SBV reform and micro-finance reform).
- There has been growing interest from donors in various aspects of the financial sector development in Vietnam. Two new sub-committees on (a) central banking reform issues (led by IMF) and on (b) micro-finance reform have been recently established as part of the banking reform group. Initiation of a non-bank-financial institutions group led by ADB has also been proposed, and is expected to begin operations soon.
- Analysis and assessment of the banking system (done jointly by SBV and World Bank) and the non-bank financial system (done jointly by SBV and ADB) has been initiated and discussed in the banking group. They will take stock of the current situation and synthesize various pieces of existing work, and be an input into Government's thinking on the financial sector as a whole, both the vision and strategy for Vietnam. These reports are expected to be circulated to members of the working group sometime in the second half of this calendar year, at which time future need for TA grants will be better identified and prioritized.
- The details of the multi-year banking reform program developed by the Government in collaboration with the WB and IMF and adopted in the interim poverty reduction strategy paper (I-PRSP) in early 2001, is well reflected in the Government's CPRGS

draft (including its attached policy matrix) and donor TA grants in the area are well coordinated in support of implementation of the program.

- A comprehensive matrix covering TA provided by all donors to support the Government's Banking reforms has been put together (see below) and posted on the United Nations' website (un.org.vn under 'Development Partnerships') and on the World Bank's website in Vietnam (worldbank.org.vn under 'What's new').
- This on-line matrix permits all stakeholders to identify areas in need of support, see what type of assistance is currently being provided, or recently has been provided, in any given area, and by whom.

Aligning support to the CPRGS over the next six months

- The Government's CPRGS has drawn on the work of the SBV and the Government-donor-NGO working group on banking reform. This is expected to be the case going forward, especially with the strengthening and expansion of the group (cited above) in respect of other aspects of financial sector development.
- Donor support on financial sector reform and development proposed in the CPRGS, will continue to be coordinated through this working group and the various financial sector sub-groups that are being established.
- The CPRGS calls for restructuring the four SOCBs, increased transparency in the banks (e.g. IAS audits to be done each year and made available to bank management, MOF and other members of senior leadership) and improved regulation and supervision. On the SOCB restructuring, the Netherlands are working closely with Vietcombank and the World Bank to implement a comprehensive assistance program and France has a similar arrangement with Incombank. ADB is discussing such support with BIDV. VBARD is receiving support on such restructuring from ADB and WB under its rural finance program. On IAS audits, DANIDA and USAID provided TA grants at very short notice and this is likely to be picked up under the above restructuring support in future.
- The World Bank is administering several grants in the area of corporate governance and Joint Stock Bank restructuring, including assessment of banks, review of risk management procedures, and formulation of restructuring plans. The Swiss have worked with some JSBs to develop credit assessment and divisions in these banks.
- A Bank Training Center for commercial bank staff has been established in HCM City by MPDF (a multi-donor program of ADB, Australia, Canada, Finland, IFC, Norway, Sweden, Switzerland and UK). Capacity building is a crucial plank for successful transformation of the sector.

Success criteria for 2002 and beyond

- Continued implementation of the existing banking reform program as well as formulation and implementation of an expanding financial sector reform agenda.
- Regular meetings and strong participation of donors, NGOs and representatives from State Bank of Vietnam in the expanded work program of the Government-donor-NGO working groups and sub-committees on various aspects of financial sector.
- Efficient information sharing through the TA matrix on the web and saving time of Government representatives by continuing to do group briefings about progress and developments in banking reform.
- Regular monitoring of the implementation of reform measures and the impact of such reform through reports from SBV and discussions in the group. under the auspices of this group and where necessary identification of areas for further analysis and assessment, and of course a reform agenda.

Sub Category	Task	Contractor	Source of Funds	Date	Status	Contact Person	E-mail
1	Improving Supervision of FI						
Laws and Regulations	Review of the Banking sector legal and regulatory framework	Gide Loyrette, France	ASEM-TF020583	May-00	Completed	Miguel Navarro	mnavarromartin@worldbank.org
SBV Capacity Building	Review On-site inspection Manual	Ernst & Young, Vietnam	PHRD-TF025709	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Laws and Regulations	Review of Non-credit banking services	Deloitte Touche, Thailand	PHRD-TF025709	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Work shop on Non -credit Banking Services	Deloitte Touche, Thailand	PHRD-TF025709	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
SBV Capacity Building	Study Tour to Australia on Bank supervision, credit information and MIS		ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
SBV Capacity Building	Study tour to Korea and Thailand		ASEM-TF022399	October-00	Completed	Miguel Navarro	mnavarromartin@worldbank.org
SBV Capacity Building	Seminars and training courses on economy, statistics, financial markets and organization	Mr. Camen, Swiss	Seco (Switzerland)	July 1998	Ongoing	Dominique Jordan	swissemhanoi@fpt.vn
Laws and Regulations	Review of the Credit institutions and SBV's Laws	GTZ, Germany	Ministry of Economic and Development Cooperation (BMZ)		Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
Training	Two years training on bank audit	GTZ, Germany	BMZ		Completed	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
Banking Supervision	Structurreform of banking supervision	GTZ, Germany	BMZ		Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
Banking Supervision	Introduction of Internationals Standards (Basler Princips)	GTZ, Germany	BMZ		Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
2	Restructuring of SOCBs						
Plann ing	Blue Print for SOCB Restructuring Plan	Vinstar, New Zealand	PHRD-TF025709	March-00	Completed	Miguel Navarro	mnavarromartin@worldbank.org
ICB	Audit Pre-work	PWC, Vietnam	ASEM-TF022399	September-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
ICB	IAS Audit 2000	PWC, Vietnam	USAID		Ongoing	Jean Gilson	GilsonJM@state.gov
VCB	IAS Audit 2000	E&Y, Vietnam	Danida (Denmark)		Ongoing	Mikael Winther	mikwin@um.dk
ICB	Support for implementation. of Restructuring Plan	PWC, Australia	ASEM-TF027944		Ongoing	Miguel Navarro	mnavarromartin@worldbank.org
ICB	Twinning Arrangement	France	AFD/ France	November-01	Ongoing	Philippe Lecrinier	Lecrinier.Philippe@Afd.Org.Vn
VCB	Twinning Arrangement		Dutch		Pending	Franz Maken	
BIDV	Support for implementation. of Restructuring Plan		ASEM		Pending	Miguel Navarro	mnavarromartin@worldbank.org

VCB	Pilot Training Internal Auditing	GTZ, Germany	BMZ	Nov 00-Jan 02	Completed	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
VCB	Bussiness Strategy	GTZ, Germany	BMZ	2002	Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
VCB	Reform Internal Auditing	GTZ, Germany	BMZ	2002	Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
3	Restructuring of JSBs						
Planning	Blue Print for JSB Restructuring Plan	Deloitte Touche, USA	PHRD-TF025709	May-00	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Diagnostic	Assessment of 5 JSB	PWC, Vietnam	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Diagnostic	Assessment of 5 JSB	PWC, Vietnam	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Diagnostic	Review risk management procedures and techniques	Usausasia, Australia	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Diagnostic	Management information system	PWC, Vietnam	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Risk management	Usausasia, Australia	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Capacity Building	TA to develop credit investment activities (credit assessment analysis, establishment of credit divisions at some JSBs in HCMC)	Mr. Vu, Swiss	Seco (Switzerland)	May 1998	Ongoing, new phase in preparation	Dominique Jordan	swissemhanoi@fpt.vn
4	Institutional Framework for Asset Resolution and Disposition						
Planning	Establishment of a national AMC	Arthur Andersen, England	ASEM-TF020583	May-00	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Planning	Development of AMCs in SOCBs	PWC, Thailand	ASEM-TF020583	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Planning	Two-day workshop on AMCs	PWC, Thailand	ASEM-TF020583	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Two-day AMC training course	PWC, Thailand	ASEM-TF020583	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Study tour to USA & Canada		ASEM-TF020583	September-99	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Study tour to Poland		ASEM-TF020583	January-00	Completed	Miguel Navarro	mnavarromartin@worldbank.org
5	Accounting, Credit Reporting & Corporate Governance for FI						
Planning	Enhancing VAS for Banks (Application of IAS)	Ernst & Young, Vietnam	PHRD-TF025709	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Planning	Review and development of key functions of the Credit Bureau (CIC)	KPMG, Vietnam	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Workshop on IAS Application	Ernst & Young, Vietnam	PHRD-TF025709	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Planning	Bank corporate governance	Gide Loyrette, Vietnam	ASEM-TF022399	November-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org

Training	Workshop on CIC	KPMG, Vietnam	ASEM-TF022399	December-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
Training	Bank corporate governance	Gide Loyrette, Vietnam	ASEM-TF022399	November-01	Completed	Miguel Navarro	mnavarromartin@worldbank.org
6	Capital Market Development						
Training	Securities Depot and Crearing Centre	GTZ, Germany	BMZ		Completed	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
7	NBFIs						
8	Others						
	Studies and training		Luxemburg		Completed		
	Strengthening of the State Securities Commission (SSC) in the domain of regulation and supervision of capital markets	Mr. Vu, Swiss	Seco- Switzerland		preparation phase	Dominique Jordan	swissemhanoi@fpt.vn
	SOCB Reform and strengthening		GTZ				
	Establishment of Cooperative Credit Fund Network		GTZ				
	Support for the Establishment of People's Credit Fund		GTZ				
SBV monetary policy	Establishment of monetary policy instruments,	GTZ, Germany	BMZ		Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
SBV Capacity Building	Establishment chair for bank auditing on banking Institut	GTZ, Germany	BMZ		Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
SBV Capacity Building	SBV Restructuring	GTZ, Germany	BMZ		Ongoing	Hauskrecht, Hai	sbv-gtz.hn@fmail.vnn.vn
Planning	Develop legal and institutional framework for external debt management (MOF, MPI, SBV)		Australian Agency for International Development (AusAID) Swiss State Secretariat for Economic Affairs (SECO), UNDP		Beginning	Russell Miles, Second Secretary (Development Cooperation), Australian Embassy Dominique Jordan, First Secretary, Embassy of Switzerland Trinh Tien Dung, Programme Analyst, UNDP Hanoi	russell_miles@ausaid.gov.au domi.jordan@fpt.vn tiendung@undp.org.vn

Trade Reform

1. The donor-NGO-Government working group on Trade Reform was established in 1999. The group has had limited Government representation i.e. they have not attended all meetings, though are always invited. 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 the working group of the numerous analytical and technical work on aspects of trade reform and to discuss the findings of those pieces of work. The group has played a bigger role in respect of the latter.

Meeting the success criteria and supporting the CPRGS

- The Government continues to liberalize exports and imports and generally implement its trade reform program adopted in early 2001 – in some areas even faster than originally anticipated – and the trade reform program, existing and proposed, is well reflected in the CPRGS, drawing on discussions and on-going work-program of the group.
- The group has done a remarkable job of coordinating donor assistance and informing donors regularly on various TA support (ongoing and planned) in this area, based on the Ministry of Trade's assessment of TA needs done in 2000. Different donors have used the group to present their work programs for TA to support trade reform (e.g. USAID's Support for Trade Adjustment and Reform Project, STAR, and the UNITC's Trade Promotion Project, European Union's TA support to Vietnam's WTO accession process, World Bank and Ausaid's support to analysis of trade regime and impact of planned trade liberalization and JICA's joint research project with the National Economics University on various industries. (See matrix for details)
- There continues to be active and strong participation of donors and NGOs in the group. Most donors use this forum exclusively for communicating and discussing their program; a few also use other mechanisms for dialoguing with donors.
- The details of the multi-year trade reform program developed by the Government in collaboration with WB and IMF and adopted in the I-PRSP in early 2001, is well reflected in the CPRGS (and its policy matrix).

Aligning support to the CPRGS over the next six months

- The group will continue to be a forum for exchange of ideas on trade reform 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 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, while leaving detailed TA on e.g. WTO accession and implementation of the bilateral trade agreement with the US to more specialized ad hoc workshops.

Success criteria for 2002 and beyond

- Continued implementation of trade reform and broad understanding of the program in the donor community.
- Greater and more regular government participation in the working group, including a leadership role as in the working groups on banking reform and PER.

Assistance to trade reform

<u>Donor</u>	<u>Purpose (Implementing Agency)</u>	<u>Status</u>
AusAID (Australia)/ World Bank	<ul style="list-style-type: none"> • Study on (1) impact of US-Vietnam MFN status agreement on export enterprises, • Report on Vietnam's NTBs • Sugar industry study • Petroleum price and marketing arrangement • Study on the distributional consequences of trade and investment liberalization. 	Completed Completed Completed In process In process
AusAID (Australia)	<ul style="list-style-type: none"> • Training Project on International Commercial Law providing six-month training courses for participants from various Vietnamese institutions. 	Ongoing
EU	<ul style="list-style-type: none"> • Multilateral Trade Policy Assistance Program • Training in trade policy and WTO framework/ Studies on agriculture and services trade • Study on social impact of opening economy 	Preparatory phase Completed Planned
Finland	<ul style="list-style-type: none"> • Capacity development for MOT, Vietnam Institute of Trade. Training of trade officials in Finland and Vietnam • Funding WTO experts from Finland 	First phase completed
New Zealand	<ul style="list-style-type: none"> • Trade assistance program. English language training • Funding expert to assist the Government in classifying tariffs for agricultural products, developing an action plan and conducting seminars • Assistance for developing a list of components of reforms for the next five-ten years 	Ongoing Ongoing
Sida (Sweden)	<ul style="list-style-type: none"> • Policy advice to the Prime Minister's Research Group on external Economic Relations • (1) Raising awareness of the implications of economic integration among provincial leaders and SOE managers; (2) Transfer of experiences of small economies negotiating with big countries; (3) Establishment of a Resource Center: setting up a website on Vietnam's economy and economic integration 	Ongoing
Switzerland	<ul style="list-style-type: none"> • Policy advice to MOT 	Ongoing
Switzerland/UNDP/ ITC	<ul style="list-style-type: none"> • Trade Promotion. Assistance to the Government in trade promotion both at central and local levels 	Ongoing
Switzerland	<ul style="list-style-type: none"> • Technical assistance in enforcement of Intellectual Property Rights as set forth in international treaties. 	Ongoing
Switzerland/UNDP	<ul style="list-style-type: none"> • WTO Accession. Capacity development for WTO negotiation and trade policy formulation 	Completed in 2000

UNDP	<ul style="list-style-type: none"> • ASEAN Integration. Conducting a series of researches on issues of ASEAN integration • Long-term vision for integration with the world 	Completed Ongoing
UNIDO/ UNDP	<ul style="list-style-type: none"> • Managing Vietnam's Integration into the global Economy / CIEM. Assisting CIEM to conduct the study on the "Adjustment of Economic Structure and Investment" to be submitted to the Prime Minister 	Ongoing
United States	<ul style="list-style-type: none"> • Assisting the formulation of Vietnam's Proposal for bilateral negotiation • STAR Project: Funding a US Trade lawyer / a UN tax expert Assistance to the reform of trade regulations, legislation, and implementation of rules 	Ongoing
World Bank	<ul style="list-style-type: none"> • Export study of developments, potential, competitiveness and policies to promote Vietnam's exports to reach the long term targets of the Government 	Ongoing

Public Financial Management

Background

1. The PER-2000 was done jointly by the Government agencies and the donors in a highly participatory process. The PER was carried out by the Government's working group. Several donors - World Bank, IMF, Netherlands, UK, Denmark and Sweden as well as the NGO Action Aid - worked directly with that working group and contributed substantially to the report. All donors were involved in a series of five consultations on various drafts of the PER during the process of its preparation. As such, the PER process brought about a partnership on public financial management.

2. In February 2001, the Government led a permanent Government-donor-NGO working group on public expenditure reform (arising out of a merger of the separate working groups of Government and of the donors created for doing the PER); the World Bank agreed to provide logistical support to that group. At the first meeting of the Group, the Government presented a Detailed Matrix of Actions based on the PER recommendations citing the steps to be taken in each year (i.e. 2001-2003) and the likely technical assistance needs for implementing them. Since then, the group has met on a bi-annual basis to coordinate actions on public financial management.

Key outcomes of the Partnership in the last six months.

3. Following the first joint Government-donor Public Expenditure Review in 2000, the Government has adopted a comprehensive program to strengthen public expenditure management with a view to improving comprehensiveness, consistency and transparency of budgetary information as well as equity and efficiency of public spending. The Government is making progress in implementing the reform program. Actions to expand the public's access to budgetary data are being taken. Central ministries and local governments have begun to disclose more detailed budgetary data in accordance with the revised fiscal transparency regulations. The Ministry of Finance posted for the first time on its website (www.mof.gov.vn) 2000 final accounts as well as the 2002 plan of the state budget. Detailed sectoral breakdown of budgetary outturns for 1996-2000 is now available on the same website. Detailed data were also published in book form for wider circulation.

4. To further streamline the budget process to provide greater autonomy to spending units and encourage more efficient use of public resources, a decision was made on expanding Ho Chi Minh City's pilot on block grant budgeting to administrative agencies in other provinces and central agencies as well as applying this approach to service delivery agencies nation-wide. So far about 20 provinces and one sector ministry have registered to participate in the pilot.

5. Work on developing a revised budget law, on modifying the cash transfer system to provinces and making inventory of "off-budget" accounts has advanced. It is expected the new budget law will be submitted to the National Assembly in July 2002.

6. In May 2002, the Government updated the Matrix of Actions to reflect the comprehensive reform program in the Ministry of Finance, which encompasses budget

management, tax management, debt management, state-owned enterprise management and asset management.

7. In the area of budget management, reforms in the pipeline or already under way include moving away from detailed line item budgeting, introducing more substantive annual budget planning, performance budgeting, medium-term expenditure planning, further decentralization, strengthening of the State Treasury and measures to increase fiscal transparency, along with other reforms set out in the Matrix of Actions.

8. To provide technical assistance to the comprehensive reform program five donors - DFID, Denmark, the Netherlands, Sweden and Norway - are planning to set up a multidonor trust fund. An appraisal mission serving this purpose will be visiting Vietnam in early June.

Actions expected over the coming six months

9. **Budget Management:** A long-term technical adviser to support budget management reform in the State Budget Department of MOF and the General Economic Management Department of MPI is expected to be in place to provide capacity building across the Government in the area of budget management; to provide other short-term consulting inputs in specific areas of budget management reform including performance budgeting, medium-term expenditure planning, budgetary flexibility and decentralisation and other areas of PER follow-up and to provide consulting inputs to support conduct of the 2003 Public Expenditure Review. The technical design for a World Bank funded project to put in place a modern budget management information system in the Ministry of Finance that is in line with the policy changes in this area.

10. **Debt Management:** The current internal and external debt recording systems are fragmented and there is a lack of compatibility between the different systems. In addition, the public debt management practices are aimed at controlling the levels of debt stock and debt services without much consideration of risk-cost trade offs in public debt related transactions. To address these issues there is a huge need for training as well as a need to invest in the appropriate hardware and software. It is expected a road-map be developed in the coming six months. This will help complement UNDP's existing project on external debt management.

11. **SOE Management:** Consulting inputs will be made available to ensure that SOE fiscal risks can be better monitored and, at a later stage, managed. These inputs will complement and be integrated with UNDP's project on external debt management, UNDP's work to establish an SOE tracking database and the proposed work on domestic debt management.

12. **Revenue Management:** The IMF is leading the dialogue with the Government on revenue management. Funds from the multi-donor trust fund are expected to complement the IMF-led work in this area and ensure that funds are available to prepare functional and technical specifications for IT applications to support tax administration, once key policy issues have been agreed between the IMF and the Government. The exact timing for this is still uncertain.

13. **Asset Management:** Technical assistance will help to identify and implement appropriate agency-level processes and systems to strengthen asset management.

14. **Oversight and Coordination:** A continuation of the successful Government-donor coordination that characterised the PER will be used as the main coordination and information flow mechanism.

Success criteria for 2002 by which the partnership will monitor it is reaching development goals identified in the CPRGS

15. In November 1999 the Prime Minister identified several constraints to faster economic growth and poverty reduction including the poor performance by and need for fiscal support by state-owned enterprises, inadequate sectoral policies and inappropriate investment choices, the gap between policy and implementation, and the need for better targeting of public spending on the poor. These constraints are also identified in the CPRGS where the needs to improve targeting on the poor, to improve the allocation of resources to pro-poor programs and to ensure budget transparency are clearly identified.

16. The strategy also includes a policy matrix with policies and measures to be implemented in the 2003-2005 period to move towards the identified development goals. Below is a list of the policies and measures for public financial management included in this policy matrix:

- Monitor all debts including debts of government, SOEs, and those guaranteed by Government, debts of joint venture companies (including FDI loans) and private sector debts.
- Strengthen the tax system, increase tax base along the lines of developing the sources of tax revenue and increasing the efficiency of the tax payment system. Amend some articles of Revised State Budget Law (2002).
- Revise Laws on Value Added Tax and Income Tax, to expand the mechanism of self-declaration, self-calculation and self-payment (self-assessment).
- Gradually implement the recommendations that are agreed upon in the Public Expenditure Review. Increase expenditures for basic social services and rural infrastructure.
- Improve budgetary revenue and expenditure monitoring system at all levels.
- Continue to make public information on annual budgetary revenues and expenditures in a more scientific and proper manner.

18. The success criteria for 2002 for the Government-donor partnership on public financial management is to support the Government's comprehensive reform program in this area through real actions that help move the agenda described in section 3 forward.

Small and Medium Enterprise (SME) Promotion and Private Sector Development (PSD)

Performance and priorities over the past six months

1. Despite the Government's increasing awareness of the importance of SME promotion and private sector development to sustainable economic growth, the partnership group, which was initiated under the facilitation of UNIDO and Japan, has seen little activity over the past six months. This has been partly due to the fact that the partnership lacked a Government focal point responsible for Government policies for SME/PSD promotion. Meanwhile, many donors have shown keen interest in SME/PSD promotion in view of its impact on robust economic growth, job creation and poverty reduction, and various donors and business associations are active in the following areas:

- Governance, policy and legal advice: Germany, UNDP and UNIDO, Japan, World Bank;
- Business Development Services (BDS) for SMEs: ADB, Canada, Denmark, EU, Germany, Netherlands, IFC (MPDF), ILO, Italy, Sweden, UNIDO and NGOs;
- Institutional Building for SME/PSD Policy: Germany, Japan, UNIDO; and,
- Capital Access: EU, Germany, IFC (MPDF), France, Japan, Sweden, World Bank.

2. Enactment of the Decree for SME development support (No 90/2001/ND-CP) on November 23, 2001 and pursuant Decision No. 193/2001/QD-TTg for SME credit guarantee funds on December 20, 2001 stimulated discussions among donors on how to galvanize partnership activities. After a series of key workshops on SME/PSD support policies, including a symposium hosted by VCCI and ILO in January 2002 regarding a collaboration mechanism for boosting BDS activities, a partnership group meeting was held on April 17, 2002.

3. While the meeting was sponsored by JBIC to disseminate the survey results on the Private Sector Promotion Action Plan of New Miyazawa Initiative in 1999 and Vietnam's business environment, information on recent developments of assistance by participating donors was made available, including information on an upcoming Vietnam Country Study on donor approaches to support an enabling environment for SMEs, led by GTZ. It is hoped that the new SME Department under MPI, as the main Government counterpart, will be set up in the coming months. Meanwhile, participants of the meeting agreed that it would be useful to convene partnership meetings by rotating the hosts among key donors to introduce their activities related to SME/PSD support.

Future actions to be taken, including support to the Comprehensive Poverty Reduction and Growth Strategy (CPRGS)

4. The Government's determination to promote SME/PDS in the past six months has been remarkable. The amendment of the national constitution by the National Assembly Meeting in December 2001 was epoch-making for Vietnam's private sector since for the first time it officially acknowledged the private sector as a key element of the national

economy, reflecting the 2001-2010 socio-economic development strategies worked out by the 9th Party Congress. The fifth plenum of the Party Central Committee in February 2002 also passed an important resolution on continuing reform of policies and mechanism to encourage development of private SMEs.

5. Such determination has also crystallized into the final draft of the CPRGS in which policy measures to develop SME/PSD are articulated in Part III of the paper with the focus on creating 1) a legal environment for a fair business environment; and 2) favorable conditions for SMEs. Specific policy actions referred to in the paper include: a consistent and predictable legal framework; access to land use rights; access to credits; business development support for capacity building. Inputs from VCCI-WB/MPDF and the Urban Forum on the drafts also greatly helped clarify linkages between SME/PSD issues and sustainable economic growth, economic opportunities and poverty reduction.

6. Since many of the issues and policy actions associated with SME/PSD referred to under the CPRGS have already been addressed under the new SME decree and on-going donor assistance, over the next six months the partnership group will focus on full implementation of the new SME Decree, and increase the level of coordination among donors to monitor the progress of assistance and to identify potential gaps. The upcoming study by GTZ on donor approaches as well as an ADB survey on future project identification would be expected to facilitate the process. Partnership meetings to exchange such information will be held more frequently to gear the Government and donors towards implementation of the CPRGS policy actions.

7. In terms of monitoring more accurately the employment and growth indicators set out in the CPRGS, GSO (with World Bank support) is currently working on a new statistics collection system so as to get more timely and more reliable information on enterprise development in the country. Also, ILO and VCCI are planning to conduct a study to assess the impact of BDS services on poverty.

Revised success criteria and outcomes until December 2002

8. The immediate focus of the partnership is to lend support to the Department of SMEs under MPI, and to ensure that it becomes operational for implementing the policies under relevant Decrees. Key donor members of the partnership group will facilitate partnership meetings periodically to monitor progress on the side of Government and to discuss donor coordination to jointly support the Government's efforts.

Education

Progress since November 2001

1. Government plans and coherence

- The Education Sector Strategy for the period up to 2010 has been approved by the Prime Minister.
- Education has been chosen as a pilot for trial of the new output budgeting mechanism for 2003 financial year.
- Teachers' remuneration has been increased with allowances for those who are working in remote and/or ethnic minority areas.
- The master plan for secondary education coordinated by ADB was submitted to MOET in January 2002.
- A Primary Education Development Plan (PEDP) was prepared in March 2002. The PEDP produced the tables of Broad Areas for Project interventions (BAPI) which identify the priorities needed to meet the target of EFA.
- After discussions between some donors and MOET, two additional representatives of MOET were assigned to the CPRGS drafting committee. There is now a better alignment of targets in the CPRGS report with education sector targets.

2. Sector co-ordination

- UNESCO is assisting MOET to coordinate an EFA framework and action plans. The framework is scheduled to be available in October 2002. UNESCO is working through a consultancy group and related departments under MOET to aggregate different components (early childhood, primary education, lower secondary education, and youth/literacy training) into the framework. A coordinating committee was established represented by members of the related departments of MOET and the UNESCO consultancy group. UNESCO organised the first workshop to disseminate the methodology of the development of the plan.

3. Education Forum

- Two Forum meetings have discussed: (i) Early childhood development in Vietnam; and (ii) Primary Teacher Development.
- Senior officials of MOET have become the key players at the last forums.
- A review of the Forum activities stated that it is a broad based group that brings together Government players from central, provincial and district levels, donors and school practitioners, all with interests in education. It

provides an opportunity for discussion and review of related education policies and is a valuable mechanism for advocacy at different levels and with partners. It has a remit to cover all levels and types of education.

Actions planned for the next 12 months

1. Government plans

- Secondary Education Master Plan: MOET will prioritize lower secondary interventions in the light of the approved 2010 education strategy.
- The new curricula for primary and lower secondary have been approved and will be gradually introduced from academic year 2002/03 starting with grades 1 and 6.

2. Sectoral co-ordination and coherence

- MOET/UNESCO/WB are working together to develop a framework to link EFA and the Millennium Development Goals (MDGs) and related education targets.
- The EFA action framework is due to be ready in October 2002. The coordinating committee is completing a situational analysis prior to conducting the second workshop to validate the findings, that is scheduled in June 2002. The Primary Education Development Plan and the Lower Secondary Master Plan will form the primary and lower secondary pillars of the EFA action framework.
- WB is preparing its country assistance strategy (CAS) and aligning its support to the CPRGS.

3. Education Forum

- The Forum will continue to hold regular, quarterly meetings with sessions on: i) the links between the Government's 2010 Education Strategy, the CPRGS, the EFA goals and framework and the MDGs; ii) Education financing, drawing on research findings at macro and local levels; iii) Primary pupil achievement and assessment of learning outcomes in reading and mathematics; iv) Child friendly schools; v) Education management & information systems.
- MOET is being invited to permanently join the planning group of the Forum.
- The Forum planning group will explore more and varied working approaches to achieve greater continuity between meetings and greater impact on education thinking.

Challenges ahead

- The education strategy is facing the absence of a concrete link with the CPRGS and gender mainstreaming and the convention of the rights of the child.
- Ensuring donor's financial support is additional rather than substitutive and that it is aligned to CPRGS priorities.
- Reinforcing donor co-ordination in education, with more external assistance to be focused on pre-school education.
- The Government is facing serious demands for additional resources in response to the wide application of the new curriculum.
- Developing the capacity of officials at Province, District and Commune levels.
- Ensuring programs and projects have disaggregated information on poverty, disadvantage and gender equity so that appropriate strategies for equitable Human Development can be implemented.
- Adequate use of forum outputs to feed into education thinking and policy formulas.

HIV/AIDS

Government: National AIDS Standing Bureau – Ministry of Health

1. Working within the Ministry, the National AIDS Standing Bureau develops both annual and long-term plans for the National AIDS Program, gives guidance and supervises and monitors such plans. The National AIDS Standing Bureau collaborates with other ministries, mass organizations and city people's committees to develop necessary legal documents, policies and communication strategies regarding HIV/AIDS. The National AIDS Standing Bureau particularly focuses on the integration of HIV/AIDS with illegal drug users and prostitution in terms of propaganda and mobilization.

Progress over the last six months and proposed activities for the next six months

- Development of the National AIDS Strategic Plan 2001-2005. Follow a large consultation, the National AIDS Standing Bureau has embarked on getting the approval for this comprehensive plan from different agencies and the National Assembly. The National AIDS Standing Bureau has extensively consulted provincial organizations and mass organizations to obtain a broad consensus on HIV/AIDS related issues.
- Continued implementation of the VIE 98/006 project: "Strengthening capacity in managing, policy making and coordinating HIV/AIDS work in Vietnam", which included an independent evaluation of the last ten years of the National AIDS program in the last ten years.
- Held an annual review summarizing the achievements of the year 2001 related to HIV/AIDS activities. This meeting was an opportunity to present to the international community the national 2002 workplan and strengthened the collaboration between Government agencies and the international community.
- The National AIDS Standing Bureau is closely collaborating with several INGOs with respect to technology transfer, sharing experiences and financial management related to HIV/AIDS.

Government: AIDS Division – Ministry of Health

2. The AIDS Division, chaired by the Vice-Minister of Health in charge of HIV/AIDS, acts to assist the Minister in developing, coordinating and implementing activities related to HIV/AIDS prevention and control in the health sector.

Progress over the last six months and proposed activities for the next six months

- Response to the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM), a joint country proposal on AIDS has been developed and submitted by the Country Coordinating Mechanism (CCM). The CCM is a new partnership that presents broad representatives from Government, mass organizations, the business sector, multilateral/bilateral agencies and UN agencies. The CCM is chaired by the Vice-Minister of Health. The CCM members will meet regularly to manage the implementation of activities covered by GFATM.
- A consultation meeting was held to review the National Operational Plan on HIV/AIDS care and support for the period 2001-2005. This plan will strengthen the existing health facilities concerning the support and care for HIV infected persons in pilot provinces.

The United Nations Theme Group on HIV/AIDS

3. The principle avenue of the United Nations support to national-level AIDS responses is provided by the United Nations Theme Group on HIV/AIDS made up of UNAIDS cosponsoring agencies, UNDP, UNFPA, UNICEF, UNDCP, WHO, UNESCO, ILO and the World Bank. Presently, the UN Resident Coordinator/UNDP Resident Representative is chairing the UN Theme Group on HIV/AIDS. The Group meets regularly to discuss joint UN activities in support of the Government's response to the epidemic.

Progress over the last six months

- A special Task Force of the Group met during the last two months of 2001 to prepare a series of recommendations on the expansion of membership of the Group, respective roles and functions of the Resident Coordinator and the UN Theme Group chair, and arrangements for increasing the consultative process. These recommendations have formed the basis of work of the Group over the past six months.
- The Group contributed to the finalisation of the evaluation of the National AIDS Programme (NAP) for the period 1996-2001, undertaken under the UNDP/AusAID project VIE/98/006 with the National AIDS Standing Bureau, Ministry of Health. This first-ever independent evaluation has pointed out weaknesses and strengths of the NAP and provided valuable recommendations to improve the programme.
- The Group has assisted the Ministry of Health in the preparation and timely submission of the proposal on HIV/AIDS for the Global Fund to fight on

AIDS, Tuberculosis and Malaria (GFATM). The US\$ 12 million proposal on AIDS has been accepted by the Fund.

- Following the Group's recommendations, the Chairperson of the Group has extended outreach to bilateral donors and NGOs to explore the possibility of developing a broader Government-donor-NGO Partnership to strengthen coordination for a more effective response to the epidemic.
- Drawing on the UNAIDS Programme Acceleration Funds facility, the Group has focussed on a number of key policy issues such as support to injecting drug users (IDUs) and young people. Work is currently underway to examine the human rights aspects of HIV/AIDS, especially issues of stigma and discrimination.
- The Group monitors progress on the implementation of activities defined during the twenty-sixth special session of the UN General Assembly (UNGASS), held in New York from 25-27 June 2001, which adopted unanimously a Declaration of Commitment on HIV/AIDS.
- The Resident Coordinator/Chair of the UN Theme Group, after consultations with many members of the donor community, convened an open forum of donors, foundations and NGOs, both international and domestic, in early May. The purpose of the meeting was to explore possible ways to foster and increase collaboration among stakeholders, with the intent of promoting best practices. The meeting focused on the need to improve dialogue and suggested that a broader government/donor/NGO forum be formed to concentrate on HIV/AIDS policy, best practice dissemination and communication. Further work on this initiative will be undertaken over the next six months.

HIV/AIDS Technical Working Group

4. The HIV/AIDS Technical Working Group consists of representatives from international NGOs, bilateral donors, foundations, UN agencies and Vietnamese NGOs in Vietnam who share resources and experience, engage in planning and form partnerships for HIV/AIDS prevention, care and advocacy. The working group meets every two months. Facilitation rotates every three meetings or every six months. Among other objectives, the group seeks to:

- Advocate and make technical recommendations for a supportive and enabling environment to formulate and implement multi-sectoral, non-discriminatory HIV/AIDS prevention and care programs and policies in Vietnam.
- Analyse and exchange information from field-based experience and research findings.
- Document, discuss and disseminate lessons learnt to improve best practice and facilitate our ability to adapt projects appropriately.

- Identify gaps in the overall national response to HIV/AIDS and build partnerships between organisations to address these.
- Build partnerships and enhance communications with the media, business sector, and other sector-specific networks in Vietnam.
- Engage with national and international organizations/groups working on HIV/AIDS prevention and care, e.g. National AIDS Standing Bureau, AIDS Division, Ministry of Health, UN Theme Group.
- Promote the active and meaningful participation of people living with HIV/AIDS.

5. Partnership with Government occurs mainly at the national and provincial levels through individual organizational collaboration with the National AIDS Standing Bureau, AIDS Division of the Ministry of Health and Provincial AIDS Standing Bureaux.

Progress over the last six months

6. The primary purpose of the group is to provide a forum for learning, exchange and advocacy on technical areas in Vietnam. Over this period, the group has:

- Addressed critical issues for programming responses such as IDU harm reduction, care and support for people infected or affected by HIV/AIDS, behaviour change, peer education, IEC, HIV/AIDS among urban poor, and men who have sex with men;
- Contributed substantive comments to Comprehensive Poverty Reduction and Growth Strategy and the Reproductive Health Clinical Standards and Guidelines;
- Coordinated partnership and sponsorship to, and exchanged Vietnamese technical abstracts for, the International Conference on AIDS in Asia and the Pacific 2001 (Melbourne) and the Home Care and Community Conference for Persons Living with HIV/AIDS (Chiang Mai);
- Revised the group's Terms of Reference, opening up membership to Vietnamese NGOs for the first time; and,
- Participated in Government and UN retreats and meetings on the direction of HIV/AIDS policy formulation and programmatic best practice in Vietnam.

Looking forward

7. Over the next six months, a strategic focus will be to develop a broader Government/Donor/NGO forum to facilitate further policy dialogue on HIV/AIDS, as suggested by donors and NGOs at the early May meeting. Opportunities will be explored to promote national ownership/leadership of the Forum as well as to identify key issues in HIV/AIDS in Viet Nam. A mechanism to link the Forum with the existing UN Theme Group and Technical Working Group on HIV/AIDS will also be identified.

**Ministry of Agriculture and Rural Development Comprehensive
Poverty Reduction and Growth Strategy Working Group**

Background

1. Following the release of the first draft of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS), concern was raised by the Ministry of Agriculture and Rural Development and key donors actively supporting the Ministry that the relative importance of agriculture and rural development to Vietnam was not reflected in the CPRGS. This was particularly in recognition of the significant contribution that the sector had made to poverty reduction and economic growth. Thus, MARD established a small CPRGS Working Group to provide comments and inputs to the Ministry of Planning and Investment (MPI) and the CPRGS Drafting Committee that would be incorporated into the CPRGS. The Working Group consisted of 14 Officials from 7 Departments in MARD and Representatives from key Donors (World Bank, UNDP, ADB, FAO, AusAID, DANIDA and SIDA).

Partnership Progress

2. The main activity conducted by the MARD Working Group largely focused on formulating written comments and inputs to be incorporated into the CPRGS. These activities were facilitated by establishing a small Expert Group that was responsible for presenting their written inputs to the Working Group members for their comments, recommendations and amendments. Considerable inputs and comments were received from Working Group members and greatly contributed to the final version of MARD's inputs. Additionally, the written inputs of MARD were distributed to all departments within the Ministry for their final comments and approval. The finalised version of MARD's inputs was given final approval by Vice-Minister Dr. Cao Duc Phat and officially sent to MPI and the CPRGS Drafting Committee at the end of April to incorporate into the CPRGS.

3. The Expert Group responsible for formulating the inputs and reporting to the MARD CPRGS Working Group utilized a total of 13 documents to provide a basis for compiling MARD's inputs. The 5- and 10-Year Strategy for Agriculture and Rural Development provided the framework for outlining MARD's inputs to the CPRGS. Additional Government Decisions, Sector Programs and Sub-sector Programs were also used to contribute to MARD's inputs. The Expert Group initially developed a matrix framework for 'Agriculture and Rural Development for Poverty Reduction, Economic Growth and Food Security. This framework provided a concrete structure from which MARD's written inputs were elaborated.

4. MPI and the CPRGS Drafting Committee strongly emphasize that the CPRGS will focus on combining strong, equitable economic growth with poverty reduction efforts in the country. As 80 percent of poor people in Vietnam live in rural regions and 90 percent are farmers, agriculture and rural development will play a key element of poverty reduction through the CPRGS. Thus, MARD will play a critical role during the implementation of the CPRGS. In recognition of the approach the Vietnamese Government has taken in combining economic growth and poverty reduction, the MARD Working Group has formulated inputs to the CPRGS that fully complement the overall

strategy. Consequently, MARD's inputs focus on the achievement of three strategic sector goals: increase income in the rural sector through broad-based, sustainable and high quality growth; reduce income disparities, risks and vulnerability, and improved food security and social well-being of the poor, and; improved sustainability of natural resources in rural areas.

Concrete Actions over the next six months

5. The Working Group will continue to stay active throughout the CPRGS implementation process. Currently there are plans to hold a workshop to introduce MARD's CPRGS inputs to key MARD Officials, NGOs and donors. It is envisaged that this will contribute strongly to raising awareness within MARD, and donors (both members and non-members of the Working Group) associated with agriculture, rural development and poverty reduction on MARD's CPRGS inputs and strategy. The framework and the written inputs will be elaborated into actionplans and an implementation strategy. This activity will again be conducted by the Working Group. The inputs of MARD to the CPRGS and the implementation strategy will seek approval from MPI and the Government.

6. Based on the finalised inputs produced by the Working Group, donor members indicated strong support to MARD to assist in implementing the strategy. In particular, this was evident through the support given from FAO to assist the Working Group. FAO also currently has a proposal pending final approval to assist MARD in implementing the CPRGS. In order to implement the strategy effectively, it is recognised that MARD must strengthen its capacity to identify, formulate, prioritise and monitor and evaluate rural development projects. Thus, this anticipated support from FAO in establishing a separate CPRGS Unit with the Ministry of Agriculture and Rural Development, will not only contribute to the implementation of the overall CPRGS, it will contribute to aligning donor support to the strategy in rural regions where the most significant poverty reduction advances can be made.

Revised Success Criteria

7. The following outputs are expected by December 2002:
- The Working Group continues to meet regularly over the six month period to assist the Ministry in formulating action plans and implementation/coordination arrangements;
 - MARD has developed action plans and implementation arrangements to assist MPI and the Vietnamese Government to implement the CPRGS;
 - MARD's inputs to the CPRGS, its action plans and implementation/coordination arrangements are approved by MARD, MPI and the Vietnamese Government; and
 - Donors begin to actively support MARD and provide funding to assist the Ministry in implementing the CPRGS.

Five Million Hectare Partnership

Activities conducted over the last 6 months:

- Partnership structure was set up (PSC, TEC, FSSP-Coordination Office).
- Forestry Research Workshop was held in Nov 2001.
- Forestry training and extension workshop was organised in March 2002.
- A Forest Sector Development Project funded by the World Bank (WB) was in the process of preparation under the support of a WB mission, the Royal Netherlands Embassy and IUCN.
- Vietnamese institutions in cooperation with Netherlands partners prepared to develop a research and development program in support of the conservation and wise utilization of tropical rain forest.
- A planning meeting for the Study on Forestry, Poverty Reduction and Rural Livelihoods was held between FSSP Coordination Office and Representatives of the three financing agencies, including Royal Netherlands Embassy, SIDA, SDC and representatives of the Community Forestry Network.

Planned activities for the next 6 months:

Nr.	Activities	<i>Time frame</i>
1.	Finalize Matrix of Institutional Affiliation	20 th May 2002
2.	Finalize M&Es TOR, design and consent M&E	25 th May 2002
3.	Formulate table of contents for Forest Sector Manual	25 th May 2002
4.	Develop CWP	25 th May 2002
5.	Establish Trust Fund	25 th May 2002
6.	Organise Donors' meeting	June 2002
7.	Define Harmonization Implementation Framework	June 2002
8.	Conduct study on Forestry, Poverty reduction and Rural livelihood	June 2002
9.	Organise annual review on FSSP progress	1 st week of Nov. 2002
10.	Organize Partnership Steering Committee meeting	4 th week of Nov.2002

3. Success criteria (ratio to be defined) for the 4 main activities

i). Matrix of Institutional Affiliation

- Matrix of institutional affiliation is available, agreed and formalized.
- Activities are prioritized;
- Donors' specific commitment on concrete activities is made;
- Committed activities are carried out consistent with the set principles to achieve its objectives;
- Effective coordination is obtained via increased transparency of the implementation process; and,
- All the changes related to affiliation are incorporated into the updated version on annual basis, to be discussed and adopted by the PSC.

ii). M&E framework

- M&E system is formulated in line with specific activities;
- Criteria set in the M&E system are applied during monitoring and evaluating of the FSSP implementation process annually or as required; and,
- Criteria set in the M&E are used as basis to adjust and improve implementation process.

iii). Forest Sector Manual

- Table of contents is developed and agreed with parties involved;
- Forest sector manual is available, published and disseminated;
- Data and information of the forest sector manual are abstracted and incorporated into research report or review report of individual project and FSSP; and,
- Contents of the forest sector manual are regularly updated and published on website to enable accessibility.

iv). Common Work Program

- CWP is formulated, agreed and formalized;
- CWP is used as foundation for implementation by specific projects and programs;
- Contents of the CWP is regularly updated to be in line with State's guideline, practical conditions and implementation process; and,
- CWP is used as basis to monitor and evaluate implementation results of specific projects and programs.

Partnership to Assist the Poorest Communes (PAC)

Progress over the past six months and plans until December 2002

1. In 2001, the partnership group formed by Government, donors and NGOs in cooperation with the Ministry of Planning and Investment (MPI) to assist the poorest communes – known as PAC - agreed that it would continue its work if it could find the resources to do its work professionally. In response, the World Bank mobilized a grant of \$415,000 from ASEM II to support coordination and analysis of community driven development in Vietnam to be managed by MPI and directed by a rejuvenated PAC. That grant was offered to Government, and PAC is awaiting word that the grant can be accepted and applied. If the grant is accepted, it would support PAC through the end of 2003 and, given the delays experienced to date, might with the agreement of ASEM be extended.

2. The significance of this work should not be underestimated. The Government of Vietnam has made major commitments to community driven development through its Program 135 and several donors including ADB, DFID, CIDA, AusAID, the EC, Finland, New Zealand, the World Bank and others are committed to it. This also builds upon earlier pioneering work financed notably by UNCDF, IFAD and SIDA and analysis led by GTZ in its work with MOLISA. Several hundred million dollars of Government money and ODA are committed to community driven development in remote, poor and mountainous communes. However, approaches are disjointed and incremental and movement to coordinated and simplified approaches is needed. For these reasons PAC hopes that the ASEM II grant is accepted by the Government and put to work.

The Natural Disaster Mitigation (NDM) Partnership for Central Vietnam

Progress over the past 7 months

1. The Natural Disaster Mitigation Partnership for Central Vietnam (known as the NDM-Partnership) was established with the Memorandum of Agreement signed in June 2001 with 11 signatories. The activities of the NDM Partnership have attracted the interests of the Government, donor community and NGOs. In November 2001, two signatories from SNV and the German Embassy were added to the MOA. In April 2002, four more signatures from the Asian Development Bank, Canadian Centre for International Studies and Cooperation (CECI), Catholic Relief Services and World Vision were also added to the MOA.
2. At the NDM Partnership Forum in November 2001, the Ministry of Agriculture and Rural Development (MARD), the Royal Netherlands Embassy (RNE), the United Nations Development Programme (UNDP), and the World Bank (WB) were selected as the members of the Steering Committee of the Partnership.
3. International Non-Governmental Organisations (NGOs) have also met and agreed that SNV would be the representative of the NGOs in the NDM Partnership Steering Committee. SNV was selected as the vice-chairman of the Steering Committee of the Partnership.
4. The Preparatory Assistance Document (PA-NDM-P) which was jointly formulated by the Government, UNDP and RNE, was approved by the NDM Partnership in November 2001 and approved by the Government in April 2002. This is a very important document, guiding the activities of the NDM Partnership in its first year. UNDP incorporated the PA NDM-P document into its project Capacity Building for Disaster Mitigation in Vietnam. Through this project, UNDP, RNE and the Government of Luxembourg offer funds for the implementation of the PA for the NDM Partnership. On April 15, 2002 the signing ceremony for the UNDP-VIE/01/014 Capacity Building for Disaster Mitigation in Viet Nam/ PA NDM-P took place at MARD in Hanoi. On the occasion of this event, an additional signing ceremony of the NDM-Partnership Memorandum of Agreement was organised.
5. For the implementation of the PA of the NDM Partnership, the National Director for the PA-NDM Partnership was appointed, and the International Facilitator and National Co-ordinator for the PA were recruited. The Department of Flood Control and Dykes Management (DFSC/DMC) was appointed as the implementing agency. An official NDM-Partnership office in Hanoi was set up. The work plan for the PA implementation has also been prepared.

Donor activities supporting NDM

6. While institutional arrangements for the Partnership progressed, continuous consultation and information sharing took place with the donor community and NGOs for ongoing and new projects in central Viet Nam:

- The Government has recently requested assistance from the World Bank for a Natural Disaster Mitigation Project, the preparation of which will start in June 2002.
- Under the ADB project- TA 3528- TA Cluster, Investment Strategy in the Central of VN, pre-feasibility studies have been conducted for several sub-projects (4/21) which are same as proposed in the list of 21 priority projects. In addition, the formulation mission for the ADB-PPTA of the Water Resources Development project, concerns NDM in central Viet Nam, started in March 2002.
- There are two projects: Reduction of natural disasters in river basin areas in Central Vietnam – TT Hue (CODEV, France) and Disaster preparedness, floods and forest fire prevention - Quang Binh (APS, Italy) under the Disaster Preparedness Programme (DIPECHO) of the European Community Humanitarian Office (ECHO) which were recently successfully completed in the Central Provinces. On 22 April 2002, a letter was sent to MARD indicating that a new call for proposals under the DIPECHO Programme is currently open until 31 May 2002.
- AusAID is in the process of finalizing a Project Design that will deliver NDM to one of the poorest provinces in Central Vietnam - Quang Ngai. The project is closely aligned with the objectives and priorities of the NDM-P.
- A project Capacity building for Adaptation to Climate Change (CACC) of the Canadian Centre for International Studies and Co-operation(CECI) will be implemented in July 2002 in Hue, which aims to reduce loss from the adverse impacts of climate change in flood prone areas of Central Vietnam.

Concrete actions for the next 6 months (June - Dec 2002)

- Setting-up official NDM-Partnership offices in Danang.
- Holding the first Steering Committee meeting to approve the first year work plan of the NDM-P.
- Designing an information sharing network for regular communication, and the NDM-Partnership quarterly newsletter (type of information, information network, effective methods to advocate and broadcast NDM-P program and projects, regular review of the impact of information sharing, etc.)
- Drafting a framework document and action plan that should include visions/strategic planning for the Partnership up to 2005.
- Preparing the TORs for the Institutional and Training Needs Assessment for the NDM programme and undertaking the Partnership-led institutional assessment as it links with the NDM-P objective to explore the possibility of expanding the Partnership nationwide by the end of this year.
- Facilitating the conduct of pre-feasibility studies and funding for some of the 21 Priority projects.

Success criteria for December 2002

- The Institutional Framework of the NDM-P will be in operation.

- A co-ordination mechanism will be established to facilitate the pre-feasibility study and funding of priority projects and for continuing regular consultations/meeting and information sharing among the relevant Government agencies and Donors.
- First draft of the Framework and Action Plan of the NDM-P prepared.
- An institutional study assessment for disaster mitigation, and programs for NDM-P national staff capacity building, will be prepared and conducted.
- Pre-feasibility studies and funding of several priority projects will take place.

Water Resources

Progress 12/2001-5/2002

1. Donor coordination and dialogue with Government are continuing through the Thematic Ad-Hoc Group on Support for Water Resources Management (TAG2) under MARD ISG. TAG2 terms of reference and an action program for 2002-2003 have been prepared. Studies on important policy issues have been identified and will be carried out, or the results reviewed, by TAG2 and recommendations made to MARD or the National Water Resources Council (NWRC).
2. The Vietnam Water Partnership (VNWP) has been formed under Decision 391/QB/BNN-TCCB dated 4 February 2002. VNWP is a network which liaises agencies, institutions, businesses, social entities, professional associations, scientists and water users active in the fields of water and related resources, integrating these into the Global Water Partnership (GWP) and its Southeast Asia Technical Committee (SEATAC). The VNWP comes under the Institute of Water Resources Research. At the time of its official launch in May 2002, VNWP already had a membership of over 30 organizations.
3. A Hanoi Water Conference, including both a National Water Workshop and Regional Dialogue on Water Resources in Southeast Asia, was held from 22 – 26 October 2001. This conference was sponsored by MARD, the Vietnam Union of Science and Technology Associations (VUSTA), GWP and the Embassies of Denmark and Netherlands. The Hanoi Water Conference followed-up earlier workshops on the formation of a National Water Security Vision for the 21st Century and later work on the development of a National Programme for Action (NPFA). The Hanoi Water Conference helped to raise awareness regarding the implementation of the Law on Water Resources and the National Water Security Vision, to carry out further discussion of the NPFA, and to exchange experiences among representatives of sectors toward the establishment of the VNWP.
4. Some strengthening of the Office of NWRC has taken place. MARD has appointed new Deputy Directors in the Dept of Water Resources and Hydraulic Works Management (DWRHWM), one of whom will serve as Deputy Director of ONWRC. Interministry working groups have been established to assist ONWRC in information management and in policy and strategic planning. The ONWRC and supporting ADB/Netherlands and AusAID projects are preparing a Strategic Work Plan for the NWRC, a National Water Sector Profile and a National Water Resources Information Strategy.
5. A joint training needs assessment and training plan was prepared by projects under ADB/Netherlands, AusAID and Danida. This plan will be the basis of ongoing coordinated delivery of training and awareness activities which are provided to support the NWRC, ONWRC, DWRHWM, interministry working groups and others.
6. Several international projects are being funded by ADB, AusAID, Denmark, JICA, Netherlands and World Bank to support integrated water resource management. These projects support various capacity building activities regarding policy and legislation development, information management, planning, institutional development, and training. Coordination and communication regarding these projects is generally good, with donors showing a strong interest in responding to Government priorities and in working together in a cooperative manner.

Plans 6/2002– 11/2002

7. Formulation of Comprehensive Poverty Reduction and Growth Strategies within Water Resources Management and Rural Water Supply and Sanitation. Recommendations have been made to MARD to form working groups on Water Resources Management and Rural Water Supply and Sanitation to prepare a contribution to CPRGS on these subjects.

8. TAG2 is expected to implement its Action Program, including initiation of studies and policy dialogue between MARD and donors on the basis of these studies, and ongoing information exchange on major activities in the water sector. Study topics include i) National Water Sector Profile, ii) Overview of Water Resource Planning for Major River Basins, iii) Harmonization of Support for Rural Water Supply and Sanitation, iv) Priority Issues for Implementation of the Strategy and Action Plan on Natural Disaster Mitigation in the Mekong Delta, v) National Water Sector Strategy, and iv) Review and Evaluation of ODA Sources for Water Resources Management and Development.

9. In order to strengthen the participation of Vietnam in the international debate and development of the water sector an International Water Conference will be held in Hanoi in October – November 2002. This conference will follow-up the 2001 Hanoi Water Conference and will help to prepare for Vietnam's participation in the Third World Water Forum to be held in Japan in 2003.

10. Regulations for River Basin Organisations will be formulated. These will focus on the RBOs which have been established in the Red – Thai Binh, Dong Nai and Cuu Long basins. The first meeting of these RBOs is expected to be held before the end of 2002.

11. Initiation of activities under the Strategic Work Plan of the NWRC. This work is expected to include development of policy and legislation on priority topics, development of a preliminary Water Sector Strategy, Water Sector Information Management Strategy and Training and Awareness Program. It will be carried out by the ONWRC, with support of inter-ministry working groups and ADB/Netherlands and AusAID projects. Further strengthening of the ONWRC by MARD is also expected, in keeping with this increased level of activity under the NWRC.

12. Completion of a comprehensive legal framework for ground water management and utilisation.

13. River basin planning and management will be increasingly decentralised to the Vietnamese parts of major and medium sized river basins, including Mekong Delta, Srepok and Ca river basins.

14. A National Committee for Rural Water Supply and Sanitation will be established.

15. Action Plan for Rural Water Supply and Sanitation Strategy will be initiated in 15 provinces.

16. Approvals and mobilization of various other planned donor assistance, including basin-level studies and investment projects, training and other capacity building activities and development of a coordinated water resources information system are expected during the coming year.

Transport

Progress over the past six months

1. The operations of the Transport Partnership in Vietnam, which is co- chaired by the Ministry of Transport (MOT) and JICA Vietnam, have aimed at sharing information rather than implementing any specific programs.
2. However, it is the consensus of all donors to continuously support the MOT through partnership activities. The objectives of the partnership meeting are to promote coordination between donors in particular and all stakeholders in Vietnam's transport sector in general with a view to avoiding any overlap and to effectively implement programs, thus maximizing benefits for Vietnam. To this end, the group members have frequently contacted each other to update information and to share experience. Recently, some donors have completed their interventions in the transport sector. In this regard, the 5th Transport Partnership Meeting, which is scheduled for May 21, 2002, will be a good chance for sharing outputs and lessons.

Concrete actions to support the CPRGS

3. Since all stakeholders in Vietnam's transport sector clearly understand the importance of the CPRGS, as the co- chair of the Transport Partnership and close partner of MOT, JICA and JBIC, respectively, with full support of donors including the World Bank and the Embassy of Japan, officially requested MOT to engage more vigorously in the final stages of preparation of the CPRGS document. This is to ensure the CPRGS will reflect the national transport strategies and plans. However, it was not until late April that MOT could finalize and provide their comments to MPI. As scheduled, MOT will present their views on the CPRGS at the meeting planned for May 21.

Plans and success criteria for the next six months

4. We expect that at the coming Partnership Meeting on May 21, plans for the next six months will be worked out. The plans will be in line with the partnership's objectives.

Official Development Assistance Partnership (ODAP) – Ho Chi Minh City

Performance and priorities over the past six months

1. This six month period coincides with the first half of ODAP's third year of operations. A Steering Committee meeting on 30 October 2001 assessed the performance over the second year and approved the workplan for the third. The period closed with the Steering Committee meeting on 24 April 2002. For improved partnership management ODAP now has a formal practice of holding interim Sub-Committee meetings at the three month mark. The last of these interim meetings took place on 30 January 2002. Committee Papers were prepared for each of the meetings and, together with the meeting minutes, have been circulated to all ODAP members and other interested groups.

2. From November 2001 to April 2002, ODAP's efforts have centered on the following :

- Implementation of the pilot training in ODA project management during December 2001 and January 2002 aimed at strengthening the capacities of the HCMC PMUs, and incorporating a training of trainers component. The final component covers the formulation of a two year training programme, for which the final report from the national consultant is due on 18 May 2002.
- ODAP Workshop No.6 held on 25 April 2002 addressing the theme of HCMC poverty reduction and bringing together for the first time all the directly relevant city departments, organisations, academic and research bodies, the INGOs and the HCMC ODA donors.

3. Ongoing regular support work during this period revolved around information-sharing activities. These consist of the routine "one stop" service at DPI (open not only to ODAP members but also to INGO's and the local and international academic community), the publication of ODAP Newsletter issues 11 and 12, the fourth meeting of the ODA PMU Forum, and the continuing development of the computerised ODA project database.

4. Underlying the workplan performance has been the implementation of the priority policy decision to incrementally transfer ODAP support responsibilities from the ODAP Support Team Office (OSTO) to the ODA Project Management Division (OPMD) under DPI. This follows the principle that the nature of ODAP, as a multi-sectoral partnership serving a single specific province rather than a circumscribed national sector or a special development focus, is such that the administrative base of the partnership should ultimately be firmly embedded within the PC as part of the city's permanent donor coordination and aid management functions. OSTO was set up in October 1999 and staffed by two full-time national consultants and one part-time international consultant, located in DPI and financed from the ODAP common fund on a year-to-year basis. Over

the last six months the phased transition has progressed according to plan. One of the national OSTO staff handed over responsibilities at the end of January 2002. The agreed increase of OPMD capacities for the ODAP functions has taken place, with the recruitment by DPI of two new staff during February and March 2002. Financial assistance to OPMD for the required capacity-building has been provided by the Belgian donor partner, DGIC/ BTC.

5. In the ODAP Memorandum of Understanding there is a very specific statement that at the time the partnership was launched there was no need for a generic set of success criteria. Up to now performance is simply measured every six months in terms of progress on each item in the approved workplan. Accordingly the criteria indicated in “Putting Partnerships to Work”, refer to the OSTO/OPMD transition plus the other scheduled workplan components as mentioned above. With the exception of the support for investment programming, which is addressed later in this note, all aspects have been implemented as planned or are in progress as scheduled.

Support for the Comprehensive Poverty Reduction and Growth Strategy (CPRGS)

6. ODAP Workshop No.6 targeted urban poverty reduction in general and the HCMC situation in particular. The handout to participants explained that the workshop was designed to complement a series of parallel initiatives, notably the CPRGS, and had the following objectives:

- to provide the basis for assembling a comprehensive poverty profile for the city, through an examination of the latest statistics and survey findings, the full set of potential indicators, programme targets and evaluated performance;
- to increase awareness of the latest national and local policies/strategies, surveys, manuals and research studies and to explore the adaptation and application to the HCMC situation;
- to familiarise the donors with the complete range of the city’s poverty reduction programmes;
- to assess the ways in which the current set of ODA projects are contributing to the city’s poverty reduction programmes and to seek the means for increasing the impacts of these projects, particularly with respect to reaching the very poor and those excluded through lack of residency status; and,
- to identify options for future ODA donor support, both directly and indirectly, to the city’s poverty reduction efforts.

7. On behalf of the donors, the World Bank presented an opening paper that explained the global trends in poverty reduction strategies together with an overview of the Vietnam situation, the role of the donors and status of the CPRGS. Ten other papers were presented covering perceptions/definitions/indicators, the HEPR programmes, the health, education, employment, credit and basic services/housing sectors, and also the particular concerns of women, children, migrant youth and other vulnerable groups.

8. Over the next six months, ODAP will follow up on the workshop conclusions, particularly with respect to addressing the problems of exclusion from official statistics and programmes, the move towards improved integration of the diverse range of efforts, and the need for the donor infrastructure projects to develop closer working relationships with the HCMC social services, particularly the public health sector and the HEPR activities. New ODAP poverty reduction support initiatives will be a pilot training course on community participation in July 2002, targeting the HCMC low-income areas and directly supporting the World Bank Vietnam Urban Upgrading Project (VUUP). Furthermore, ODAP Workshop No.7 in October 2002 will have the theme of housing and associated land issues in HCMC, also with special reference to meeting the needs of the city's lower income groups.

Revisiting the MOU and support to HCMC planning and investment programming.

9. At the suggestion of DPI, the October 2001 Steering Committee meeting agreed that, after two full years of ODAP operations and taking account of the decision to start the OSTO/OPMD transition process, it would be timely to review the objectives, structure, organisation and performance of the partnership. This exercise, in the form of a concept paper, would also examine one of the clauses of the ODAP mandate not yet comprehensively addressed - the support to the city in providing the framework for identifying priorities for donor support. Having inherited a set of major ODA projects in the early stages of preparation, the immediate urgent requirement for ODAP was the coordination and general support for this existing ODA programme rather than assisting in identifying the next generation of ODA projects. DPI has recommended that the focus of the concept exercise be essentially forward-looking in response to the expressed needs of the City and specifically those of DPI itself. These embrace issues faced in matching ODA assistance priorities with the city's capital investment needs under the current HCMC Five Year Plan (FYP), in formulating convincing submissions to the donors, and in integrating ODA with future FDI and the city's own fully domestic-funded programmes. The preliminary draft of the concept paper is awaiting comments from the partners prior to proceeding with the next draft scheduled for presentation in July 2002.

10. Being a multi-sectoral initiative at the level of a city/province, without the mandate to itself formulate a HCMC vision and strategy for the overall city development, it needs to be recognised that ODAP does not fit neatly into the conceptual framework of the other partnership groups in Vietnam. ODAP can of course influence broad planning decisions, but the relationships in this respect when compared to single sector groups at the overall national level are far more complex. Planning and programming initiatives are obviously conditioned by the overriding existing provisions of the HCMC FYP with its ten year perspective, alongside the approved physical master plan and the various sector plans. The less than successful experience of the donor-sponsored City Development Strategy (CDS) exercise in 1999/2000 highlighted the issues with regard to HCMC ownership inherent in this kind of donor intervention. Nevertheless, within the present official planning context and given the lead time required for identifying new projects among the donors and for establishing donor project partnerships, it could now be appropriate to start discussions on where the donors and the city see the future optimum

use of ODA resources once implementation of the present generation of projects is well advanced. This will involve a frank examination of projected HCMC institutional and loan servicing capacities, and the determination of donor interests and comparative advantages. An analysis of the present fragmented distribution of donor support will also be needed – the ODA programme now includes four donors working in parallel (each with their own separate projects) in the drainage/sewerage sector and four donors similarly supporting solid-waste management. The options for joint long-term commitments among the donors and the identification of opportunities for common programming (based on the emerging model of the partnership between DGIC/BTC, the World Bank and AFD on the Tan Hoa-Lo Gom/VUUP project) are scheduled to be explored over the next six months within the current ODAP workplan.

Public Administration Reform

Progress during the last six months

1. A number of important initiatives have been undertaken by the Government in taking forward the implementation of the PAR Master Programme in the period since the December 2001 CG. In many instances donor partners have contributed actively in these initiatives. In this context the following may be mentioned:

1. The amendment of the 1992 Constitution. The most important amendments included: increasing the prominence of the private sector; introducing an "impeachment mechanism" for senior state officials; and increasing the National Assembly's full-time membership.
2. The adoption of the new law on organization of the Government.
3. The preparation of the final version of the decree to replace Decree 15 on Government structure and operation.
4. The Prime Minister's Decision No. 192/2001/QĐ-TTg on expansion of the pilot block grant and staffing scheme in administrative agencies.
5. The Government has explored alternative public service delivery management mechanisms. GCOP has already prepared two proposals which are now under active consideration of the Government.
6. The Awarding of ISO 9001 certification for PAR for one of the pilot initiatives in District 1 of HCMC.
7. A mission supported by SDC has completed a review of the one-stop shop pilot initiatives being carried out through out the country. The report has been submitted to GCOP.
8. Government's decision to access loan funds from ADB in the implementation of the PAR Master Programme Sub-programme 4 (Programme on Improving the Contingent of Cadres and Civil Servants) and Sub-programme 7 (Programme on Modernization of the Administrative System).

2. Administratively, the PAR Steering Committee (SC) was expanded by the inclusion of two additional members, from the Party's Organizational Commission and from MPI. The Secretariat to the PAR SC is now headed by a full time Secretary General.

3. In addition GCOP, as the standing member of the PAR Steering committee, has had initial discussions on how to mainstream the PAR Master Programme (MP) into the CPRGS. GCOP has also incorporated a specific reference to the CPRGS in its new project to support the implementation of the PAR MP entitled, "Support to the Implementation of the Public Administration Reform 2001-2010 Master Programme".

4. Regarding partnership:

- A PAR Master Programme Implementation Workshop was organised by Government in early April 2002 and was jointly supported by ADB and UNDP in consultation with development partners.
- A PAR Support Facility is being initiated in a new UNDP project proposal “Support to the Implementation of the Public Administration Reform 2001-2010 Master Programme”, which is now under Government’s consideration.
- SDC has supported GCOP, in consultation with UNDP, SIDA, NORAD and other donors, in evaluating the one-stop models being carried out through out the country. This study report has been submitted to GCOP. A workshop on the topic for wider replication will be organised by GCOP in early June.

5. The table below summarizes the specific progress made in PAR over the last six months in relation to the success criteria outlined in the report “Putting Partnership to Work in Vietnam” prepared for the CG meeting in December, 2002.

Key Activity	Expected Outcome	Previous Deadline	Update/Status by April, 2002	Key Players
Formulate 7 PAR Actions Programmes	Clear implementation plans of the PAR Master Programme (PAR MP)	End of December 2001	Draft Action Programmes discussed at PAR Workshop in April 2002. Final Action Programmes expected to be approved by the Prime Minister by end of May 2002.	<ul style="list-style-type: none"> • Government Steering Committee for PAR • Lead Agencies for PAR • PAR Donors
Dissemination and Awareness of the PAR MP, including conducting dissemination conference for PAR MP	Awareness and understanding of the PAR MP at all levels of the government.	October 2001	Two national conferences conducted in Hanoi and Ho Chi Minh City in 2002. Media coverage on formulation of the PAR MP.	<ul style="list-style-type: none"> • Government Steering Committee for PAR
Formulate annual and five year PAR plans for ministries and provinces and submit for approval	PAR Plans of ministries and provinces consistent with and give effect to the PAR MP	December 2001	Formulation initiated in all ministries and provinces. Deadline May 2002.	<ul style="list-style-type: none"> • Government Steering Committee for PAR • Ministerial & Provincial PAR Steering Committee for PAR
Develop plan to mobilise domestic and international resources for implementation	Resources strategically targeted to support the implementation of the PAR MP	December 2001	Finalised resource mobilisation planned in April but rescheduled for June due to delays in finalisation of Action Programmes.	<ul style="list-style-type: none"> • GCOP/ Government Steering Committee for PAR • UNDP with

of PAR Master Programme PAR Support Facility and funding framework for PAR MP Finalize draft amendments to the Organization of the Government to submit to the Government	New law in place enabling Government to carry out restructuring of organizations	December 2001	The creation of a PAR Support Facility under active consideration by the Government. Law on Organization of the Government (No.32/2001/QH) passed by the National Assembly, December 25, 2001. GCOP to revise decree 15 by end of May. Amended decree expected to be presented to the post-NA election Government in July. This decree will delineate the functions and organisational framework of the Government.	PAR donors • GCOP, OOG
Establish Loan Programme for implementation of Sub Programmes 4 and 7	Financial resources in place to implement programmes	2002	Mission in consultation with the Government working on establishing the framework for and content of loan programme.	• GCOP, OOG, ADB
Implement Programme on downsizing according to the resolution 16/2000/NGCP	Payroll reduced by 15% Personnel Management Entities transformed towards result-orientation and product-based pay Compensation Policy for retrenched staff established	2001-2002	No information available. However, Resolution 16/2000/NGCP will expire by end of 2002. According to the indications from the Government the downsizing programme will then be more closely linked to the overall PAR MP.	• GCOP • Ministries and Provinces

Realignment and input to the CPRGS

5. PAR, and under this the implementation of the Grassroots Democracy Decree, features prominently in the CPRGS. It firmly states that the PAR Master Programme should be pushed into the implementation stage (Draft 4, Section IV). However, the level of detail when it comes to strategies and devices for implementation (the “how to”) is not

thoroughly delineated. Thus before donor support can be realigned to support the CPRGS in the area of PAR the implementation arrangements and clear Action Programmes would have to be put in place. This links closely to the establishment of detailed Action Programmes within the 7 programme areas of the PAR MP and with the need to clarify the sequencing and linkage between and within the 7 programme areas.

6. With regard to the Grassroots Democracy Decree some political indications have been given to upgrade it into a law following the resolution “Renovating and Increasing the Quality of the Political System at the Grassroots Level”, passed at the 5th Plenum in January, 2002. How specifically this can be integrated into the CPRGS would have to be reviewed along the way.

Revised success criteria

- Efficient management mechanism established in GCOP to assist the PAR Steering Committee in guiding and monitoring the implementation of the PAR MP.
- 7 Action Programmes in PAR MP finalized by third quarter, 2002, with clear outputs, benchmarks and indicators.
- Inter-linkage and sequencing of the 7 Action Programmes clearly delineated by the PAR Steering Committee by third quarter, 2002.
- Realign the PAR Master Programme and the 7 Action Programmes with the CPRGS.
- ODA framework for PAR, including loan financing, established.

Legal System Development Needs Assessment (LNA)

Progress over the last six months

1. Over the past six months, the LNA partnership has made significant progress. Following the December CG, under the direction of the LNA's Inter-Agency Steering Committee (IASC), the 8th draft Overall Report was prepared in which the comments of Vietnamese and International Participants at the 9 November 2001 Conference on the 7th Draft were taken into account. The 8th draft was then the subject of intensive stakeholder review and comment during December, January, February and March. During December and January, workshops and conferences to consider the 8th Draft were convened by the Government Commission on Operations and Personnel (GCOP), the Office of the National Assembly (ONA), the Supreme People's Court (SPC), the Supreme People's Procuracy (SPP), the Central Internal Affairs Commission of the Communist Party and the Vietnam Chamber of Commerce and Industry (VCCI) together with the Ministry of Justice (MOJ). Also, during the last week of January and the first week of February, the LNA Secretariat and Team Leaders held an intensive series of workshops with resident and visiting international legal experts from Japan, Denmark, Sweden, France, Australia, Canada, Britain, and the USA which focused primarily on the Action Plan, implementation arrangements and the framework for future donor cooperation and coordination.

2. Following each workshop, reports summarizing the comments were prepared and presented to the IASC. In addition, in January the MOJ distributed the 8th Draft to all Legal Departments of central level agencies and to the Directors of Departments of Justice and Chief Judges of the People's Courts of all 61 provinces. Hundreds of written comments were received, analyzed by the Secretariat and presented to the IASC during February and March.

3. During March, the IASC met every Saturday in all day sessions to consider the written and verbal comments received on Draft 8, to consider Draft 9, as well as to review and approve the final versions of the four individual reports on: 1) Legal framework of substantive and procedural laws and treaties plus the law and treaty making process; (2) Institutions for law-making and implementation of laws and treaties, dispute resolution, quasi-judicial agencies (including legal aid); (3) Legal education and professional training; and (4) Legal information collection and dissemination. Also, in March, Team 5 drafted and finalized Draft 9 of the Overall Report taking into account all of the comments and presented it to the IASC for review and approval.

4. The 9th Draft Overall Report on the LNA was then considered at a major conference of State Legal Agencies and International and Foreign Donors held by the IASC on 9 April 2002 at the Horison Hotel presided over by IASC Chairman, Dr. Nguyen Dinh Loc, the Minister of Justice. The 9th Draft was extremely well received by both Vietnamese participants and International Donor representatives taking part in the conference. For example, UNDP Resident Representative Jordan Ryan noted:

" [This] exercise of the LNA has exceeded expectations. It in fact has very much of the elements of both the strategy and the action plan that will be needed for your Government to decide on the action that are priority and the actions that need to be taken. I think that all of us as your development partners are pleased with the process but more importantly pleased with the fact that you are tackling a number of sensitive but very critical issues."

5. And World Bank Country Director Andrew Steer stated:

"[We] believe that this document we have before us today is one of the most important documents that we, as the World Bank, will see anywhere in Asia this year. It's that important. We regard this as an extremely high quality document. We believe that it is professional, it is frank, it has been managed at a very senior level in government. It is very honest in diagnosing the current situation, and it lays out principles and a road map for reform for the coming ten years. It also has been consulted widely within Vietnam. And so there is a growing ownership of this throughout the country. So for all of these reasons, we regard this as a very, very good report. One of our best lawyers in the World Bank described this report when he read it as "the best of best practice". By that, he didn't just mean the words that were written in this report. He meant the quality of the process that had gone into this. This is a totally Vietnamese report. It reflects Vietnamese realities while drawing upon international best practice. . . . This is a first class report, a first class process. "

6. With Draft 9, the LNA Partnership has basically met all of success criteria identified in 'Putting Partnership to Work in Vietnam' in that the LNA has produced an overall Draft Report in which:

- a) The key legal development needs are clearly identified and analyzed;
- b) A long-term development strategy is elaborated;
- c) An Action Plan to carry out the strategy is set out; and
- d) An ODA framework to support the implementation of the Action Plan is proposed.

7. The detailed action plan for legal reform clearly supports the Socio-Economic Development Strategy for the period 2001-2010 approved by the Ninth Congress of the Communist Party of Vietnam in April of 2001 and in fact would appear to be essential to its successful implementation. In addition, the Policy Action Matrix of the latest draft CPRGS calls for implementation of the LNA Action Plan as a key step in reducing poverty and encouraging economic growth. Donor support to implement the LNA Action Plan will therefore automatically be aligned to the CPRGS.

Key events and success criteria for the coming six months

End of May - Early June 2002: Finalization of the LNA Overall Report and review and approval by the Inter-Agency Steering Committee (IASC) for submission to Prime Minister and other relevant State Legal Agencies.

Mid-June 2002: Submission of the Final LNA Overall Report to the Government, National Assembly, Supreme People's Court and Supreme People's Procuracy.

End June 2002: Formulation of concept paper on the transition from the LNA to implementation and the operation of implementing institutions: 1) The National Steering Committee; 2) The Inter-Agency Working Committee; 3) The Secretariat ; and 4) Interim arrangements pending formation of the National Steering Committee.

June - July 2002: Completion of a Strategy for Vietnam's Legal System Development to 2010 based on the LNA Overall Report and submission to the Government, the National Assembly and the Presidential Commission on Judicial Reform.

June - July 2002: Approval of the Legal System Development Strategy and Action Plan by the Government, the National Assembly and other key agencies.

July - August 2002: Possible joint formulation mission commissioned by key donors in the legal field to review the Action Plan and formulate program responses.

June - September 2002: Establishment of Secretariat, the National Steering Committee and the Inter-Agency Working Group for implementation of the Action Plan.

June - September 2002: Formulation of five to six high impact projects with each of the key state legal agencies; mobilization of funding and commencement of some or all.

June- September 2002: Coordinated UNDP, WB and ADB programs formulated for the medium-term support to the implementation of the Legal System Development Action Plan.