

Vietnam Partnership Report 2010:

STABILIZING THE MACROECONOMY AND FOCUSING ON SUSTAINABLE DEVELOPMENT



An Informal Report jointly prepared by the Aid Effectiveness Forum and
the World Bank
for the Consultative Group Meeting for Vietnam
and
The 2nd Aid Effectiveness Forum
December 2010

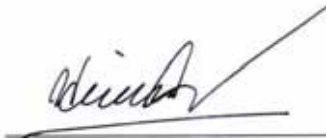
FOREWORD

This Partnership Report is a joint product of the World Bank and the Aid Effectiveness Forum (AEF). It brings together the active support and contribution from a wide range of development partners and the joint Government-donor-NGO partnership groups, all working together to help Viet Nam to achieve its sustainable development goals through enhanced aid effectiveness.

We are very pleased to inform you that the Report for the Consultative Group meeting 2010 and the Second AEF Event not only captures the progress and activities of SPGs and ISGs but also reflects an overall picture of their structure based on the results of the first phase of SPGs and ISGs mapping exercise under the AEF framework. Through this exercise, AEF hopes to support the partnership groups to strengthen their performance in a new national aid architecture and align with the SEDS 2011 – 2020 and SEDP 2011 – 2015. This will also ensure adherence to the aid effectiveness agenda.

We would like to express our sincere thanks to SPGs and ISGs for providing very rich and informative documents and also thank those who contributed to publication of this Report.

We hope that this Report is useful to the Government agencies and all development partners who work on the development and aid effectiveness areas.



Mr. Ho Quang Minh
Director General
FERD, MPI
AEF Government Co-chair



Mr. Motonori Tsuno
Chief Representative
JICA Vietnam Office
AEF Donor Co-chair



Ms. Victoria Kwakwa
Country Director
World Bank
Vietnam

ACKNOWLEDGEMENTS

The production of this report was only possible through the co-operation, contributions and active support of the partnership groups and their members. Detailed list of partnership groups and lead organisations are below. Non-inclusion in this volume does not imply non-activity on the part of a partnership group.

Poverty Working Group/Poverty Task Force	MPI, WB, UNDP
Partnership to support National Target Programs on Poverty Reduction	MOLISA, CEMA
Gender Action Partnership	NCFAW
ISG Environment	MONRE
People's Participation's Working Group	JIFF
Partnership on SOE Reform & Equitization	WB, IMF
Partnership Group for SME Promotion and Private Sector Development	EDA-MPI, ILO, UNIDO
Financial Sector Working Group	SBV, WB
Trade Reforms Working Group	WB
Education Sector Partnership	MOET
Health Partnership Group	MOH
HIV/AIDS Technical Working Group	UNAIDS
Forest Sector Support Partnership (FSSP)	FSSP Coordination Office (FSSP CO)
Natural Disasters Mitigation Partnership	MARD
ISG-MARD	MARD
Rural Water Supply and Sanitation Partnership	MARD
Partnership on Avian and Human Influenza	MARD
Urban Forum	MOC
Transport Partnership Group	Ministry of Transport, JICA
Legal Reforms Partnership	MOJ
Public Administrative Reform Partnership	MOHA
Public Financial Management Partnership	MOF
Aid Effectiveness Forum	MPI, JICA

Bo Thi Hong Mai (World Bank) and AEF Secretariat managed production of this volume and coordinated the Theme Notes from the Development Partnership Groups.

Further copies of this report are available from the Vietnam Development Information Center, 2nd Floor, 63 Ly Thai To, Hanoi, and at www.worldbank.org.vn and www.vdic.org.vn.

TABLE OF CONTENTS

I. PARTNERSHIP GROUPS – PROGRESS REPORTS

PARTNERSHIP GROUP FOR SME PROMOTION AND PRIVATE SECTOR DEVELOPMENT.....	5
HEALTH PARTNERSHIP GROUP.....	15
HIV/AIDS TECHNICAL WORKING GROUP.....	23
ISG ENVIRONMENT.....	26
ISG-MARD.....	32
FOREST SECTOR SUPPORT PARTNERSHIP (FSSP).....	35
RURAL WATER SUPPLY AND SANITATION PARTNERSHIP.....	51
PARTNERSHIP ON AVIAN AND HUMAN INFLUENZA.....	56
TRANSPORT PARTNERSHIP GROUP.....	60
PEOPLE’S PARTICIPATION WORKING GROUP.....	76
PUBLIC FINANCIAL MANAGEMENT PARTNERSHIP.....	80

II. PARTNERSHIP GROUP MAPPING

SUMMARY REPORT	88
----------------------	----

ACRONYMS AND ABBREVIATIONS

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

I. PARTNERSHIP GROUPS - PROGRESS REPORTS

THE PARTNERSHIP GROUP FOR SME PROMOTION AND PRIVATE SECTOR DEVELOPMENT (SMEPG)

Brief summary of the SMEPG meeting:

The following organizations were represented at the meeting:

ASMED, ADB, Asia Foundation, CIDA, Embassy of China, DFID, Dutch Embassy, HASMEA, IFC, ILO, Embassy of Italy, JICA, SNV, SECO -Switzerland embassy, UNIDO, VNCI & USAID, VCCI, World Bank.

1. Issues discussed in brief:

- All donors showed high interest in the drafting of the new SME development 5-years plan. ASMED welcomed donors' comments on the draft SME plan once it is available and suggested to have discussions on the plan in a SMEPG meeting.
- UNIDO and other donors recommended inviting relevant Ministries to the SME Partnership Group meetings. ASMED noted that enhanced practical and effective inter-ministerial coordination and collaboration is needed as SME development is a cross-cutting issue involving many Ministries and sectors. In the past, invitations to SMEPG meetings have been extended to Ministries but seldom reached the correct person.
- USAID/VNCI, CIDA and some other donors recommended organizing thematic workshops. ASMED mentioned the set-up of 7 thematic sub-groups in the past as well as the successful organization of thematic events in the past, such as the Provincial Forum etc.

Other topics discussed were: SME competitiveness in value chain/ global production chain and need for focused sector support in industrial policy; access to finance for SME; role and function of new SME Unit under DPIs, comprehensive capacity building for sustainable SME development.

2. Brief on donors' presentation:

Each donor explained briefly about their SME support. CIDA and EU emphasized their sector approach instead of single project approach (like JICA). IFC presented their comprehensive support in terms of regulatory and administrative reform, access to finance and sustainability. SECO co-funds initiatives in business environment, access to finance and value/supply chain. DFID and SNV apply inclusive business aiming at the poor. Many donors work on legislative reforms (VNCI/USAID, CIDA) and vocational training development (Italian embassy, EU, CIDA, ILO). ADB implements the SME Development Program Loan 2 (SDPL) and technical assistances, WB with Rural finance project No. 3. UN implements two joint programs with enterprise development components.

Minutes of the meeting:

OPENING

Mr Nguyen Hoa Cuong of the Agency for Enterprise Development (ASMED) delivered opening remarks and noted that the goal of the meeting was to update participants on SME development support policies and for participating donors to share information about their SME initiatives.

UNIDO, as one of the co-chairs, followed the introductory speaker by providing a short background to the initiation of SMEPG and its development. The partnership group was formed in 1999 as one of the first Government – donor partnership groups. It was initiated by MPI, UNIDO and JICA and met regularly once or twice a year. In 2005, the SMEPG was critical for the coordination of donor inputs to the development of the SME development plan 2006-2010. SMEPG provided a platform for initial recommendations and later validation. As next year, the Government/ASMED will formulate the new SME development plan for 2011-2016, it was suggested that the SMEPG, once more would constitute such a coordination forum.

ILO, the other co-chair, called for a vision for the SMEPG and for SME development in Vietnam. SMEs are small but essential and the engine of growth and employment creation. Moving beyond Middle Income Country status to becoming an industrial nation, the SMEs will be drivers. ILO finished by asking how the SMEPG can support SMEs to perform, the answer would need to be based on full understanding of the needs of SMEs.

UP-DATES BY ASMED

ASMED presented updates on SME development support policy and ASMED workplan 2011 (the ppt presentation will be sent to all participants). In last year's SMEPG meeting, the new Decree 56 was presented, this year's meeting introduced the Resolution 22/NQ-CP on the implementation of this decree. ASMED outlined the six main solutions and implementation areas, as follows:

- 1) guidelines to develop SME support program and action plan – SME development plan 2011-2016, dissemination and guidance on implementation of Decree 56, integration of SME development into annual and five-year plans.
- 2) strengthen SMEs capacity to access credit and mobilize financial resources dedicated to SME support – strengthening of credit institutions and SMEs, establishing SME Development Fund and promotion of Credit Guarantee Funds establishment
- 3) solution to lack of production ground for SMEs – encourage provincial authority to revise land use plan and give access to IZs or clusters for SMEs.
- 4) support to SMEs to strengthen their competitiveness – key issues highlighted were: support to SMEs for technology and technical capacity upgrading, human resource development, corporate governance, quality improvement of vocational training, improvement of the LMI system, trade promotion and inclusion of SMEs in public procurement.
- 5) accelerate administrative reform to facilitate SME development – linking national business registration system and tax information system
- 6) develop and enhance SME support system – promulgation of Prime Minister's decision on roles and responsibilities of the SME Development Promotion Council, consideration for establishment of a specialized division for SME development under DPI in provinces with more than 3,000 enterprises.

Key forthcoming activities in 2011 include:

- Capacity building of SME focal points
- 5 year SME development plan
- Establishment and implementation of SME Development Fund
- Provision of guidelines for SME support implementation
- Update Business Portal (www.business.gov.vn)
- ASMED restructure, a new separate Agency for business registration is established,
- 5th East Asia Round Table Meeting in VN (24/11 2010)

Following the ASMED presentation questions and comments from participants included:

CIDA:

Q: How can donors support the development of the SME plan and what is the timeline?

A: Donors will get a chance to review the draft plan, however the timeline is still not determined but the plan must be developed within next year. A SMEPG meeting can provide the forum for comments from donors.

Q: Pleased to see integration between solution areas and that HR and training are underscored, education (secondary education) and education of workforce MoET/MoLISA,

A: There is a joint MPI/MOF circular on government-funded comprehensive support program for HR development. CIDA in collaboration with MoLISA and MOET has a separate initiative for technical and vocational training (TVE). ASMED welcomes donor contribution in this field.

VNCI

Q: Regarding the six solutions, has there been any evaluation of impact or achievements? ASMED presented decrees and circular but how about results?

A: The SME plan has indicators that are used to measure results and provinces provide comments and feedback.

China Embassy

Q: The solutions presented are they really meeting the actual key challenges of SMEs in regards to 1) access to finance – is it really targeting SMEs, negotiable interest rate? 2) access to favorable infrastructure – IZ are costly and difficult for SMEs to access 3) Innovation – incubator is an advanced concept, how has it been applied in VN?

A: 1) SMEs account for 50-60% of total lending (acc. SBV), so negotiable interest rates for bank customers are benefiting SME mostly. 2) Decree 56 states that provincial authority must allocate “some” land for SMEs.

3) incubators have been established in donor projects, e.g EU supports a business incubator in food processing and packing in the North and a business incubator in IT in the South (large scale) and some smaller private initiatives.

UNIDO:

Q: At provincial level there are already SME units, each department has a window unit to business community, why does ASMED promote yet another one?

A: the Decree said that localities with more than 3.000 enterprises can *consider* to set up a separate, specialized division for SME support, hence it is a demand driven suggestion.

MoIT/DoIT and MARD/DARD have trade, industrial and agricultural promotion. ASMED will work with MoHA on the newly suggested unit.

Xxx

Q: How does ASMED work with business associations at provincial level? And how can the voice of SMEs, through their representative organizations, influence policy development?

A: ASMED is working with BA on many levels. At top level, The SME Promotion Council, an advisory body to the Prime Minister and headed by MPI Minister, includes major business associations. ASMED collaborates with BAs to implement donor projects and are in almost daily contact with many of them. BAs also participate in APEC/ASEAN cooperation activities.

UNIDO CSR project

Comment: be careful not to over-structure SME sector, give ownership to SMEs and have a lean structure of support from provincial level.

A: Half of the provinces want less national government support; while the other half wants more structure and support. At provincial level, it depends on the willingness and capacity of the authorities, some provinces are active and in the forefront, others passive awaiting national Government guidance.

ILO

Q: How can SMEs play a stronger role in the up-grading of a sector? Experience show that by applying a value-chain approach, smaller producing units further down the chain are included and by that can support lifting the whole chain. How can this approach be integrated into SME policy development.

A: The value-chain approach is not a new concept, it has been applied by many donors already. Relevant is how to translate best practice into industrial policies. As SME development is a cross-cutting issue, coordination is needed among foremost MPI, MoIT and MoST as well as a monitoring system.

Q: Will environmental issues be considered in the SME plan and its targets, for example greening strategies for SMEs?

A: practical example such as UNDPs support to SMEs to become more energy efficient should translate into Government policies

ASMED

The SME plan 2006-2010 owes much of its success to donor contributions towards its implementation, it is hoped that the development of the new plan will benefit from similar strong support.

UNIDO

Q: We would have welcome line-ministries (MoIT, MOST, MoNRE, MoET) in today's meeting and we recommend that they are present at next SMEPG meeting.

A: ASMED welcome the idea and noted that given the cross-cutting nature of SME development, coordination with Ministries is strongly needed. In regards to coordination meetings, invitations are received by different persons in Ministries for different meetings.

ILO

Called for inter-ministerial collaboration in the development of the SME plan

UNIDO

Clarified the process of developing the SME Plan 2006-2010. The drafting process built on 22 ministerial working groups, 32 business associations, series of joint events, break-out groups

etc. Such a process requires resources; recommended ASMED to call upon donors for contribution, if own resources are not sufficient.

ASMED

Assured that they will follow a participatory planning process and coordinate with experts in line-ministries, however there is not yet a detailed plan.

CIDA

As a last comment, CIDA underlined the need to support micro-enterprises, already included in decree 56 but needing explicit attention.

DONOR PRESENTATIONS

Following the Q&A session, participants updated SMEPG on their SME/private sector support programs/activities:

Note: The following are brief and incomplete summaries, each donor is very welcome to revise

IFC

IFC's SME development work can be grouped into three main themes: (1) Regulatory and Administrative Reforms; (2) Access to Finance; and (3) Sustainability.

- Regulatory and Administrative Reforms
 - *Supporting Project 30*: IFC is a member of the Advisory Council of Project 30. Through the Council, IFC has been providing on-going strategic advice and support to Project 30 including capacity and institutional building activities such as working with VNCI and Project 30 to introduce standard cost model, training other members of the Advisory Council and Special Task Force and Task Forces from all ministries on the application of standard cost model, reviewing and providing recommendations for simplification of selected business related administrative procedures and advocating for and communicating reforms through media and other tools.
 - *SME tax simplification*: IFC is working with the general Department of Taxation and Project 30 to simplify tax administration and reforming tax policies for SME. Main activities include simplification of VAT filing, refund and payments, developing a modern risk-based auditing system, simplifying household business taxation and accounting, and introducing VAT thresholds
 - *Access to land procedures*: IFC is working with three provinces Bac Ninh, Binh Dinh, Thua Thien Hue to simplify business access to land procedures and plans to replicate the reform to other provinces.
- Access to Finance: three major components:
 - Developing financial sector infrastructure including supporting the development of a legal framework for the establishment of a private credit bureau and for secured transaction and facilitation of the set-up of the first private credit bureau and the development of an e-registry for secured transaction;
 - Supporting the development of the bond market in Vietnam including facilitating the establishment of the Vietnam Bond Market Association and building capacity for the associations;
 - Supporting individual financial institutions including advising on SME banking, risk management, and energy efficiency
- Sustainable Business Advice
 - *Better work* (jointly with ILO)
 - Corporate governance including working with SSC and CIEM to improve the corporate governance regulatory framework, supporting educational institutions to

improve their corporate governance training capacity, and working directly with companies to improve their corporate governance and demonstrate the practicality and benefit of improving corporate governance practices

- Recycling including working with the government on the legal framework and guidance on extended producer responsibility, working with companies to pilot a take-back scheme. At the present, the focus is on used lead batteries.

JICA

JICA runs a comprehensive program for SME Development and Supporting Industries (with 4 pillars of policy, finance, human resource development and technical skill/know-how). One component of the above-mentioned program includes the placement of an SME policy implementation adviser in ASMED, a repeated training program in Japan (in continuous 3 years) for SME coordination and a new project for strengthening public functions for SME support, which was presented in detail. The new project will start in February 2011 and run for three years. Its purpose is to strengthen ASMEDs capacity to deliver effective SME support measures and will deliver the following four outputs:

- (1) ASMED strengthens its capacity to coordinate with other central level ministries and agencies related to SME development, in particular through piloting the introduction of a user-friendly SME support measures guidebook.
- (2) ASMED strengthens its operation for effective capacity building for government officers in charge of SME development.
- (3) ASMED enhances its capacity to facilitate local governments' initiative for supporting SMEs, through piloting the activities for strengthening business linkage between assemblers and local supporting industries.
- (4) ASMED formulates a solid vision for the appropriate organizational structure enabling functional SME development policy implementation.

SECO asked for further clarification regarding:

Q: is this project focusing on any specific sectors?

A: JICA is focusing on "Supporting Industries" so mainly focusing on "Industrial Sector" but during the process of implementation, if HAPI or DPI are interested in support to other sectors, it will be considered. **(In detail, we focus on machinery, electronics and electricity in the industrial sector).**

Q: will JICA only focus on DPI at provincial level? Because, at provincial level, many more stakeholders are making efforts for SME development and Business linkage, for example DOIT, DOST, Associations etc.

A: In JICA's pilot provinces (HAPI and DPI Vinh Phuc) there are "SME Support Centers" under DPI, and they already have linkage or collaboration with other stakeholders at provincial level as you mentioned. We will strengthen the capacity of not only DPI through this project but also stakeholders of SME support in provincial level.

(Output 3 of this new project is for vertical coordination towards local government (it means including DPI, DOIT, DOST etc.) and we also included role of associations in this Output. Surely, SME center of DPI in pilot provinces will be main coordinator).

UNIDO

The roll out of the national business registration system is almost complete, achievements include:

- Legal framework in place (Decree 43)
- system developed and deployed (58 provinces) for fully computerized work flows at each province
- hardware and software procured, capacity building

- transfer of enterprise data (407.000 to date)

Next year a financial statements filing system will be developed and deployed and information services established.

In a clarification note, Nilgun explained how the business registration system will be maintained and sustained by Government. The business registration system is a mandatory system belonging to the Government and the cost associated with it will be borne by the Government. The project is currently building the capacity of partners in client orientation and performance management.

DFID

Focusing more on Private Sector Development and trade promotion

- DFID has been co-financing the Making Markets Work Better for Poor project. Its Vietnam Challenge Fund provides funding to companies to share the risks in order for them to pilot new business models which, apart from making profit to the companies, can involve the poor hence increase their job opportunities and income.

SNV

Focus on developing market-based solution for poor:

- Value chain development in agro-forestry (tea, cardamom, acacia and cassava), activities focus on strengthening sustainable production, vertical linkages between farmers and businesses, horizontal linkages between farmers by formation of business groups to increase quality and volume) and Public Private Dialogue around specific issues identified in these value chains.
- Inclusive business, identify lead companies who want to expand to new markets. SNV support this company to develop business models that engage low income people as the employees or suppliers of material, distributors or consumers in their supply chain on profit basis. Currently, we are working with some companies in tea, cassava and tourism. SNV has just completed a private sector mapping has just been completed and support will be given to business plan formulation and access to finance.

USAID

STAR ended in October 2010. It focused on review of legislation on trade, capital, transportation etc.

- STAR follow-up started September 2010 and will provide TA in trade agreement support
- VNCI supports implementation of four projects: 1) Project 30, 2) Provincial Competitiveness Index (PCI), 2010's assessment to be launched in February 2011, 3) Regulatory Impact Assessment (RIA), 4) infrastructure project with JICA
- Coconut production for six ethnic minority groups

ITALY EMBASSY:

The embassy has three focus areas namely, climate change, health and SME development, with the following two projects:

- SME cluster development (implemented by UNIDO) promotes linkages between Vietnamese and Italian SME clusters. Recently received support from Italian Confederation of Italian Industry – Confindustria.
- Support to reform of vocational training system through training curricula development and link to employment centers. Two pilots in Thua Thien Hue and Quang Tri provinces.

EC:

Applies sector approach and highlighted the following projects:

- MUTRAP 3, capacity building of business associations and universities in trade policy and trade law. Currently developing new phase to start in 2012.
- New tourism project to start beginning of 2011, focusing on 1) institutional capacity building, 2) fostering strategic public private dialogue, 3) training of middle-managers
- Under the NGO budget line, EC supports the drafting of new law on cooperatives and implementation of the law from 2003.
- Strengthening of micro-finance institutions and networks
- Funding SWITCH, CSR project implemented by UNIDO and VCCI

ADB

Private sector development is one of ADB's prioritized areas. ADB has indirectly supported private sector development in Viet Nam in several ways including through support for human, institutional, infrastructure, and financial sector development. ADB has provided financial support for on-lending through domestic banks, and non-bank financial institutions which has helped broaden access to cost-efficient financing, particularly for SMEs, and contributed to the development of financial sector. ADB also provided support to the private sector through introducing Trade Finance Facilitation Program to Viet Nam, participating in Mekong Enterprise Fund, and several private sector infrastructure projects. The Country Strategy and Program (CSP) 2007-2010 for Viet Nam has the primary focus on "business-led, pro-poor economic growth", and is geared to support the Government efforts in private sector development, as private sector will be the key driver of economic growth and job creation. This is well aligned with ADB's Strategy 2020.

As for SME development in particular, ADB has provided substantial support to Government's efforts in improving business-enabling environment and opportunities for private investment through SME Development Program loan (SDPL) and technical assistances

- The First SME development program loan (SDPL1) comprised two back to back subprogram loans. Subprogram 1, approved by ADB in October 2004 and became effective in April 2005, was a loan of \$60 million. Subprogram 2 approved by ADB in December 2006 and became effective in June 2007, was a loan of \$ 20 mil. In addition to ADB financing, AFD and KfW co-financed SDPL1.
- The Second SDPL (SDPL2) Program Cluster- Subprogram 1, approved in 2010, is a loan of \$40 million. Along with ongoing technical assistance, the loan supports the Government's efforts in three core reform areas: (i) enhancing the legal framework for promoting SME development, (ii) strengthening framework for competition policy, and (iii) enhancing SME access to finance.

SECO

One of its priority areas is SME strengthening, including:

- Business environment, support to legal framework (IFC advisory service) and to business registration (UNIDO)
- Access to finance – injecting funds (equity and credit), guarantee funds, clean technology and financial incentives
- Bio-trade, trade promotion skills
- Change in trade policies (i.e. intellectual property rights, standard settings)

CIDA

Has lately changed focus to sustaining economic growth with following interventions:

- Legal reform to create an enabling business environment
- CIDA-funded Rural Enterprise Expansion Project (REEP) implemented by Oxfam Quebec and provincial partners in Hai Duong, Quang Ninh and Thanh Hoa Province is coming to an end. New sector specific projects are being designed/operationalized for provinces.
- DPI of Soc Trang Province will receive funds for development and implementation of a provincial SME plan, including BDS, SME infrastructure, and selection of sub-sectors for value-chain up-grading. Six years duration and CAD10 million.
- Tra Vinh project continues but with a stronger sector-based support to DPI. CIDA will support development and implementation of SME plan. CAD 10 million
- CIDA is also planning to address the problem of labour skills shortage, support to TVET reform through support to national policy (MoET/MOLISA) and implementation in three provinces (Hau Giang, Vinh Long and Binh Thuan)

World Bank

The Third Rural Finance Project (RF III Project) US\$ 200 million: the objective of the project is to increase economic benefits for rural private enterprises and households by increasing their access to finance. The expected outcomes would include: (i) improved access to financial services for rural enterprises (ii) increased capital investment made by the rural enterprises as well as increased employment; (iii) increased lending, particularly definite lending to the rural private sector for capital investment by all participating financial institutions (PFIs) on market-driven terms and conditions.

It is envisaged that the RFIII Project shall include three following primary components:

- Component 1: Increasing Capital Investment by Rural Enterprises – the “Rural Development Fund” (US\$ 175 million IDA financing).
- Component 2: Increasing Access to Microfinance in the Rural Economy – the “Micro-finance Loan Fund” (US\$ 10 million IDA financing)
- Component 3: Bank Capacity Building and New Products Development (US\$ 15 million IDA financing)

UN

UNIDO briefly outlined on-going joint UN initiatives:

- Joint Green Trade and production implemented by FAO, ITC, ILO, UNCTAD and UNIDO aims at up-grading four handicraft value-chains in four provinces. The project targets all actors in the chain from grower, producer to exporter.
- Joint UN Programme on Gender, in which ILO and UNIDO support women entrepreneurship development.

ILO

Creating more and reasonable good jobs, is one of the main objectives of ILO and translates into three main areas:

- Entrepreneurship and vocational skills development, in particular for young people, women, disabled and other vulnerable groups. ILO has adapted and integrated many of its training tools into Vietnamese institutions such as Know About Business (KAB), Start and Improve Your Business (SIYB), Get Ahead - business training for women etc.
- Sustainable enterprise development focusing on improving productivity and competitiveness through compliance (and beyond) with labour law and labour standards.

The flagship of this approach is the jointly implemented project of ILO and IFC, Better Work

- Local Economic Development policies, promoting a participatory and integrated approach to economic development based on local conditions and competitive advantages

CLOSING DISCUSSION

CIDA suggested aligning the activities of the SMEPG to the Government process. ASMED assured that next SME plan will be more focused and donors will be involved in the process of developing the new plan next year.

VNCI recommends having a framework for competitiveness, Porter's framework being the most applied. Asia Competitiveness Institute is coming to Vietnam, and it was suggested to organize a workshop and invite them.

ASMED continued on this idea and suggested to come up with a list of thematic issues around which to organize workshops or round-table discussions. Competitiveness and sector development were two topics mentioned. The idea of reviving the SMEPG sub-working groups was mentioned, giving a brief background and status of the sub-groups. The groups have gone from being very active to very little activity but ASMED felt there might be renewed interest in these groups or at least in organizing thematic workshops.

All participants received a copy of the newly published *White Paper on SMEs in Vietnam 2009*

Minutes of meeting will be circulated to participating organizations and subsequently submitted to World Bank for inclusion in the Partnership Report for the Consultative Group Meeting. Deadline 19 November 2010.

HEALTH PARTNERSHIP GROUP

PROGRESS REVIEW AND THE MASTER WORK PLAN FOR THE HPG PERFORMANCE 2011 AND PREPARATIONS FOR THE VISION TO 2015

1. Background

The HPG is a joint forum led by the Ministry of Health, with the participation of development partners, other government ministries, provinces and NGOs. It is recognized as the official policy forum for developing reliable partnership, mobilizing and effectively coordinating external aid for the health sector in line with the sector priorities.

HPG enters its official third year of implementation and proves itself to be the important policy forum in the Health sector. For the past 3 years, HPG has been facilitating the two-way open discussion among the DPs and MoH in policy making, aid effectiveness and strategic planning. The role of HPG is undeniable in term of promoting a transparent and open sector policy dialogue among the MoH and development partners (DPs) and it is an expectation of both the MoH and DPs for the HPG Secretariat to be strengthened and well-positioned to take the lead in coordinating the HPG and putting forward the commitments of the MoH and DPs in practice.

In March 2009, the Statement of Intent between MOH and DPs was endorsed, laying out a set of 10 milestones aimed at improving the effectiveness with which aid is delivered to the health sector. Though significant progress has been achieved to-date, some of the milestones are yet to be completed. At the same time, some important new external factors may have a significant impact on the HPG and the way in which it functions, and new demands may be placed on this forum.

At GoV level, in order to respond to new developments and maximize the contribution of aid effectiveness to the country's development, the PGAE was transformed into the AEF. As its guiding principle, the AEF has adopted a two-track approach for its activities: the first track focuses on achieving the commitments and targets set out in Hanoi Core Statement on Aid Effectiveness by the end of 2010 as a means towards enhanced development effectiveness; and the second track focuses on contributing to the development of new aid partnerships beyond 2010 through developing and implementing the ODA Strategic Framework 2011 - 2015, taking into account the MIC context and associated challenges.

In this context, it is essential for the HPG to address new challenges and a fast transforming environment as well. While it is essential for HPG to continue to work towards completing all the milestones laid out in the SOI, it is becoming increasingly important for this forum to look ahead and respond adequately to a changing environment. Some of the major factors include the completion of a five year health plan 2011-15 and its joint assessment with the Joint Assessment of National Strategies (JANS) tool, Vietnam's signing of IHP+, and the country reaching middle income in 2010/11. At the same time, as MPI develops a strategic framework for ODA, it will be important for the HPG to translate this framework at sector level, and take actions where necessary, in order to respond adequately to GoV requirements.

On the context of development in Vietnam next 5 years, we can emphasize some different aspects depending on the key contents. With regards to ODA Strategic Framework, the context that Vietnam becomes a lower middle income country (MIC) in 2011- 2015 period with the major challenges: (i) Weak infrastructure, (ii) Low national competitiveness, (iii) Human capacity is insufficient, (iv) Poverty reduction is not sustainable, (v) Big suffering by climate change. These challenges are the basis to convince the donors when presenting the policies and priority direction in ODA utilization in the Framework.

Coordination between government agencies and non-governmental sectors is usually in the form of the government regulating the others, with too little dialogue between government and non-government sectors. In health matters other than HIV and AIDS, the non-government sector is often interpreted as being represented by international NGOs.

Data show that the number of CHC health providers in the mountainous areas is less than the average throughout the country. In the mountainous areas 33 percent of the CHCs reported having only two trained staff and only one in every ten had a doctor. The lack of trained professional staff significantly increases the risk of obstetric complications. The severe shortage of health providers particularly specialists in obstetrics and paediatrics together with difficult working conditions, lack of training opportunities and weak supervision have impacted negatively on health provider performance (Sources: UN in /Vietnam (2010) JCA 2010, WHO/UNICEF/UNFPA and MOH (2010) Skilled Birth Attendance Review and MOH (2010) Joint Annual Review Meeting JARH 2010). Imbalance in human resources for health causes shortages of health workers in some specialties. Quality assurance for health workers remains limited. Quality of training has not yet been improved. Management and utilization of health manpower is not yet effective. Thank you for sharing this document. I have made some general and specific comments in the text, however, there are some general issues I would like to raise (some of which we already touched upon last Friday).

2. HPG major achievements in 2010: opportunities and constraints

- Successfully organized 3 HPG quarterly meetings, relevant conferences and workshops. The content of the meetings revolve around policy discussion, priority co operational sections and measures to improve aid effectiveness, including the implementation of Milestones in the Statement of Intent for the health sector; and capacity building.

Partnership Group Meetings

- *The HPG Meeting in the First Quarter (March), 2010*
Chairperson: Minister of Health, Nguyen Quoc Trieu
Co-chaired by Mr. Micheal Michalak, US Ambassador in Vietnam.
- *The HPG Meeting in the Second Quarter (June), 2010*
Chairperson: Vice Minister of Health, Nguyen Thi Kim Tien
Co-chaired by Mr Bruce Campbell, Chief representative of UNFPA in Vietnam
- *The HPG Meeting in the Third Quarter (September), 2010*
Chairperson: Vice Minister of Health, Nguyen Thi Kim Tien
Co-chaired by Mr. Tsuno Motonori, Chief Representative of JICA office in Vietnam
- Conducted survey on Technical Working Groups and Guidance Note on the creation of working groups in health sector with the involvement of 13 TWGs related to health.
- Facilitated health aid mobilization and improved aid effectiveness at international and domestic level. At international level, in May 2010, Vietnam became an official member of the International Health Partnership and related initiatives (IHPs), further enhancing country's commitment to implement the key principles of aid

effectiveness in the health sector through promoting greater alignment behind the national health strategy.

- Organized 3 fieldtrips to Thai Nguyen, Hai Phong, Ho Chi Minh City to investigate and learn about the international cooperation situation at local levels. The fieldtrip involved the DOH and related agencies (eg DPI, DOF, PPC...) the agencies under the MOH located in the local areas and the district facilities of health care
- Linked HPG with AEF and other partnership groups nationwide and abroad through regular contacts and information exchange and with the full and active role of MOH representative in EXCOM of AEF and the regular meetings.
- Overseen and support the successful implementation of milestones outlined in the statement of intent, including:
- Draft matrix on development partner support in health sector and associated manual produced, collected information from 24 development partners (DPs) and revised matrix and manual approval by Vice Minister
- Facilitate the start-up preparations of the establishment of some TWGS
- Draft assessment on technical assistance alignment and harmonization in health sector developed.
- Draft guidance on sector budget support prepared
- HPG ToRs approved by GoV and ongoing discussion regarding dedicated funding mechanism for HPG
- Draft five year health plan completed with associated expenditure framework
- Joint Annual Health Review completed annually
- Built ICD and HPG websites in both English and Vietnamese and plan for regularly updated
- Step by step stabilized the HPG Secretariat human resource and operational manner.

	Milestones	Progress	Lead	Proposed facilitators
1	Matrix of donor activities produced on annual basis, to an agreed format. First matrix to be prepared by WHO, thereafter MOH	Final format and content approved by VM Tien in August 2010 and collected 28 DPs involved in	MOH (ICD ¹)	WHO
2	A study is carried out to assess the degree to which technical assistance in the health sector is harmonised and aligned.	Draft completed April 2010, await for the final	MOH (ICD)	GTZ, JICA
3	Guidance issued on provision of budget support in the health sector	Final draft of 5 year health plan completed, await for the approval of MOH and to be submitted to higher level	MOH (DPF ²) with MoF and MPI	EC (in close liaison with EU HSWG ³), ADB

¹ Department for International Cooperation

² Department of Planning and Finance

³ European Union Health Sector Working Group

4	Review of the approval, procurement and disbursement procedures for the use of health aid	On going	MOH (DPF)	World Bank (through six-Banks initiative)
5	Government approves the TOR for the HPG set out in Annex 2, a dedicated funding mechanism for HPG secretariat is established and supported by interested partners. Procedures to formally link the Health Partnership Group and other health-related partnerships agreed.	Completed, HPG secretariat were enhanced with the new Coordinator, Administrator and Communication officer, the website of HPG is also completed	MOH (ICD)	US Embassy, EC, Pathfinder, WHO
6	Review of transparency, accuracy and timeliness of financial information provided by partners	TOR has been developed and await for funding	MOH (DPF)	WHO
7	Finalisation of expenditure framework linked to the 5-Year Plan which documents all external and domestic revenues for health	On going	MOH (DPF) with MOF	EC (in close liaison with EU HSWG), ADB and World Bank
8	Completion of a viable 5-Year Plan with costs estimated for the health sector, and associated monitoring framework	On going	MOH (DPF-led, involving all MOH's departments, provinces)	EC (in close liaison with EU HSWG) and ADB
9	Assessment of the degree to which partner support is aligned with the 5-Year Plan and associated annual plans	Await for the contribution and support from DPs	MOH (DPF & ICD)	
10	Joint Annual Reviews carried out, involving all levels of government, CSOs and donor partners, and disseminated.	Completed with JAHR 2010	MOH (DPF)	All development partners

Opportunities:

- Strong political willing and commitment and closely direct the promotion of aid effectiveness
- Better coordination and networking among sub-national levels and line ministries on health issues
- Active and effective support from the international community, especially the development partners such as WHO
- Strong resource mobilization of health aid among macro and micro levels and from international aids

Constraints:

- HPG is a huge forum with wide sector approaches that may be difficult to coordinate and adjust interests and benefits
- Different development partners with different philosophy of funding mechanism, timing, monitoring and evaluation, which may be difficult to allocate fund and process the activities
- HPG performance depends on MoH leaders' and development partners' schedules, subsequently it is hard to well foreseen the dates for meetings

- Though HPG secretariat is better and better structured, human resource limitation remains a constraint

3. Master work plan 2011 and vision to 2015 of the HPG

3.1. Goals

The overall goal of the HPG activities is to improve overall effectiveness of external support to the health sector-this is the purpose of HPG presented in TORs

3.2. Principles and methods

- Ensuring objective and scientific approaches with good combination between theory and practice
- Ensuring high level of feasibility, serving well the realization
- Ensuring a broad participation and consultation with stakeholders
- Enhancing international integration by national and sectoral internal force basing on cultural, historical, social and economic heritages
- Transparency, accuracy, and predictable

3.3. Method

- Desk study
- Survey
- Expert consultancy and discussion
- In-depth interview
- Group discussion
- Other technical methods and skills
- Workshop and conference

3.4. Objectives and effectiveness results

- Promote the implementation of aid effectiveness principles at national and provincial level, strengthen sector policy dialogue, promote development partner alignment with MOH priorities, etc
- Increase DPs support for five year plan, SOI fully implemented, active involvement of provinces in HPG, etc
- Optimize donor coordination and transparency, reduce duplication and fragmentation in the delivery of health aid
- Promote multi-sectoral approach to achieving health goals which draws in all relevant parts of government and development partners.
- Enhance equal opportunities for health development to all with special emphasis on equity and social justice for the socially disadvantages, the poor, women, children, and disabled people

Specific objectives are:

- Strengthen the HPG as the official primary forum for policy dialogue in Health sector.
- Achieve the Statement of Intent (SOI) commitments and targets as a step further towards enhanced development effectiveness.

- Ensure a strong communication of the HPG Secretariat internally among the MoH and externally with the DP community.
- Develop and agree on the working mechanism of the HPG which include the participation and representation of membership, funding mechanism, and cooperation with TWGs
- Foster the ownership of the MoH in aid coordination and management
- Promote the HPG as the primary policy forum in Health sectorDevelop a Compact or Memorandum of Understanding to hold accountable among the DPs
- Increase access to and utilization of health aid and its effectiveness
- Reduce cultural and economic barriers to influence aid effectiveness
- Improve health systems to achieve universal coverage of essential health care services
- Strong advocacy for concrete endorsement and/or decisions by the MoH stemmed from the HPG.
- Strengthen the information sharing and cooperation among the departments within the MoH; especially between the DPF and ICD, two focal points of the HPG Milestone implementation.
- Explore and establish the understanding and then collaboration of the MoH with provincial level Health departments and other agencies based at the Provinces to better inform the HPG on practical issues concerning aid coordination.
- Shifting from aid coordination to resource management and aid effectiveness
- Strengthen the HPG Secretariat (human, facilities and etc)

3.5. Components and outputs

Main Area 1 – Implementation of the Milestones in the SOI

1. TA for the implementation of Milestone 6 and 9
 - Review of transparency, accuracy and timeliness of financial information provided by partners
 - Assessment of the degree to which partner support is aligned with the 5 year plan and associated annual plan
2. Facilitate the establishment and implementation of some TWGs
3. Legalize and run Technical Working Groups under the HPG and maintain a strong linkage with other partnership in Health.

Main Area 2–Workshop, conferences, and trainings

1. Regular results-oriented policy dialogues take place between officials of MOH that are responsible for formulation of health policy, and donor representatives that are responsible for formulation of foreign-funded programs and projects.
2. Facilitate smooth organization of four HPG meetings, and promote participation of a wide range of stakeholder in health

Main Area 3 – Capacity building for aid coordination and mobilization

1. Study visits in foreign countries for lessons learnt and sharing experiences
2. Field trips to 6 provinces to identify the current situation and needs of international cooperation and aid from provincial levels
3. Supports vertical health sectors and agencies to participate/to organize training courses on international cooperation in aid effectiveness, coordination skills
4. Support and facilitate vertical sectors to participate/to organize training courses on international cooperation in aid effectiveness, coordination skills base on needs

5. Support TWGs to conduct workshops and conferences workshops on the aid coordination and mobilization at some main prioritized areas (i.e. HIV/AIDS, environmental health, food and hygiene safety, climate change and affect to health's)

Main Area 4 – Information collation and dissemination for networking improvement

1. HPG website regular reports and briefings to ensure regular and timely dissemination to all interested stakeholders of relevant materials and information linked with HPG
2. Strengthen the HPG secretariat (Contract a coordinator, CO, administrator for the HPG)
3. Funding support for the communication network strengthening (international cooperation network, among national and provincial levels)
 - Support for national and provincial level participants to take part in international events related to aid effectiveness/international cooperation
4. Support to publications on aid effectiveness in health sector
5. Support to strengthen the link between the HPG and the Aid Effectiveness Forum (HPG) through liaising regularly with MPI, in order to share information and promote the role of the health sector in HPG
6. Facilitate regular monthly technical meetings amongst DPs and MoH for planning and programming updates and sharing information, based on needs

Main area 5: Technical Assistance

1. Financing gap analysis for the five year health plan (comparing total resources available-ie internal and external, and total NEEDS, or cost of implementing the plan)
2. Data collection for the matrix of donors to health sector 2011 and finding dissemination
3. Review of SOI implementation and Establishment of new SOI, moving on from the activities in there to more concrete steps towards making aid more effective and commitment by partners to support the five year plan
4. Development of the Strategic framework for International Cooperation in 2011-2015 and beyond in Health Sector and recommendations to improve HPG activities
5. Development of funding mechanism for HPG and revised TOR for HPG
6. Development of the prioritized spending framework to allocate all resource available of DPs and direction for aid coordination mobilization, management and utilization for 2010-2015

Main area 6: Policy research, gap analysis and action plans

3. Create and pilot a model of aid coordination of 1-2 provinces for better coordination of external aid at provincial level (first step to support provincial HPG)
1. Evaluation of the implementation of IHP+ in Vietnam: lessons learnt from the national and sub-national levels and recommendations for the future
 - Evaluation of implementation of aid effectiveness at provincial level
 - Evaluation of aid effectiveness principles at national level: SOI and beyond
 - Application of JANS at national level and provincial level
2. Development of Annual Progress report of the HPG implementation
3. Study on the role and participation of local NGOs and civil society/organization in managing external aid in health sector together with the government (MoH).
4. Assessment of status quo of IC activities and health aid priorities and needs upon the five year plan
5. Thematic studies of shared interest and/or priorities are facilitated and coordinated

to provide a solid basis for discussing and formulating policies to be adopted and carried out by MOH.

3.6. Monitoring and Evaluation

- Activities in the work plan completed by the end of financial year
- Fully participation of DPS
- Percentage of reimbursement of the financial supports
- Timely installment for TA, consultants and outsourcing persons to implement the activities

**HIV/AIDS TECHNICAL WORKING GROUP
Partnership Note, 2010**

Introduction

The NGO HIV Technical Working Group aims to promote information sharing and coordination on HIV issues in Viet Nam. It is registered with the INGO Resource Centre under PACCOM arrangements. The TWG brings together participants from international and local NGOs, the Party, Government, mass organizations, bilateral and multilateral donors, foundations, the UN, and PLHIV groups. Participation in the TWG is open to all sectors, and to both organizations and individuals.

The TWG meets every three months. The TWG selects a Chairperson and Vice Chairperson from national or international NGOs. The UNAIDS Secretariat Viet Nam serves as the secretariat for the TWG. The meetings are bilingual, and all documentation is provided in both Vietnamese and English.

The TWG currently has nine sub-groups on more focused/technical subjects, which meet about every two months:

- Care and Treatment
- Men who have sex with Men (MSM)
- Greater Involvement of People Living with and Affected by AIDS (GIPA)
- Drug Use and HIV (newly adjusted)
- Gender and Sexuality
- Communications and Media
- Children and HIV
- HCMC HIV TWG
- Sex Work (newly established)

The TWG's key objectives are:

- To advocate for a supportive and enabling environment for the implementation of HIV prevention and care projects in Vietnam in a multi-sectoral, non-discriminatory environment;
- To document, discuss and disseminate lessons learned;
- To collaborate on common areas for capacity building, particularly in the areas of training and development of resource materials;
- To analyze and exchange information based on field experience;
- To identify gaps in the overall national response to HIV and build partnerships between organizations to address these gaps; and
- To identify other stakeholders with whom the working group can build partnerships and enhance communications, including the media, the private sector, and other sector-specific networks.

What progress has your partnership group made in your sector/area over the past 6 months?

In addition to its normal activities, the HIV TWG secretariat designed and launched an online survey to establish how TWG participants perceived TWG activities, and how they felt these might be improved. While participants recognized the value of TWG activities, the evaluation also identified challenges (see below). The TWG began work on addressing these issues to ensure that the TWG remains relevant and useful for participants. The timing of the meetings

has been changed (from bimonthly to quarterly) and the format of the meetings adjusted to allow for more focused and action-oriented discussion. Further discussion is planned.

Over the past 6 months, the HIV TWG has held 3 meetings – in May, the meeting focused on adolescent sexual and reproductive health in Viet Nam and Thai Women and vulnerability to HIV in Dien Bien Province. In August, participants reviewed the recommendations from the evaluation and learnt about civil society web-based platforms, part of a planned response to concerns expressed in the evaluation about access to information. The November meeting will be on the subject of ‘HIV and the workplace’.

The 9 sub-groups continued work. At the second biannual meeting of sub-group chairs, it was decided to restructure the groups in light of changed demand and priorities of TWG participants. A new group on sex work was initiated and the harm reduction group was altered expand its focus to ‘drug use and HIV’.

What contribution has your partnership group made to the development agenda at the central and local level during the past 6 months? What actions/achievement has your partnership group made toward enhancing aid effectiveness and harmonization, including aligning donor support to sectoral strategies and SEDP?

The HIV TWG functions largely as an information-sharing and coordination-promotion mechanism, and has no direct influence on donor support or government policy.

Nevertheless, and particularly since HIV requires a multisectoral response, the HIV TWG provides a valuable forum where partners from a range of sectors can meet. The TWG meetings, sub-group meetings and lunchtime seminars serve to raise awareness of policy and programme debates, promote networking and partnerships and increase knowledge in the sector. Such capacity and knowledge building feeds in to other efforts to enhance aid effectiveness, as well as social and economic development.

What constraints and challenges has your partnership group faced in enhancing aid effectiveness and your recommendations to overcome these constraints?

As outlined above in the evaluation results, the TWG experiences some constraints in contributing to effective coordination and knowledge-building (and thus aid effectiveness). These include:

- 1. Access to Information:** While groups such as INGOs, Vietnamese NGOs and Vietnamese government groups do access the TWG listserv and website, self-help and community group participants stated that they do not access TWG information channels, citing lack of knowledge of both the resources and computer skills. Participants also pointed to constraints within the listserv format.
- 2. Recommended sector participation:** Survey respondents overwhelmingly wanted to see more participation from the Vietnamese government in TWG meetings, as well as from businesses and the private sector.
- 3. TWG meetings:** Survey respondents said that meetings could be improved by focusing more on coordination and action. Two key recommendations were to make meetings less formal, and more technical. Other recommendations included making the TWG focus more on how to move forward and/or address barriers, on sharing between members and in sub-groups and on teamwork.

In addition to the measures outlined above, discussion is underway on how to address these challenges.

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

The HIV TWG will continue to provide a forum for information sharing and coordination that is open to all through the meetings, lunchtime seminars, sub-groups and listserv.

In order to respond to participants' needs and priorities, the Secretariat will look into expanding online resources for the group. The HIV TWG will further discuss suggestions from the evaluation to establish how the TWG Chairs, secretariat and participants can increase access to information for all members; increase and broaden participation; and continue to make the TWG meetings more action-oriented.



**INTERNATIONAL SUPPORT GROUP
FOR NATURAL RESOURCES &
ENVIRONMENT (ISGE)
Partnership Note 2010**

A. OVERVIEW

Since 2008, the International Support Group for Natural Resources & Environment (ISGE) has entered a new era when its objectives and organizational set-up are modified to keep up with fast-changing needs of Vietnam's socio-economic development in general and of natural resources and environment (NRE) sector in particular. As a result, the Framework Agreement (FA) between the Ministry of Natural Resources & Environment (MONRE) and the Embassies of Denmark, Sweden and Canada for ISGE's organizational structure as well as operation for the phase of 2008-2010 has been worked out and officially signed by the end of June 2008. In accordance with the FA, the overall objective of the ISGE in the period of 2008-2010 is to contribute to improving the efficiency and effectiveness of development assistance and other funding to the NRE sector in line with government policies and priorities through a partnership approach and to contribute actively to the implementation of the national priorities in the sector, in accordance with the principles and methods embodied in the Hanoi Core Statement on Aid Effectiveness.

In order to well achieve the overall as well as specific objectives set forth by ISGE's Workplan for the phase 2008-2010, in 2009 instead of spreading support for all objectives, ISGE has intensively focused its facilitation on assisting MONRE and its relevant involved Departments/Units in following objectives:

- To assist MONRE through facilitating policy dialogue on natural resources management and environmental protection among ministries, departments, businesses, NGOs and civil society;
- To help channel resources to the highest priority concerns, while minimizing overlap. The effort would be to increase the levels and diversify the resources of funding for environmental activities as well as programs;
- To strengthen comprehensively the management capacity of MONRE to ensure promotion of wide ranging and in-depth working linkages on the environment across sectors and between different levels of government;

The year of 2010 is the leading year to implement and phase out the FA of ISGE operation, period 2008-2010; meanwhile it is the year to phase out the kick-off stage (2009-2010) of implementation of the National Target Program to Respond to Climate Change (NTP-RCC), as a result ISGE has focused on the implementation of some key activities, which are reported in this note as following.

B. KEY ACTIVITIES CARRIED OUT IN 2010

1. Facilitation of Policy Dialogue Platform

In 2010, ISGE has carried out some key policy dialogue activities as following:

Policy dialogue on climate change

In April 27, 2010, at Belvedere Resort, Tam Dao township-Vinh Phuc province, within the framework of ISGE partnership actionplan 2010 between ISGE and World Agroforestry Centre (ICRAF) Vietnam, with the funding support by Norwegian Agency for Development Cooperation (NORAD), ISGE and ICRAF together with the Department of Hydrometeorology and Climate Change/MONRE and General Department of Forest/MARD hold a national consultation workshop with the theme “Reducing emissions from all land uses – An approach toward REDD/REDD+ and Nationally Appropriate Mitigation Action - NAMA”.

Participants in the workshop were representatives of relevant units under MONRE and MARD, international organizations, universities and associations.

Policy dialogue on environmental protection

In order to promote the role of wetland in reducing the impacts of climate change, and the international community support in responding to climate change, meanwhile to call for international support in formulation of the project “*Strengthening the management and sustainable development of wetlands to respond and reduce the impacts of climate change in Vietnam*”, in February 26, 2010, ISGE in collaboration with the Department of Conservation and Biodiversity under the Viet Nam Environment Administration (VEA) hosted a consultation workshop on “*Conservation and sustainable development of wetlands for responding to climate change*”.

Besides, based on the proposal of the establishment of the Working Group on Environment Cooperation proposed by the representatives of ACMECS member countries at the 8th meeting of ACMECS Working Groups hosted in Bangkok-Thailand, in August 2009, in February 5, 2010 in Ha Noi, MONRE and the Ministry of Foreign Affairs of Viet Nam (MOFA) jointly hold the Kick-off meeting on the establishment of ACMECS Working Group on Environment Cooperation. ISGE/ICD-MONRE was active facilitator to successfully host the workshop.

Policy dialogue on building capacity for NRE

Since the end of March 2010, ISGE has actively participated in consultative meetings with regard to the project “*Training and Human Resource Development for NRE sector, period 2011-2015 and vision towards 2020*” chaired by the Department of Organizational Structure and Personnel (DOP). Within the framework of ISGE Workplan 2010, in July 28, 2010 ISGE in collaboration with DOP has held the consultation workshop on “*Training and Human Resource Development for NRE sector, period 2011-2015 and vision towards 2020*”.

Policy dialogue on seas and islands

To implement the ISGE Work plan 2010, within the framework of the first Workshop on “Marine Science and Technology for State management of Seas and Islands” in the beginning of December 2010, ISGE has collaborated with General Department of Seas and Islands Administration (VASI) to hold a policy dialogue on international cooperation in management of seas and islands of Viet Nam in Do Son District, Hai Phong City.

2. Plenary meeting

In February 3, 2010, in Horizon Hotel, 40 Cat Linh – Hanoi, MONRE held the ISGE plenary meeting 2010 with the theme of “*Promoting a more market economy-based approach in natural resources and environment sector*”, the meeting had drawn the great attention from participants, who were representatives from ministries/sectors, donor community, international organizations, NGOs and private sector.

With the constructive and open spirituality, in this ISGE plenary meeting 2010, the Minister of Natural Resources and Environment welcomed and highly appreciated comments given by the participants, support and funding by the donor community for implementation of the action plan on “*Promoting a more market economy-based approach in natural resources and environment sector*”; and Viet Nam’s activities in response to climate change beyond COP 15.

3. Monitoring and evaluation activities

By the end of March 2010, the annual auditing for MONRE’s fiscal year of 2009 was conducted. In Addition, the auditing results of ISGE’s fiscal year of 2009 were approved and reported to ISGE’s key donors.

4. Sharing, exchanging and disseminating information on NRE-related activities

ISGE newsletter issue No.18, have been released and sent to related organizations and individuals. MONRE’s documents as well as news on policy dialogues and ODA-related activities have been constantly updated on ISGE’s website. In addition, a list of programs and scenarios on climate change and sea level rise, so as to mobilize the international funding in the area of natural resources and environment, period 2011-2015, is being constantly updated as well as kept up on ISGE’s website.

5. Strengthening ISGE’s operational capacity

In January 2010, ISGE Secretariat has recruited a new communication officer in order to maintain its activities and satisfy its work demands within and beyond 2010.

C. COOPERATION AND PARTNERSHIP ACTIVITIES

Apart from the activities carried out within the framework of ISGE Work plan 2010, in the first five months of 2010, MONRE has carried out some significant cooperation as well as partnership activities as following:

- MONRE collaborated with JICA to hold the workshop on “Legal enforcement and environmental protection policy” in March 9, 2010 in Ha Noi, and in March 12, 2010 in Ho Chi Minh City;
- In Hoa Binh City, March 6, 2010, within the framework of project “Strengthening capacity for responding to climate change in Viet Nam” funded by UNDP, MONRE in collaboration with Institute of Meteorology, Hydrology and Environment hosted the workshop on “ Raising public awareness of gender and climate change” for Trade Union’s female staff under MONRE’s Ministry Office;
- In Can Tho City, March 29, 2010, MONRE held a workshop on “Viet Nam – Holland, development of master plan on adaptation to climate change and sea level rise for Mekong river delta”;

- Finalizing the list of programs and scenarios on climate change and sea level rise, so as to mobilize the international funding in the area of natural resources and environment, period 2010-2015;
- Establishing coordination board of Support Program to Respond to Climate Change (SPRCC), initiating its operation;
- In collaboration with the College of Natural Resources and Environment to conduct 2 training workshops on international cooperation and economic integration for the management units under MONRE, which are in charge of international cooperation focal points. Besides, the General Department of International Cooperation and ISGE Office has consulted and actively facilitated the Department of International Cooperation of General Department of Environment Administration to successfully organize the training workshop on international cooperation for officials and cadres working in international cooperation units under the General Department of Environment Administration;
- In collaboration with relevant institutions under the Government Office, MONRE and Ministry of Foreign Affairs (MOFA) so as to prepare agenda and contents of ASEM Forum regarding climate change and adaptive measures and of East Asia Forum on climate change;
- Organizing the workshop on phasing out project “Capacity Development for Climate Change Focal Point” (CD4CCFP) on 28 April 2010;
- In collaboration with UNEP to hold the workshop on “Sharing experience on effective utilization of natural resources by small and medium enterprises”, in June 14, 2010;
- In collaboration with the Ministry of Economy, Trade and Industry of Japan to hold the policy dialogue on “Green Aid Plan” between Viet Nam and Japan;
- Facilitating MONRE to collaborate with relevant units to host the Forum of Asia-Europe on Climate Change (ASEM) on 6-8 September 2010 in Ha Long City, Quang Ninh Province;
- Conducting training workshop of negotiation on climate change for ASEAN countries on 13-15 September 2010;
- Conducting 2nd training workshop of negotiation on climate change for ASEAN countries on 8-9 November 2010 in Vinh Yen City, Vinh Phuc province;
- Facilitating General Department of Land Administration to conduct a Scientific Workshop named “Sharing international experience to build an advanced administration system of land in Viet Nam” on 10 September 2010 in Ha Noi;
- Implementing the assessment of ISGE activities in the period 2007-2010 and submitting proposal of new operational modality, period 2011-2015;
- Organizing ISGE Steering Committee Meeting 2010 in order to report the results of assessment of ISGE activities in 2007-2010 and propose its operational modality in the phase 2011-2015, including framework of ISGE 2011-2015 and ISGE Work plan 2011;

D. ADVANTAGES AND DISADVANTAGES

1. Advantages

Receiving interest from MONRE's leaders, especially concern and close guidelines from ICD leaders as well as active cooperation from all units under and outside MONRE, in 2010 almost activities have been carried out as scheduled in ISGE Work plan 2010.

Thanks to the new communication officer recruited in January 2010, ISGE information and communication network, especially its website has been considerably improved to timely meet the communication demands of ISGE Secretariat office.

Besides the support to the Department of Organization and Personnel to implement 2 case studies on policy of "Training and Developing human resources for NRE sector, period 2011-2015 and the vision to 2010", ISGE has facilitated the Scientific Institute for Environment Administration, General Department of Environment Administration to complete 5 case studies with the themes of "Promoting more market economy-based approach in NRE sector - theory and practice".

2. Disadvantages

In parallel with the advantages, some difficulties still remained affecting the progress and result of the ISGE work plan 2010:

- As per its work plan, ISGE would collaborate with the Department of Hydrometeorology and Climate Change to hold the workshop for experience sharing in the start-up phase of National Target Program for Climate Change which, however, is delayed due to preparation for negotiation of Vietnam delegation in the 16th International Conference on Climate Change (COP16) in December 2010 in Cancun City, Mexico.
- Also as per its work plan, in November 2010 ISGE would collaborate with the Department of Water Resources and other relevant units to host a consultation workshop on water utilization in the border areas, however, the plan has not been implemented as ISGE has to concentrate to the operational assessment, period 2007-2010 and to the development of ISGE operational modality beyond 2010;
- Due to the shortage of fund resources, the development of communication documents for climate change scenarios and the action plan for NTPRCC could not be implemented as tentatively scheduled.

E. ISGE TENTATIVE WORKPLAN 2011

The year 2011 phases out ISGE activities for the 2007-2010 period and is the first year of implementation of the ISGE action plan 2011-2015, expected ISGE activities in 2011 should be as follows:

- ISGE Steering Committee to consider and approve the 5-year Workplan 2011-2015, Workplan 2011 and work out priorities as the basis for policy dialogue platforms and relevant parties to carry out typical institutional studies in 2011;
- Upgrade, redesign ISGE Website; continue to publish and improve the quality of ISGE Newsletters, meanwhile design and formulate additional publications, such as leaflet, brief news on policy dialogues regarding NRE sector;

- Strengthen the traditional partners, form a network of new partners for ISGE, at the same time reorganize ISGE office (purchase equipment...);
- Mobilize the counter-fund of MONRE and financial aid from traditional donors and others who are interested in ISGE activities for 2011 and subsequent years.

In the period 2011-2015, ISGE main activities will be focused to 5 following areas:

- Enhancing support to collaboration in policy dialogue platforms and priorities in NRE sector;
- Institutional proposal, experience and information sharing through policy dialogue platforms and priorities in NRE sector.
- Intensifying cooperation and participation of relevant parties through policy dialogue platforms and priorities in NRE sector.
- Building capacity of coordination in international cooperation programs/projects in NRE sector.
- Promotion of information and communication.

Contact address:

International Support Group for Natural Resources and Environment
 Room 215, 83 Nguyen Chi Thanh, Hanoi
 Tel: 04-37735510; Fax: 04-37735509
 Email: isgemonre@ft.vn; Website: www.isge.monre.gov.vn



INTERNATIONAL SUPPORT GROUP – MARD (ISG-MARD) Annual Progress Report 2010

5 Key Areas for 2006-2010

- *Policy dialogue Platform*
- *Support coordination of foreign-funded programs and projects*

- *Information gathering and dissemination*
- *Capacity building and management processes*
- *Monitoring and evaluation*

KEY AREA 1: Policy dialogue Platform

1. **Plenary Meeting 2010:** The Meeting was held on 10th Nov. 2010 on the theme “Drives for New Rural Development”. At the Meeting, the participants shared information and experiences on and recommended for the National Target Program implementation plan in order to develop the new rural sector in Vietnam and unify approach for cooperation orientations between the GOV and the international community in an effort to realize the goals of this Program.

International community, other ministries and line agencies highly appreciated the Plenary Meeting. The minutes of this Meeting will be sent to all of participants in the first week of December 2010.

2. Collaborating with the International Fund for Agricultural development (IFAD) for the organization of the **Public-Private Sector Forum** with the title “ Investment opportunities in Agro-Industries in Vietnam” which has taken place at the afternoon of 10th Nov. 2010. The objectives of the forum are to share the new preferential policies and simplified procedures for the private sector to invest in agriculture, understand the current constraints of private sector for investing in agriculture, and agree upon what the Ministry of Agriculture can do to promote further private investment in rural areas. Many open ideas, viewpoints and practical experiences from representative of private sector companies were stated and shared at this forum.
3. **17th SB meeting of ISG Steering Board:** It was held on 7th April, 2010. The Steering Board members were updated with the progress of MARD’s implementation of 5-Year Work Plan in 2009 and MARD’s key activities in 2010 and international cooperation activities in Agriculture and Rural Development sector in 2009. The Steering Board approved the ISG annual report in 2009 and ISG Workplan for the year 2010 and discussed on the MARD’s orientation for ISG next phase 2011-2015.
4. Supporting ICD and PAHI in organizing The 2010 International Ministerial Conference “Animal and Pandemic Influenza: The Way Forwards” held from May 19 - 24 in Hanoi.
5. Collaborating with ICD and the MARD Office for the Climate Change Action Plan (OCCA) to update the list of priority projects in climate change adaptation and mitigation to agricultural and rural development sector, which has been uploaded to the ISG website.
6. Sharing information with donors, ICN members, partnerships and MARD departments such as updated legal documents relating to the sector, list of ODA funded projects concluded in the first 6 months of 2010, list of priority projects in climate change adaptation and mitigation, list of FDI projects...
7. In collaboration with the Food Agricultural Products Quality Development and Control Project (FAPQDCP) – CIDA to organize the **Donor’s Forum of Food safety projects in Vietnam** which is scheduled on 1st December 2010 with participation of representatives from relevant donors, foreign-funded projects and government agencies in Vietnam. This is open forum to provide and share information as well as experiences on food safety between stakeholders in order to avoid duplication of food safety regulations and unify the coordination mechanism to ensure the efficiency and effectiveness of foreign funded resources.
8. **The policy dialogue forum on Private-Public Partnership** on the theme “ Promotion to Farmer’s Voluntary economic association in the new rural development” will be held at 7th

December, 2010 (tentative) with the aim to take lessons learnt from Cooperative models and farmers' groups, projects supporting agricultural and rural development and involved international organizations to build the support and promotion policy for Farmer's voluntary economic association.

KEY AREA 2 – Support Coordination of Foreign – funded Programs and Projects

1. Update legal documents of ARD to share with donors and others and post on the ISG website
2. Collaborating with ICD to update the lists of FDI and ODA projects to share with donors, which has been distributed in hard copies and posted on ISG Website

KEY AREA 3- Information Gathering and Dissemination

1. **ISG Website improvement:** With the support of AYAD/VIDA of Australia, one international communication volunteer was dispatched to ISG in 6 months. The volunteer has been supporting ISG to review the structure of the ISG Website and create a plan for its improvement; contribute to the re-write and edit of content on the website; prepare and edit articles for Website. Since June 2010, ISG recruited a communication specialist who is responsible to develop ISG website. So the new website is under operation from July.
2. The quarter ISG Newsletter and Monthly briefing were issued and distributed to donors through emails and hard copies from June, 2010 and will be maintained in the quarters and months to follow. (the best updated ISG Newsletter and Monthly Briefing can be downloaded from ISG website: www.isgmard.org.vn)
3. Information of ISG website has been updated regularly, many reports and presentations have been posted for sharing with all stakeholders. Especially, there is a new space for materials that support dialogue activities such as policy dialogue, thematic dialogue.
4. Updating activities of the MARD and international donors in the field of agriculture and rural development.
5. Integrated database (including 5 components: ODA, FDI, legal/policy documents, MARD organization and structure, and consultancy pool): regularly updated;
6. Sharing information with International Cooperation Network of the sector.

KEY AREA 4- Capacity Building and Management Processes

1. Human resource development for MARD and ISG Secretariat

- A communication officer and a secretary were recruited since June 2010.

2. ISG consolidation:

- A task force was established to support for development of ISG work plan in the next phase 2011 – 2015.
- The first meeting of the task force was held on 8th June 2010. All members of the task force agreed on the necessary of extending ISG and discussed on the ways to consolidate ISG in the future, such as developing the information system, further promoting policy dialogues between donors and MARD, enlarging partners of ISG.
- ISG has developed the framework for the 5-year Work Plan 2011-2015, which serves as the basic for the Government and the donor's consideration and support to ISG extension in the new period 2011-2015, and has sent it to core donors and other stakeholders since September 2010.
- Meetings with donors to seek for their support to ISG in the new phase of 2011 - 2015;

- Meetings with line Ministries and donors for ISG's extension: working with MPI, MONRE...to get comments for next phase of ISG Procedures in order to submit to the Government for approval of ISG's extension;
- Procedures submit to Government for approval of ISG's extension.

KEY AREA 5- Monitoring and Evaluation

1. **Auditing ISG Finance:** for 2009 was completed. Results were reported to ISG Core donors.
2. **Reporting:** ISG semi-annual report and ISG annual work plan 2010 (+ estimated budget) completed, approved and submitted to SB and ISG Core donors.
3. **ISG financial Statement:** of period from 1 Jan to 30 June 2010 was completed. Results were reported to ISG Core donors

=====

For further information, please contact us at:

ISG Secretariat

Room 207-209, A8 Building, 10 Nguyen Cong Hoan, Ha Noi

Ministry of Agriculture and Rural Development (MARD)

Tel: (04) 3.7711736 Fax: (04) 3.7713071 E-mail: isgmard@fpt.vn

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



FOREST SECTOR SUPPORT PARTNERSHIP (FSSP) Partnership Note 2010

EXECUTIVE SUMMARY

The Forest Sector Support Partnership (FSSP), a partnership platform for a wide range of stakeholders in the forestry sector, has been operating since 2001. Over the nine years of its operation, FSSP has always been working closely with the forestry sector of Viet Nam, and proved itself to be of great importance to the forestry sector of Viet Nam.

FSSP has played a crucial role in promoting communication and information exchange and coordinating policy dialogues between the Government of Viet Nam and other national and international stakeholders. The dialogues and collaborations have been made possible through partnership forums and meetings, informal information exchange, and discussions among the Partnership Steering Committee and the Technical Executive Committee members. FSSP has also proved itself a highly effective instrument of the forestry sector and the partners in coordinating the activities aimed to support the sector, contributing to successful implementation of Viet Nam Forestry Development Strategy, 2006 - 2010.

To achieve the different Partnership objectives more effectively, FSSP has conducted the 2009 annual review meeting, drawing great attention and involvement the participants, representing various local and international stakeholders. The participants have been provided with an overview of the forestry sector developments in the respective year, reviewing both the general context for the forestry sector of Vietnam and the implementation of the key tasks of Viet Nam Forestry Development Strategy.

Recently, the forestry sector of Viet Nam has undergone major changes in its organizational structure. Besides, emerging global issues have brought enormous challenges and opportunities to the sector. In this context, the third review of FSSP has been carried out by an independent Review Mission to evaluate the performance to give recommendations for the adjustments of FSSP in the coming years. The review revealed that the Partnership had been highly appreciated by the stakeholders for the relevance and the effectiveness of its activities, making significant contributions to the development of the forestry sector of Viet Nam. The Review Mission has recommended that the operation of FSSP should continue for another five years. And based on the recommendations made by the Review Mission, the FFSP Coordination Office together with MARD has developed a Concept Note for a new phase of FSSP, period 2011-2015, as to further support the forestry sector development and better address the emerging issues. FSSP will focus on four major result areas namely: (i) Coordination, (ii) Dialogue and Policy advisory, (iii) Bridging Information and Communication, and (iv) Monitoring and Evaluation.

Since 2006, FSSP has been supporting the operation of six the regional forestry networks (RFN). With the support of the Partnership several meetings of the RFN have been organized. In these meetings, the network members have shared the information and discussions on the activities in the regions. Thanks to the active participation of various stakeholders, the regional issues and priorities have been better addressed, resulting in better collaboration among the stakeholders.

FSSP has served as the secretariat for the national REDD network and REDD working group. With the aim of collaborating innovative, creative and professional thoughts on the forestry sector, climate change and the road ahead for Vietnam, REDD network meetings have brought a great number of representatives of local and international institutions.

FSSP has provided technical inputs for the sector and partner meetings and networking with stakeholders. International seminar on preservation of forest biodiversity has been held as a FSSP initiative in biodiversity preservation, proving its commitment and contributions to the global efforts.

The Forest Sector Support Partnership Coordination Office has been assisting MARD with the facilitation of FLEGT, providing the working group with financial and technical support,

creating favorable conditions for the group to give timely advice and prepare for the negotiation team of Viet Nam to reach a Voluntary Partnership Agreement.

FSSP has also supported and participated in different important events of MARD, for example delivering a presentation of bilateral development cooperation namely FORMIS - development of management information systems for forestry sector in Vietnam in the Aid for Trade Forum, supporting to the preparation and organization Katoomba XVII Conference in Vietnam, and the Regional Conference on Sustainable Forest Development in a Changing Climate.

Regarding forestry sector management and information systems, inquiries on data collection and indicators have been sent out, and some information necessary for VFDS monitoring report has been collected and the report is now under the preparation. FOMIS has participated in preparation of overall and 2010 work plans of FORMIS project, while incorporating 2010 FOMIS activities into its work plan. The website of FOMIS has been developed and tested, and more data have been put into the database of the system. Besides, updating ODA database and preparing ODA reports and periodical maintenance and regular updating FSSP website have been ongoing.

Relating to FSSP information dissemination, the thematic newsletters of the FSSPCO have been highly appreciated by partners and interested readers as the volumes have covered “hot issues” in the sector. Information has been disseminated via collaboration with partners and mass media, while FSSP upgraded website has been regularly updated with all FSSP and TFF activities.

As regards TFF, the off-portfolio performance this report follows the five working areas of the TFF Management Unit namely i) Strategic planning, ii) Fund mobilization and Donor relations, iii) Capacity and Instrument Development, iv) Fund Utilization and Portfolio Management and v) the Operational Planning and Reporting.

Concerning FSSP CO management, so far FSSP CO Trust Fund has been replenished and properly managed, Personnel, office, furniture and equipment has been well managed, and discussions with MARD leaders and donors to seek additional funding for CO Trust Fund have been going on.

This report aims to provide the reader with brief information on the progress of the major activities carried out during the past time of 2010 focusing on the four result areas, namely i) Coordination Activities, ii) Communication and Information, iii) Functioning of the Trust Fund for Forests and iv) the Management of the FSSP Coordination Office. This report will also list out major activities to be implemented in the remaining time of 2010. Please read on for further and more detailed information.

I. PROGRESS OF THE ACTIVITIES CARRIED OUT IN 2010

1. Result Area 1: “Adequate coordination between the Government of Vietnam and partners is in place and functioning”

1.1 Organize and conduct FSSP meetings to achieve more effectively the different Partnership objectives

FSSP 2009 Annual Review Meeting: This is one of the most important events drawing great attention and involvement of the stakeholders. The meeting was held in Hanoi on 4th of

February 2010. There were 110 participants, representing line departments of the Government at the central and provincial levels, multi-lateral and bilateral international organizations, international non-governmental organizations (INGO) and representatives from the private sector.

During the meeting H.E. Hua Duc Nhi, Vice-Minister of the Ministry of Agriculture and Rural Development, presented the 2009 Forestry Sector Development Report, providing the participants with an overview of the forestry sector in the respective year, reviewing both the general context for the forestry sector of Vietnam and the implementation of the key tasks of the Vietnam Forestry Development Strategy (VFDS).

Policy dialogues on important sectoral issues between MARD and the partners were conducted, covering the following important issues: i) Sustainable Forest Management, ii) Biodiversity conservation and iii) Forest Product Processing and Export. Also during this meeting the very first discussion on the Reduction of Emission from Forest Degradation and Deforestation (REDD) Network was held.

1.2 FSSP Third Major Review

Recently the forestry sector of Vietnam has undergone major changes in its organizational structure, aiming to strengthen the forestry sector by improving its effectiveness and comprehensiveness of the state administration of the sector. In this context the Directorate of Forestry of Viet Nam, established on the basis of the merging of the two Departments namely i) Department of Forestry (DoF) and ii) the Forest Protection Department (FPD), has come to its operation since 15th of March 2010. Besides, emerging global issues such as climate change, food security, Forest Law Enforcement, Governance and Trade (FLEGT) have brought enormous challenges and opportunities to the sector. Furthermore, the Memorandum of Agreement (MoA) of the Forestry Partnership signed in 2001 will be expired by the end of 2010. As FSSP is to support the forestry sector, it will surely need to be reviewed to adapt to the new context.

The third major review of the Partnership was carried out in March 2010 with the technical assistance of its partners, especially that of GTZ. The review revealed that the Partnership has been highly appreciated by the stakeholders including governmental institutions, development agencies, non-governmental organizations (NGO), and private organizations for the effectiveness of its coordination activities to utilize the available resources of the sector, its support to information generation and sharing, the organization of important and relevant events and policy dialogues thanks to which the cooperation among the partners for addressing key issues of the sector had been strengthened and therefore continuously contributing to the growth of the sector. The review also revealed that the Partnership had provided an excellent platform for exchanging views, experiences and concerns and would do so in the future. The Partnership had a growing importance for the forestry sector activities, and had been widely recognized to have made significant achievements and contributions to the implementation of VFDS.

A wrap-up meeting of the FSSP major review to discuss the findings of the Review Mission was held on 14th of March 2010 with the participation of 50 people representing relevant stakeholders.

Preparation of the Concept Note for a new phase of the FSSP: Based on the recommendations made by the Review Mission the FSSP Coordination Office together with MARD has

developed a Concept Note for a new phase of FSSP, period 2011-2015, as to further support the forestry sector development and better address emerging issues, e.g., Climate Change, Reducing Emissions from Deforestation and Forest Degradation (REDD), Forest Law Enforcement, Governance and Trade (FLEGT) in the context of international economic integration of Vietnam. FSSP will focus on four major result areas including Coordination, Dialogue and Policy advisory, Bridging Information and Communication, and Monitoring and Evaluation.

Consultation workshop on FSSP Concept note, 2011-2015: a consultation workshop on FSSP Concept note was held on Oct. 28, 2010. This event was seen as a follow up step of the 3rd review debriefing meeting held in the end of March 2010 in Hanoi, when the proposed partnership concept was discussed and a preliminary agreement reached. Some guiding principles that the future FSSP will follow are (i) FSSP's policy dialogue will be improved with higher strategic level, (ii) FSSP will expand its membership to private sector, associations, local NGOs, (iii) FSSP will further improve coordination and follow-up the implementation of FSSP recommendations in order to improve VFDS implementation, aid and development effectiveness.

Mr. Nguyen Ngoc Binh – Deputy Director of the Directorate of Forestry; Director of the FSSP Coordination Office; Dr. Juergen Hess, FSSP co chair, and representatives of different Ministries, governmental organizations, development partners, civil societies, research institutions, International & local NGOs, private sector and associations were presented in this meeting. The presence of a wide range of participants has once again firmly shown their close cooperation and commitment to FSSP partnership operation over the last years and particularly important at this event for shaping FSSP in the next 5 years.

During the workshop, the participants were given an opportunity to look back at some key milestones of FSSP development process. It has been acknowledged by the participants that since the establishment in 2001, FSSP has constantly developed and renovated to effectively coordinate donors' contribution to the sector development under the context of sector organizational reform, global economic integration with emerging issues. The workshop impression was that International and national partners would accompany the FSSP along the way ahead so as contribute to boost the sector development in a sustainable way.

1.3 Support to six Regional Forestry Networks

Since 2006, the Forest Partnership has been supporting the operation of six Regional Forestry Networks including Northwest, Northeast, South Centre, North Centre, Centre Highlands and the South (both Southwest and Southeast) with the participation of 46 provinces. These networks have served as regional forums which aim at information sharing on sectoral issues, such as 5MHRP, national forestry development strategy, reclassification of three types of forests, land use planning and land allocation, benefit sharing, etc. Thanks to the active participation of various regional stakeholders, such as research and training institutions, NGOs, on-going projects, regional issues and priorities have been better addressed, resulting in better collaboration among the stakeholders and improving the effectiveness of the networks.

The RFN meetings in the first half of 2010: With the active support from the FSSP CO six meetings of the RFN were organized in March and April 2010 including Northeast, Northwest, North Centre, South Centre, Centre Highlands and the South. In these meetings, all networks have shared the information and held discussions on the activities carried out in the regions.

The issues related to the implementation of major sector-related projects have also been addressed.

1.4 Support to the five Sub-committees of the Vietnam Forest Development Strategy Program

The FSSP has committed to support the implementation of VFDS through the facilitation of the five key programs of the strategy namely:

- Sustainable Forest Management and Development,
- Forest Protection, Biodiversity Conservation and Environmental Services,
- Forest Product and Timber Processing and Trade,
- Research, Education, Training and Extension (RETE) and
- Policy Development, Institutionalization, Planning and Monitoring.

The VFDS for the period of 2006-2020 has been implemented since 2007 and the first review was carried out in 2009 in line with the regulation endorsed by the Prime Minister. In May 2009, leaders of the Ministry of Agriculture and Rural Development instructed the five Coordination Committees of the Vietnam Forestry Development Strategy to work out the review plan of the objectives to:

- Review situation of forestry management and implementation of the VFDS at different levels,
- Identify and analyze outstanding issues and potential challenges in the process of VFDS implementation,
- Assess effectiveness and impacts of VFDS based on the different VFDS indicators,
- Implement the aspects of socio-economic development and environment issues, especially the impacts of forestry in poverty reduction and forest contribution to strengthen the national economy and further support the international trade,
- Propose orientations, priorities and targets for implementation of VFDS in the next five year period from 2011 – 2015.

1.5 Secretariat for REDD Network and REDD Working Group

Established on 16th of September 2009 via Decision 2614/QĐ-BNN-LN of MARD with an open membership, the REDD Network as a multi-partner team is supporting steadily the development of REDD readiness of Vietnam in terms of its adaptation to climate change and the mitigation of negative impacts, as reflected in the NTP/CCR 2009 – 2015. The tasks of the REDD Network are to be responsible for the design and the implementation of the national REDD system for Vietnam. Plenary meetings of the Network are intended on a quarterly basis.

The Directorate of Forestry (DoF) is the focal point within the Government of Viet Nam to oversee the development and implementation of a national REDD program. The REDD Network is chaired by the DoF and co-chaired by an international development partner on a rotation basis with the Norwegian Embassy taking the role for the first cycle.

The REDD institutions are the technical working group (TWG) and five Sub-technical working groups (STWG), namely: i) MRV/REL, ii) Governance financing, iii) benefit distribution, iv) local implementation of REDD and v) capacity building. TWG is in charge of the REDD Network performance while receiving voluntarily support from the five STWG. It has been suggested that the meetings of each of the STWG will be organized in a flexible manner according to the actual needs. It has been the intention of the FSSPCO to take lead for the governance sub-group.

Provisional roles and functions of the FSSP CO are to: i) provide secretariat services to REDD Network and TWG, ii) ensure smooth coordination mechanism, iii) maintain mailing list and matrix of affiliation, iv) provide logistics and administrative services to Network and TWG and v) prepare for organization of the Network and TWG meetings. So far the FSSP CO has been assisting with a series of activities within and beyond its role as the secretariat for REDD Network and REDD Working Group.

So far three REDD network meetings have been conducted, drawing a great number of representatives from Government Ministries, foreign embassies, NGOs, local partners and interested participants met with the aim of collaborating innovative, creative and professional thoughts on the forestry sector, climate change and the road ahead for Vietnam.

Up to date, three REDD working group meetings have been organized, and another one will be held in late November 2010. Besides, FSSPCO has also participated in various meetings of REDD technical sub-working groups, for example, local implementation (LI) and measuring, reporting, and verification (MRV) groups, and a meeting on Jica study on potential forests and land related to “Climate change and forests.”

1.6 Provide Technical Inputs for sector and partner meetings and networking with stakeholders

International seminar on preservation of forest biodiversity: an international seminar on preservation of forest biodiversity was held in Ba Vi National Park and Hanoi on 21st to 22nd of May 2010 as part of the activities to response to the UN International Year for Biodiversity 2010. The discussion focused on the situation, role and challenges of forest biodiversity in Vietnam, as well as a new financial mechanism for forest biodiversity, including reimbursement for biodiversity. Experiences in sustainable preservation of forests in Vietnam were on the agenda at the seminar. The seminar was an FSSP initiative in biodiversity preservation, proving its commitment and contributions to the global efforts in general and those of Vietnam in particular.

Forest Law Enforcement, Governance, and Trade: FSSPCO has been assisting MARD with the facilitation of Forest Law Enforcement and Governance (FLEGT). FLEGT is a crucial issue to Vietnam and other countries in the Mekong Region that has been increasingly addressed in policy dialogues within ASEAN countries, notably the FLEG Action Plan for 2008 - 2015. In March 2010, the FLEGT working group, consisting of representatives from the Government Office, Ministry of Industry and Trade (MIT) the Ministry of Finance (MoF) and MARD was established. Main tasks of the working group are to: i) coordinate in reviewing international agreement, treaties, aide memoires, domestic documents, regulations concerning FLEGT and management of forestry products exports and imports, ii) to coordinate with agencies in enhancing FLEGT activities, ensuring the negotiations of agreements with the EU are appropriate to international practices and rights of Vietnamese institutions and businesses whose activities concerning FLEGT, iii) act as focal point in proposing cooperation activities with EC in order to submit to Ministry leadership for calling, attracting and using effectively EC's and other concerned institution assistance during implementation of FLEGT in Vietnam, and iv) to act as focal point in coordination of FLEGT awareness raising for Vietnamese institutions and business enterprises whose activities directly concern FLEGT. The Steering Committee & Standing Office for FLEGT and Lacey Act established in August and September 2010 respectively.

FSSP CO has been providing the FLEGT working group with financial and technical support, creating favorable conditions for the group to give timely advice and prepare for the negotiation team of Vietnam to reach a Voluntary Partnership Agreements (VPA), a binding agreement between the EU and a Partner Country in response to the problem of illegal logging and the trade in associated timber products.

1.7 Assist stakeholders, MARD and FAO to coordinate NFP grants

The FSSP CO has currently serving as National Focal Point for National Forest Program Facility (NFP) in Vietnam, and is continuously providing support to different Vietnamese stakeholders, which are NGOs in accessing to NFP grants.

- Up to now there have been seven successful applications for grants from NFP with a total amount of up to US\$ 260,320. Among which, four projects have been completed and the others will be finished by the end of 2010, Three proposals for 2010 call have all been accepted by the Facility and initial activities are under process.
- 2 lecturers in Thai Nguyen Agriculture – Forestry College were selected to a ToT training on Conflict management in Thailand. The training was supported by NFP Facility and RECOFTC.
- A workshop on wrap-up of NFP and introduction of concept note for the next phase of the Facility activities in Viet Nam was held on November 26, 2010. After the workshop, the concept note will be reviewed by the Facility for the 2nd phase.

1.8 MARD and Partners are regularly updated on FSSP

MARD and other partners have been regularly updated on FSSP activities and the results.

1.9 Support to and participate in important events in MARD

- Presentation in the Aid for Trade Forum: The Aid for Trade Forum the overall objective of which was to strengthen the existing and emerging networks between Vietnamese and Finnish ministries, public sector institutions, private sector organizations, companies, civil society organizations and other stakeholders was held in Hanoi on 17 March 2010. The Forum was organized by the Ministry of Foreign Affair of Finland and The Embassy of Finland to Vietnam in conjunction with Ministry of Trade and Industry of Vietnam and Vietnam Chamber of Commerce and Industry the “Aid for Trade” Forum. During this meeting a presentation of bilateral development cooperation namely FORMIS - development of management information systems for forestry sector in Vietnam was delivered by Mr. Tapio Leppänen, Chief Technical Advisor, FORMIS IPP- Innovation Partnership Program - Mr. Hannu Kokko, Chief Technical Advisor, IPP.
- Support to the organization of Katoomba XVII Conference in Vietnam: the Katoomba XVII Conference, attracting about 400 people, was organized by Forest Trends and Winrock International together with the Government of Vietnam and other international and national organizations on June 23-24 in Hanoi with the active support of FSSPCO team in logistics and communication with the press. The overall objective of this conference was to promote and improve capacity related to, markets and payments for ecosystem services (PES), facilitate the exchange of ideas and strategic information about ecosystem service transactions and markets, as well as site for collaboration between practitioners on PES projects and programs. Other featured

topics included reducing carbon emissions from deforestation and degradation (REDD), biodiversity offsets, and benefit sharing. This was followed by a 2 day Katoomba Workshop on Mangroves, Coastal Management, and Carbon Sequestration (June 25-27) at Xuan Thuy National Park, in Nam Dinh Province.

- Support to the preparation and organization of the Regional Conference on Sustainable Forest Development in a Changing Climate, organized in Hanoi, on September 7-8, 2010: the Government of Vietnam hosted a forestry conference with the theme "Sustainable Forest Development in a Changing Climate", bringing together about 150 participants from Vietnam and the region. The FSSP Coordination Office has assisted with preparation of the conference agenda, identifying national keynote speakers, communicating with the press, and organization of the conference. This special event was part of the German-Vietnam celebrations on the occasion of the 35-year anniversary of the resumption of diplomatic relations between both countries. The conference was funded by the German Government and jointly organized by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Ministry of Agriculture and Rural Development (MARD) of Vietnam. The overall objectives of the conference was using lessons learnt from past experiences in the forestry sector in Vietnam and the region to shape the medium-term financial framework and possible funding mechanisms to enable sustainable forestry and to capitalize on forests and biodiversity in Vietnam with particular focus on climate change.
- Besides the activities mentioned above, FSSPCO has continuously provided supports to VFN, REDD and FLEGT working groups either by providing assistance in logistics or supporting to the successful organization of these events.

2. Results Area 2: Comprehensive Management of Information Systems meet the information needs of sector and Partnership

2.1 Forest Sector Management and Information Systems (FOMIS)

2.1.1 Collect data of 2009

About 80% of data of 2009 has been collected for the monitoring indicator set. The collected data have been processed, standardized and transferred to FOMIS Report writing consultants team. The Monitoring Team is continuing to collect the remaining data and further consolidate and validate them before finalizing the FOMIS Report in December 2010.

2.1.2 Prepare and print VFDS monitoring report

The consultants' team has started writing FOMIS Report. This team has had two meetings in October 2010 to finalize the outline of the report and task assignment. The first draft of FOMIS Report will be available for reviewing in the end of November 2010. The viewing consultants' team will review it in the beginning of December 2010. It is expected that final version of FOMIS Report will be published in the beginning of 2011.

2.1.3 Collaborate/ integrate FOMIS with the IT project

FOMIS Officer has participated in the preparation of overall and 2010 work plans of FORMIS project, while incorporating 2010 FOMIS activities into FORMIS work plan. Discussions with the CTA of FORMIS on the procedures for the implementation of IT for the forestry sector in general and FORMIS project in particular have been held. During the first half of 2010, several

meetings between FORMIS and FOMIS experts have been held to discuss possible solutions for integration. Also an in-depth demo of FOMIS to FORMIS experts' team has been carried out.

FOMIS Officer also has also contributed to reviewing work progress of FORMIS in 2010 and planning for 2011. Planning for integrating FOMIS to FORMIS in 2011 and 2012 has also been planned by FOMIS Officer.

2.1.4 Launch FOMIS website

The website of FOMIS has been developed and tested, and more data have been put into the database of the system. So far, the ToR for FOMIS website developing consultants has been prepared. The development and completion of FOMIS website will be implemented in the last 6 months of this year.

FORMIS is clearing budget procedures for this activity. Contract for consultants to completing FOMIS Web Application is being prepared and sign soon in November. Data of the indicator set have been processed and imported into the database of FOMIS Web. Therefore, FOMIS Web can be launched in the beginning of 2011 if contracts with FOMIS Web consultants are signed soon in this month.

2.1.5 Update ODA database and prepare ODA reports

Web interfaces have been developed for sharing Forestry ODA reports prepared by FSSPCO based on ODA data collected since 2005. Forestry ODA data of 2010 will be collected in the end of 2010 and Forestry ODA reports will be published in FOMIS Website in the beginning of 2011.

2.2 Maintain FSSP website

Contents have been regularly updated. To meet new requirements from activities of FSSP in the 5 coming years, FSSP website is being upgraded. The new version will be launched soon in December 2010. New version will allow brief contents of all main menus shown in the home page so that users can easily access and find information.

2.3 Disseminate FSSP activities

FSSP Thematic Newsletter: is being maintained by FSSPCO, providing an effective information sharing channel on selected themes, which draw high attention from readers. The FSSP Newsletter volume 28-29 on the topic "Forestry Partnership – a bridging tool for sector development" is the special issue for celebration of 10 years of FSSP for the purpose of dissemination of information on FSSP development and future perspectives to relevant stakeholders.. The Newsletter was highly appreciated by partners and interested readers as all its volume cover "hot issues" in the sector, e.g. Monitoring and Evaluation, Forests and Climate Change.

Information on Forestry Sector and FSSP activities were disseminated via collaboration with partners and mass media, i.e. VTV, VOV, newspapers.

FSSP website is regular updated with all FSSP and TFF activities with the new upgraded version.

2.4 Rent a web server in FPT

Web server machine contract has been extended for next year. The operation of this web server is well maintained not only for the website of FSSP but also the development of FOMIS Web. In the coming time, this web server will be more valuable for sharing a lot of documents and data on forest sector monitoring and other burning issues such as REED, FLEGT, PES, etc.

3. Result Area 3: Functioning Trust Fund for Forests (TFF) Model established and handed over

For this report, the off-portfolio performance will follow the five working areas of the TFF Management Unit (TFFMU), namely i) Strategic planning, ii) Fund mobilization and Donor relations, iii) Capacity and Instrument Development, iv) Fund Utilization and Portfolio Management and v) the Operational Planning and Reporting (see also TFF semi-annual report 2010).

3.1 Working Area 1: Strategic Planning:

- Roadmap for the integration of TFF into the VNFF is currently under implementation. An overview about the TFF mechanisms, the different instruments and the operations are available as lessons learned.
- Information and experience/ lessons learnt will be further shared in the future between TFF and VNFF, particularly the development of legal documents to VNFF. New topics how to use and integrate emerging issues regarding climate change were identified in different reports and shall be important for the following years with special focus on new emerging topics like Payment of Ecosystem Services, Payment for Forest Environmental services or REDD, the Reducing Emissions from Deforestation and Degradation.

3.2 Working Area 2: Fund mobilization and Donors' relation

- In the first 6 months of 2010 an amount of 500,000 EUR of fund request were prepared and sent to donors and the same figures were received through the banking system. Beside the routine work the TFFMU continues revised and approved different project work, financial and liquidity plans, inquiries for guidance and requests for disbursement of funds. The reviewing of the draft reports, preparation and sent comments for clarification and amendments to projects was done.
- The 10th Board of Directors Meetings was conducted in April, minutes and follow ups were circulated among the TFF stakeholders. All related information was published on the TFF website.
- A Commune Development Fund workshop was initiated TFFMU aiming at sharing lessons learnt and experience on establishing, running and operating CDF among those established within different TFF funded projects meanwhile handing over discussion findings to VNFFs of two piloting Lam Dong and Son La provinces, which will be organized in September.

3.3 Working Area 3: Capacity and Instruments Development

- The new TFF OM was drafted during the first half of 2010 upon recommendations from TFF midterm review mission and different requirements from the donors. The

final version was approved by MARD on 15th of June 2010 with decision Ref. No. 1602/QD-BNN-LN. This document will be not only a useful reference for the VNFF establishment and running but also for other funds come into effect in Vietnam in the future.

- New EU cost norm guidelines are also applied to TFF since beginning of 2010. This new rate is facilitating the progress of TFF activities as they stick to the actual rate of the market. To better address the manifold requirements of the TFFMU the human resource were enhanced.
- To better address the manifold requirements of the TFFMU the human resource were enhanced. TFF with the support of GTZ succeeded to employ an experienced new Financial Advisor from May 2010. The financial advisor will acting as financial controller of the fund and providing financial analysis among others on the fund status, reviewing financial agreements, double checking fund request and – if needed – reviewing grant agreements. In addition it is the responsibility to review no-objection letters, monitor and supervise TFF projects in term of finance, support the audit ToR and the selection of the audit firm. Regarding operational planning and reporting the advisor will prepare financial analysis for financial reports, prepare budget plans for loan projects and assisting in the preparation of the TFF annual work plan.
- The structure of the TFF project database was adjusted to become more user-friendly and all related documents can be uploaded for the public. Frequent updates and uploads are continuing.

3.4 Working Area 4: Fund Utilization and Portfolio Management

- The Lam Dong final review mission was done and the report created; the report was circulated to TFF stakeholders.
- For FLITCH (GA021) the internal first six month review meeting was organized in HCMC from 15th to 16th of July. The supervision mission to assess implementation progress and performance of the project was conducted from 8th to 11th of March; the Aide Memoire was circulated among stakeholders.
- Joint review missions with WB on the FSDP (GA025) project were conducted from and from 19th to 29th April 2010 and documented, the Aide Memoires and Management letters circulated to the donors. The FORMIS project inception workshop was launched in February 2010, the project is progressing well. The master plan and work plan for 2010 were approved in March 2010. These big milestones of different project closings, termination and new topics emerged together with the long vacancy of the financial expert position have caused much more works then anticipated to the TFFMU during the 15 months.
- The new FORMIS project was approved on 5th of October 2009 and inception workshop was launched in February 2010. The master plan and work plan for 2010 were approved in March 2010.
- Beside the routine work the TFFMU continues revised and approved different project work, financial and liquidity plans, inquiries for guidance and requests for disbursement of funds. The reviewing of the draft reports, preparation and sent comments for clarification and amendments to projects was done. The project audit reports and TFF Audit Report was concluded and approved, the procurement plan, bidding documents, assessment criteria approved and the Ernst & Young Company selected and the final version of audit reports received and submitted to BoD.

3.5 Working Area 5: Operation Planning and Reporting

- The BoD meeting #8 concluded to arrange the BoD meeting twice per year in April and November what resulted that the reporting and planning period of TFF was changed accordingly. With effective collaboration between TFFMU and donors, new reporting and planning formats have been introduced,
- Plans and reports of projects have been uploaded to TFF database regularly, while TFFMU reports are posted to FSSP website twice per year upon issuance,
- TFFMU received all 2009 annual reports from TFF Projects and other report inputs from TFF MU. Different TFF publications, including newsletter, leave left, poster, etc., and other materials for information sharing and dissimulation have been produced.

4. Result Area 4: Effective Management of CO and gradually handing over responsibilities of CO to MARD units

- FSSP CO Trust Fund has been replenished and properly managed,
- Progress reports and financial reports for CO trust fund donors have been prepared,
- 2009 CO Trust Fund has been audited, and the audit report has been submitted without significant outstanding issues,
- Personnel has been well managed,
- Monthly and ad-hoc staff meetings have been held,
- Office, furniture and equipment have been well managed,
- Procurement of new office equipment has been completed,
- CO discussions with MARD leaders and donors to seek additional funding for CO Trust Fund have been going on.
- FSSP CO Annual Planning Workshop was organized,

II. MAJOR ACTIVITIES TO BE CARRIED OUT IN THE REMAINING TIME OF 2010 AND 2011

1. Result Area 1: Adequate coordination between GOV and Partners is in place and functioning

- FSSSP structure adjustment to adapt to new context based on the recommendations made by the third major review,
- Technical Executive Committee meeting: The 42nd meeting of the Technical Executive Committee (TEC) of FSSP will be held to discuss about important issues facing the Partnership, including FSSP progress in 2010, AWP and budget for FSSP in 2011, tentative agenda of 2010 FSSP annual review meeting, and any other important businesses.
- Support to the implementation of VFDS and the preparation of 5-year plan of DoF (2011-2015),
- Continue activities to support VFN, REDD and FLEGT working groups,
- Activities to support NFP and APF-Net fund operation,

2. Results Area 2: comprehensive management of Information systems met and the information needs of the sector and the Partnership

2.1 FOMIS overall system

- Continue to collect data that has not been collected so far;
- Revise the monitoring indicator set, including removing infeasible or no-longer needed indicators and add newly required indicators;
- Complete the FOMIS database and FOMIS Web, including open function for adding/editing indicators, data importing tool, data querying and exporting tool, reporting and mapping tools.

2.1.2 Prepare and print VFDS monitoring report

The following activities are foreseen:

- Complete the first draft version in beginning of December 2010;
- Reviewing the first draft version in December 2010;
- Finalize the report in the end of December 2010;
- Publish report in hardcopy, softcopy on the website of FSSP and CDROMs.

2.1.3 Collaborate/ integrate FOMIS with the FORMIS IT project

- Continue to collaborate with IT project for the implementation of the Component five (Component 5),
- Support FORMIS project on implementation procedures, technical solutions, data inquiry analysis, design, etc.,
- Support and collaborate with FORMIS project to ensure that other forestry information systems can be integrated to FORMIS products;
- Develop integration function for FOMIS to integrate it to products of FORMIS

2.1.4 Launch FOMIS website

- Work with consultants to review and complete outstanding functions to ensure that the whole system is fully functional;
- Input more data into the database, especially those being collected;
- Launch the FOMIS Web in collaboration with FORMIS to ensure that the two systems are not duplicate and they are supporting and integrating with each other.

2.1.5 Update ODA database and prepare ODA reports

- Collect and process forestry ODA data to generate reports and share them to national and international partners of the forest sector.

2.2 Maintain FSSP website

Regular maintenance and updating FSSP website to ensure that the information is both up-to-date and accessible have been done and will continue. However, there is a need for better information exchange and dissemination, thus the following activities have been considered:

- Work with web development consultants to upgrade the website of FSSP;
- Transfer existing data/ content of FSSP website to the new one;
- Develop and configure a forestry projects resource, e.g., web menu in the new website to collect, organize upload documents/achievements /results/ lessons learnt from on-going and finished ODA development projects as well as researches in forestry sector to share them to FSSP partners.
-

- Design of a new interface for the website to meet the new requirements of FSSP after its adjustment.

2.3 Disseminate FSSP activities

- Prepare and print periodic thematic FSSP Newsletters,
- Maintain and update partner contact,
- Produce other publications, i.e. posters, FSSP TOR, calendar, greeting cards,
- Undertake other communication activities,

3. Result Area 3: Functioning Trust Fund for Forests (TFF) Model established and handed over

3.1 Working Area 1 – Strategic Planning:

- Trust Fund for Forests (TFF) will be integrated into VNFF as both funds aim to the same target of contributing to implement the NFDS 2006-2020 and complying with the Hanoi Core Statement's. BoD agreed with the recommendation of integrating TFF into the VNFF in a way that ownership, regulation, operational principles and staff of TFF shall be remaining. Aim is to utilize as much as possible and apply process and management procedures being applied by TFF itself and TFF funded projects during developing process and management procedures for VNFF. In case of which TFF donors agreed to continue funding to TFF after 2012 and extend the MoU or sign new MoU the next major review mission is recommended to conduct next review mission in early 2012 when the integration of TFF into VNFF is operational. This review mission would therefore focus on verifying the integration and studying feasibility of integration of TFF into VNFF, for instance TFF donors might provide contributions directly to VNFF and allow closing the TFF.

3.2 Working Area 2 – Fund mobilization and Donors' relation

- The relations with the donors have been improved in general but it still needs further steps to avoid any future misunderstandings.

3.3 Working Area 3 - Capacity and Instruments Development

- With the active support of the BoD members and donors the TFFMU, together in close collaboration with the different projects, continually strongly support the preparation of policy tools like decrees, decisions, circulars, strategies and training curricula,
- The structure of the TFF project database was adjusted to become more user-friendly and all related documents can be uploaded for the public. Frequent updates and uploads are continuing.

3.4 Working Area 4: Fund Utilization and Portfolio Management

- TFFMU duty for MARD and the donors in term of responsible and effective portfolio management was performed smoothly and responsible especially – beside the mentioned policy dialog - in supporting the implementation of the programs of the VFDS, particularly active on the program policy, institutional, planning, financial, and monitoring frameworks and sustainable forest management.

- Organize annual review meeting with major projects
- Prepare and sign grant agreements
- Monitor and supervise TFF projects.

3.5 Working Area 5: Operation Planning and Reporting

- The actual organizational setting, decision-making and governance structure of TFF is sufficient and adequate to perform the daily tasks in the second half of 2010. The frequency and amount of informal dialogue between donors and TFF MU and donors and MARD will be further increased steadily and create mutual understanding
- Prepare Semi-annual report for the second half 2010
- Prepare 2010 annual work plan and budget.

4. Result Area 4: Effective Management of the FSSP Coordination Office and gradually handing over responsibilities of CO to MARD units

- Continue to manage FSSP CO Trust Fund properly,
- Prepare annual progress reports and financial reports for CO trust fund donors,
- Continue to manage the personnel properly,
- Held monthly and ad-hoc staff meetings,
- Continue to manage Office, furniture and equipment accurately,
- Continue to CO discussions with MARD leaders and donors to seek additional funding for CO Trust Fund.

5. Key achievement indicators for the coming year

- Complete FSSP structure adjustment for 2011-2015 period,
- 5-year plan of the sector prepared taking into account opinions from various stakeholders,
- RFN activity further reinforced, drawing more active participation of partners from development sector,
- Receive further support from TFF, NFP and APF-Net,
- Further FSSP assistance to REDD working group,
- Information dissemination on the major activities of the FSSP and the forestry sector,
- Further development of FOMIS at the national level to monitor the implementation of the VFDS and 5-year plan of the sector, as well as provide necessary information for the preparation of the report on international commitment on forestry and environment, etc.,
- Preparation for 2010 FSSP annual review meeting.

Abbreviation:

APF-Net	Asia-Pacific Network for Sustainable Forest Management and Rehabilitation
ASEAN	The Association of Southeast Asian Nations
AWP	Annual Work Plan
BoD	Board of Directors
DoF	Directorate of Forestry
FAO	Food and Agriculture Organization
FLEG	Forest Law Enforcement and Governance

FLEGT	Forest Law Enforcement and Governance and Trade
FOMIS	Forest Sector Monitoring Information System
FORMIS	Forest Sector Management and Information Systems
FSSPCO	Forest Sector Support Partnership Coordination Office
LoA	Letter of Agreement
MoA	Memorandum of Agreement
5MHRP	5-Million Hectare Reforestation Project
MRV/REL	Monitoring, Reporting, and Verification/Reference Emissions level
NFP	National Forest Program Facility
NTP/CCR	National Target Program on Climate Change Response
PSC	Partnership Steering Committee
REDD	Reducing Emissions from Deforestation and Forest Degradation
RETE	Research, Education, Training and Extension
RFN	Regional Forestry Network
STWG	Sub Technical working group
TEC	Technical/Executive Committee
TFF	Trust Fund for Forests
TFFMU	TFF Management Unit
VFDS	Vietnam Forest Development Strategy
VNFF	Viet Nam Forest Protection and Development Fund

For further information, please contact:

Forest Sector Support Partnership Coordination Office (FSSPCO)
3rd floor, A8 Bld. No. 10, Nguyen Cong Hoan, Ba Dinh, Hanoi, Vietnam.
Tel: (84-4) 37629411, (84-4) 37629412, (84-4) 37629407 - Fax: (84-4) 3771143
Email: fssp@hn.vnn.vn - Website: <http://www.vietnamforestry.org.vn>



RURAL WATER SUPPLY AND SANITATION PARTNERSHIP (RWSSP) Partnership Note 2010

The Rural Water Supply and Sanitation Partnership (RWSSP) was established in 2006 following Decision no. 519-TTg-HTQT by the Prime Minister of Vietnam. On 15 May 2006 a Memorandum of Understanding on establishment was signed by the Minister of Agriculture and Rural Development and 14 international partners. Since 2006, the RWSSP has been joined

by an additional eight international partners and, thus, now comprises a total of 22 international partners.⁴

The purpose of the RWSSP is to create a collaborative mechanism for improved effectiveness of resource use in rural water supply and sanitation (RWSS) through coordination and harmonization of support to Government of Vietnam (GoV) policies, the National Target Program for RWSS (RWSS-NTP) and other programs. The RWSSP works to further the goals of the National RWSS Strategy of reducing rural poverty and improving living conditions of rural people through universal, sustained and affordable access to RWSS services.

1. What progress has your partnership group made in your sector/area over the past 6 months?

Over the last 6 months the RWSSP has actively engaged with a range of stakeholders and partners, including the GoV (from five ministries- Agriculture and Rural Development, Health, Education and Training, Environment and Natural Resources and Construction), Non Government Organizations (NGOs), donors, and multilateral/bilateral development partners. Core activities of the RWSSP include coordinating sector policy dialogue, promoting partnerships and linkages, and undertaking information sharing and communication activities. Key specific activities conducted by the RWSSP over the last 6 months include:

Policy Dialogue

- NGO Approaches to RWSS in Vietnam Workshop Series: The RWSSP organized two workshops aimed at sharing and discussing NGO's successful approaches within RWSS in Vietnam. Specifically, the workshops sought to share NGO lessons learned, explore 'scalability' of successful NGO approaches, and discuss how best to align NGO approaches with the national RWSS-NTP.
 - o "The NGO approaches to the RWSS in Vietnam: Lessons Learnt and Opportunities for Scaling Up", Dalat, January 14-15, 2010: In this first workshop in the series a number of NGOs presented key experiences with RWSS approaches in Vietnam. The subsequent discussion of the approaches and the lessons learned focused on the relevance of these to the RWSS NTP and the potential replication at a larger scale. A key recommendation from the workshop was that NGOs should work to align their approaches with RWSS NTP. It was also recommended that a follow up workshop be organised to further clarify how NGOs could align themselves and scale up successful initiatives.
 - o "NGO Approaches to RWSS, Moving Towards a Program Based Approach", Nha Trang on May 13-14, 2010: In this workshop, a cross section of RWSS stakeholders discussed how NGOs currently supporting the RWSS sector in Vietnam could utilize a program based approach and engage and align with both the current and upcoming phase of RWSS NTP (2011-2015). The workshop covered three topics including 1) programme based approach, 2) reaching the poor in a sustainable way, and 3) scaling up rural sanitation. Workshop recommendations were developed under three main headings; 1) NTP 3 design with NGOs involvement, 2) Institutionalization of NGOs involvement in NTP, and 3) Scaling up of NGOs sanitation approaches. A specific recommendation under heading 1 requests NGOs to prepare and agree on key issues for NGO

⁴ The additional international partners comprise: WHO (2006), Helvetas (2008), Childfund, East meets West, the Belgium Technical Cooperation /Embassy of Belgium (2009) and DFID, Lien AID, UNHABITAT (2010).

involvement in NTP, for submission to the NTP 3 design team by the end of May 2010.

- Sanitation and Hygiene Scaling up Initiative (2011-2013): On the basis of these two workshops, the RWSSP Coordination Unit was selected by the RWSS-NTP II TBS donors to facilitate the Sanitation and Hygiene Scaling up Initiative (2011-2013) implementation process. The Initiative provides support to RWSS NGOs, mass organizations and enterprises to identify approaches that can operate at scale and ensure that they are mainstreamed into normal sector practice and convention. The above mentioned organizations can apply for support. Successful applicants will access funds from to provide technical assistance in sanitation and hygiene interventions for the RWSS-NTP III. The overall objective of this initiative is to scale up and mainstream successful practices that have led to increasing access to sanitation and improved hygiene in rural areas in Vietnam so that national targets on sanitation access and hygiene are achieved. The sanitation working group/ RWSSP will keep working on the issues raised during the implementation of this initiative.
- Promotion of private participation: A workshop on promotion of RWSS socialization through successful experience in public private partnerships (PPP) and development of guidelines for decentralization the implementation of the NTP by RWSSP Coordination Unit and NTPII Standing Office was held on 31/5/2010. At this workshop, the participants exchanged experience on private sector involvement in water supply including OBA pilot project from Tien Giang province and enabling environment to encourage private enterprises to invest in water supply from Ha Nam province... A round table workshop on output based aid (OBA) approach will be held by MARD and Wold Bank in December 2010.

Partnerships and linkages

- RWSS sector Reference document has been updated.
- Information on RWSS projects investment will continue to be collected and mapped, and a website developed to provide easy access to this information.

Information sharing

- RWSS-NTP3 Program Document Development: RWSSP has managed the process of gathering comments on the draft NTP 3 (2011-2015) document from RWSSP's international partners, among other things coordinating submission of written comments, collaborating with the NGO WASH Working Group to organize a meeting to obtain NGO input, and providing input to a document outlining NGOs thoughts and ideas on areas of alignment and NGO contribution to the NTP.
- National Strategy on RWSS Development: RWSSP collected comments on the revision and update of the National Strategy on RWSS from the stakeholders. NCERWASS in collaboration with RWSSP sent the draft version to RWSSP's partners for comment and organized a consultation meeting with NTPII donors in particular on 18/10/2010 to comment on the issues to be updated in the NRWSS.
- Over the past 6 months the RWSSP has worked proactively in sharing information with the sector, through mechanisms such as a monthly News Brief, the Partnership website and involvement in the NGO WASH Working Group.

Coordination Unit regular operation

- The Coordination Unit has run smoothly over the last 6 months. The regular Partnership Steering Committee meetings were held in January and August 2010 when

- the annual report on 2009 activities and the 2010 annual work plan were approved, and the annual workplan implementation was reviewed and the extension was supported.
- The 5-year evaluation of the RWSSP was conducted by an independent international consultant and extension of RWSSP in the next 5 year was highly recommended.
- The next 5-year strategic plan and 2011 annual work plan are being prepared.

2. What contribution has your partnership group made to the development agenda at the central and local level during the past 6 months?

The NTP is the main modality through which the GoV works with stakeholders to better the living conditions of rural people, through improved access to water supply water and sanitation. NTP is the mechanism through which the National RWSS Strategy, the Comprehensive Poverty Reduction and Growth Strategy of Vietnam (CPRGS) and the Millennium Development Goals (MDGs) related to water supply and sanitation are implemented in Vietnam. NTP is currently in its second phase, covering the period 2006-2010 (NTPII). Over the past 6 months, the RWSSP has contributed to the development agenda and furthered the goals of the NTP by promoting sector coordination and facilitating a sectoral dialogue among a diverse range of stakeholders and partners. The RWSSP has also had a central role in encouraging linkages and partnerships, and sharing information and lessons learnt throughout the sector.

2010 marks the final year of the NTP II and as such, planning for the next NTP is underway. RWSSP is contributing to the planning process by engaging relevant stakeholders in policy dialogue. In particular RWSSP is facilitating the discussion regarding the contribution of NGOs in the sector, how NGOs could be better aligned with GoV programs and which NGO initiatives have the potential to be scaled up under the next NTP. Over the past 6 months RWSSP has also been involved in organizing, documenting and sharing information on a number of innovative NGO approaches, for example Community Led Total Sanitation and Sanitation Marketing, with the aim of promoting and replicating these approaches on a larger scale if suitable.

3. What actions/achievement has your partnership group made toward enhancing AE and harmonization, including aligning donor support to sectoral strategies and SERD?

Aligning donor (and other stakeholder) support and encouraging aid effectiveness through harmonization of strategies is an integral part of RWSSP activities. Through encouraging dialogue and information sharing between GoV, donors and NGOs, the RWSSP promotes the alignment of aid resources towards the realization of the common goals of the NTP, the CPRSG, the SEDP and the MDGs.

Some achievements in enhancing aid effectiveness and harmonization include:

- The recent series of workshops organized by RWSSP and funded by AusAID, examining NGO approaches to RWSS in Vietnam. The first workshop presented key approaches implemented by NGOs in Vietnam, and discussed the lessons that could be relevant to and replicable under NTP II. The second workshop focused on how NGOs could harmonise and align their approaches with the NTP, and scale up successful models. GoV, donors, NGOs and other relevant stakeholders attended both workshops. Further workshops may be organized in 2011.

- RWSSP continues to provide information on and input from stakeholders to the development/update of a number of key programs and strategic documents, for example NTP III design, the National RWSS Strategy update.
- 4. What constraints and challenges your partnership group has faced with in enhancing aid effectiveness and your recommendations to overcome these constraints?**
- The RWSSP faces some constraints with its capacity, particularly human resources. As a small unit, RWSSP are at times unable to implement a given activity due to a lack of time or skilled personnel. The capacity of the RWSSP Coordination Unit could be strengthened by training and occasional Technical Assistance.
 - The RWSSP and operation of the Coordination Unit is financially supported by a variety of key donors, however this could be strengthened via more flexible financing modalities. If financial support was provided over a longer period and guaranteed beyond the usual 12 months the RWSSP could be more active in advance planning for future activities.
 - Another challenge is in working collaboratively with a wide variety of stakeholders. This method of working has obvious benefits for the sector but it also presents challenges, particularly as other agencies/organizations have their own priorities and competing pressures.
 - Aid effectiveness could be improved through closer collaboration and communication between RWSSP and key Government players in the sector (e.g., National Centre Rural Water Supply and Sanitation, NTP Standing Office, Ministry of Health, Ministry of Education and Training); as well as donors. Information on work plans and activities should be openly shared so that any overlaps in activity or donor funding can be noted and addressed (perhaps at the six-monthly Partnership Steering Committee meetings).

5. Over the next 12 months, what concrete actions will your group take?

Each 12 month period the RWSSP develops, in consultation with partners, an annual work plan which is endorsed at the annual Partnership Steering Committee meeting. For the rest of 2010 and into the early part of 2011, the RWSSP will undertake the following specific activities:

Policy Dialogue

- Facilitate the implementation of Sanitation Scaling up initiative led by VHEMA/MoH, and supported by NTP donors (represented by DFID)
- Continue to facilitate meetings of the Rural Sanitation Working Group, coordinate implementation of priority actions identified by the Working Group, and provide feedback and information to stakeholders on activities.
- Share lessons learnt regarding NGO approaches to RWSS in Vietnam and promote alignment of NGO and government programs.
- Support the design of NTP III, and share information with partners
- Collaborate on the documentation and promotion of low cost models for water and sanitation, and share information with stakeholders.

Partnerships and linkages

- Support the identification, promotion and scaling up of PPP models, and share information and lessons learnt with partners and stakeholders.
- Disseminate and promote Decision no. 131 on enabling mechanisms/policies for increased investment, management and exploitation of rural water supply facilities.
- Update the Water and Sanitation Sector Reference Document.

- Maintain and update map information on investment projects and supported provinces in RWSS for web based information sharing.
- Maintain linkage and update information with NGO WASH group through participating at its regular meetings.

Information sharing and communication

- Share information with partners through the monthly RWSSP News Brief, upgrading and updating the RWSSP website and active participation in the NGO WASH Working Group.
- Feedback and share information with partners and stakeholders regarding the roll-out of the M&E indicator set, the update of the National RWSS Strategy, the development of Unified Sanitation Sector Strategy and Action Plan (U3SAP), sector research priorities, progress of the Sanitation and Water Partnership for the Mekong (SAWAP) and NTP II.

RWSSP Coordination Unit regular operation

- Facilitate regular RWSSP Steering Committee meetings, and prepare reports (six monthly, annual, financial).
- Facilitate the development of a 5-year strategic plan or framework and 2011 annual workplan for the RWSSP and proceed with procedure for extension .

PARTNERSHIP ON AVIAN AND HUMAN INFLUENZA (PAHI)

Partnership Note, June 2010

The Partnership on Avian and Human Influenza (PAHI) was established in 2006 to support the implementation of the Vietnam Integrated National Operational Program on Avian and Human Influenza (OPI), 2006-2010, also known as "The Green Book". The OPI describes core activities in support of the overall objective of reducing the health risk to humans from avian influenza by controlling the disease at source in domestic poultry, by detecting and

responding promptly to human cases, and by preparing for the medical consequences of a human pandemic. Implementation of the OPI is done through national and ODA activities within the overall framework of the OPI and the Partnership.

The Partnership Framework has 26 signatories including the Government of Viet Nam (represented by the Minister of Agriculture as Chair of the National Steering Committee for Avian Influenza Prevention and Control), other national organizations, the UN System, the World Bank, international donors, NGOs, research organizations and other stakeholders.

The OPI has a total cost estimate of US\$ 250 million for core activities to be implemented in the period 2006-2010. As of December 2009, the Government of Viet Nam and ODA partners had committed a total of around \$201 million, including approximately \$70 million from Government and \$132 million from ODA sources. The total delivery achieved as of December 2009 is \$140 million (equivalent to 56% of the total committed funds), including \$85 million of Government of Viet Nam resources and \$55 million of ODA funds. Delivery of ODA funds is expected to significantly increase in 2010.

The Partnership is supported by a Secretariat located within the Ministry of Agriculture and Rural Development (MARD) and jointly supervised by MARD and the Ministry of Health (MOH). Operational funding for the partnership is channeled to MARD through the Government-UN Joint Programme on Avian Influenza.

1) Progress made by the partnership group in our sector/area over the past 6 months

During the past 6 months the partnership group continued to provide overall coordination support to the implementation of the OPI. PAHI Secretariat continued to support information sharing via the PAHI website and preparation of the newsletter, as well as reporting on the contents of meetings of the National Steering Committee for Avian Influenza Prevention and Control (NSCAI) and the National Steering Committee for Human Pandemics (NSCHP). Various meetings were organized on general issues as well as specific technical exchanges.

The major activity for the Partnership during the second half of 2010 has been the planning process for the coming five-year period 2011-2015. The period of the Green Book will end in 2010, and MARD and MOH are cooperating to develop a new integrated plan for the coming period on avian influenza, pandemic preparedness and other high-impact infectious diseases at the animal-human-environment interface.

PAHI Secretariat has been assigned to support this planning process, including developing the plan, mobilization of national and international consultants, and organizing overall and sectoral planning workshops. Funding for these activities has come from USAID and the Government-UN Joint Programme on Avian Influenza.

As part of this planning process the Partnership organized a national workshop on developing a “One Health” approach for the period 2011-2015: addressing high impact infectious disease risks at the animal-human-environment interface.

The PAHI Secretariat is working with national agencies and MEASURE International consultants to prepare the first report applying the National Avian and Human Influenza (AHI) Monitoring Framework developed through the Partnership.

The PAHI Secretariat also supported follow up to the International Ministerial Conference on

Animal and Pandemic Influenza: The Way Forward (IMCAPI Hanoi 2010) which was hosted by the Government of Viet Nam in April 2010 in cooperation with the United States Government, the European Union, the UN System, the World Bank and other international partners.

A visit from the Head of the UN System Influenza Coordination (UNSIC) Asia-Pacific Regional Hub in Bangkok was organized, including discussions with national officials and international partners on follow-up to IMCAPI Hanoi 2010, the status of global work on applying a One Health approach, and the future of global coordination on avian influenza, pandemic preparedness to high impact infectious disease risks from animals to humans.

In cooperation with the UNSIC regional office, copies of the United Nations-World Bank 5th Global Progress Report on Animal and Pandemic Influenza: a Framework for Sustaining Momentum were disseminated to IMCAPI Hanoi 2010 participants and other partners in Viet Nam. This report is available at: <http://un-influenza.org/node/4231>.

Further details on key contributions and achievements of the partnership are outlined below.

2) Contribution of the partnership group to the development agenda at the central and local level during the past 6 months

As noted above, major contributions of the partnership group during the past 6 months have focused on:

- i. Supporting MARD and MOH to develop a new integrated plan for the coming period on avian influenza, pandemic preparedness and other high-impact infectious diseases at the animal-human-environment interface. To support this process, PAHI Secretariat has organized an review workshop to identify the priority in health sector in next 5 years and a workshop to concretize the roadmap for the implementation of livestock development strategy until 2020 wich in line with the new integrated plan 2011-2015.
- ii. Following up the International Ministerial Conference on Animal and Pandemic Influenza: The Way Forward (IMCAPI Hanoi 2010) and the application of the Hanoi Declaration (<http://www.imcapi-hanoi-2010.org/documents/en/>) at the national level.
- iii. Organization of a national workshop on developing a One Health approach for the period 2011-2015: addressing high impact infectious disease risks at the animal-human-environment interface. Through this workshop, the Partnership has introduced the key principles of the One Health approach, and focused attention on the need for coordination between agriculture and health sectors, as well the need for more attention to wildlife diseases.
- iv. Trialing the implementation of the national AHI Monitoring Framework. Support to the development of messages for communication activities on the pandemic (H1N1) 2009 through the Behavior Change Working Group of the Partnership.

3) Actions/achievement of the partnership group toward enhancing aid effectiveness and harmonization, including aligning donor support to sectoral strategies and SEDP

As of now, 26 partners including the Government of Vietnam and other national organizations, the UN System, the World Bank, international donors, NGOs, research organizations and

other stakeholders have signed the Partnership Framework, indicating their commitment to work within the framework of the OPI.

The OPI was developed by the inter-ministerial National Steering Committee for Avian Influenza Prevention and Control (NSCAI) established by the Prime Minister, working closely with the World Bank, the UN System and other international partners and provides an overall framework for harmonization of activities and funds under national leaderships and with cross-sectoral coordination of national and international partners.

The Partnership provides a forum for joint work by national and international partners from the agriculture sector, health sector and other sectors to come together under a single, integrated, nationally-led plan with shared overall objectives, joint overall monitoring and exchange of lessons, experiences and policy dialogue. This will be continued in the period 2011-2015 through the new plan currently under development.

The PAHI Secretariat has also exchanged experiences with several other development partners during the past 6 months, particularly the Health Partnership Group (HPG) led by MOH.

4) Constraints and challenges faced by the partnership group in enhancing aid effectiveness and recommendations to overcome these constraints

The areas of work covered by the Partnership relate to different sectors, particularly agriculture and health. Taking this into account, the NSCAI chaired by the Minister of MARD has two standing Deputy-Chairs, one being a Vice-Minister of MARD and the other a Vice-Minister of MOH. The overall supervision of the PAHI Secretariat is provided jointly by the International Cooperation Departments of MARD and MOH. Relationships and practical coordination across key sectors are generally very strong, and MARD and MOH are cooperating to develop a joint overall national plan for the coming period 2011-2015.

As noted in the previous Partnership Note, some challenges have been evident in the past in terms of roles related to pandemic preparedness and response, and areas have been identified where joint work could be strengthened between the animal health and human health sectors, including on joint surveillance, outbreak investigations, diagnostic work and training on field epidemiology skills.

Progress has continued on these issues during the past 6 months. MARD and MOH are currently working to develop a joint circular on key aspects of their cooperation in this area.

5) Concrete actions to be undertaken during the next twelve months

During the coming 12 months, the Partnership will focus on completing existing activities within the current OPI, and on completing the plan and mobilization of resources for the period 2011-2015.

In line with the focus of IMCAPI Hanoi 2010 and the Hanoi Declaration, the overall national plan for 2011-2015 is expected to focus on (i) sustaining the response to HPAI H5N1, (ii) continuing to enhance pandemic preparedness and response, and (iii) looking at ways to address wider infectious disease risks at the animal-human-environment interface, applying a One Health approach.

Government and donors have indicated that they expect the Partnership to continue after 2010

to provide important support role to the overall national response and international cooperation in this area.

TRANSPORT PARTNERSHIP GROUP

Partnership Note 2010

1. Partnership Assessment

1.1. The status of the partnership group

Since its establishment in July 2000, the partnership group has consolidated information and experience on projects and programs in the transport sector in order to encourage alignment of support and improvement of aid effectiveness. The partnership group is currently moving toward a forum of active discussion on sector issues and in joint policy formulation.

1.2. The structure of the partnership group

For the past years, Ministry of Transport (MOT) and JICA jointly chaired the partnership group meetings with participants from MOT-affiliated organizations and donors involved in the sector, such as ADB, AusAID, DfID, GTZ, Korea EXIM Bank and WB. The partnership group meetings are held biannually prior to the CG or the mid-term CG meetings.

2. The 21st Transport Partnership Group Meeting

The 21st Transport Partnership Group Meeting was held on December 15th 2010, focusing on those issues: (i) “ODA strategic framework to 2015”; (ii) “Progress report of expressway network development”; (iii) “Necessary of management framework for expressway”; (iv) “Situation of the establishment of Road Maintenance Fund”; and (v) Operation and Maintenance for Urban railways in Vietnam.

For more understanding about this meeting, we added the “draft transport sector development 5 years plan” which was presented in the 20th TPGM in the appendix 1.

Outline of each discussion are shown as followings.

(1) ODA Strategic framework 2011- 2015

As a harmony action with the drafting work of the Social Economic Development Plan (2011 – 2015), the Prime Minister has assigned the Ministry of Investment and Planning to lead the work for preparation of ODA Strategic Framework for 2011 - 2015. Following this assignment, one inter-ministerial working group was established for drafting the Framework. Besides, the Executive Committee (EXCOM) of Aid Effectiveness Forum (AEF) will acts as a partnership facilitator for development of the Framework. Also, the Like Minded Development Group (LMDG) is willing for providing of financial resources in 2010 to support for the Framework’s development. Drafting work is on progress and the estimated time frame for presentation to the Government is October 2011.

The ODA Strategic Framework will have three main parts as followings:

- Review of ODA mobilization and utilization in 2006-2010,
- Direction for ODA mobilization and utilization in 2011-2015 period,
- Key measures to ensure implementation of ODA Strategic Framework 2011-2015.

There were several seminars and workshops with participation of Vietnamese agencies, donors and other interested stakeholders, which provided a number of multi-dimensional ideas and proposals regarding contents of the Framework. In the MIC context, Vietnam will need a “smart using of ODA”, with notable points as followings:

- ODA should be considered as a resource for development of the country, with clear strategy and direction.
- Should the Framework consider only ODA in the form of grand aid and concessional loan, or also the use of less concessional loan? One idea is to include less concessional loan into the Framework, and it should be used – in combination with concessional loan - for projects which have higher financial possibility. On the other hand, poverty reduction and social development need to be treated properly by utilizing grant aid as well as concessional loan.
- In the context of rising concerns from the people on country debt, the Framework should ensure safety for public debt. However, it is worth to mention that public debt including ODA dept should not be controlled solely by its ratio to GDP, but it should be considered together with the soundness of the country’s economy. On the other hand, ODA projects should appeal more clearly their effect on the development of the country.

- The participation of private sector in ODA activities is an appropriate direction, will realize the fair competition between economic sectors. This is also the way to mobilize more financial resource and get more efficiency for public investment. Overall direction has achieved political support and concrete legal framework which ensures risk sharing between public sector and private one is necessary for its implementation.
- Concrete measures are necessary to realize the demarcation between donors.
- Decentralization to local government should be implemented together with capacity building to ensure smooth implementation.
- Most important is a comprehensive framework which will strictly control the input of ODA projects, ensure fast implementation as well as hard monitoring and evaluation.

(2) Expressway development progress

1) Development plan of expressway in Vietnam

The plan of establishing the national expressway includes 22 lines and total length of 5,873 km.

Details are as following:

- The South- North line (02 lines with total length of 3,262 km)
- The expressway system in Northern area (07 lines with total length of 1,099km)
- The expressway system in Central area (03 lines with total length of 264 km)
- The expressway system in Southern area (07 lines of 984 km)
- The ring roads system of Hanoi and HCMC (03 lines of 264 km)

The total investment demand for expressway system is approximately 47.9 billion USD. Of which, up to 2020, the total construction length is approx. 2,639km/24.7 billion USD; after 2020, total construction length is approx. 3,114 km/23.2 billion USD. Estimated land area required for expressway system as planned is 41.104 ha (the area under construction of expressway sections is 2,916 ha, additional area is 38,188 ha).

Before 2015, the expressway sections in the economic areas and urban transport are urgent projects that should be implemented soon, especially some sections with the problem of traffic jam and traffic safety. The situation of important projects implementation in the South-Northern axis, radial axes of the northern area and the southern area (totally 1,279km, including Ring road 3 and 4 of Hanoi, Ring road 3 of HCM city, Ha Noi – Hai Phong, Ha Noi – Thai Nguyen, Ha Noi – Viet Tri – Lao Cai, Cau Gie – Ninh Binh, Ninh Binh – Thanh Hoa, Da Nang – Quang Ngai, HCM - Long Thanh – Dau Giay, Ben Luc – Long Thanh, HCM city – Trung Luong, Trung Luong – My Thuan, Bien Hoa – Vung Tau sections) was introduced. Most of these project are under construction or has secured financial source for construction.

The MOT called donors and international investment to consider about investment, including PPP form, on potential projects such as Ninh Binh - Thanh Hoa (121 km, 1.4 bil. USD), Thanh Hoa - Ha Tinh (96km, 1.3 bil. USD), Hue - Da Nang (105km, 626 mil. USD), Quang Ngai - Qui Nhon (180km, 1.5 bil. USD), Nha Trang - Phan Thiet (200 km, 1.6 bil. USD), Dau Giay - Phan Thiet (98km, 844 mil. USD), Ben Luc - Long Thanh (58km, 1.6 bil. USD), My Thuan - Can Tho (42 km, 900 mil. USD), Noi Bai - Ha Long (196 km, 940 mil. USD), Ha Noi - Lang Son (140km, 1.4 bil. USD), Mong Duong - Mong Cai (150km, 1.3 bil. USD).

Besides aboved metioned expressway projects, the MOT also call for investment on Long Thanh international airport, Lach Huyen port and Van Phong port.

2) Report on technical issues regarding development and O&M expressway network

In order to help related agencies including the MOT to understand the overall situation of soft-infrastructure for development and O&M expressway network, JICA has implemented a study which analyzed issues and worked out road map for an effective and smooth development as well as O&M of the expressway network.

Issues for expressway network development and O&M of the expressway network in Vietnam can be summarized in following five points: (i) no establishment of an coordination organization specific for expressway development/operation; (ii) lack of experiences and preparations of the legal, regulative and institutional framework regarding development, O&M and management of expressway; (iii) not enough examination on the roles, obligations and capacities of developers (including Vietnam Expressway Corporation and other entities including private ones implementing BOT projects); (iv) lack of a strategic funding and payment plan, financially complement system among sections (cross subsidy system); and (v) slow land acquisition due to the lack of a mechanism to adjust distribution of development benefit raised from infrastructure projects, and lack of a scheme for long-term land acquisition.

The study presented important works to be considered among others, such as: Organizing expressway management & operation centers in the North, Central and South; Coordination for traffic management (with Traffic Police organization); Coordination for access road planning and development (with Directorate for Road of Viet Nam (DRVN) and/or local government); Establishment of legislation and regulation for expressway, including formulation of O&M standards, traffic management guidelines, and expressway design standards (expansion and revision of existing standards). Among these, the formulation of O&M standards and ITS standard are being supported by JICA's technical cooperation projects.

(3) Road Maintenance Fund

1) Summary report on the progress of preparing Road Maintenance Fund (RMF)

Fund allocation to road maintenance in Vietnam has been improved in recent years, but still facing chronic shortage. Average capital demand for road maintenance activities is estimated as 5,100 bil. VND annually. In reality, fund (including allocated budget and a part of toll collected via toll roads) for road maintenance activities can meet less than 50% of the demand in case of national highway, and 30% - 35% in case of local roads.

Toward the establishment of a RMF, on April 13, 2009 the MOT established the Compilation Committee and Compilation Team; with members from Office of the Government, Ministry of Finance, Ministry of Justice, agencies, departments and institutes of MOT. The Compilation Committee has assigned the DRVN to study and implement the Proposal on RMF.

Based on the Proposal from the DRVN, draft Decree on RMF has been submitted by the Compilation Committee; The proposal on RMF includes the major contents of organization structure, capital demand for road maintenance activities, proposal on the method of road toll collection. By this proposal, RMF will bases on the Fee-for-Service concept, means: (i) users pay via road-related taxes/charges, (ii) revenues are credited to road special account, and (iii) revenues are managed outside the government budget.

Regarding the proposal on the toll collection, there are 03 options in which the option of collection via gasoline price (1,000 VND/litter) and direct collection from vehicles which use diesel fuel based on their km of road usage. This method has many advantages such as saving 15% expenses on organizing toll collection at toll stations; saving stopping/parking time of

vehicles; avoiding traffic congestion...; and ensuring revenue for the Fund. Estimation shows that collected fund can meet more than 90% of required maintenance fund for national highway, and nearly 70% of that of local roads. However, this proposal is facing the problem of inconsistency/duplication with existing toll collection via toll stations. Due to this difficulty, the Ministry of Finance provided a comment requesting that the current collection method of road toll via toll stations should not be changed to collection method via fuel consumption and vehicles as proposed in the draft Decree.

With the difficulties of this method, on 30th August 2010, the MOT submitted revised proposal to the Prime Minister with two new options.

- Option 1: Establish immediately RMF at Central and local levels; sources mobilization for the Fund have been phased in two periods:
 - Phase 1: the state budget will allocate a stable amount as current practice, road toll will be collected via toll stations as current practice, and the government will transfer all fuel fee (currently included in gasoline price at about 1,000 VND/litter) to the RMF.
 - Phase 2: in a period of 5-10 years after the establishment of the Fund, the MOT will study appropriate measures to resolve the above-mentioned shortcoming. After that, the Prime Minister shall permit the change in method of road toll collection from the current method via toll stations to via gasoline price and vehicles use diesel based on their operated km. After this permission, the fuel fee will no longer exist.
- Option 2: In case it is impossible to reserve all current fuel fee for RMF, it is proposed to the Prime Minister to postpone the establishment of the Fund until a proper time (tentatively in 5- 10 years) such that the MOT can study measures to resolve the above-mentioned shortcomings. After that, the Prime Minister shall permit to change the current toll collection method via toll stations to the method via gasoline and vehicles using diesel fuel based on their operated km.

At present, the MOT is waiting for direction from the Prime Minister.

3) Earmarking of Road Fund

In order to understand the situation as well as to provide useful information to the MOT, one JICA study has shown international experience on earmarked road fund of America, Japan, New Zealand, Ghana, India..., in which only Philippines does not use the fuel tax for their source of fund.

The JICA study pointed out issues for the MOT's proposal are: (i) low recognition of users-pay principle on using public road; (ii) opposition against additional charge on petroleum; (iii) inconsistency between collection and road usage; and (iv) inconsistency with existing toll system. General direction for solution of these issues, respectively, are: (i) education and campaign of the principle and practices in other countries; (ii) education and campaign of the principle and practices in other countries, earmarking of existing fuel fee charge on gasoline, seeking other funding sources than gasoline charge; (iii) introduction of "axel load × travel distance" charge and (iv) gradually abolishing toll station on ordinary road.

Among these solutions, the introduction of "axel load × travel distance" charge is a new approach which will impose a direct charge based on road damage caused by vehicles. According to an estimation by JICA study, only by earmarking registration fee and "axel load × travel distance" charge, the RMF will not need to rely on state budget, fuel tax and toll station on ordinary road. Supposedly, with a registration fee level at 50 mil VND/car in Hanoi and HCM city, 2 mil. VND/motorbike in Hanoi and HCM city and a "axel load × travel distance" charge at 1.8 mil. VND/2 axle/year, the RMF can maintain a stable fund which can meet more

than 70% of budget requirement at both central and local level. However, it will cost time for researching technical solutions for imposing “axle load \times travel distance” charge. During this period, a 5 – 10 years road map for gradual change of toll stations, state budget and fuel fee will be necessary.

(4) Support on set up of O&M company of urban railways in Ho Chi Minh city

Two largest cities in Vietnam, Hanoi city and Ho Chi Minh city are implementing urban railways construction to solve traffic congestion, traffic safety and air pollution problem. In coming 5 – 7 years, some lines are planned to be in operation. However, to start operation smoothly, Vietnamese urban railways are facing many big challenges represented by establishing framework, such as regulatory framework, financial framework and institutional framework.

Regarding regulatory framework, it is stipulated by the Railway Law that HCMPC is responsible for management of urban railway in HCMC. However, it is necessary to clear the constraints caused by regulations for eligible person for O&M of urban railway (i.e. certificate and work experience are required for O&M). Because the urban railway operation is a brand new experience in Viet Nam, it is impossible to train candidates and issue certificate them in the country. Thus the HCMC People’s Committee has to consider the idea to clear the constraints together with MOT.

On the other hand, insufficient technical standard of urban railway is a big problem. The regulation on underground construction issued in 2009 by the Ministry of Construction is not suitable for many urban railway systems which will be introduced to the two cities. The MOT is requested to cooperate with the MOC for revision of this regulation.

In the aspect of financial framework, most concerns are related to the financial soundness of O&M company. For instance, decision and revision mechanism on fare level and scheme for sharing initial investment cost are still remained to be established.

Regarding institutional framework, one of the topic is how to make a smooth connection with feeder transport. In this regard, what will be the role of the Management authority for urban railways (MAUR) in HCMC if the Public transport authority (PTA) is established, would be a question.

JICA is now assisting HCM city to establish its urban railway O&M company, which would be a prototype for the country. It is expected that the head office with the board members and several departments will be responsible for the general management of the urban railway network, while operation of each line will be managed by respective units. The O&M company is considered as an umbrella company with the benefit of lower cost for administration for all lines, expected stronger coordination by the company through HCMC PC and more efficient operation of all lines as a whole. Only one O&M company is the idea of HCMC PC, but the lines of BOT will probably have their own O&M company.

In the technical cooperation project supported by JICA, phase 1 from March 2011 to March 2013 aims at registration of the O&M company. Phase 2 of the project is to support the preparation for company’s operation.

Subsequently to HCM city, Hanoi People’s Committee has officially requested JICA for support on establishment of its O&M company. JICA is considering the positive response to this request, with expectation of utilizing know how which will be achieved in HCM city.

Appendix 1

Draft Transport Sector Development 5 years plan (in the 20th Transport Partnership Group Meeting)

1) Evaluation of past 5 years 2006-2010

In the Draft 5 years plan submitted to the Prime Minister in October 2009, the MOT evaluated that in the period of 2006 -2010, transport sector has developed significantly in all fields: (i) State management is focused, new Road Traffic Law and other legal documents are put into effect; (ii) Strategies and planning projects have been approved and implementing; (iii) Transport infrastructure investment and construction that are implemented in accordance with directions and plans have brought real efficiency; (iv) Construction works are implemented with focus on pursuing socio-economic development and ensuring national defense; (v) Activities to ensure transport order, traffic safety are improved step by step; and (vi) capacity and quality of transport services are increased.

Total budget invested in 5 years in the sector is expected to be 144,368 bil. VND (app. 7.80 bil. USD⁵); composited by 38,560 bil. VND (2.08 bil. USD, 26.7% of total) of state budget, 67,639 bil. VND (3.66 bil. USD, 46.9%) of government bond and 38,164 bil. VND (2.06 bil. USD, 26.4%) by non-state budget.

Specific achievements can be summarized as following:

- 5,100 km of road is newly constructed and upgraded, newly constructing about 102,000 m of road bridges;
- Upgrading, rehabilitating 90 km of railway; newly constructing 375 m of sand dyke for seaports;
- More than 8,500 m of seaport's wharf is put into operation, dredging 8.3 million m³ of seaport channel, completing improvement of hundreds km of inland waterway;
- 3 additional airports (Dong Hoi, Cam Ranh, Can Tho) are put into operation.

Supported by above mentioned improvements of infrastructure as well as stable and fast economic growth, cargo transport achieved 3,195.4 million tons and 836.5 billion TKm in 5 years with an average growth rate of 9.7%/year in terms of ton and 16.1%/year in terms of TKm; passenger transport achieved 8,952 million passengers and 383.7 billion passenger.km with an average growth rate of 9.2%/year in terms of passenger and 8.5%/year in terms of passenger.km. Seaport cargo throughput achieved 1,021 million ton with the growth rate of 14%/year. Despite of the falls in some periods due to economic recession, the growth rate is quite high and stable over the years.

However, shortcoming has also been pointed out as followings:

- The lack and continuous changing of legal and institutional system;
- Slow progress and low quality planning;
- Transport quality is comparatively backward compared to regional and international levels. Connectivity among all transport modals is not formulated;
- Transport infrastructure is unable to meet demand of transport development and asynchronous to create a connectivity in order to promote strengths of transport modes;
- Traffic safety and traffic congestion in urban areas are still a pressing problem.

⁵ 1USD = 18,500 VND

2) Plan for coming 5 years 2011-2015

Being aligned with approved “Transport Development Strategy up to 2020, with a vision toward 2030” and sub-sectors development master plans, the MOT identified following general objectives for the next 5 years: (i) Accelerate the pace of constructing new infrastructure to solve the bottle-neck of the current system; (ii) Enhance the maintenance of current infrastructure; (iii) Complete national highway system, major railways and inland waterways to meet technical level; (iv) Widen and modernize international transport hub – seaports, international airport; (v) Develop vigorously urban transit in order to step by step resolve traffic congestion; and (vi) Focus on provincial transport development so that communal centrals are accessible all seasons.

Major planned development indicators for the 2011-2015 period are: Average freight transport growth rate is 9.4% annually in terms of ton, 15% per annum in terms of TKm; average passenger transport growth rate is planned to be 10% annually in terms of passenger and 11.4% annually in terms of passengerKm.

Targeted infrastructure developments for each sub-sector are:

➤ **Road sub-sector:**

- ✓ To complete the national highway system;
- ✓ To accelerate construction progress of prioritized expressways in focal economic zones, big urban areas, routes to international border gate, gateway seaport in order to meet demand of economic development and resolve traffic congestion;
- ✓ Focus on local transport development.

➤ **Railway sub-sector:**

- ✓ Continue upgrading current major railways to reach technical level and enhance rail capacity and safety;
- ✓ Complete and put into usage routes: Yen Vien – Pha Lai, - Ha Long – Cai Lan; some routes accessing to ports and industrial parks;
- ✓ Construct urban railways in Hanoi and Ho Chi Minh City.

➤ **Inland water way sub-sector:**

- ✓ Continue improving and upgrading major routes to meet technical level, in combination with enhancing management, maintenance to increase throughput capacity of the system and ensure traffic safety;
- ✓ Focus on routes in Red river delta, Mekong river delta;
- ✓ Upgrade costal lines and river mouths: Lach Giang, Day River, Cua Tieu, Soai Rap river mouth and river mouths in the central area;
- ✓ Ensure marking buoy and signal system in order for 24/24h boat operation.

➤ **Sea ports sub-sector:**

- ✓ Synchronously invest and modernize seaport system and channels;
- ✓ Step by step construct Van Phong international gateway port; international gateway ports in Hai Phong and Ba Ria - Vung Tau;
- ✓ Focus on improving and upgrading current ports.

➤ **Air transport:**

- ✓ Continue upgrading current airports and invest in construction new airports in accordance with plans;
- ✓ Prepare procedures to mobilize capital for constructing Long Thanh airport;
- ✓ Continue construction of new Phu Quoc airport (Duong To airport);
- ✓ Continue constructing and equipping specialized works for modern flight management.

Total investment capital managed directly by MOT for above infrastructure developments is estimated as 472,000 bil. VND (25.51 bil. USD), of which state budget counts for 210,000 bil. VND (11.35 bil. USD, 44.5%); Non-state budget is 162,000 bil. VND (8.76 bil. USD, 34.3%) and budget which has not been secured is 100,000 bil. VND (5.40 bil. USD, 21.2%).

Besides infrastructure development targets, following issues are identified among others:

- ✓ Continue studying and constructing policy to attract non-state budget for developing transport infrastructure;
- ✓ Make plans, organize publication and manage the implementation;
- ✓ Ensuring traffic safety;
- ✓ Administrative reform;
- ✓ Enterprise renovation and business management;
- ✓ Human resource development;
- ✓ Science and technology development;
- ✓ Checking and inspection.

The MOT appreciated contributions of donors into the development of transport infrastructure development as well as capacity development, and welcome comments from donors in order to improve the 5 years development plan, toward its finalization at the end of 2010.

Appendix 2

TRANSPORT SECTOR ASSISTANCE PROJECTS IN VIETNAM
TRANSPORT PARTNERSHIP GROUP

As of Nov. 2009

PROJECT	DONOR	STATUS	DURATION	CONTACT
Road Improvement	ADB	Completed	1993-2001	
Sai Gon Port	ADB	Completed	1994-2001	
Second Road Improvement	ADB	Completed	1997-2003	
Third Road Improvement (including Implementation of Sector Development Policy - ISDP component)	ADB	Completed	1998-2005	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
GMS: HCMC-Phnom Penh Highway	ADB	Completed	1998-2005	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
GMS: East-West Corridor	ADB	Completed	2000-2006	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
Provincial Roads Improvement	ADB	Completed	2001-2009	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
Central Region Transport Network	ADB	Ongoing	2005-2010	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
GMS: Ha Noi - Lao Cai Railway	ADB/AFD	Ongoing	2006-2010	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org salomons@afd.fr megueullec@groupe-afd.org sylvain.biard@missioneco.org
Kunming-Haiphong Transport Corridor: Noi Bai-Lao Cai Expressway (Engineering Loan)	ADB	Ongoing	2007-2008	Nishimura Masahiro mnishimura@adb.org Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
Noi Bai-Lao Cai Expressway (Investment Loan)		Ongoing	2008-2012	
GMS: Southern Coastal Corridor	ADB/EDCF (Korea)/AusAid	Implementation	2007-2011	sdate@adb.org nfarrofo@adb.org Le Dinh Thang ldthang@adb.org
Ho Chi Minh– Long Thanh – Dau Giay Expressway Engineering Loan	ADB/JICA	Ongoing	2008-2010	Le Dinh Thang ldthang@adb.org Oda Shirou oda.shirou@jica.go.jp
Ho Chi Minh– Long Thanh – Dau Giay		Ongoing	2009-2014	Bui Thanh Xuan buihanhluan.VT@jica.go.jp

Expressway Construction Loan North-South Expressway Construction Project (Ho Chi Minh – Long Thanh – Dau Giay)		Ongoing	2008-2017	
Ho Chi Minh City Metro Rail (Engineering Loan)	ADB	Processing	Firm 2010	rvalkovic@adb.org Le Dinh Thang ldthang@adb.org
Ho Chi Minh City Metro Rail (Investment Loan)		Processing	Firm 2010	
Expressway Preparation Facility (Engineering Loan)	ADB	Ongoing		ytanaka@adb.org Nishimura Masahiro mnishimura@adb.org ytsujiki@adb.org Le Dinh Thang ldthang@adb.org
HCMC Second Ring Road	ADB	Cancelled	cancelled	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
Central Mekong Delta Transport Connectivity (two bridges over Tien and Hau rivers)	ADB/AusAID/Korea	PPTA Stage	Firm 2009	pbroch@adb.org , nfarrofo@adb.org Le Dinh Thang ldthang@adb.org Vu Duc Cong duc-cong.vu@dfat.gov.au
Ben Luc – Long Thanh Expressway	ADB/ potentially JICA	PPTA Stage	Firm 2011	Tanaka Yasushi ytanaka@adb.org Nishimura Masahiro mnishimura@adb.org ytsujiki@adb.org Le Dinh Thang ldthang@adb.org
Transport Infrastructure in Northern Mountainous Provinces	ADB	PPTA Stage	Firm 2011	Nishimura Masahiro mnishimura@adb.org Le Dinh Thang ldthang@adb.org
Second Northern GMS Transport Network	ADB	PPTA Stage	Firm 2010	jmiller@adb.org Le Dinh Thang ldthang@adb.org
GMS: Ha Noi – Lang Son Expressway	ADB	PPTA Stage	Firm 2010	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org Nishimura Masahiro mnishimura@adb.org
Ha Long – Mong Cai Expressway	ADB	PPTA Stage	Firm 2011	Tanaka Yasushi ytanaka@adb.org Nishimura Masahiro mnishimura@adb.org Le Dinh Thang ldthang@adb.org
HCMC Outer Ring Road	ADB	Conceptual	2012	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang ldthang@adb.org
Ha Noi Metro Rail	ADB/AFD	PPTA	2011	rvalkovic@adb.org Le Dinh Thang ldthang@adb.org salomons@afd.fr

GMS: Second East-West Corridor	ADB	Conceptual	2012	jmillier@adb.org Le Dinh Thang tdthang@adb.org
Provincial Transport Development	ADB	Conceptual	2012	Tanaka Yasushi ytanaka@adb.org Le Dinh Thang tdthang@adb.org
Railways Rehabilitation II	ADB	Conceptual		rvalkovic@adb.org Le Dinh Thang ldthang@adb.org
Ha Noi Urban Transport	ADB/	Conceptual		Tanaka Yasushi ytanaka@adb.org Le Dinh Thang tdthang@adb.org
GMS: Southern Coastal Corridor, Phase 2	ADB/AusAID	Conceptual	2013	sdate@adb.org Le Dinh Thang ldthang@adb.org Vu Duc Cong duc-cong.vu@dfat.gov.au
Review of Rural Road Strategy	DFID	Completed	May 2005 – April 2006	Simon Lucas s-lucas@dfid.gov.uk
Transport sector co-ordination (SEDP inputs and other co-ord. support)	DFID/JICA	Completed	November 2004 - March 2006	Yoshifumi Omura, Omura.Yoshifumi@jica.go.jp Simon Lucas s-lucas@dfid.gov.uk
Bridge Inspection and Repair Project	Finland/ FINNVERA	Ongoing	2003-2006	thaiduckhai@cftd-group.com Mauri.Mottonen@finnroad.fi
F/S on rehabilitation of Long Bien bridge	France (MoF)	Completed	2004	sylvain.biard@missioneco.org
F/S on tramway line	France (MoF)	Completed	2004	sylvain.biard@missioneco.org
F/S on pilot rail urban transportation line	France (MoF)	Completed	2005	sylvain.biard@missioneco.org
Modernization of the signaling and telecommunications system of the Hanoi - Vinh railway (phase 1)	France (MoF)	Completed		sylvain.biard@missioneco.org
Modernization of the signaling and telecommunications system of the Hanoi - Vinh railway (phase 2)	France (MoF)	Ongoing		sylvain.biard@missioneco.org
Procurement of equipments for the repairing of locomotives	France (MoF)	Completed		sylvain.biard@missioneco.org
Rehabilitation of 4 railway tunnels at Hai Van Pass	France (MoF)	Completed		sylvain.biard@missioneco.org
Procurement of equipments for the maintenance of the rail track between Hanoi and Vinh	France (MoF)	Ongoing		sylvain.biard@missioneco.org
Hanoi Pilot Metro Line Nhon - Hanoi Railway	France	Ongoing	2007-2010	sylvain.biard@missioneco.org megueullec@groupe-afd.org

Station	(MoF/AFD/ FFEM)			salomons@afd.fr
Vietnam Railways Project	GTZ	Ongoing	2001- 2006	Nguyen Van Tau gtzvr@hn.vnn.vn
Hanoi – Ho Chi Minh City Railways Bridge Rehabilitation Project	JICA	Completed	1994 - 2005	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
National Highway No.1 Bridge Rehabilitation Project	JICA	Completed	1994 - 1999	Nguyen Hoang Nguyen NguyenHoangNguyen.VT@jica.go.jp
National Highway No. 5 Improvement Project	JICA	Completed	1994 - 2004	Nguyen Hoang Nguyen NguyenHoangNguyen.VT@jica.go.jp
National Highway No. 1 Bridge Rehabilitation Project	JICA	Completed	1996 - 2005	Nguyen Liu Ba NguyenLiuBa.VT@jica.go.jp
Hai Van Tunnel Construction Project	JICA	Completed	1997 - 2007	Tran Thi Minh Anh TranThiMinhAnh.VT@jica.go.jp
National Highway No. 10 Improvement Project	JICA	Completed	1998 - 2007	Nguyen Liu Ba NguyenLiuBa.VT@jica.go.jp
Second National Highway No. 1 Bridge Rehabilitation Project	JICA	Completed	1999 - 2006	Nguyen Liu Ba NguyenLiuBa.VT@jica.go.jp
Da Nang Port Improvement Project	JICA	Completed	1999 - 2006	Tran Thi Minh Anh TranThiMinhAnh.VT@jica.go.jp
Binh Bridge Construction Project	JICA	Completed	2000 - 2007	Bui Thanh Xuan Bui Thanh Xuan.VT@jica.go.jp
Bai Chay Bridge Construction Project	JICA	Completed	2001 - 2008	Nguyen Liu Ba NguyenLiuBa.VT@jica.go.jp
Cai Lan Port Expansion Project	JICA	Completed	1996 - 2008	Tran Thi Minh Anh TranThiMinhAnh.VT@jica.go.jp
Hanoi Urban Infrastructure Development Project	JICA	Completed	1997 - 2008	Taro Katsurai, JICA Katsurai.Taro@JICA.go.jp
National Highway No. 18 Improvement Project	JICA	Completed	1998 - 2008	Nguyen Liu Ba NguyenLiuBa.VT@jica.go.jp
Rural Development and Living Standard Improvement Project III (Rural Road)	JICA	Completed	1999 - 2006	Nguyen Thi Van Anh, JICA NguyenThiVanAnh.VT@jica.go.jp
Transport Infrastructure Development Project in Hanoi	JICA	Ongoing	1999 - 2010	Katsurai Taro Katsurai.Taro@jica.go.jp
Hai Phong Port Rehabilitation Project (Phase II)	JICA	Ongoing	2000 – 2010	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Sai Gon East-West Highway Construction Project	JICA	Ongoing	2000 - 2010	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Red River (Thanh Tri) Bridge Construction Project	JICA	Ongoing	2000 - 2012	Kenichi Kobayashi Kenichi.Kobayashi@jica.go.jp
Can Tho Bridge Construction Project	JICA	Ongoing	2001 - 2012	Katsurai Taro Katsurai.Taro@jica.go.jp

National Highway No. 1 Bypass Road Construction Project	JICA	Ongoing	2001 - 2012	Katsurai Taro Katsurai.Taro@jica.go.jp
Tan Son Nhat International Airport Terminal Construction Project	JICA	Completed	2002 - 2008	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Small-Scale Pro Poor Infrastructure Development Project (Rural Road)	JICA	Ongoing	2003 - 2009	Nguyen Thi Van Anh, JICA NguyenThiVanAnh.VT@jica.go.jp
Third National Highway No. 1 Bridge Rehabilitation Project	JICA	Ongoing	2003 - 2009	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Transport Sector Loan for National Road Network Improvement	JICA	Ongoing	2004 - 2010	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Transport Sector Loan for National Road Network Improvement (II)	JICA	Ongoing	2009 - 2016	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Hanoi – Ho Chi Minh City Railway Line Bridges Safety Improvement Project	JICA	Ongoing	2004 - 2014	Oda Shirou Oda.shirou@jica.go.jp
Cai Mep-Thi Vai International Port Construction Project	JICA	Ongoing	2004 - 2012	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
New National Highway No.3 and Regional Road Network Project	JICA	Ongoing	2005 - 2011	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Nhat Tan Bridge Construction Project	JICA	Ongoing	2006 – 2012	Kenichi Kobayashi Kenichi.Kobayashi@jica.go.jp
Small-Scale Pro Poor Infrastructure Development Project (II) (Rural Road)	JICA	Ongoing	2006 – 2010	Nguyen Thi Van Anh, JICA NguyenThiVanAnh.VT@jica.go.jp
Northern Vietnam National Roads Traffic Safety Improvement Project	JICA	Ongoing	2007 - 2012	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp
North-South Expressway Construction Project HCM-Long Thanh-Dau Giay	JICA	Ongoing	2007 - 2017	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Hanoi Ring Road No. 3 Construction Project	JICA	Ongoing	2008 - 2016	Kenichi Kobayashi Kenichi.Kobayashi@jica.go.jp
The Study on Urban Transport Master Plan and Feasibility Study in Ho Chi Minh Metropolitan Area (HOUTRANS)	JICA	Completed	2002-2004	Phan Le Binh BinhPhan.VT@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Detailed Design Study of CAI MEP-THI VAI International Terminals	JICA	Completed	2004-2006	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Project on the Improvement of Port Management System	JICA	Completed	2005-2009	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Project for Traffic Safety Human Resource	JICA	Ongoing	2006-2009	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp

Development in Hanoi (TRAHUD)				Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Study for Traffic Safety Master Plan	JICA	Completed	2007-2008	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Study for Roadside Stations Master Plan	JICA	Completed	2006-2008	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Comprehensive Urban Development Programme in Hanoi Capital City (HAIDEP)	JICA	Completed	2004-2007	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Study on the National Transport Development Strategy (VITRANSS2)	JICA	Ongoing	2007-2010	Phan Le Binh BinhPhan.VT@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
The Project for Reconstruction of Bridges in the Central Area – Phase 2	GOJ/JICA	Ongoing	2003-2011	Murooka Naomichi Murooka.Naomichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Project for Reconstruction of Bridges in the Northern Mountainous Provinces	GOJ/JICA	Pending	2005-2008	Murooka Naomichi Murooka.Naomichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Project for strengthening training capabilities for Road Construction Workers in Transport Technical and Professional School No.1	JICA	Completed	2001-2006	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Building Railway Technical Standard Set	JICA	Completed	2007-2009	Phan Le Binh PhanBinh.VT@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Advisor on Railway Planning and Management	JICA	Completed	2007-2009	Phan Le Binh PhanBinh.VT@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Advisor for management, operation, and maintenance of expressway system	JICA	Under preparation	2009-2011	Phan Le Binh PhanBinh.VT@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Project for Enhancing Capacity of College of Transport	JICA	Under preparation	2009-2013?	Phan Le Binh PhanBinh.VT@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
Master Plan Study on the Development of the New CNS/ATM System	JICA	Ongoing	2008-2010	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp
HCMCC Urban Railway Construction Project (Ben Thanh - Suoi Tien Section (Line 1)) (I)	JICA	Ongoing	2007-2017	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Hanoi City Urban Railway Construction Project (Line 1) (E/S)	JICA	Ongoing	2008-2017	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Hanoi City Urban Railway Construction Project (Nam Thang Long – Tran Hung Dao section (Line 2))	JICA	Ongoing	2009-2016	Sekiguchi Yusuke Sekiguchi.Yusuke@jica.go.jp
Project on Integrated UMRT and Urban Development for Hanoi City	JICA	Ongoing	2009-2010	Kobayashi Kenichi Kobayashi.Kenichi@jica.go.jp Hoang Thi Tuat HoangThiTuat.VT@jica.go.jp

Noi Bai International Airport to Nhat Tan Bridge Connecting Road Construction Project	JICA	Ongoing	2009-2015	
Noi Bai International Airport Terminal 2 Construction Project	JICA	Ongoing	2009-2017	Oda Shirou Oda.shirou@jica.go.jp
Feasibility Study on Urban Railway System of Hanoi	KfW	completed	1999-2000	Mr. Richter, Mr. Nguyen Van Minh office@kfwvn.com
Supply of Modern Railway Cranes	KfW	Ongoing	2000-2003	Mr. Richter, Mr. Nguyen Van Minh office@kfwvn.com
Workshop Programme Danang	KfW	Ongoing	1999 - 2005	Mr. Richter, Mr. Nguyen Van Minh office@kfwvn.com
Main Line Locomotives	KfW	Ongoing	2001-2007	Mr. Richter, Mr. Nguyen Van Minh office@kfwvn.com
Hopper Suction Dredger	KfW	Ongoing	2000-2005	Mr. Richter, Mr. Nguyen Van Minh office@kfwvn.com
Vietnam Railway Control Center	KfW	Ongoing	2007-2010	Mr. Richter, Mr. Nguyen Van Minh office@kfwvn.com
Urban Transport Improvement Project	WB	Completed	11/1998-6/2005	Shomik Mehndiratta smehndiratta@worldbank.org
Inland Waterways and Port Rehabilitation Project	WB	Completed	03/1998-04/2006	Simon Ellis sellis1@worldbank.org
Rural Transport Project	WB	Completed	1996 – 2000	Phuong Thi Minh Tran ptran1@worldbank.org
Second Rural Transport Project	WB	Completed	2000 – 06/2006	Phuong Thi Minh Tran ptran1@worldbank.org
Highway Rehabilitation Project	WB	Completed	1993 – 2001	Dung Anh Hoang dhoang1@worldbank.org
Second Highway Rehabilitation Project	WB	Completed	1997 - 2005	Dung Anh Hoang dhoang1@worldbank.org
Multi-Modal Transport Regulatory Review (PPIAF)	WB	Completed	5/2005-1/2006	Baher El-Hifnawi melhifnawi@worldbank.org
Study on Consolidation and Development of bus System in HCMC (PPIAF)	WB	Completed	6/2005-1/2006	Shomik Mehndiratta smehndiratta@worldbank.org
Rural Road Surfacing Research	WB/DFID/SEACAP	Completed	05/2003 – 03/2009	Jasper Cook jaspcook@btinternet.com
Expressway Development (Da Nang – Quang Ngai) Project	WB	Under preparation	2010 – 2016	Paul Vallely pvallely@worldbank.org Hoang Anh Dung dhoang1@worldbank.org
Hai Phong Urban Transport Project	WB	Under preparation	2010 - 2015	Reindert Westra rwestra@worldbank.org Van Anh Thi Tran vtran@worldbank.org
Mekong Transport and Flood Protection Project	WB	Ongoing	10/2001-12/2010	Dung Anh Hoang dhoang1@worldbank.org

Mekong Transport and Flood Protection Project – Additional Financing	WB	Ongoing	11/2007-12/2010	Dung Anh Hoang dhoang1@worldbank.org
Road Network Improvement Project	WB	Ongoing	10/2004- 3/2012	Phuong Thi Minh Tran ptran1@worldbank.org
Vietnam Road Asset Management Project	WB	Under preparation	2010 - 2014	Fei Deng fdeng@worldbank.org
Road Safety Project	WB	Ongoing	03/2006-6/2011	Van Anh Thi Tran vtran@worldbank.org
Hanoi Urban Transport Development Project	WB	Ongoing	03/2008-12/2013	Reindert Westra rwestra@worldbank.org Van Anh Thi Tran vtran@worldbank.org
GEF - Hanoi Urban Transport Development Project	WB	On-going	03/2008-12/2013	Reindert Westra rwestra@worldbank.org Van Anh Thi Tran vtran@worldbank.org
Mekong Transport Infrastructure Development project	WB/AusAID	Ongoing	05/2007-12/2013	Dung Anh Hoang dhoang1@worldbank.org Vu Duc Cong duc-cong.vu@dfat.gov.au
Northern Delta Transport Development Project	WB	Ongoing	06/2008-06/2014	Baher El-Hifnawi melhifnawi@worldbank.org Dung Anh Hoang dhoang1@worldbank.org
Third Rural Transport Project	WB/DFID	Ongoing	09/2007 – 12/2011	Phuong Thi Minh Tran ptran1@worldbank.org Ngo Thi Quynh Hoa nq-hoa@dfid.gov.uk
Third Rural Transport Project – Additional Financing	WB/DFID	Under preparation	2010 –2015	Phuong Thi Minh Tran ptran1@worldbank.org
Thanh Hoa – Bai Vot Expressway	WB	Under preparation	2010-2015	Fei Deng fdeng@worldbank.org

PEOPLE'S PARTICIPATION WORKING GROUP

Partnership Note December 2010

The People's Participation Working Group (PPWG) was established in 1999 as part of a network of thematic development partnership groups. PPWG is an informal network and platform dealing with issues relating to people's participation, grassroots democracy and civil society. The group is open to all stakeholders interested in sharing information and carrying out joint activities contributing to Vietnam's development and poverty reduction processes. PPWG is made up of a voluntary Steering Committee (SC) and a broad group of members including more than 280 organisations and individuals, many of which are taking part in PPWG activities organised by the SC. The SC consists of 20 members and regroups representatives from Vietnamese NGOs, UNDP, the World Bank, various Embassies and bilateral donors, international NGOs, and individuals. The recently elected chairperson is Ms. Nguyen Thi Bich Diep, Justice Initiative Advisor of Justice Initiatives Facilitation Fund (JIFF) under Justice Partnership Program.

1. Update on key PPWG activities - PPWG Task Groups

In the last 12 months, standing PPWG Task groups pursued their work (i.e. the Task Group on the legal framework for people's participation and civil society; the Task Group on Anti-corruption; the Task Group on Local governance; task Group on Law on Access to Information; and the Task Group on Decree 151 on Collaborative Groups) and, in parallel, a new Task Group were established: the Task Group on ASEAN People's Forum – APF3). The key outputs of the work of these Task Groups are as follows:

Task Group on the Law on Access to Information

Ministry of Justice (MoJ) had been assigned with the task of leading the drafting of the Law on Access to Information. To prepare for the drafting process, MoJ conducted studies on perspectives of government officials (central and local) on access to information. Being welcome by MoJ, PPWG member organizations and partners (including Oxfam Great Britain, Action Aid Vietnam, Care International, CODE, DED and the World Bank) conducted a survey on the situation and needs for access to information from perspectives of citizens and civil society organizations in provinces of Ninh Thuan, An Giang, Quang Binh and Ha Noi.

The survey report was submitted to MoJ in January 2010 for reference, which served as base-line inputs to the draft law and was included in the draft law proposal package to the Prime Minister's office. Along the legislative process, PPWG identified opportunities to present the study messages to policy makers and NA deputies in particular. A journal article was sent to "Dan chu va phap luat" magazine in March 2010. In September 2010, key figures of the Survey report was presented in the two-day workshop lead by MOJ to improve the draft Law on Access to Information.

Task Group 151 on Collaborative Groups

To continue PPWG's support in development of Decree 151/2007/ND-CP, which was approved in 10/10/2007, in 2009, PPWG conducted a quick assessment on the implementation of 151 Decree in some members' project areas, including: CARE's survey in Hoa Binh, Bac Kan and Thanh Hoa; Oxfam GB's survey in Ninh Thuan and Lao Cai; and SRD's survey in Phu Tho. Key findings of the assessment reflected very weak dissemination of the Decree at grassroots levels and poor methods of dissemination (no documents handed-out, no concrete guidelines).

In 2009, funded by Oxfam American, PPWG and MPI co-organized the workshop entitled “Collaborative Groups Degree in practice and how to promote its implementation” and from that developed a plan to collaborate on further dissemination of the Decree and this plan was followed up during 2010. PPWG members provided support to MPI in the process of designing four information, education and communication products related to decree on collaborative groups including (1) guideline for Decree 151 and its Circular implementation, (2) Training Manual on Decree and guideline circular; 3) Television forecast and (4) radio forecast . The designing of those products were completed in May 2010 and sent to collaborative groups and local authorities in some provinces aiming to awareness of decree 151 and its implementation in practice.

On 27-28 August 2010, a national workshop on “Promoting the Development of Collaborative Groups” was organized by MPI and PPWG (headed by Care International and Oxfam GB) which gathered 172 participants from different ministries, local authorities and collaborative groups of 14 provinces in the northern of Vietnam. The workshop reviewed implementation of Decree 151 and recommended further action to promote the implementation of decree in practice including dissemination of the Decree and its guidance documents. In this workshop, the participants also suggested revision of Decree 151 in order to have clear policy support to collaborative groups and solve some issues of collaborative groups for example the legal status to access to loan.

Task Group on Asean People Forum 2010 (APF3)

Recognizing the important of APF3 in Vietnam, PPWG's Steering Committee agreed to establish a working theme within PPWG to work on "ASEAN People Forum - APF" in 2010. In late 2009, the task group led by CODE was formulated which included Oxfam Great Britain, Care International, Action Aid Vietnam, CODE, PanNature, SRD, Warecod and ISEE. The taskforce proposed collaboration framework with VUFO – the leading organization of APF3 in Vietnam. Throughout 2010, the taskforce actively participated in the preparation for APF 3. Each member was encouraged to be active and took advantage of their strength to contribute to APF3. Various types of participation and supports have been acknowledged, such as:

- Two members of PPWG SC were included in APF3 Steering Committee (C&D and ISEE; C&D produced and distributed introduction book about APF3)
- Some members led preparation of thematic workshops: i.e. CODE led the theme of National Resources, ISEE coordinated concept paper for and led the theme of Ethnic Minority and indigenous people, SRD led the theme of Poverty alleviation and Social security.
 - o ISEE organized three workshops including 1) a national workshop on EM (organized on 17 September 2010 with the participation of 50 representatives from policy makers, researchers, development workers, donors, ethnic minorities, mass organizations and media); 2) a regional technical meeting (with 25 participants as experts, NGO staff and indigenous people from Singapore, Thailand, Indonesia, Malaysia, the Philippines, Cambodia, Burma, and Vietnam); Analysis and recommendations from these workshops was used as inputs for final official workshop on the issue and contributed to the final statement of APF3.
 - o CODE co-organised a regional workshop on “Towards Building ASEAN Community on Environment” on 23 September 2010 with participation of 40 participants from 6 countries to discuss environmental issues in ASEAN, and

therefore required ASEAN to establish the fourth strategic pillar on environment in building ASEAN community. The outputs of this regional workshop then brought into wider discussion in two related themes in APF, those are (1) Natural resources, energy and water, which CODE was co-chaired, and (2) Climate change, environment and natural disaster. As the result of this effort the final statement of the APF was clearly indicated that ASEAN need to establish the fourth strategic pillar on environment as well as importance of sufficiently used and managed natural resources for wealth being of ASEAN citizens.

- SRD co-organized a prior workshop on poverty alleviation and Social Security on 23 September 2010 with participation of 100 participants from Asean countries to discuss the poverty alleviation and social issues in Asean. The workshop outputs contributed to other related themes in APF including (i) the currently situation of poverty in Asean affected by economic crisis (ii) factors affected such as climate change, child and women labors, land less, damp building (iii) country's policies to support rural area on social security. The workshop concluded that the ASEAN and its member governments should undertake basic economic and social reforms, cease liberalization and budget austerity measures, and adop further policies that contribute to impoverishment. ASEAN member governments should also learn diverse models and make significant steps to eliminate poverty”.
- Some other members supported financially and technically the APF 3: i.e. Oxfam GB and Action Aids participated in the Program Committee and funded the organizer to foster information sharing about APF 3 and cooperation relations between Vietnamese and ASEAN people; Care International funded PPWG members (local NGOs such as ISEE) to conducted thematic workshops. In order to enhance civil society engagement in APF 3, Care International also supported information dissemination about APF 3 to more than 500 CSOs nationwide; recruited a consultant to do translation and news briefing to upload on APF website for better access to information by VNGO/CSO in Vietnam; and supported VNGO/ CBO to attend the forum (if they wish to) by funding them registration free, travel and accommodation in Hanoi and outside of Hanoi.

2. PPWG Activities for 2010-11

2.1. PPWG thematic focus

PPWG will continue its work on a number of themes and key issues of people's participation and civil society development in Vietnam, focusing on:

- ***The changing legal framework and opportunities for people and civil society participation.*** As the legal framework keeps changing, it is essential to continuously take stock of the opportunities and implications provided by these changes.
- ***Local governance.*** As the legal framework continues to evolve, it has become more and more important to focus on the practice of application, especially the monitoring and watchdog roles of CSOs.
- ***Aid modalities and Aid effectiveness.*** As CSOs are attached to community strengthening and people, an indicator of aid effectiveness should be how much CSOs and local communities benefit directly from donors aids. It is essential to look at new aid modalities

for the sake of equity and sustainable development of CSOs and CBOs, especially in the current context of Vietnam.

In addition to the above four topics, the PPWG might also include other issues in response to new developments and following its members' interests.

In an attempt to enhance its participation and contribution in the law and policy making process, PPWG will systematically analyze and follow-up on the application and implementation of the following key legal documents relating to civil society organizations (social organizations):

- the state overall policies on CSOs development (i.e. the Party Congress resolutions);
- documents governing basic right to associate and establishment and operation of CSOs (i.e. the Constitution, the Civil code, Law/Decree 52, decree on associations, decree on social and charity funds);
- documents governing establishment of specific types of CSOs (i.e. Law on Youth, decree on science and technology units, decree on social protection centre, decree on micro finance groups, decree on collaborative groups);
- documents governing issues of budget, finance and tax (i.e. budget law, Personal income tax law, Enterprise income tax law, decree on funding for associations);
- documents governing specific rights and participation of CSOs (i.e. Law on laws, Ordinance on grassroots democracy, documents on delivery of public services).
- documents encouraging engagement and voice of CSOs in various areas (environment, climate change, right-base of specific vulnerable and minority groups...)

2.2. Specific activities planned

PPWG has not finalized its 2011 work plan, but the following activities are being considered to be conducted during the first half of 2011:

- A workshop to update on changes of policy and legal framework for CSOs, including promoting tax justice
- A quick survey and workshop on recent studies concerning CSOs and discussion of application of these studies
- Focus group meetings to review and debate on aid modalities towards community empowerment and enhancement of aid effectiveness
- Other activities to continue the current efforts of the Task Groups and any ad hoc urgent key issues.

PUBLIC FINANCIAL MANAGEMENT PARTNERSHIP

Partnership Note 2010

Effort of the Ministry of Finance in implementing public finance reform has been continuously supported by the donor community through ODA programs and projects. Together with on-going projects, in 2010, the Ministry of Finance has received several new projects and programs. These projects have significantly contributed to the recovery of Vietnam economy, social-economic development as well as public finance management reform progress.

This report aims at updating progress and result of aid effectiveness from donor community for the public finance management reform from December 2009 to December 2010 and for the next period.

I. Outcomes of partnership relation in 2010

1. Assistance from international donors for PFM reform process:

During the past twelve months, assistance from donor community for PFM has been still in line with the directions of the Single Document on PFM comprehensive reform strategy approved in 2007. Coordination between domestic reform efforts and technical assistance within project framework is still remained. All domains of PFM reform have had receiving esteemed attention of donors with different level.

In 2010, international donors have financed three new projects for PFM reform as follows:

- (1) National single-window customs project funded by USTDA with total budget of USD 718,600, implemented for six months (starting from the effective date of the Financing Agreement).
- (2) Project on X-ray container under framework of the Cooperation Assistance program ASEAN-Japan on strengthening customs clearance functions with total of USD 1,875,600 is now being approved
- (3) Project on building capacity on internal auditing for Financial Inspection of the MOF funded by WB with the total of USD 150,000 is now being approved.

With the three new projects, the MOF continued receiving a grant of over USD 2.7 million from bilateral and multilateral organizations. These projects, beside focusing on policy issues, has focused more on creating better environment for enterprises and strengthening audit and supervision capacity of state management agencies.

Moreover, during the past time, the MOF continued receiving funds from some donors in the forms of consultancy, training, workshops, and research in specialized subjects such as bilateral cooperation program (out of project framework) between the MOF and ADETEF (France); Cooperation Agreement between the MOF and Ministry of Finance of the United States; cooperation activities between the MOF and IMF.

For assistance resources in the form of ODA loans, in 2010, the MOF continued being assigned by Government to be loans management of the following projects:

- (1) Program on SOEs Reform and Corporate Governance Facilitation was approved in November 2009. However, Loan Agreement between the Government and ADB has just signed on 27 September 2010.
- (2) Receiving and approving the project of Resettlement Support after Natural Disaster (Component III of the “Risk Management after Natural Disaster Project, whose line agency is the Ministry of Rural and Agriculture Development), using WB loan of USD 75 million.

These ones are projects using loan capital of Government in order to re-lend enterprises and localities to invest in local infrastructure, restructuring debts of enterprises, and restructuring enterprises, or allocate to localities to support resettlement after natural disaster.

Together with Project on Local Development Investment Fund was approved and started implementing in May 2009, the MOF has now been managing total loans of USD 401 million, but play the role of coordinator/manager, not the final beneficiary.

2. Outcomes/achievements from assistance of donors for PFM Reform Process:

- In 2010, the MOF has the total of 27 programs and projects (including: two projects are on the process of receiving and approving; two new projects; one project has just signed Loan Agreement; and 22 programs and projects are transferred from 2009). Also, the MOF made procedures to finish two projects (Center for Insurance Training using the loan of AFD – France; and Capacity Building on public finance and economic statistics training and managing funded by French Government). In 2010, the ODA estimated disbursement is about VND808,725 million and the counterpart fund disbursement is approximately VND106,302 million, equivalent to the average disbursement rate is 40%.
- In 2010, ODA projects and programs have a great many of specific outcomes, contributing to the important domains of financial sector as follows:

a. Expenditure management

- Experts of “Public Finance Component” funded by GTZ continued supporting the MOF to research and develop the draft of revised State Budget Law; consulting to develop report policies on finance and budget; researching and revising budget categories; organizing group meetings, seminars among members of the Unit which has responsibility for developing the cost norms allocating state budget to current expenditure for the period of 2011-2015; organizing two seminars with the participations of 63 provinces on the cost norms which allocate state budget to current expenditure of the year 2011.
- In the framework of PFM Reform Project using WB loan: Until early November 2010, TABMIS has deployed the TABMIS in 35 provinces. In the coming time, it is implementing for five provinces as well as training documents closing; organizing training courses on policies relating to TABMIS (Component 1); printing the report of Mid-term expenditures framework (MTEF) and Mid-term Financial Framework (MTFF) and transferring to related agencies (Component 2); organizing an overall evaluation on project implementation and preparing project –phase 2 (Component 4).
- Multidonors Trust Fund Project – phase 2 (MTDF2) funded by a group of donors including Switzerland, Australia, Canada, Denmark, Netherland and EC: supporting to draft Decree on organization and operation of internal auditing through organizing a study tour in Australia and Indonesia in order to have experiences and lesson learnt for Decree development.

b. Revenue Management

- Under the support of “Public Finance Component” funded by GTZ, experts have consulted with the draft of environment taxation law; organizing seminar on impact evaluation methods and introduction models to be used to evaluate the impact of environmental taxation law draft; organizing a study tour in provinces in the South before promulgating this law; and organizing a study tour on customs in Germany.
- Customs Modernization Project using WB loan: Experts from MSP consultation company submitted initial report on the bidding of “restructuring professional procedures and developing bidding offer of IT system”; referring to the bidding of “X-ray container”, will be placed in: (i) Cai Lan Port – Quang Ninh Customs Department; (ii) Tien Xa Port – Da Nang Customs Department and (iii) Sai Gon KV3 Port – Ho Chi Minh Customs Department;
- Project on Strengthening customs management in Hai Phong Port funded by JICA – Japan: Equipping a synchronic, big-size X-ray container has implemented about 50% of the work volume (building X-ray container house, supervising X-ray container during the production in the UK)/
- Regional Cooperation Project on Customs Risk Management in Mekong region funded by JICA – Japan: conducting a training course on risk management for 60 customs officers and a study tour on risk management in Thailand.
- Project on strengthening training system for customs officers at border gates of Vietnam Customs funded by JICA-Japan: conducting review and improve training materials; organising field trips at provincial customs departments to develop a feedback mechanism between customs department and enterprises.
- Project on Simplifying Taxation Administration Procedures for medium and small enterprises in Vietnam funded by IFC: In 2010, action plan includes some activities as follows: doing a survey on VAT rates, PIT rates for individual business and small-medium enterprises; studying risk – based inspection methods; developing criteria for categorizing tax payees together with reducing the frequency of tax declaration.
- Project on Tax Administration Reform – phase 2 funded by JICA – Japan: conducting study tours, seminars, training for task groups on supporting to tax payees, inspection and training.
- Project on Taxation Administration Modernisation using WB loan: completing bidding offer of ITAIS (in English and Vietnamese), being currently appraise according to domestic procedures and send it to WB for NOL; being prepare procedures to sign contract with international IT consultant; conducting study tours on ITAIS in the United States and Philippines; conducting a study tour on combating corruption in the United States; conducting a study tour on professional strategy in Australian Taxation Agencies.

c. Government Debt Management

- In the framework of project “PFM Reform” using WB loan (Component 3): International experts have given comments to the draft of Decrees guiding the implementation of the public debt management law; organizing a mission for the CTA on public debt management as well as a seminar to strengthen debt management capacity.
- International experts of “Public Finance Component” funded by GTZ have given comments on two drafts of Decree guiding the implementation of Public Debt Management Law and Re-lending.
- Financial Policy Analysis Support Project funded by UNDP: conducting some seminars aim at collecting comments for the report of legal framework of attracting less incentive

capital resources and the progress report given by international experts; experts presented the study report of legal system on financial management; introducing the evaluation system on sustainable debt.

d. State-owned enterprises management

Technical assistance in drafting Government Decree on State Capital Management and Investment in Enterprises funded by MDTF - Beyond WTO Program governed by Ministry of Trade and Industry: developing action plans on study tours and domestic field trips; reviewing existing legal framework guiding on management, investment and trading state capital in SOEs and finishing the procedures on establishing Bidding Group of legal consultation for the Project.

e. Public asset management

Project of finalization of policy on land in the course of equitisation of the State-run enterprises funded by MDTF - Beyond WTO Program governed by Ministry of Trade and Industry: finishing the report of lessons learnt from the study tour in Poland and the report, which is prepared by experts, of revising and adding Decree No.198/2004/NĐ-CP on land using fees and Decree No. 142/2005/NĐ-CP on water surface using and land renting fees.

f. Price management

Project of supporting to develop Price Management Law funded by MDTF - Beyond WTO Program governed by Ministry of Trade and Industry: finishing the report of collecting international experiences on developing price management law and the report of price management situation evaluation in Vietnam. These two reports are used for developing the draft of price management law which is feasible and relevant with the practical context in Vietnam.

g. Capital market, inspection, insurance, ect.

- In the framework of capital market development project funded by Luxembourg: experts on e-business, risk management and fund management have deployed evaluation activities of market context.
- Local Development Investment Funds Project using WB loan: offering two biddings and disbursing for two sub-projects.
- Component Project "Strengthening the Comprehensive Capacity of the Financial Inspectorate to the year 2014" funded by Sweden, Denmark, Canada and Netherland: approving detailed action plans; organizing three field trips to review the inspection implementation in order to develop three procedures on provincial budget inspection, infrastructure investment inspection and administration agencies inspection.
- Project of financial policy analysis project funded by UNDP: conducting study tours on insurance business law, import-export taxation, funds management; organizing seminars on SOEs equitization, financial policies for tri-agriculture, ect; and supporting to implement activities relating to capacity building in the MOF.
- Cooperation Program between the MOF and ADETEF (France): to continue supporting for four domains (taxation, customs, treasury and financial inspectorate). Moreover, the MOF and ADETEF has signed the cooperation framework for the next three-year stage (2011-2013).
- Cooperation activities between the MOF and Ministry of Treasury of the United States: supporting the MOF in tax administration; capital and bonds markets.
- Cooperation activities with IMF: supporting the MOF in tax policies and tax administration.

b. Other issues

- The MOF continues updating CFAA twice a year.
- In regards to pilot implementation of PEFA: the MOF is preparing for PEFA evaluation. This activity is expecting to implement in early 2011.

3. Outcomes/achievements from implementing action plans of Aid Effectiveness Forum in 2010:

- The MOF has firmly coordinated with the Secretary Unit implementing activities set out for 2010.
- The MOF has actively involved in activities within Aid Effectiveness Forum, such as: (i) giving comments on the project idea form harmonized between the Government and donors, (ii) participating seminar on the introduction of Aid Effectiveness Forum, (iii) sharing the MOF's information at the seminar of Capacity Building Group (iv) giving comments and answers for questionnaires on Partnership Groups, (v) participating the seminar on "Development cooperation perspectives of Vietnam in the period of 2011-2015.

4. Outcomes/achievements from the implementation of Hanoi Core Statement on Aid Effectiveness:

- In 2010, the MOF has by itself studied the operation models of other Partnership Groups in Vietnam and then applied some changes for PFM Partnership Group. In coming meetings, the MOF will encourage the donors to more involved such as inviting donors to present your interested subjects and policy dialogues at the PFM partnership annual meetings. Thereby, this change will increase the effectiveness in the implementation of "Encouragement the Ownership" and "Sharing Tasks" set out in Hanoi Core Statement.
- Also, in 2010, the MOF has developed electronic information portal on ODA programs and projects and expecting to operate in the coming time, thereby the information of ODA projects and programs as well as PFM reform will be informed transparently, accurately and timely.
- The MOF continues encouraging to apply the governmental regulations. However, the objectives of "outcomes-based management" and "procedures harmonization and simplicity" have not made progress.

II. Proposed Activities of the public financial management will be expected to implement in the year to come

- Planned disbursement of ODA programs and projects of MOF within the year of 2011 will be approximately 700.000 million dong for ODA fund and 40.000 million dong for counterpart fund.
- Enhancing ODA coordination by sector or field in MOF will be executed by establishing "Action Plans" to carry out Financial Development Strategy for the 2011-2020 period, so that ODA absorptive capacity and mobilization from donors' support will be strengthened to meet the MOF's require and milestone in accordance with development of financial sector.
- MOF will keep up recurrent update on Country Financial Accountability Assessment once every six months.
- In terms of pilot implementation of Public Expenditure and Financial Accountability, MOF have been on-going to make necessary provision for this matter. The expected beginning time of pilot assessment is the year of 2011.

- Through in-depth dialogues/discussions on public finance management and aid efficiency, as well as implementation of reciprocally associative study/assessment, enhancing mutual participation, contribution from donors will play a prominent role in the reform of Partnership Group's activities if enough budget.
- Principle of "Results-based Management" will be introduced and applied to ODA project-level and project-listing-level in MOF in 2011.

III. Evaluation on aid efficiency of public financial management over the past year

Through experience-based assessment and from its view on partnership group of the public financial management, MOF has pointed out some mentioned-below aspects, matters with the aim to improve and strengthen aid efficiency in the next time.

1. Achievements

- Firstly, MOF has expressed its high appreciation of the achievements of the internal donors' consistent support to public financial management over the last twelve months. ODA programs and projects have given rise to significant results, had a vital role to public financial management reform, refortified organic structure, strengthened MOF's cadre capacity, as well as met requirements to financial reform and development.
- MOF will keep remaining a synchronous and consistent characteristics in strategy for the public financial reform programme, articulated in the Single Document regarded as the absorbability orientation of support from internal community. That MOF's proactive proposal for the sectorial/Vietnam reform programme has made its commitments and high ownership.
- MDTF phase 2 has been effectuated to assist in the public financial management with top effort of much more ownership than in phase I.
- Moreover, it is the expansion of scale, priority areas and modalities of ODA delivery that demonstrates flexible forms of ODA provisions would be a useful addition to the propriety, effectiveness and efficiency of ODA projects. There makes little disparity of ODA projects' efficiency between different aid patterns such as bilateral donors and multilateral organizations or multi trust funds and so on. Nevertheless, donors' advantages often exert a determining influence on efficiency of projects. Bilateral donors are usually of great advantages to specific fields, while multilateral projects frequently gain superiority in providing international experience, and multi trust funds accommodate Vietnamese side with the whole, diversiform needs.
- According to previous proposals of both sides from donors and MOF at some last meetings, the latest attempt on ameliorative activity mechanism of Partnership Group on public financial management sector has been paid much attention.

2. Some attentive issues needs upgrading in partnership cooperation

- The Partnership Group's activity implementation on public financial management has still been lack of flexibility, only by communicating and updating information through annual meetings and political dialogues. There is a shortage in information/knowledge on development policies and activities of donors' community.
- Moreover, both required resources for Partnership Group's activity on public financial management and the division's capacity responsible for aid efficiency and coordination of MOF are limited.
- MOF has recognized that human is principal factor, so strengthening capacity of the cadre to be in charge of projects' management and implementation is necessary to line agencies and owner of ODA projects, programs.

- Partnership Group on public financial management at aid efficiency forum, along with donors community in management and in operations has associated in a fixed limit.
- MOF has attached significance to coordination mechanism that impacts on aid effectiveness. That aim to solidify their comprehensive partner relationship will create a new impetus in solving the problems and difficulties during the course of five pillars implementation for reform such as “harmonized and simplified procedures”, “strengthening ownership”, “managing for results” and “country system alignment” as well as “mutual accountability ” in the spirit of the Ha Noi Core Statement on Aid Effectiveness.

3. Some specific on-going issues of project development in MOF:

3.1. Promoting cadre capacity development

- The modern knowledge on projects management, monitoring and evaluation, managing for results equipped by the specialised cadre is inadequate with the volume/quantity, quality and scale of the projects funded for MOF.
- It is difficult to conduct training activities for accelerating knowledge and experiences of projects’ cadre on “Managing for results” because of insufficient financial resources. Besides, the shortcomings of owner of ODA project reports put the line agency in a laborious situation during the course of project implementation. The starting date of the program or project often extends due to the problems of setting up, appraising and approving action plan, disbursement plan, consultants’ selection and so, especially ODA loans.
- Based on the mentioned-above reasons, it is in need of training enhancement and skill-based project management cultivation in order to mitigate this problem.

3.2. Consideration for solving the entanglements pertaining to procurement, particularly ODA loans

- In many cases, difficulty in selecting and recruiting specialised consultants for the components of procurement on information technology system and sectoral equipments, making up approximately 80% in total project funds gave it tardy to commence projects as expected.
- Scarcity of suitable and professional consultants.
- Complex and rigid cycle and procedures of ODA loans
- Augmenting combination of the stakeholders to handle emerging problems will contribute to speedy implementation of procurement and proper consultant selection.
- Continue to strengthen procedure alignment between the Government and international community, especially procurement procedure.

3.3. Search for new support modalities to give accordant regulations

As a line agency, MOF has recently arisen the national projects, programs most of which are ODA loans. However, the projects’ purpose doesn’t pertain to scope of the public financial management, conveyed in the Single Document. Although MOF is regarded as either line agency or project owner, MOF takes its coordination role and is not the final beneficiary. For examples:

- Project of Investment Fund for infrastructure from ODA loans by WB, commenced from the first of May, 2009.
- The State-Owned Enterprise Reform and Corporate Governance Facilitation Project is appraised and approved from November, 2009. However, the ODA loan treaty between the Vietnamese government and ADB only just included in 27th September, 2010.

- Component 3: Post-Disaster Reconstruction Support – of the Vietnam Natural Disaster Risk Management Project phase 2.

In fact, those projects/programs belong to neither technical assistance project nor direct investment project funded for MOF. Modalities of ODA delivery does not include either budget support or sector support like several on-going programs such as 135 programme, PRSC, so on. In spite of its owner project, MOF has its coordination part. It is carefully considered for the utilization of ODA loans and debt-paying ability to ensure its effectiveness at the first setting-up stage to the course of implementation because of new modalities of ODA delivery.

- In terms of needs/benefits, those projects services for the most part of national benefit much more than for reform requirements in the public finance. It makes those projects' difference from the on-going projects for financial sector development. Therefore, It needs coordinating the line agency and donors in the period of Pre-feasibility Study, setting-up project documents, approval to handle the emerging problems more flexible.
- The Government has not issued specific regulation on management mechanism of disbursement and utilization of capital resources. Hence, the project management of funds, cost, expenditure has built on "Guidance Handbooks/Documents" by each project owner.
- In order to ensure end-user effectiveness of ODA loans, the capacity extension for establishing proper regulation on management mechanism and utilisation of ODA loans is requisite.

3.4. Establishing website on ODA projects/programs for the public financial management.

- Up to now, MOF has already constituted a website to update the information on ODA projects/programs for the public financial management.
- Improving this website will contribute to achieving greater effectiveness of valuable support from donor community in the next time. MOF is highly appreciated better coherence and active participation by donors from both providing information inputs on donors' operation and development policies as well as supporting budget resource to continue and develop it, encouraging support from MDTF2.

II. PARTNERSHIP GROUP MAPPING

SUMMARY REPORT

1. Background

ODA resources have made a significant contribution to socio-development and poverty reduction in Vietnam over the past period and continue to play an important role in supporting Vietnam to realize the 10-year socio-economic development strategy (SEDS) for period 2011-2020 and the 5-year socio-economic development plan (SEDP) for the period 2011-2015. In the new context when Vietnam is going to reach the middle income country (MIC) status and dealing with global challenges such as climate change, the Government of Vietnam (GoV) and its development partners agree to transform the Partnership Group on Aid Effectiveness (PGAE) to Aid Effectiveness Forum (AEF) as a new approach to enhance aid's contribution to development effectiveness. The AEF was officially established on 2nd February, 2010 and has adopted its AEF Workplan 2010 on 23rd March, 2010.

Taking into account the fact that though there are 24 partnership groups at sectoral level in form of the Sectoral Partnership Groups (SPGs) or International Support Groups (ISGs) in Vietnam, their contributions to the formulation and implementation of sectoral development strategies and plan have varied. At the architecture level, a network for coordination among them has not been established; therefore, the division of labor and complementarily approach has not been taken. Besides, although the aid effectiveness is crucial and regarded as a cross-cutting issue, it has not been much influenced in their activities, AEF considers one of its top prioritized mandates is to conduct a comprehensive study on the way SPGs and ISGs have operated and how they have contributed to the formulation and implementation of sectoral development strategies as well as the efforts they have made to aid effectiveness agenda.

2. Objectives and Scope of the Mapping Exercise

The main objective of the study is to review and analyze SPGs and ISGs to improve the arrangements where their aid/development effectiveness efforts are shared and consolidated to further enhance their contributions to the aid effectiveness agenda and to the formulation and implementation of sectoral development strategies and eventually to the formulation/implementation of SEDP. Specific objectives of the mapping exercise include:

- Mapping of the current states of SPGs / ISGs (roles, functions and responsibilities, working models and processes)
- Exploring strengths, constraints and potential opportunities of SPGs and ISGs
- Reviewing coordination practices (within & among) of SPGs/ISGs and the engagement of SPGs / ISGs in aid effectiveness and development effectiveness

As set out in the AEF Work Plan 2010, the scope of the mapping exercise is to cover all SPGs/ISGs that actively participate in CG process and will be conducted in two phases:

- Phase I (with results presented in this report) focuses on producing an inventory of SPGs and ISGs, though:
 - Mapping of the states of SPGs and ISGs (mandates, functions and responsibilities, working processes).
 - Identifying strength and weakness of SPGs and ISGs as the whole.
 - Describe the current status of network of SPGs and ISGs and the engagement of SPGs and ISGs in aid effectiveness and development effectiveness of AEF.

- Phase II (based on the result of Phase I) with focus given to the model and architecture that SPGs/ISGs can follow to maximize their contribution to SEDP at sectoral level (e.g., in developing sectoral 5-year plan, supporting sectoral capacity development, etc.).

This report presents the mapping process and preliminary results of the Phase I study, while the planned Phase II study is discussed in Section 2.5 at the end of this report.

3. Mapping method and participants

3.1 Mapping Method and Phase I Study Process

In order to fulfil the mapping objectives, the mapping methodology follows principles of independent and forward-looking view and takes architecture approach. The complete mapping exercise is conducted through intensive desk study on reviewing literatures on ODA and existing partnership groups, questionnaire survey, key informant interviews, communications and exchanges of views for inputs from AEF EXCOM, government, donor, NGOs and concerned stakeholders through workshops / meetings.

The Phase I study is conducted from August 2010 and finished by end of 2010, focusing on producing an inventory of SPGs and ISGs in terms of their mandates, models of operation, activities performances, contribution to AE agenda and future outlooks. The main activities including of desk study, questionnaire survey, focused bilateral interviews of selected PGs, supplemented with an Orientation Workshop and inputs from AEF ExCom members are conducted. Based on the previous Vietnam Partnership Reports 2002 – 2010, the full list of 22 partnership groups are identified as targets for this study (see Section 2.3.2). Following the methodology described above, the mapping seeks to answer three core questions:

- What are the current operational model, states and performances of SPGs / ISGs?
- How have SPGs / ISGs contributed (individually & collectively) to sector development, to development partnerships and aid effectiveness agenda?
- What is their relevance in the new development context?

After intensive desk study, a set of qualitative survey questionnaire was developed, consulted with the related stakeholders at the Orientation Workshop organized on 15 October 2010 and then, finalized before sending out to 22 target partnership groups listed below. The designed questionnaire is structured on 5 information areas: (1) general information of SPGs/ISGs with formal documentation; (2) model of operation with PGs organization structure; (3) activities performance in terms of contribution to AE agenda and linkage to AEF; and (4) future outlooks in the new development context (see full *Mapping Report* for details).

3.2 Participating SPGs/ISGs

For the survey, questionnaire had been delivered on 20 October 2010 to all 22 listed partnership groups as follows:

1. Gender Action Partnership - NCFAW
2. ISG Environment - MONRE
3. Partnership Group for SME Promotion and Private Sector Development - EDA-MPI
4. Financial Sector Working Group - SBV
5. Education Sector Partnership - MOET
6. Health Partnership Group - MOH
7. Forest Sector Support Partnership (FSSP) - FSSP Coordination Office (FSSP CO)

8. Natural Disasters Mitigation Partnership - MARD
9. Rural Water Supply and Sanitation Partnership - MARD
10. Partnership on Avian and Human Influenza – PAHI Coordination office
11. Transport Partnership Group - Ministry of Transport and JICA
12. Urban Forum - MOC
13. Legal Reforms Partnership – MOJ
14. Public Financial Management Partnership – MOF
15. ISG-MARD - MARD
16. HIV/AIDS Technical Working Group – UNAIDS
17. People’s Participation’s Working Group - JIFF
18. Public Administrative Reform Partnership – MOHA and UNDP
19. Poverty Working Group/Poverty Task Force - MPI
20. Partnership to support National Target Programs on Poverty Reduction - MOLISA
21. Partnership on SOE Reform & Equitization - WB, IMF
22. Trade Reforms Working Group - WB

3.3 Mapping Activities Conducted

In total, 16 partnership groups (from the 1st to 16th in the list above) had returned filled questionnaires, which included multiple choice, narrative description and comments/suggestions. A number of responded partnership groups enclosed associated supporting documents, such as MOUs, list of international and government members, reports and links, allowing the consultant to have better information for mapping and for preparing for selected informant interviews. Among the non-returnees, 4 partnership groups were confirmed by the WB Partnership Officer as non-activity for sometime (although they were active few years back), such as Poverty, NTP on Poverty Reduction, SOE reform and Trade. The 3 remaining partnership groups seem still active but their coordinating units/persons may have changed and cannot be contacted during the Phase I mapping process.

In parallel, 6 partnership groups were selected for interviews, namely: ISGE, Gender, Urban Forum, Legal, FSSP and HIV/AIDS. The groups are selected for interviews on the basis of sector representation, PG-class representation, development partners representation (both government side and donor side) as well as operational model representation. The interviews were based on semi-structured and open questions of: (i) models of operation of selected partnership groups; (ii) activities performance and coordination between participating government agencies and donors; (iii) link to aid effectiveness agenda and contribution to development effectiveness; and (iv) future plans and collecting comments and suggestions on how to improve PGs performance and better contribute to AE agenda. During most of interviews, past activities and future plans of each of PGs in relation to AEF are discussed in details. Furthermore, exchanges of models of operations and partnership experiences received a lot of interests among interviewed partnership groups.

In addition, a range of outputs of SPGs / ISGs including semi-annual partnership reports for 2002 – 2010, information from related websites and reviewing reports was collected to highlight the PGs’ performances, their relevances and future plans in coming decade. Based on information collected, 4 summarized matrices and this summary report was compiled including suggestions / opinions from SPGs / ISGs how to move forward. The draft report was consulted with AEF ExCom and related stakeholders in order to finalize the findings as well as to put forward recommendations on how SPGs and ISGs should be renovated and how they should make more effective contribution to aid effectiveness and development effectiveness in Vietnam.

4. Preliminary Findings

4.1. Overall assessment of SPGs/ISGs states

The consolidation of returned questionnaires with associated supporting documents (e.g., MOUs, TORs, review reports, etc.) and synthesis of interviewed information helps draw an overview of existing partnership groups active in various sectors / areas with their cooperation network and suggest some kinds of working links to the AEF. The mapping information are synthesized in forms of 4 mapping matrices namely (1) general information; (2) model of operation; (3) activities performance and contribution to AE agenda; and (4) future outlooks (see full *Mapping Report* for details). In general, the active levels of listed PGs are varied with only 16 partnership groups contributing herewith in this Phase I study. Due to time constraint, only few PGs were interviewed and, thus, the verification of information provided in the returned questionnaires has been conducted only through PGs-provided supporting documents and related literatures.

Table 1: General information of 16 responded PGs

No	Name of SPGs/ISGs	Formal	Establis-hment	MOU/GoV Decision	Expiration	Sector/ Area
1	Gender	No	1999	No MOU / No Gov Decision	---	Gender
2	ISGE	Yes	2002/2004	MOU 9/5/2002 & Decision 255/QĐ-BTNMT 26/2/2004	2010	NRE Sector
3	Financial	No	1999	No MOU / No Gov Decision	---	Banking
4	SME	No	2000	No MOU / No Gov Decision	---	SME / private sector
5	Education (ESG)	No	2002	No information	---	Education
6	Health (HPG)	Yes	2000/2004	MOU, SOI & MOH Directive	---	Health
7	Forest (FSSP)	Yes	2001	MOA 12/11/2001	2010	Forestry
8	Disasters (NDMP)	Yes	2001	No information	---	Disaster Mitigation
9	PAHI	Yes	2007	Decision No 579/QĐ-BNN-TCCB, dated 06/03/2007	31/12/2010	Avian and human influenza
10	ISG - MARD	Yes	1997	Decision No 541 BNN/TCCB-QĐ, dated 9/4/1997	31/12/2010	ARD Sector
11	RWSSP	Yes	2006	PM Decision 519/TTg – QHQT 03/4/2006	31/12/2010	Rural Water Supply & Sanitation
12	Transport	No	2000	No MOU / No Gov Decision	---	Transportation
13	Urban Forum (VUF)	Yes	2003	MOU	---	Urban

14	Legal	Yes	2004	No MOU / No Gov Decision	---	Law & Judicial
15	PFM	No	2003	No MOU / No Gov Decision	----	Public Finance
16	HIV/AIDS	No	2002/ 2004	No MOU / No Gov Decision	---	HIV/AIDS

Table 1 shows the summarized general information of 16 responded PGs, representing various sectors/sub-sectors or cross-cutting areas of focus. It was stated very clearly in the filled questionnaires or supporting documents that all Partnership Groups were established with purposes to strengthen coordination and improved effectiveness among and between development partners and related government agencies in certain sectors/areas. Most Partnership Groups were started forming a decade ago on informal basis with voluntary commitments from interested development partners and government agencies to work hand-in-hand in sectors / areas of interest for agreed causes. Some partnership groups were then formalized in written agreements in forms of MOUs / MOAs such as ISG, ISGE, HPG, FSSP, PAHI and RWSSP. The commitments from DPs mostly remain on voluntary and flexible basis, which are not legally binding. From government side, however, there are a number of PGs having official government decisions, which allow for formal establishment and operation of the PGs secretariats or offices in coordinating ODA support for sector strategies and priorities as described in Section 2.4.2 below. Those formally established PGs (e.g., ISGE, ISG-MARD, FSSP, RWSSP and PAHI) will be expired at the end of 2010 as agreed in respective MOUs while others do not have expiration date. For more details on general information of 16 responded PGs with updated contact information, please see the full *Mapping Report*.

4.2 Model of operations of SPGs/ISGs

To understand how SPGs/ISGs are working, questions were asked about the models of operation in terms of formal settings, organization of meeting, action plans, interaction between DPs and government agencies and budget / resources mobilizations, etc. As summarized in Table 2, 16 responded PGs can roughly be grouped into 3 classes: (i) ISGs (e.g., ISG-MARD, ISGE) working on sector policy dialogue, coordination and support; (ii) sector partnership groups operating and supporting specific sectors/sub-sectors (e.g., Education, Health, Forest, Transport, Financial, PFM, SME); and (iii) others working on cross-cutting or enabling areas (e.g., Gender, HIV/AIDS, PAHI, Disaster, RWSSP, Urban Forum, Legal). Except for Gender, Disaster and ISG-MARD, all PGs think that they don't have any overlap in institutional mandates with other groups, which need to be verified and studied further in Phase II study as a number of PGs are in fact working in close and inter-sectoral areas. This may be the reason that most PGs are operating independently with very limited interaction and exchanges between them. They are operating differently, but all maintain regular meetings/forums. Most PGs officially meet and report twice a year, some active PGs meet quarterly (e.g., Gender PG, HIV/AIDs and HPG), while SME, ISG-MARD, FSSP and Legal PGs report only once a year. Out of 16 responded PGs, 8 have formal ways of operation through secretariats/coordination offices with staffing and annual budget. These PGs also have government endorsement and financial support and normally have a vice-minister as their chair. They have clear TORs for their secretariat or coordination units/offices and are developing annual action plans for their operation. Selected bilateral interviews show a case of FSSP, where with strong government leadership and active international partners' participation, the Group appear to have full operational coordination office making the development partnership in forestry sub-sector quite effective (<http://www.vietnamforestry.org.vn>). This could be a good model for sharing

with other PGs in operation. The remaining 8 PGs are operating informally or just for information sharing (e.g., SME, Legal, PAHI, Transport and HIV/AIDS). With no formal government endorsement, their activities are limited to information sharing and exchanges at meetings/forums and sometime on ad-hoc basis depending mostly on donor initiatives. These PGs are reported as having budget constraints as they may get financial support from project-based sources (e.g., Legal PG). The PGs responses are yet to be verified and details of models of operation need to be studied further in Phase II study in order to classify and understand which ones most effective. For more details on models of operation of 16 responded PGs, please see the full *Mapping Report*.

Table 2: Models of operation of 16 responded PGs

No	Name of SPGs/ISGs	Classified	Operation	Meeting	Overlap	Secretariat	Office	TOR	TGs	Plans	Budget
1	Gender	Cross-cutting	Informal	Quarterly	Yes	Yes	No	No	Yes	Yes	No
2	ISGE	Sector	Formal	Biannual	No	Yes	Yes	Yes	Yes	Yes	Yes
3	Financial	Sector	Informal	Biannual	No	Yes	No	No	Yes	No	No
4	SME	Sector	Info sharing	Annual	No	Yes	No	No	No	No	No
5	Education (ESG)	Sector	Formal	Biannual	No	No	No	Yes	Yes	Yes	No
6	Health (HPG)	Sector	Formal	Quarterly	No	Yes	No	Yes	Yes	Yes	Yes
7	Forest (FSSP)	Sector	Formal	Annual	No	Yes	Yes	Yes	Yes	Yes	Yes
8	Disasters (NDMP)	Cross-cutting	Formal	Biannual	Yes	Yes	Yes	Yes	No	Yes	Yes
9	PAHI	Cross-cutting	Info sharing	Biannual	No	Yes	Yes	Yes	No	Yes	Yes
10	ISG - MARD	Sector	Formal	Annual	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	RWSSP	Cross-cutting	Formal	Biannual	No	Yes	Yes	Yes	Yes	Yes	Yes
12	Transport	Sector	Info sharing	Biannual	No	No	No	No	No	Yes	No
13	Urban Forum (VUF)	Cross-cutting	Informal	Annual	No	Yes	No	No	No	No	No
14	Legal	Cross-cutting	Info sharing	Annual	No	Yes	Yes	Yes	No	No	No
15	PFM	Sector	Formal	Biannual	No	Yes	No	No	No	No	No
16	HIV/AIDS	Cross-cutting	Info sharing	Quarterly	No	Yes	Yes	Yes	Yes	No	Yes

4.3. SPGs/ISGs performance and contribution to AE agenda

With participation of numerous government and international members, PGs are recognized as good mechanisms for active and effective working interactions between participants and in fact, contributed significantly over the years to the development of sectors / areas of concern. The NGOs, CSOs and private sectors are increasingly involving with PGs either as active members or as observers. All 16 responded PGs support government agencies in providing guidance to donors to channel ODA funding to the sectors/areas' priorities. The International Support Groups (ISG-MARD, ISGE) are working on policy dialogues, contributing to the formulation process of sector 5-year plans at ministerial levels and coordinating development partners' efforts. The sector partnership groups (SPGs), on the other hand, are actively working on policy/priorities implementation of certain sectors/areas. They are more technical with 7 (out of 16) PGs providing support in sector capacity development in planning, M&E, reporting and information management. In the HCS spirit, most PGs (12 out of 16) believe they contributed significantly to aid effectiveness agenda in their sectors / areas. The contributions are in terms of supporting the increased government ownership, donors' alignment and technical harmonization measures through capacity building and information sharing.

However, with different institutional mandates and working in specific sectors/areas, most PGs are working independently/differently and very few coordination is observed between PGs. Only 3 (out of 16) PGs think that there exist some kind of coordination network among PGs while some even don't know about the existence of others. In addition, only 4 (out of 16) PGs have some joint activities with others, but only limited to exchanging experiences or information meetings. Selected bilateral interviews show a lot of interests in exchanging and learning of models of operation and partnership experiences among interviewed partnership groups. Thus, some PGs with good and effective models of operation are to be shared with others in order to improve the overall performance of the development partnership in Vietnam. All responded PGs recognized their limitation in coordination efforts of aid effectiveness and development policy across sectors/areas. This calls for strengthening the relationship between sectoral Partnership Groups in the Vietnam's new development context. The survey shows that 12 (out of 16 responded) PGs registered to participate in AEF and a number of responded PGs expect MPI through AEF to coordinate the PGs network, including recommended PGs operation models and institutionalization of PGs' organization in forms of formal government decisions. For more details on performance and contribution to AE agenda of 16 responded PGs, please see the full *Mapping Report*.

4.4. Challenges and opportunities for SPGs/ISGs in new development context

The survey shows that most of partnership agreements are expired by the end of 2010 and a number of partnership groups are conducting reviewing missions and preparing for the new phase. Out of 16 responded PGs, 6 indicated that they conducted and are completing their review (e.g., ISGE, ISG, FSSP, RWSSP, HPG, HIV/AIDS) but review reports are yet to be collected and studied. The survey shows that all 16 responded PGs believe that their mandates are still very relevant in the new phase and 11 (out of 16) PGs provided direction for their main activities in the next 5 years. Most PGs (10 out of 16) is currently supporting the formulation of next five-year development plans of respective sectors/areas. As Vietnam is becoming MIC with new development priorities, there will be a change in aid structure and thus, the relevance levels of each of PGs are also changing calling for SPGs/ISGs renovation. A few areas may receive less ODA support and related PGs may have to downsize, but selected bilateral interviews also show that a number of priorities / areas of focuses emerged calling for new partnerships or renovated existing PGs. As most PGs are in the preparation process for new

phase, only 3 (out of 16) responded PGs provided ideas/ suggestions in their returned questionnaires on how they would adjust in the new development context. This needs further in-depth studies in Phase II, including comprehensive interviews of PGs and analysis of their recent review reports.

5. Future Works

The Phase I study has provided an overall picture of active SPGs/ISGs showing their currently states in terms of mandates, working models, working processes, coordination network and contributions to aid effectiveness agenda. With preliminary findings presented in this report, there are more in-depth questions to be clarified and answered. The mapping is a continuing exercise where findings of the Phase I study need to be strengthened through in-depth interviews with various stakeholders. The Phase II in-depth study is planned for early 2011 with focus given to sharing partnership experiences and workable models of operations that SPGs/ISGs can follow to renovate their works. Specifically, analytical works will combine with comprehensive interviews of various stakeholders (government agencies, international members, NGOs/CSOs) to evaluate the existing model of SPGs and ISGs regarding to the following areas:

- Clarification of the causes/factors led to the weakness of SPGs and ISGs , regarding to aid effectiveness activities at sector level or in area
- Exploration of the potential opportunities of the SPGs and ISGs to support the aid effectiveness agenda in Vietnam
- Proposing a model and architecture that SPG and ISG should follow in order to make contribution to process of formulation and implementation of SEDP 2011-2015 through the strengthening of sector planning capacity, which ultimately serves to enhance effective use of aid.

The final outcome of the Mapping Exercise is expected to provide foundation for AEF to strengthen national aid architecture, covering issues that cross over aid effectiveness and development policy, through better coordination with existing and emerging SPGs/ISGs.