PUTTING PARTNERSHIPS TO WORK

An Informal Report for the Consultative Group Meeting for Vietnam
Hanoi, December 7-8, 2001
Acknowledgements

This volume is the product of teamwork and partnerships in Vietnam, and brings together contributions from many of the joint Government-donor-NGO partnership groups in Vietnam, all working together to help Vietnam achieve its development targets, and to improve the co-ordination and delivery of Official Development Assistance (ODA). Its production was only possible through the cooperation, contributions and active support of a wide range of development partners, including Government staff, donors and NGOs. Key donor contacts (though not necessarily leaders) of the groups contributing to the theme notes in this volume are currently as follows:

Poverty Working Group/PTF Dagmar Schumacher (UNDP); Alessandro Pio (ADB); Nisha Agrawal (World Bank); Alan Johnson (DFID); Mr. Shimokawa (JBIC)

Gender Tran Mai Huong (NCFAW)

Environment Nguyen Ngoc Ly (UNDP)

Civil Society Soren Davidsen (UNDP)

SOE Reform & Equitization Kazi Matin (World Bank)

Banking Kazi Matin (World Bank)

Trade Kazi Matin (World Bank)

Education Mandy Woodhouse (Oxfam GB)/ Erik Bentzen (UNICEF)/ Bill Tod (SCF-UK)/ Chris Shaw (World Bank)

Health Pascale Brudon (WHO)

Forestry Wijnand van Ijssel (Netherlands)

Poorest Communes Chris Gibbs (World Bank)

Food Security Fernanda Guerrieri (FAO)

Natural Disasters Maurice Dewulf (UNDP); Niko Bekker (Netherlands)

Water Wouter Lincklaenarriens (ADB)

Transport Mr. Kanamaru (JICA)

HCMC ODAP Maurice Dewulf (UNDP)

Urban Walter Meyer (SDC)

PAR Rini Reza (UNDP)/ John Samy (ADB)

Legal John Bentley (UNDP/World Bank)

Public Financial Management Kazi Matin/Nguyen Van Minh (World Bank)

Steve Price-Thomas (World Bank) managed production of this volume, coordinated the Theme Notes from the Development Partnership Groups, and authored the Introduction and Overview. Nguyen Thuy Ngan (World Bank) provided invaluable support.

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

## Introduction and Overview
Reflecting on Partnerships.................................................................1

## Broad Development Issues
Poverty...............................................................................................16
Gender.................................................................................................19
Environment.......................................................................................21
Civil Society and Community Participation......................................23
Urban Forum.......................................................................................26

## Economic Issues
SOE Reform & Equitization...............................................................29
Banking Reform...............................................................................33
Trade Policy.......................................................................................37
Public Financial Management..........................................................41

## Human and Social Development
Education Forum...............................................................................44
Health................................................................................................46

## Rural and Regional Development
Forest Sector Support Program & Partnership.................................49
The Partnership to Support the Poorest Communes...........................51
Food Security......................................................................................53
Natural Disaster Mitigation...............................................................56
Water Resources................................................................................58

## Infrastructure
Transport...........................................................................................63
Ho Chi Minh City ODA Partnership..................................................65

## Public Management and Administration
Public Administration Reform.............................................................67
Legal Needs Assessment....................................................................72
REFLECTING ON PARTNERSHIPS IN VIETNAM

Introduction

1. Over the past years Vietnam has made significant progress towards meeting its development objectives. As part of this progress, a more effective framework for official development assistance (ODA) has been evolving. The international community increasingly understands and is agreeing to follow Vietnam’s long-term goals and strategy, and as a result the ODA “architecture” – the structures and processes by which ODA is delivered and is managed - is changing. In particular, two instruments are helping to make ODA more effective. The first - the development partnership groups highlighted in this volume - have made significant progress during 2001. The second is the emerging role of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS), currently under preparation by the Government of Vietnam, and supported by Vietnam’s international partners. Building upon Vietnam’s ten-year Socio Economic Development Strategy, the CPRGS puts poverty at the center of Vietnam’s development. Many donors are planning to use the CPRGS to underpin their assistance strategies in Vietnam.

2. The main part of the report brings together a series of notes, prepared by many of the development partnership groups in Vietnam (see contents page), setting out the progress they have made in meeting development outcomes and in bringing about significant change in their sector. Groups highlighted this changed behavior by answering three ‘key questions’ (Box 1) that form the structure of the notes to be found later in this report; key highlights are presented in Box 2. Most of the groups consist of Government and donor representatives, and many also include NGOs.

<table>
<thead>
<tr>
<th>Box 1: The Three ‘Key Questions’</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) What were the key outcomes of your partnership in the last six months?</td>
</tr>
<tr>
<td>2) What significant changes have taken place, either formally or informally, as a result of your partnership?</td>
</tr>
<tr>
<td>3) What are your success criteria - or milestones- for 2002 by which your partnership will monitor it is meeting its development goals?</td>
</tr>
</tbody>
</table>

3. The last year has seen important and substantive actions as donors and government seek to make ODA more effective. Examples range from a group of six like-minded bilateral donors (the Utstein group) who agreed in October 2001 to carry out a range of concrete steps harmonizing their procedures in ODA, (and it is likely that others will join them), to the completion of the joint Government-Donor Gender Framework. Thanks to initiatives like these, Vietnam was recently recognized in a major global review as putting almost all the principles of partnership into practice more effectively than other countries (Chart 1). This review also singled out Vietnam, Ghana, Tanzania, Uganda and Bolivia, from a total of 46 countries, as having made particular progress in improving aid co-ordination and moving to a new approach. (World Bank 2001b).
Box 2.1: Key highlights of Partnership Groups in 2001

Poverty
- HEPR strategy finalized
- I-PRSP completed
- Localization of the Millennium Development Goals taken to an advanced stage
- CPRGS production ongoing

Gender
- Joint Government-Donor Gender Framework completed and disseminated
- 10 year national strategy and Program of Action (POA2) drafted
- NCFAW restructured and expanded

Environment
- Decrees issued on establishment of International Support Group for the Environment (ISGE) and Executive Board
- ISGE MOU expected to be formally signed in late 2001

Civil Society and Community Participation
- Donor support focused on implementation of Grassroots Democracy Decree; including establishment of a GRDD intranet
- Inventory of donor support for civil society and community development
- Dialogue with Government agencies, mass organizations and NGOs.

Urban Forum
- First urban forum meeting held in May, 2001
- Database established on urban stakeholders, and on urban programs and activities
- Technical proposals for small-town water supply, urban upgrading and city strategies discussed at Forum meetings, and financing proposed

SOE Reform and Equitization
- Group mobilized grant technical assistance – TA grants from member bilaterals were key to diagnostic audits of 50 large SOEs
- Overall implementation capacity of National Steering Committee for Enterprise Reform and Development (NSCERD) strengthened
- Social safety net scheme developed by Government made possible by funding mobilized by the group.

Banking Reform
- Overall technical assistance plan for implementing the Banking Reform program developed
- Assistance quickly mobilized for International Accounting Standards audits for two state-owned commercial banks (SOCBs); because of this all SOCBs committed to annual IAS audits over the next three years
- Several donors ‘adopting’ individual SOCBs to provide twinning-type support.

[Continued on page 4]
However, challenges remain across all sectors. These include gaps, duplication and high transaction costs; and a focus on inputs rather than outcomes. While specific development projects may be individually well designed, a failure to work as partners – with the Government and with international supporters – can result in the whole being less than the sum of its parts. In Vietnam there is a recognition that transaction costs are still too high, imposing a very heavy burden on Government, and there is scope for
Box 2.2: Key highlights of Partnership Groups in 2001 (continued)

**Trade Reform**
- Much greater involvement of Ministry of Trade representatives in the group
- Systematic sharing of information on studies and technical work that are being undertaken in Vietnam
- Use of the group to launch major initiatives in the trade area, including a recent e-commerce initiative.

**Public Financial Management**
- Creation and operation of permanent Government-Donor-NGO working group on PER
- Government’s Action Plan to improve Public Financial Management presented; donors agreed to work within this matrix
- Multi-donor Trust Fund created, to support implementation of the Government’s Plan

**Education**
- Ownership and involvement of the Education Forum on the part of MOET and its specialized institutes significantly increased
- Forum now used to debate, discuss and collaboratively prepare new documents, including on the Vietnam Development Targets (VDTs)
- Mechanisms being put in place under the Education for All umbrella to make the VDTs a reality

**Health**
- Regular contact between donors and Ministry of Health facilitated, with a better understanding of strategies, problems and constraints achieved by all partners
- Hepatitis B successfully integrated into the Expanded Programme of Immunization for Vietnam thanks to rapid responses from members of the Health International Support Group
- Technical sub-groups made important contributions to several vertical health programmes

**Forestry**
- Partnership has facilitated an intensive dialogue between MARD and donors to develop a strategy for the forest sector
- Agreement reached on Memorandum of Agreement among all partners; MoA signed in November 2001
- Donors started to adjust their ways of working and planning to a more coherent sector wide approach.

**Partnership to Support the Poorest Communes (PAC)**
- Agreement reached to restructure the Partnership
- Funding sought, and awarded, to establish a formal PAC office in MPI
- Planning started for developing a formal, two-year work program based around an accessible computer based monitoring system to be based in MPI.

**Food Security**
- Collection and dissemination of food security information enhanced;
- Vulnerability profiles now under preparation
- Group contributed to build the perception that poverty alleviation alone will not guarantee food security for all.
working together much more efficiently. Working in true partnership, whether through formal or informal structures, is a pre-requisite for overcoming these remaining challenges.

6. The range of development partnership groups in Vietnam is an indication of the diversity of ways of meeting these challenges. Partnerships are not limited to the groups detailed in this volume; some effective partnerships rarely – or never – meet as a formal group, though they still work together towards a common goal. However both Government and donors have found that the partnership groups can be an effective way for them to work together more efficiently.

2. What Works Where? The ‘Partnership Journey’

7. Partnerships in Vietnam have a variety of purposes and develop at different speeds. However, many successful partnerships have found that they pass through five distinct stages. These are (i) shared information and understanding; (ii) a common technical diagnosis; (iii) agreement of principles in finding solutions; (iv) joint development of a detailed shared action plan; resulting in (v) clarity of tasks and funding.

8. Not all groups choose to travel the whole way along this path, and others do so in an iterative fashion; this does not minimize their significance. But an increasing number of partnerships see step five as their goal – as indeed some are increasingly seeking to move towards ‘sector wide approaches’. Some new partnerships – for example in Legal Needs, which was officially launched by the Government in March 2001 - have advanced significantly in 2001 (Box 3).

Box 3 – A rapid journey along the path: The Legal Needs Assessment Partnership in 2001

The initial proposal for the LNA Partnership emerged during discussions between the Government and a multi-donor team in January 2000. While it took until March 2001 before the partnership was formally established, the progress since then has been remarkable. Five national expert teams have been established, mechanisms for donor input and identification of legal development needs have been set up; and four draft individual reports highlighting the results of the assessment of the current situation, needs and strategic solutions presented. This resulted in the production of an overall report on legal development needs assessment, a draft development strategy for 2001-2010, and an action plan to implement the strategy and an ODA framework being produced. These were discussed at a large LNA workshop in November 2001, and the partnership is now moving into action. The UNDP-managed trust fund has been instrumental in achieving this progress.

Source: Legal Needs Assessment Partnership Update (this volume)

9. As partnerships progress along the path, so their structure and purpose evolve too. Members of partnerships often become concerned about the most appropriate structure to take on, and in particular, the degree of formality that is appropriate, from those that are informally structured to those which have a very formal structure, with an MOU, secretariat, regular, minuted meetings, paid staff etc. In some cases, partnerships have spent months wrestling with this issue, potentially to the detriment of the work they were
Box 2.3: Key highlights of Partnership Groups in 2001 (continued)

Natural Disasters
- MoA signed in June 2001 formally establishing the partnership

Water Resources
- Management information database and website in MARD/ISG improved and updated with details of programs and projects
- Office of NWRC commenced work

Transport
- Group focused on information sharing and consolidation;
- Topics of mutual concern were, for the first time, discussed jointly by donors and the Ministry of Transport at the partnership meeting in August 2001;
- Agreement reached for donors to use the group to pave the way for new projects/programs.

HCMC ODAP
- ODAP pilot training for ODA PMUs in HCMC arranged
- Workshop on Urban Public Transport organized; co-ordination improved
- ODA database now serving as a tool for ODA project management and monitoring
- PMU Forum established enabling PMUs to share experience and training on Project Management skills; and to recommend changes to legal framework/procedures. HCMC ODAP has now been asked to share this approach with PMUs throughout Vietnam.

Public Administration Reform
- PAR Master Program developed and completed; signed by the Prime Minister in September 2001
- Seven action programs identified

Legal Needs
- Partnership formally established in March, 2001
- Five national expert teams established, mechanisms for donor input and identification of legal development needs set up; and four draft individual reports highlighting the results of the assessment of the current situation, needs and strategic solutions presented.
- Overall report on legal development needs assessment, and a draft development strategy for 2001-2010, produced and discussed at a LNA workshop in November 2001.
formed to tackle. Similarly, some partnerships have spent a considerable time debating whether their partnership should be an information-sharing forum; or striving towards a program approach, raising practical support and working closely on policy issues, or somewhere in between. It is clearly important that partnership groups choose the model which will best enable them to achieve their desired outcomes, and that they then move rapidly to work on delivering those outcomes.

10. Chart 2 provides a simple assessment of where some of the groups are along the five step ‘partnership journey’, and the degree of formality of their organization. It is clear that there is no such thing as ‘one size fits all’, rather a variety of models suited to different circumstances. The experience of different partnership groups clearly shows that different models of partnership have both advantages and disadvantages, and are suited to varying situations. Groups have found that as they redefine their mission and purpose, so the most appropriate model changes too. Although there are many successful partnerships, reflected in the notes in this report, this paper now examines four in more detail to establish lessons that may be of use to the broader development community in deciding which model of partnership to adopt.

**Chart 2: The Partnership Journey and Formality of Structure: selected examples**

![Diagram showing the Partnership Journey and Formality of Structure](image)

**Steps on the partnership journey**

Note: the assessment implied in this diagram is based on informal comments from members of individual groups and should not be regarded as definitive.


11. The Forestry Sector Support Partnership (FSSHP which grew out of the 5 Million Hectare Support Program) is often held up as a successful example of a development partnership in action in Vietnam. The Partnership has brought together a wide range of partners who now have a shared vision and agreed program for Forestry Sector
development, and now that all the groundwork has been completed, the Partnership is moving towards a program approach for all Forestry Sector ODA in Vietnam.

**Box 4: Vision and Ownership of the Forestry Sector Support Partnership**

**Vision:**
The vision of the partnership is ‘An environmentally sustainable rural economy comprising: (a) forests covering 43% of the country with (i) soil erosion in vulnerable watersheds, flooding and siltation rates of reservoirs substantially reduced, (ii) better balanced year round water storage for hydro-power generation, household and productive use, and (iii) valuable bio-diversity preserved; and (b) a hill and mountain economy free of hunger, with substantially reduced poverty and secure and resilient livelihoods.

**Ownership:**
‘The Government of Vietnam (GOV) is in full ownership of the Five Million Hectare Program (5MHRP). The current Five Million Hectare Program (5MHRP) is focused on the following to realize the vision above: (a) the creation and more effective protection of special use forests and watershed protection forests; (b) the economic regeneration or expansion of forests to meet domestic consumption and export needs of the wood products industry; and (c) the effective development of communes with bare lands/hills to create more employment, improve incomes and reduce the pressure on forests.’

**History:**
During the December 1998 Consultative Group Meeting it was agreed to establish the partnership (initially called the 5 Million hectare Reforestation Program), and a Memorandum of Agreement was signed in 10 Dec 1999 between the Ministry of Agriculture and Rural Development and 15 representatives of the donor community. The objective of the MoA was to reach agreement on a shared-sector forestry program, so that donors and Government co-operate to place their technical support and investment to the sector within the context of the Partnership. As part of this process, a high-level Government-Donor-Joint Partnership Steering Committee, a Partnership Secretariat, and three Task Forces to prepare the elements of the Partnership were established, under Dutch leadership. A major joint sector review was completed with Government in February 2001, and the Forestry Development Strategy finalized in July 2001. Now that the partnership is established and focused, it is expected that it will move to achieving its ultimate objectives.


12. The approach taken by the FSSP has many advantages, which include:

- There is a common understanding and broad commitment to an agreed program that is consistent with the Government Strategy for the sector;
- Gaps and overlap have been minimized, and hopefully will be completely eliminated;
- Future work will be easy to plan within the structure provided by the FSSP; and,
- The partnership is institutionalized and does not rely on individual personalities to drive it forward.
13. Nevertheless, there is broad consensus in the Vietnam development community that the FSSP is a success and other sectors have much to learn from it. It appears that the approach may work well where:

- Government and donors are able to take the necessary time to establish the partnership;
- The purpose and scope of the partnership in both sectoral coverage and output terms can be clearly defined and are not likely to change dramatically (or at least not rapidly) over time;
- The partnership is in an area of work in which consensus about desired outcomes and approaches can be reached relatively early in the process by all partners (because the partnership can only work if all partners can work with the programme approach); and, Government and donors are willing to meet the upfront financial, administrative and human resource costs of setting up the partnership and secretariat.

4. The Informal Approach – The Poverty Task Force/Poverty Working Group

14. The Poverty Working Group/Poverty Task Force (PWG/PTF) seeks to influence all development programs in Vietnam, and has now grown to a point where it has become necessary to establish a core team of committed ‘workers’ from Government, Donors, Vietnamese and International NGOs (called the Poverty Task Force, PTF) who commit to attend all meetings, to provide financial and logistical support where required, and to take responsibility for leading the group’s analytical and policy work.

15. The PTF meets every month; members commit to sending principals rather than junior staff to ensure substantive discussion is possible and that resources can be committed to decisions made, as necessary. A larger group of over 100 (the Poverty Working Group, PWG) initially was a ‘virtual group’ which rarely met but to whom PTF information was disseminated. In 2001, because of the need for expanded information sharing the PWG started meeting soon after PTF meetings, primarily as an information-sharing forum among the broader development community. Fifteen Government agencies are currently represented on the PTF, though the exact composition has changed significantly over time to reflect changing functions of the group: the current focus is supporting the preparation of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS). The PTF meetings are co-chaired by Government and a representative (rotating) from the donor community.

16. Unlike the Forest Partnership, the PTF has no MoA, MOU or constitution of any kind, and does not have a secretariat. Members take it in turns to organize, convene and pay for meetings and workshops; a DFID Trust Fund – managed by the World Bank (similar to the UNDP managed fund for LNA) - has been used to pay for the PTF workshops in Sapa in July 2000, and in Hai Phong in September 2001. At each of these workshops, more than 90 people came together to take the agenda forward.
Although the approach taken by the Poverty Task Force has many positive features, it is not without its disadvantages. Positive features include:

- The group was able to start outcome-oriented work from the moment it was set up and did not have to wait for formal structures or systems to be agreed;
- The informal nature of the group has meant that it has been able to redefine its purpose in terms of desired outcomes from year to year, and the membership has changed accordingly;
- The group has been able to push forward the frontiers of poverty work in Vietnam, and to explore and learn together;
- The group has been able to build up significant trust between members through working together towards a shared goal; they have been forced to do this as they have not had any formal structure to fall back on. The group recognizes that at times the process has included conflict, but this too has been a learning process;
- Costs and benefits of the group have been broadly shared among its members; and,

---

**Box 5: Vision and Ownership of the Poverty Working Group/Poverty Task Force**

**Vision:**
The long-term vision for poverty reduction is reflected in the Government’s 2010 SEDS and HEPR, 5-year plan, I-PRSP and CPRGS (in process). Overall, the Government has shown a strong commitment to combating multi-dimensional poverty in the next decade. Goals are set up not only in terms of reducing the number of poor households, and totally eliminating chronic hunger households, but also in terms of improving the poor's access to basic social services; expanding opportunities for the poor to benefit from social protection and welfare policies; goals are also set to continue providing special support to the most difficult areas. The Government documents for poverty reduction have also specified quantitative objectives that are listed in the last section as monitorable indicators. The vision of the PTF and the PWG are the same as those of the Government.

**Ownership:**
This long-term vision is owned by the Government, through MOLISA and MPI. The PTF itself is owned by its members, who currently include representatives of 15 Government agencies and a range of donors and NGOs. The broader PWG has over 100 members, and minutes are circulated as widely as possible within the whole development community.

**History:**
The PTF was established in 1999 to act as the body to undertake the analysis of the Vietnam Living Standards Survey, the design and implementation of the Participatory Poverty Assessments and the production of the poverty assessment, *Vietnam: Attacking Poverty.* (Poverty Working Group, 1999). Since the publication of the poverty assessment, the PWG has provided a forum for Government-donor-NGO interaction on the development of the Government’s strategy for targeted assistance (the HEPR), the I-PRSP and CPRGS.

Source: World Bank (2000: 11), revised
• Through being organized and facilitated through members’ existing offices; learning and knowledge is mainstreamed in member organizations and not kept in a separate secretariat or PMU.

18. Conversely, the following are among the disadvantages of operating on the PTF model:

• The group is not institutionalized in any way, which may leave it vulnerable should members change or the group’s legal room for manoeuvre change;
• There is a perception that the success of the group has been largely due to a handful of key personalities within both the Government and Donor communities, leaving its long term sustainability open to question; and,
• The group has had to rely on the generosity of its members to operate and has not secured its own earmarked funds.

19. From the experience of the group, it appears that this model of partnership is appropriate where:

• The environment is dynamic and the partnership needs to respond to this;
• The members wish to be led by outcome goals, even to the extent of changing the composition of the group as desired goals evolve;
• Key Government and donor players are prepared to commit themselves to a process approach, and agree to continue to work towards outcome goals even when disagreements and obstacles surface;
• Leaders willing to take the process forward emerge early; and
• The legal room for maneuver, and procedures of funding agencies, allow an informal approach without an MOU or similar documentation.


20. The Public Financial Management (PFM) partnership is an example of a relatively informal, dynamic Government-led partnership that is beginning to see substantive results. This partnership was formed in February 2001 from a merger of the separate working groups of Government and donors created for Public Expenditure Reform (PER).

21. The partnership has its roots in various pieces of analysis of Vietnam’s public financial management and accountability arrangements that have been undertaken since September 1998. The first of these - the report Towards Fiscal Transparency - was completed and published in early 1999. It laid out a medium-term agenda of actions for improving transparency of budgetary information and processes – internal (or management), external (i.e. for donors and IFIs) and public. This was followed by the second public expenditure review (PER) – Managing Public Resources Better – produced jointly by the Government agencies and the donors in a highly participatory process, which went further to increase and expand transparency of information on public spending. Several donors – UNDP, World Bank, IMF, Netherlands, UK, Denmark and
Sweden, as well as Action Aid, worked directly with the working group and contributed substantially to the report. All donors were involved in a series of five consultations on various drafts of the PER during the process of its preparation.

22. As a result of this co-operation, in February 2001 the Government initiated, and has since led, a permanent Government-donor-NGO working group on public expenditure reform. The Government agencies developed a detailed matrix of actions based on the PER citing the steps to be taken in each year (2001-2003) and the likely technical assistance needs for implementing them, and presented it for discussion in the first meeting of the working group on public expenditure issues. Donors indicated their interest in TA to the Government and this was incorporated in the second version of detailed matrix of actions. Donors agreed that this matrix developed by the Government would be used for future donor support to public financial management in Vietnam. If new issues arise and the Government agrees to new actions as a result, they will be added to the agenda, using this matrix framework.

23. The PFM group is notable in that it emerged as a result of concrete actions already having been taken by Government and donors over several years, rather than as a precursor to action. Significant progress on PER had been made before the partnership was established in its current form, though when both Government and donors recognized that the needs of PER could be best met by combining separate groups into one group, they moved quickly to do this. The PFM partnership is now a good example of an outcome driven partnership that has changed its form over time, and has found that it works best to have a broad based partnership, with an outcome driven agenda, that is clearly led by Government.

6. A Group in transition – the Education Forum

24. The Education Forum is an illustration of a group that has changed and developed over time as the needs and opportunities in the sector have evolved. The Forum was set up by UNICEF, Save the Children UK and Oxfam GB as a forum for information exchange, stated explicitly in documents produced by the Forum (World Bank/UNDP 2000). However, in mid 2000 the Forum recognized that:

“The group needs to re-formulate its long-term objectives to support a broad basic education program. The group’s current goals reflect the specialized interests of its members. NGO members work locally at a small scale, focusing mainly on minorities, ethnic languages and teaching methods, while multilateral and bilateral donors support larger programs that include classroom construction, curriculum and teacher reforms, policy development and reduction of inequities. These larger programs avoid duplication; primary education is supported by EU, WB, JICA, UNICEF and some bilateral programs (increased interest from UK/DFID, Norway, Australia). ADB, together with several bilateral agencies, support general secondary education, and vocational and technical training. Shared goals could include: (i) reinforcing the capacity of the MoET to articulate its vision for basic education; (ii) supporting preparation of a basic education strategy; and (iii)
coordinating support to this program from multiple donors.” (World Bank/UNDP 2000).

25. In the months after this statement the core group discussed various scenarios for the Forum, and agreed that MOET would be put much more at the center of the Forum’s activities. Since then, the Forum has seen significantly enhanced ownership and attendance by MOET, and a move towards policy debate in addition to information sharing. Although the group has reaffirmed its primary focus on information sharing, the changing policy environment in which it works (in particular, the work around Education for All and the localized Vietnam Development Targets) is again leading the group to be flexible in its form and purpose. Group members feel this flexibility and dynamic approach is key to the group’s success.

7. Successful Partnerships: lessons learned

26. Partnerships can work in many different ways but still be successful. This points to useful lessons for working effectively:

- A Clear Task with Measurable Output, and a Defined Mission, invigorates partnerships. For example, in 2001 the CPRGS process has revitalized the Poverty Task Force. Many groups have evolved from being information-sharing fora to having a deeper engagement and focus. Groups that have a clear, agreed mission and focus, built around the vision for their sector, feel they are successful and substantive. However, different sectors have different needs over time and groups are responding to this. Groups that exist purely for their own sake, or lack a focus on outcomes, will not be successful.

- Flexibility: groups that are willing to change their structure and form as the environment changes are successful.

- Ownership: broad ownership and participation, including strong ownership by Government, makes for success and substantive results.

- Commitment: groups in which all members are committed to the partnership process feel they have achieved more than groups where the commitment of some members is not as strong. However, the experience of the Poverty Task Force illustrates that commitment can be built over time as groups move from engagement around single issues to deeper partnerships. Nevertheless the PTF relied from the outset on a core of highly committed members.

- Wide, multi-level support: in order to work well, group members need support for the partnership process from people at all levels in all their respective organizations. Without it, the opportunities for partnerships to operationalize their vision are severely constrained.

- Funding: some groups that have the funding to, for example, set up a secretariat, feel that this has been important in moving to a more partnership based way of working. Others have operated well informally, as long as
members are willing to provide the funding and human resource support required

- Technical Professionalism: groups whose members have specific, relevant technical knowledge that is respected by the development community feel they are able to achieve more because of this.

- Structure appropriate to the environment is important. Partnerships work well when their different structures fit their different environments. Other partnerships function well outside the ‘working group’ format.

8. The Theme Notes

27. Following the work of Partnership Groups in writing updates for the Millennial CG in December 2000, there was strong support for documenting the work of partnerships throughout 2001, and to lay out the path ahead. Thus it was agreed that Partnership Groups should produce brief theme notes answering the ‘key questions’, detailed in Box 1. These notes form the body of this report.
Bibliography


Introduction

1. This note is an updated version of the PWG/PTF note presented at the mid-term CG in June 2001. It attempts to document key outcomes of the partnership group in the past 6 months, significant changes that have taken place as a result of this partnership, and future roles of the Poverty Working Group/Poverty Task Force (PWG/PTF) (next six months). These are seen in the context of supporting Government to finalize its Comprehensive Poverty Reduction and Growth Strategy (CPRGS), to plan for actions to monitor and evaluate progress toward achieving the goals, and to draw lessons for future plans and strategies. It also emphasizes success criteria or milestones for 2002 by which the partnership will monitor it is meeting its development goals.

Key outcomes and significant changes

2. On the government side, MOLISA is finalizing the HEPR Strategy to submit to the government for approval. MPI has completed the work on the I-PRSP. The Board of the World Bank and the IMF discussed the I-PRSP for Vietnam in April 2001 and commended the government both for the substance and the participatory process of preparing it. MPI has formally been assigned the key role in developing the CPRGS. They have established a high level inter-ministerial Committee with 46 representatives from 15 government line ministries and agencies to carry out the task.

3. The government has increasingly recognized the need to realize the poverty reduction goals and to link economic growth and poverty reduction. The vision is gradually becoming much more comprehensive than that set out in the last HEPR program, and implies that poverty has to be dealt with from many angles (not only through targeted programs, but also through sectoral policies and programs), with the involvement of all parties (the State, line ministries, civil society, and external partners). The Government of Vietnam has also committed itself to the International Development Targets/Millennium Development Goals (IDTs/MDGs) and shown interest in whether or not Vietnam can achieve these goals and how to make sure that these goals will be achieved.

4. On the donor side, the PWG/PTF\(^1\) in the year 2001 is continuing to help the government to move from vision to action on the poverty reduction agenda. The group and its key part - the Poverty Task Force, met and agreed on the agenda for the coming year and on how to organize ourselves in partnership with the government to complete this agenda.

5. One focus of the PWG/PTF will be helping the government to complete the CPRGS, which the World Bank and IMF will present to their Boards in about one

\(^1\) The PWG was set up in 1999 and worked throughout the year. Early in 2000, as more and more donors were interested in joining the group, a core group called the Poverty Task Force was set up. The PTF included only those donors who directly participate in supporting the group’s agenda (either in doing the specific tasks or financing them), in order to keep the group small enough to foster good and efficient discussion. The PTF holds a meeting almost every month, and during 2000, the meeting minutes plus documentation were sent to all members of the PWG (which now include the entire donor community and the NGO community). During 2001, the whole PWG has also started to have physical (rather than “virtual” meetings) and they meet right after the monthly meeting of the PTF for information sharing and exchange of views.
year’s time; and to help the government to work on IDGs\(^2\) for Vietnam. In the CPRGS, the government will need to adopt a limited number of key indicators, and to put in place a system to monitor progress in achieving them. It was agreed that it is important to establish indicators which are relevant for Vietnam’s strategic objectives rather than merely aligned with international development goals. An example was re-scheduling the goals for 2010 - in line with the government’s strategic goals - rather than for 2015 (as for the IDGs). It was also agreed that work should be proceeded by theme/sector rather than by indicator. This will allow a broader focus beyond the IDGs' concentration on social sector outcomes. It will allow the inclusion of key development issues in Vietnam which would not automatically be covered by the IDGs.

6. The group agreed on eight themes/sectors and that there should be one paper to study each theme. These themes are: 1) Access to economic opportunities; 2) Governance/public management; 3) Health; 4) Education; 5) Social protection; 6) Infrastructure; 7) Environment; and 8) Ethnic minority development. In the PTF meeting on June 5, 2001, there was an exciting discussion on whether or not there should be a separate paper on Ethnic Minority Development, and the conclusion was that a separate paper on Ethnic Minority Development should be done. In principle, each paper will take government strategy as a starting point and explore the link with the IDGs. Each paper will look at process, intermediate as well as outcome indicators associated with each theme. Key public actions will then be presented to give a complete picture of how to achieve the goals. Each theme will be examined not only in terms of accessibility, but also service quality, and will be disaggregated by ethnicity, gender, regions, income groups, etc.

7. A workshop with about 100 participants was organized on September 17-18, 2001 in Hai Phong to discuss all 8 draft papers on Vietnam Development Targets (VDTs). All 46 members of the government team led by MPI who are involving in drafting CPRGS were invited. All donors, NGOs, and government agencies of the PTF were also represented in the workshop. The workshop was organized in two group-discussion sessions with each followed by a panel discussion. It turned out to be a very exciting workshop with intensive discussion and active participation by government representatives. The workshop provided, the first time, a systematic and serious discussion not only on the vision in each sector – where the country wants and wishes to go in order to reduce poverty, whether it can achieve its goals and targets, but also on how to monitor and evaluate its progress in process toward achieving the goals and targets. All papers were being revised taking into account comments from the workshop in order to provide input for CG meeting to be held in late 2001.

8. As a part of an effort to set up a monitoring and evaluation system for poverty reduction, several donors (UNDP, Sweden, and the World Bank) have been helping the GSO to develop a ten-year household survey strategy. The donor support also

---

\(^2\) In the Millennium Summit 2000, Vietnam committed to achieving the IDTs. These include: 1) Reduce extreme poverty in developing countries by at least one-half by 2015; 2) Universal primary education in all countries by 2015; 3) Eliminating gender disparity in primary and secondary education by 2005; 4) Reduce Infant and under-five mortality rates by two-thirds the 1990 level by 2015; 5) Reduce maternal mortality rates by three-fourths between 1990 and 2015; 6) Access to reproductive health services for all individuals of appropriate ages, no later than the year 2015; 7) There should be a national environment strategy for sustainable development in all countries by 2015.
Poverty

aims to promote a better data dissemination policy and to improve policy analysis capacity. This strategy has adopted a core-and-rotating design, with a sample of approximately 30,000 households. Surveys will be carried out every two years starting from 2002. GSO's representative has been frequently invited to the PWG/PTF meetings to update donors on the progress of developing the strategy.

**Monitoring PWG/PTF in meeting its development goals**

9. A detailed draft outline of CPRGS will be available for the CG meeting in late 2001 and will be finalized in April 2002. Several workshops organized by the government to discuss the CPRGS with wide participation by civil society, government agencies at different levels, etc are expected between December, 2001 and April 2002. Several donors have shown their interest in supporting this process, including funding for (international and national) consultants to support the government in developing the CPRGS, and organizing the consultation workshops. Several NGOs have also offered to facilitate grass-roots consultation on the CPRGS with poor people.

10. The PTF will continue to support GSO to implement the first household survey starting in January 2002. Before this, a pilot survey will be done in October to test the new questionnaire and three workshops on non-sampling errors will be organized in November, 2001. Statistical officials from GSO branches at provincial level will be invited to the workshop. The workshop aims to discuss the trade-off between non-sampling errors and sampling errors associated with a change in sample size. This is to accommodate the demand for increasing sample size from provinces.

<table>
<thead>
<tr>
<th>Planned activity</th>
<th>Date</th>
<th>Key players</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support the Government to develop CPRGS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revise and finalize 8 papers</td>
<td>January, 2002</td>
<td>ADB, DFID, UNDP, WB, JBIC</td>
</tr>
<tr>
<td>Support MPI to carry out 9 consultation workshops on CPRGS</td>
<td>December, 2001 - end of March, 2002</td>
<td>ADB, WB, SCF (UK), ActionAid, Oxfam GB, CRS, Plan International</td>
</tr>
<tr>
<td>Support MPI to finalize CPRGS (technical assistance)</td>
<td>November 2001 - April, 2002</td>
<td>UNDP, DFID, IMF, WB</td>
</tr>
<tr>
<td>Organize a regional workshop on PRSP for 6 countries from East Asia</td>
<td>December, 2001</td>
<td>WB, IMF, ADB, UNDP</td>
</tr>
<tr>
<td><strong>Continue to support GSO to finalize household survey strategy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three regional non-sampling error workshops</td>
<td>November, 2001</td>
<td>WB</td>
</tr>
<tr>
<td>Pilot survey</td>
<td>October, 2001</td>
<td>WB, UNDP</td>
</tr>
<tr>
<td>Implement the first two rounds of MPHS 2002</td>
<td>January and April, 2002</td>
<td>UNDP, SIDA, WB</td>
</tr>
<tr>
<td><strong>Forum to provide feedback on donors' CASs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADB CAS consultation</td>
<td>October 25, 2001</td>
<td>ADB and others</td>
</tr>
</tbody>
</table>
Gender

1. With the core role of the National Committee for the Advancement of Women in Vietnam (NCFAW), the Gender Working Group has continued its planned activities and achieved some key outcomes as follows:

**Key outcomes in the last six months**

2. Completed the *Joint Government Donor Gender Framework* with comments and information from concerned organizations and individuals. The Framework represents the Government commitment to gender equality and advancement of women (concretely in the draft 10-year National Strategy and Plan of Action for the advancement of women 2001-2005 (POA 2)), as well as the standpoints of donors to gender mainstreaming into cooperation programs with the Vietnamese Government. This initiative is a result of consensus on the need for stronger cooperation among Government agencies and donors to ensure the social effectiveness and sustainability of cooperation activities. The Framework consists of 4 main items: the overall vision, the mainstreaming concept, guiding principles and the partnership framework – which describe the donors’ projects in support of the implementation of the 6 objectives in the POA 2 to attract attention and resource investment from the donors and Government agencies.

3. Information has been shared between Government agencies and donors on the project document VIE/01/xxx “*Support to the National Machinery to Mainstreaming Gender in National Policy & Planning*”. This project, to be funded by UNDP and the Royal Netherlands Government with a total budget of approx. 900,000 USD will be executed by NCFAW in 3 years (2001-2004). Based on wide consultation with organizations and individuals as well as the community of donors and NGOs in Vietnam, the project will focus on strengthening the capacity of NCFAW to provide strategic policy advice on gender issues to influence decision making within elected bodies from Central to local level, key line ministries and other main policy bodies, so that they can effectively promote gender equality throughout their on-going national strategic planning, programming and policy making processes.

**Significant changes that taken place as a result of the partnership**

4. The Joint Government Donor Gender Framework has been widely disseminated. In the last six months, the donors have continued support the Government to strengthen the activities on gender. Beside the above project VIE/01/xxx, a number of new projects and programs have been in consideration-including projects on Gender Mainstreaming in Agriculture and Rural Development funded by ADB for Vietnam Women’s Union; a project for Vietnam’s Government to integrate gender in legislative and executive bodies funded by Danida for NCFAW; Child Rights Promotion integrated gender, funded by UNICEF, etc; Gender Analysis on the Results of the Survey of people’s living standards (UNFPA); and some projects funded by the Canadian Embassy for central ministries/agencies in APEC on integration of activities, and capacity building of gender consultations for 5 CFAWs at provincial levels.
5. In addition, some organizations such as WB, ADB... have evaluated the gender impacts of projects executed in Vietnam. The cooperation model among Government agencies and donors to support gender mainstreaming through the Technical Working Group (TWG) in the last 2 years has gained promising results, and has been undergoing mid-term evaluation by the Ministry of Agriculture and Rural Development, in cooperation with FAO, to develop the standpoints in the coming time.

6. Though not all activities have been evaluated comprehensively, the above-mentioned represent encouraging changes on gender issues among Government agencies and donors.

7. From the above results, NCFAW in cooperation with relevant ministries/agencies drafted the 10-year National Strategy and POA 2 to submit to the Prime Minister. Vietnam has successfully presented the 2nd, 3rd and 4th National Reports on the implementation of the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

8. Prime Minister Phan Van Khai issued Decision No. 92/2001/QD-TTg on June 11, 2001 restructuring the NCFAW. Based on that decision, NCFAW Office has been officially established and has recruited more staff.

Success criteria for the year 2002

9. Following are the planned activities, which are the basis for monitoring the cooperation program on gender.

<table>
<thead>
<tr>
<th>Time</th>
<th>Activities-Results</th>
<th>Responsible agencies</th>
</tr>
</thead>
</table>
| Quarter IV/2001 | 1. Sign the project VIE/01/xxx “Support to the National Machinery to Mainstreaming Gender in National Policy & Planning”.  
2. Hold orientation conference on the 10-year Strategy and POA 2 | NCFAW, UNDP, RNE, in coordination with MPI, MOF, GOF, NCFAW |
| Quarter I/2002 | Finish the draft monitoring mechanism for the implementation “Joint Government Donor Gender Framework” | - Project Office VIE/01/xxx  
- NCFAW and Gender Group |
| Quarter II/2002 | Provide training to improve gender awareness for members of Election Council in order to reach the rate of 30% women in the 11th National Assembly. | - NCFAW  
- Project VIE/01/xxx  
- Government agencies |
| Quarter III/2002 | 1. Provide training on skills of gender mainstreaming for the national machinery (NCFAW, CFAWs, VWU)  
2. Establish the monitoring mechanism for the implementation of POA 2 | - NCFAW  
- Project VIE/01/xxx |
| Quarter IV/2002 | Evaluate the implementation of the “Joint Government Donor Gender Framework” | - NCFAW  
- Government agencies  
- Donors |
1. The International Support Group on Environment (ISGE) is gradually but consistently making progress under the strong leadership of the government MOSTE/NEA. The activities of the partnership have until now focused on establishing the formal platform and defining the institutional arrangements of the partnership from which further action can be taken.

2. ISGE has now reached a state where it can start working towards its overall objective:

3. To improve the efficiency and effectiveness of development aid to the environment, in line with Government policy and priorities, through an environmental partnership approach in order to contribute to the implementation of the 2001-2010 National Strategy for Environment Protection and the 2001-2005 Environmental Action Plan.

Outcomes

4. A crucial step forward was the official launch of the ISGE on 18 June 2001 by the issuance of Ministerial Decision 984 and 985 (MOSTE) on the establishment of the International Support Group on the Environment and its Executive Board. Following the formal endorsement of the partnership a Memorandum of Understanding (MOU) has been drafted to provide a shared and formalized framework to the signatory partners for the implementation of the ISGE. The MOU is expected to be signed in conjunction with the CG meeting.

5. At the same time, the TOR, budget and work plan for 2001-2002 for the Secretariat have been agreed upon and the National Environment Agency is in the middle of establishing the office and recruiting support staff.

Success Criteria

6. While the ISGE is still in its preparatory phase, the success of the partnership in 2002 should be measured on the establishment and implementation of solid “working linkages” between the Government and donors.

7. Concrete arrangements for 2002 include:
### Objective Planned activity Date Key players

| Improved Information sharing | a) Create and update database on all environment projects.  
b) Publish CD ROM with all env. Project information.  
c) Create email list of all ongoing env. Projects sorted by location, theme and donor.  
d) First quarterly Newsletter published.  
e) ISGE website established  
f) Provide a monthly summary of environmental activities by email list | a) January 2002  
b) January 2002  
c) February 2002  
d) February 2002  
e) January 2002  
f) March 2002 | ISGE Secretariat, NEA, UNDP |

| Pilot partnership initiated | Environmental Institutional Strengthening has been selected as the first pilot partnership to be launched. The experience should be used for developing other pilot partnerships. | The first pilot partnership should be established during first half of 2002. | Government: MOSTE/NEA, target sector agencies, target provincial agencies, MPI, MOET. International organisations: UNDP, SIDA, CIDA, SDC, Danida, German DSE, WWF, IUCN |

| Improved coordination of funding and execution of technical studies. | During 2002 the ISGE should gradually take up more and more responsibility in the field of coordination and act as a clearing house for environmental information. | End 2002 | ISGE Secretariat |

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

1. integrating national and international investment in the environment under the one policy framework.
2. integrating the National Environment Protection Strategy and Action plan into the plans and programmes of all arms of government and local levels.
3. channeling resources to the highest priorities/concerns while minimizing overlap.
4. harmonizing government and donor practices and procedures in e.g reporting and auditing requirements.
5. strengthening the management capacity of MOSTE/NEA to promote working linkages on the environment across sectors and between different levels of government.
6. involving NGOs, community groups and the private sector in environment programmes.
Civil Society and Community Participation

Introduction

1. The main purpose of the Working Group on Civil Society and Community Participation (hereinafter "the Group") is to support enhanced people’s participation in the development process in Vietnam in order to ensure the efficacy, the equity and the sustainability of investments made in this process. The objectives of the Group are:

1) to support the Government of Vietnam in its efforts to increase people’s participation in their own development;
2) to improve the co-ordination of external assistance to the nurturing of participatory methods of development planning and implementation;
3) to foster a network for learning by doing and of information sharing about innovative new approaches to strengthen and develop civil society and community participation in Vietnam;
4) to work towards a shared Government - Donor strategy in these areas; and,
5) to support capacity building for civil society and communities.

2. In general, the aim is thus to support the enabling environment for the formation of social capital in Vietnam's development process. This objective is in consistent with the strategic directives outlined in the 10-year Socio-economic Development Strategy and the 5-year Socio-economic Development plan. Some noteworthy quotations from the Strategy and the Plan accentuate this point.

3. The Strategy identifies the policy on civil society development as follows: "To encourage and support organisations, which are non-profit and working for the people’s needs and benefits; facilitate organisations carrying out a number of public services under communities' oversight…"

4. This point is reinforced in the 5-year Plan: "To support and encourage non-profit organisations’ participation in fulfilling socio-economic targets. These organisations can be authorised by the State to implement some tasks, and provide several services under the supervision of the community."

5. The next paragraphs seek to highlight how the group has striven to support the achievement these policy goals.

Key Outputs

6. Three key outputs can be identified in the work of the group during the last year.

---

3 Social Capital is defined as "those aspects of social organisation, including networks, norms and social trust that facilitate co-ordination and co-operation for mutual benefit" (Robert Putnam, "Bowling Alone: America's Declining Social Capital", Journal of Democracy, January, 1995, pp. 65-78)
7. Firstly, as a growing number of donors/members of the group are now planning or already engaged in support activities for implementation of the Decree 29/CP on the Regulation of the Exercise of Democracy in Communes (hereinafter called "Grassroots Democracy Decree) increasing attention has been devoted to this area. As a specific output the group has therefore established an Intranet on the Grassroots Democracy Decree. In addition, the sharing of new findings and reports on the Grassroots Democracy Decree has been systematically presented in the meetings of the group.

8. Secondly, an inventory of all donor activities within the sphere of civil society development and community participation has been established. This database is divided into four broad areas:

1) Legal/Policy Framework for Civil Society
2) Capacity Building of Civil Society Organisations
3) Strengthening of Community Participation
4) Support to the Implementation of the Grassroots Democracy Decree and Local Government Reform

9. Thirdly, the group has managed to establish a broad dialogue with national partners. These partners can be divided into three groups: Government Agencies, Mass organisations and local NGOs.

10. The dialogue with the Government has been with two departments within GCOP reflecting two main areas of concern of the Group. One department is the NGO Department, which is entrusted with the drafting of the Law on NGOs and the other department is the Local Authorities Department, which is mandated with the implementation of the Grassroots Democracy Decree.

11. The dialogue with the Mass Organisations has taken place through the Legal Department of the Fatherland Front. This dialogue has concentrated on identifying the comparative advantages and shortcomings of the mass organisations vis-à-vis the more autonomous civil society organisations.

12. Finally, local NGOs have participated in the meetings of the Group. Among other things a discussion about and with the two different local NGOs network (the "Cooperation and Development Group" and the network headed by RaFH-Center for Reproductive Health and Family Planning) took place.

**Key Outcomes**

13. Based on the objectives outlined in the introduction of this note the Group seeks to achieve three outcomes: Promoting the dialogue with the Government and Local Civil Society Organisations; Co-ordinating the assistance to civil society development and community participation and ensure Information Sharing.

14. It is evident from the above delineation of the key outputs that the impact of the Group's activities have been in the area of information sharing and coordinating
assistance, while the outcome of dialogue with the Government is more nebulous. For instance, as a result of the inventory of civil society and community participation activities there is a sound knowledge about "who is doing what" in the area of implementation of and advocacy about the Grassroots Democracy Decree.

15. On the other hand the dialogue with the Government on the formulation of the NGO law has only had limited impact insofar that the Law was not put on the agenda for the National Assembly Sessions in 2001.

Milestones 2002

<table>
<thead>
<tr>
<th>Key Activity</th>
<th>Expected Outcome</th>
<th>Deadline/Date</th>
<th>Key Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update inventory/database of donor civil society and community participation activities</td>
<td>Enhanced knowledge about who is doing what in the field of civil society development and community participation</td>
<td>Bi-annual</td>
<td>• Working Group on Civil Society and Community Participation</td>
</tr>
<tr>
<td>Develop a Vietnamese language lexicon relating to common civil society/participation terminology</td>
<td>Clarification and localization of common civil society/participation terminology</td>
<td>End 2002</td>
<td>• Working Group on Civil Society and Community Participation</td>
</tr>
<tr>
<td>Continue dialogue with the NGO Department of GCOP on the formulation of the NGO Law</td>
<td>Clear legal framework for civil society organisations established</td>
<td>End 2002</td>
<td>• NGO Department of GCOP • Working Group on Civil Society and Community Participation</td>
</tr>
</tbody>
</table>
Urban Forum

Background

1. Following the recommendation of the Consultative Group meeting held in 2000, the Urban Forum was established as a collective commitment of development partners in Vietnam to facilitate sharing of knowledge and experience in urbanisation and urban development, as a way of contributing to policy analyses and programme refinement. The 1st Urban Forum meeting was held in Hanoi on 21 May 2001. It brought together a wide range of urban stakeholders including representatives of the Government at the central and local levels, donors and NGOs, to share expectations and present sector strategies alongside specific project case studies. In particular, three topics were selected for group discussion: key issues for urbanisation in Vietnam, water management at provincial and district levels, and urban upgrading.

2. The initial group of supporting agencies comprised of the Ministry of Construction of the Socialist Republic of Vietnam, the United Nations Development Programme (UNDP) in Vietnam in association with the United Nations Centre for Human Settlements (UNCHS/Habitat), the Swiss Agency for Development and Cooperation (SDC), the World Bank (WB), the Asian Development Bank (ADB), and the Japan Bank for International Cooperation (JBIC). In April 2001, an interim support unit was set up under the auspices of the Swiss government to help facilitate the inception of the Urban Forum.

Key outcomes in 2001

3. At the national level, the Urban Forum has started dialoguing with the Ministries of Construction; Planning and Investment; Science and Technology; as well as with the Government Commission for Organisation and Personnel (GCOP) with a view to pursuing issues of policy. In addition, the Forum has established links with cities and provinces including Ho Chi Minh City through the Official Development Assistance Partnership (ODAP). Regarding key outcomes in the last six months, the Urban Forum has:

- established a database on urban stakeholders (who's who);
- established a database on urban programmes and activities;
- disseminated all documents and important information through the partnership window of the Vietnam UN website at the URL http://www.un.org.vn/donor/urbforum/index.htm;
- given daily advice and information to incoming missions;
- participated in programme consultation and planning processes; and
- participated in policy analysis and studies.
4. In particular, the Regional Office of the UNCHS in Fukuoka and UNDP Viet Nam in collaboration with the University of Hawai‘i, have undertaken a broad-based study on Vietnam’s urban transition. Utilising the existing data of 1989 and 1999 Censuses, the study will explore new ways and means of dealing with the economic development of the country, particularly in reference to the 10-year socio-economic strategy, and the industrial policy and urban strategy towards 2020.

Next steps

5. The Urban Forum's objectives, mandate, and organizational system, have been agreed in broad terms with the Government of Viet Nam. As a logical outcome, the membership should be expanded to all relevant ministries and donors, to NGOs, and to the representatives of civil society and the private sector. International development partners in the urban sector approached by the Urban Forum, including DANIDA, AUSAID, Japan International Cooperation Agency (JICA), the Belgian Technical Cooperation, the Embassy of Finland and the French Agency for Development (AFD), as well as NGOs like ENDA Viet Nam and Villes en Transition have all shown interest in joining the Forum.

The agenda for 2002-2003

6. Regarding the policy dialogue and programme refinement with the Ministry of Construction, it was suggested to focus within the next two years on infrastructure development, urban upgrading, urban environment, shelter policy, urban planning, and urbanization issues and spatial planning.

7. Notably, the Urban Forum is working together with the Water and Sanitation Programme of the World Bank to facilitate the inception of key programme elements, in response to the government's major Water supply programme for 180 small towns.

8. In general, representatives of the Government of Viet Nam, including municipalities and provincial authorities, ODA partners, NGOs, community groups and representatives of the private sector feel that they should contribute to policy analysis and work within a common framework to develop and test new approaches in the following areas:

1) land tenure and access of the urban poor to housing and basic infrastructure;
2) development of small urban centers (district towns);
3) furthering rural-urban linkages;
4) improvement of urban management institutions (municipalities, public utilities, etc.), including the follow up of the major Government's Public Administration Reform Programme (2001-2010);
5) environment and pollution (waste management, sanitation, cleaner production);
6) economic strategies, including the development of the private sector and household micro-enterprises; and
7) examination of the urban transition Vietnam is going through and finding appropriate responses to globalisation and regional integration.
9. In addition to thematic consultations, proposed forthcoming activities within the next two years will continue to include stock taking of urban development initiatives and programmes, policy analyses, surveys and case studies, local capacity building, and information exchange activities, such as the development of the Urban Forum website and newsletter.

Contact:
Support to Viet Nam Urban Forum (SDC)
33B, Pham Ngu Lao Str., 2nd floor, suite 226/227
Tel.(84-4) 824-3428, extension 227 (226), fax (84-4) 933-0469, attn: Urban Forum
E-mail: urbanforum@hn.vnn.vn
1. The two working groups on SOE reform and on equitization have been extremely effective in mobilizing and coordinating technical assistance for the formulation of the SOE reform and equitization program, even though the frequency of meetings of the SOE reform group has not been more than three times a year. But this has been compensated by five meetings a year by the equitization group. Another weakness of the working group has been its inability to secure representation of Government on a regular basis. Thus donors and NGOs have met more often than donors, NGOs and Government.

2. Nevertheless, these two groups had been very effective in disseminating and sharing information and in mobilizing assistance. Donors have used several mechanisms for spreading information. Also, they have helped to mobilize assistance for both formulation and implementation of the program.

3. The two groups were merged this year, with the leadership of the group kept with IFC who used to lead the equitization group.

**Key outcomes in the last six – eight months**

- The detailed SOE reform program is well known to all donors.
- Progress on implementation is available to donors from Government every quarter through this group.
- Several components of the SOE reform program became feasible because this group was able to mobilize grant technical assistance at the right time, since Government would not use loans for such technical assistance. For example, technical assistance grants from Denmark, Australia, and Japan have been key to the diagnostic audits of 50 large SOEs. DFID funding of restructuring of three General Corporations permitted this to be part of the SOE reform program.
- Overall implementation capacity of the National Steering Committee for Enterprise Reform and Development (NSCERD) has been strengthened by technical assistance grants mobilized recently.
- The social safety net scheme developed and adopted by the Government was made possible by funding mobilized by this group.

**Significant changes as a result of the partnership on SOE reform**

- Greater awareness among donors and NGOs about SOE reform – the program and its implementation progress – through this group.
- Also, because of this group, many more donors are providing technical assistance irrespective of size, because reporting arrangements are less onerous and individual donors do not feel left out.
- TA is rendered more effective because consultants working under various TA projects can exchange information and experience through this forum.
Success criteria for 2002 to monitor the partnership is meeting its development goals

- Continued implementation of the SOE reform and equitization program as evident from Government reports to the working group.

- Greater participation of Government, including a leadership role in the working group as in PER and Banking working groups.

- Regularity of meetings and strong participation of donors, NGOs and Government representatives (and even consultants of TA projects) at these meetings.

- Saving time of Government representatives by meeting donor representatives together and at regular intervals, so that less time may be spent in meeting them separately to brief them on status.

- Commissioning of written updates on progress as well as summaries of various consultant reports on the banking system.
### International Partners’ Support for SOE Reform

<table>
<thead>
<tr>
<th>Donor &amp; Grant Amount</th>
<th>Purpose (Implementing Agency)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB US$ 1,400,000</td>
<td>Enhancing institutional capacity of key agencies (MOF, SAGO, SBV, SSC) in diagnostic audit of SOEs and in review and approval of SOEs seeking to equitize and obtain public listing (MOF, SAGO and SSC)</td>
<td>Approved and ongoing.</td>
</tr>
<tr>
<td>ADB US$ 1,600,000</td>
<td>Formulate and implement a strategy and practical method for corporatization of SOEs; Implement and enforce the adoption of international best practice in corporate governance (NSCERD).</td>
<td>Approved and ongoing.</td>
</tr>
<tr>
<td>ASEM 1 European (WB administered) US$ 100,000</td>
<td>Social safety net program to deal with labor displaced by SOE reform (CIEM in coordination with NSCERD)</td>
<td>Completed.</td>
</tr>
<tr>
<td>ASEM 5 European US$ 1,470,000</td>
<td>Support implementation of SOE reform in three line ministries (industry, agriculture, and construction) and two provinces/municipalities (Hanoi and one other). (NSCERD)</td>
<td>Ongoing; completion end 2001.</td>
</tr>
<tr>
<td>Danida (Denmark) administered US$ 3,100,000</td>
<td>Support to Industry Restructuring and Enterprise Development by implementing equitization plans and providing post equitization assistance (Ministry of Fisheries).</td>
<td>Approved and ongoing. Expected completion: 2002</td>
</tr>
<tr>
<td>Danida (Denmark) (WB administered) US$ 390,000</td>
<td>Advisory services, public awareness campaign, the establishment of a MIS for SOEs, and capacity building in NSCERD (NSCERD)</td>
<td>Completed in Jan.00.</td>
</tr>
<tr>
<td>Danida (Denmark) (WB administered) US$ 340,000</td>
<td>Advisory services on implementation of the decree on divestiture, and establishment and use of Support Fund for Equitization and Restructure (NSCERD)</td>
<td>Under implementation. Expected completion: July 2000.</td>
</tr>
<tr>
<td>Danida (Denmark) administered US$ 1,700,000</td>
<td>Support to capacity building in NSCERD in the SOE reform process (NSCERD).</td>
<td>Project to start in July 01 and run through 2004.</td>
</tr>
<tr>
<td>DFID (UK) UK£ 1,800,000</td>
<td>Pilot restructuring of three general corporations – Vinatex, Vinacafe, and the Seaprodex (NSCERD)</td>
<td>Approved initial phase; consultants prepared inception report.</td>
</tr>
<tr>
<td>GTZ (Germany) administered US$ 5,600,000</td>
<td>Support to restructuring SOEs in agriculture (Quang Tri Province, Tan Lam area) by providing advise in implementing equitization plans (People’s Committee Quang Tri, CREM)</td>
<td>Under implementation. Expected completion: 2003.</td>
</tr>
<tr>
<td>IFC administered /Danida (Denmark) US$ 410,000</td>
<td>Dak Lak pilot project to equitize and divest 51 SOEs, using the auction process for equitization.</td>
<td>2000 - ongoing</td>
</tr>
<tr>
<td>IFC administered US$ 782,000 AusAID &amp; US$ 180,000, IFC</td>
<td>Support a pilot divestiture program for small SOEs in Haiphong People’s Committee, using the auction process for equitization.</td>
<td>Completed in February 2001.</td>
</tr>
</tbody>
</table>
### SOE Reform and Equitization

<table>
<thead>
<tr>
<th>Description</th>
<th>Funders</th>
<th>Amount</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data collection and monitoring system for SOEs under SAC-preparation. It is also financing a survey of 350 SOEs (GDMSCAE, Ministry of Finance)</td>
<td>Japan PHRD (WB administered)</td>
<td>US$ 218,000</td>
<td>Completed in June 1999.</td>
</tr>
<tr>
<td>Diagnostic audits of selected SOEs to make recommendations (GDMSCAE, Ministry of Finance) for improvements.</td>
<td>Japan Special PHRD (WB administered)</td>
<td>US$ 4,120,000</td>
<td>Grant approved. Signing by Government awaited.</td>
</tr>
<tr>
<td>“Improving the Regulatory Environment for Business” provides assistance to the Central Institute for Economic Management, MPI.</td>
<td>UNDP and AusAID</td>
<td>US$2,382,800</td>
<td>Project was initiated in 1997, and is expected to be extended beyond 2001.</td>
</tr>
</tbody>
</table>
Banking Reform

1. The Government-donor-NGO working group on banking reform was established in late 1999 to discuss the proposed banking reform program developed by State Bank of Vietnam, to support implementation of that program and to coordinate donor-support. The Deputy Governor of SBV, who is also the head of Bank Restructuring Committee, has attended several meetings and his designee attends most others. The partnership on banking reform is very informal but serves as an effective forum in which partners can share information on the banking reform program, ask questions that concern them, seek donor assistance - both urgent and more medium-term – and update each other in various areas of banking. Representation from the Private Sector banking working group permits some exchange between the two groups.

Key outcomes of the partnership in the last six – eight months

- Development of an overall technical assistance plan – indicating areas of support needed with rough estimates of amounts -- for implementing the banking reform program. This has permitted donors to choose areas, irrespective of the size of TA grants, and to understand how their support fits into a bigger whole and what overall results that support will contribute to.

- Using this plan, several donors have come forward to “adopt” an individual SOCB to provide twinning-type support. Netherlands and France have recently agreed to fund this sort of support and others are considering other types of need articulated in the plan.

- More importantly, it has recently permitted the Government to mobilize urgently needed technical assistance for doing International Accounting Standards (IAS) audits for two state-owned commercial banks (SOCBs). When this request was presented in April 2001, two donors – Denmark and the US – responded immediately. The agreement took two months to sign and three more months to award contracts - which is very rapid by all standards of TA. Denmark and the United States have provided funding for IAS audits of Vietcombank and Incombank respectively, helping the Government to deliver on their commitments, as well as supporting the implementation of the PRSC and PRGF programs.

- Many other donors are also supporting the modernization of the Vietnamese banking system in other ways. The Asian Development Bank, Germany, The Netherlands, New Zealand, and Switzerland all provide various types of support to, and human resource building in, the State Bank of Vietnam.
Significant changes as a result of the partnership on banking reform

- The donors are made aware of the status of implementation of banking reform at its quarterly meeting.

- All SOCBs committed to annual IAS audits for the next three years because donors in this working group agreed to mobilize the funding needed to sustain such audits.

- One of the SOCBs - VietcomBank – agreed to use a twinning-type arrangement for their technical assistance, something that all SOCBs resisted earlier. This will include assistance in the following areas: organizational development, information technology, management information systems, internal audit, treasury functions, credit risk management, fee based banking services, and marketing.

- A major Asset Management Company (AMC) conference is being organized with help of donors, because Government and the commercial banks are unsure about the best options on processes for organizing the sale of collateral.

- Another SOCB, Incombank, is using another model for their technical assistance support. The French, AFD, have indicated their willingness to fund two technical advisors resident in Incombank, with access to funds to bring in individual consultants (selected by advisors) to help it to implement its restructuring plans.

Success criteria for 2002 to monitor the partnership is meeting its development goals

- Continued implementation of the banking reform program as evident from Government reports to the banking working group.

- Regularity of meetings and strong participation of donors, NGOs and Government representatives at these quarterly meetings.

- Saving of Government representatives’ time in meeting donor representatives separately to brief them on status of banking reform.

- Commissioning of written updates on progress as well as summaries of various consultant reports on the banking system.
### International Partners’ Support for Banking Reform

<table>
<thead>
<tr>
<th>Donor &amp; Grant</th>
<th>Purpose (Implementing Agency)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB US$ 980,000</td>
<td>To help SBV in preparing the medium and long-term strategy and plans for financial sector development.</td>
<td>Final report completed in 2000, and the terms are being reviewed for additional analysis.</td>
</tr>
<tr>
<td>ADB US$ 900,000</td>
<td>Strengthen corporate Governance of VBARD to ensure its competitiveness and effectiveness as a financial institution.</td>
<td>Expected completion by end 2001.</td>
</tr>
<tr>
<td>ASEM 1 European (WB administered) US$ 991,000</td>
<td>Support improved transparency and financial information flows by assisting the Bank Restructuring Committee to support loan workout teams, audits of selected joint stock banks, and strengthening of bank supervision (SBV).</td>
<td>Final Reports are being prepared by consulting firms Arthur Andersen, and Gide Loyette Nouel.</td>
</tr>
<tr>
<td>ASEM 4 European (WB administered) US$ 1,520,000</td>
<td>Support due diligence audits and financial assessments of JSBs (SBV).</td>
<td>Consultants in place; financial assessments in progress.</td>
</tr>
<tr>
<td>Danida (Denmark) US$ 340,000</td>
<td>Support to audit for 2000 of one of the large SOCBs using international auditing standards.</td>
<td>In process; expected completion in 2001.</td>
</tr>
<tr>
<td>GTZ (Germany) administered US$ 1,600,000</td>
<td>Support to the establishment of a People’s Credit Fund System to strengthen the banking system and provide poor communities with banking services. (State Bank of Vietnam)</td>
<td>Under implementation. Expected completion: 2006.</td>
</tr>
<tr>
<td>GTZ (Germany) administered DEM 11,000,000</td>
<td>Support to the reform of the Vietnamese banking system including strengthening of SOCBs (SBV).</td>
<td>Project is being implemented.</td>
</tr>
<tr>
<td>GTZ (Germany) administered DEM 11,500,00</td>
<td>Support to the establishment of a Cooperative Credit Fund-Network (State Bank of Vietnam)</td>
<td>Project is being implemented.</td>
</tr>
<tr>
<td>Japanese PHRD US$ 1,282,000</td>
<td>Support the design and establishment of asset resolution mechanisms for restructuring banks (SBV).</td>
<td>Separate Restructuring Plans for 4 SOCBs have been completed by consulting firm (Vinstar Limited) Training plans are being finalized by consulting firm (Deloitte Touche Tohmatsu)</td>
</tr>
<tr>
<td>Japanese PHRD US$ 300,000</td>
<td>Support for review of existing banks supervision procedures and recommend revisions to strengthen supervision</td>
<td>Completed 2000.</td>
</tr>
<tr>
<td>Netherlands US$ 1,370,000</td>
<td>Support to independent audit of one SOCB and to study tours to learn about audit and regulatory structures in other countries (SBV). Offer to finance twinning arrangements for one SOCB</td>
<td>Completed Discussion ongoing</td>
</tr>
<tr>
<td>Switzerland US$ 800,000</td>
<td>TA to assist the development of credit investment activities in JSBs. In particular to establish credit</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Organization</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>----------------</td>
<td>------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Switzerland</td>
<td>US$400,000</td>
<td>TA for SBV on monetary policy, international economy and human resource management.</td>
</tr>
<tr>
<td>USAID</td>
<td>US$ -- to be determined</td>
<td>Support to audit for fiscal year 2000 of one of the large SOCBs using international auditing standards.</td>
</tr>
<tr>
<td>World Bank</td>
<td>US$ 49,000,000</td>
<td>Payment system and bank modernization. Project to strengthen institutional capacity of participating banks and speed up circulation of funds and increase efficiency.</td>
</tr>
</tbody>
</table>
Trade Policy

1. The donor-NGO-Government working group on Trade Reform was established at the same time as others, but had limited Government representation. Donors and NGOs have met four times a year. This group has been used to discuss mainly technical assistance support to the Ministry of Trade, to exchange information on reforms being implemented and to apprise the working group of the numerous technical work on trade.

Key outcomes of the partnership in the last six-eight months

- Greater interest is being taken by the Ministry of Trade representatives in 2001.

- This group has discussed all trade studies being done on Vietnam. Comments on the terms of reference for such studies are sought through this group; also first drafts of studies are often presented to the members of this group.

- Four new programs have been added to the list of technical assistance this year. They include the European Union support of Vietnam’s WTO accession as well as the USBTA technical support provided by the USAID. The World Bank has commissioned a set of analytical studies – sugar study, petroleum pricing study, implications of planned trade liberalization for poverty and income distribution and the export performance and policy study. UNDP has initiated a stocktaking of integration study too.

- The Government recently introduced E-Commerce issues into this working group. A videoconference linking Government officials and donors in Vietnam with specialists on e-commerce and e-readiness at the World Bank in Washington was held in October, to which donors were also invited.

Significant changes as a result of the partnership on trade reform

- Systematic sharing of information on studies and technical work that are being undertaken in Vietnam.

- Use of the group to launch major initiatives in the trade area, including the recent E-commerce initiative.

Success criteria for 2002 to monitor the partnership is meeting its development goals:

- Continued implementation of trade reform

- Greater and more regular government participation in the working group, including a leadership role as in the PER and Banking working groups.

- Greater regularity of meetings and strong participation of donors, NGOs (and even consultants of TA projects) at these meetings.
• Saving time of Government representatives by meeting donor representatives together and at regular intervals, so that less time maybe spent in meeting them separately to brief them on status.

• Commissioning of written updates on progress as well as summaries of various consultant reports on the banking system. Plans for 2002 include the continuation of occasional meetings with updates on progress on ongoing and planned studies, policy changes and other issues of common interest in relation to trade reform.
### International Partners’ Support for Trade Reform

<table>
<thead>
<tr>
<th>Donor</th>
<th>Purpose (Implementing Agency)</th>
<th>Status</th>
</tr>
</thead>
</table>
| AusAID (Australia)/ World Bank | - Study on (1) impact of US-Vietnam MFN status agreement on export enterprises,  
- Report on Vietnam’s NTBs  
- Sugar industry study  
- Petroleum price and marketing arrangement  
- Study on the distributional consequences of trade and investment liberalization. | Completed            |
| AusAID (Australia)      | - Training Project on International Commercial Law providing six-month training courses for participants from various Vietnamese institutions.                               | Ongoing              |
| EU                     | - Multilateral Trade Policy Assistance Program  
- Training in trade policy and WTO framework  
- Studies on agriculture and services trade  
- Study on social impact of opening economy | Preparatory phase Completed Planned |
| Finland                | - Capacity development for MOT, Vietnam Institute of Trade. Training of trade officials in Finland and Vietnam  
- Funding WTO experts from Finland | First phase completed|
| New Zealand            | - Trade assistance program. English language training  
- Funding expert to assist the Government in classifying tariffs for agricultural products, developing an action plan and conducting seminars  
- Assistance for developing a list of components of reforms for the next five-ten years | Ongoing Ongoing     |
| Sida (Sweden)          | - Policy advice to the Prime Minister’s Research Group on external Economic Relations  
- (1) Raising awareness of the implications of economic integration among provincial leaders and SOE managers; (2) Transfer of experiences of small economies negotiating with big countries; (3) Establishment of a Resource Center: setting up a website on Vietnam’s economy and economic integration | Ongoing              |
| Switzerland            | - Policy advice to MOT | Ongoing |
| Switzerland/UNDP/ITC   | - Trade Promotion. Assistance to the Government in trade promotion both at central and local levels | Ongoing              |
| Switzerland            | - Technical assistance in enforcement of Intellectual Property Rights as set forth in international treaties. | Ongoing              |
| UNDP                   | - ASEAN Integration. Conducting a series of researches on issues of ASEAN integration  
- Long-term vision for integration with the world | Completed Ongoing    |
| UNIDO/UNDP            | - Managing Vietnam’s Integration into the global | Ongoing              |
| United States | • Assisting the formulation of Vietnam’s Proposal for bilateral negotiation  
• Funding a US Trade lawyer / a UN tax expert  
• Assistance to the reform of trade regulations, legislation, and implementation of rules | Ongoing |
Public Financial Management

Background

1. Until recently, discussion and donor assistance on public financial management was not carried out in a systematic and coordinated manner. The first Public Expenditure Review was done in 1996 before there was a Budget Law or a Budget Classification system. The fiscal transparency report – *Towards Fiscal Transparency* – in 1998 was the second piece of work on this subject. But the first joint Government-donor study was the second public expenditure review (PER-2000) – *Managing Public Resources Better*. This marked a significant move towards more collaborative and coordinated work.

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

Key outcomes of the Partnership in the last ten months.

- Creation and operation of a permanent Government-donor-NGO working group on public expenditure reform. In February 2001, the Government led a permanent Government-donor-NGO working group on public expenditure reform (arising out of a merger of the separate working groups of Government and of the donors created for doing the PER); the World Bank agreed to provide logistical support to that group. The first meeting of the Group on February 28 was chaired jointly by Madam Le Thi Bang Tam, Vice Minister of Finance and Mr. Andrew Steer, Country Director of World Bank in Vietnam.

- Presentation of Government’ Action Plan to improve public expenditure management. At the first meeting of the Group, the Government presented a Detailed Matrix of Actions based on the PER recommendations citing the steps to be taken in each year (i.e. 2001-2003) and the likely technical assistance needs for implementing them. Donors agreed that this Matrix developed by the Government would be used for future donor support to public financial management in Vietnam. If new issues arise and the Government agrees to new actions as a result, they will be added to the agenda, using this matrix framework.

- Donors’ response to the Matrix. Following the meeting, Donors sent letters to MOF indicating their interests for TA to the Government and this was incorporated in the subsequent version of Detailed Matrix of Actions. This updated version of the Matrix is now the working document of the Group.

- Subsequent Government-led meetings. These meetings were used to update members of the Group on progress of implementation of the Matrix.
of Actions and to discuss specific concerns of the group as well as donors’ proposals. The MTEF (mid-term expenditure framework) for education was discussed at the June meeting, and the preparation of the 2001-2005 Public Investment Program was discussed at the October meeting.

- Creation of a multi-donor trust fund. Five donors - DFID, Denmark, the Netherlands, Sweden and Norway - got together and indicated their intention to form a multi-donor trust fund, to be managed by the World Bank, to provide technical assistance for the implementation of the Government’s Matrix of Actions.

- Government proposed that this Group also include additional four topics for discussion: public debt, public asset management, SOE tracking and tax issues.

- This Group also commissioned two studies: one on the spatial allocation of public expenditure for roads and other on the recurrent cost implications of Vietnam’s Public Investment Program - Methodology and Preliminary Estimates. Drafts of the reports will be available soon.

**Significant changes as a result of the partnership.**

3. The changes can be assessed by the progress on implementation of key actions of the Matrix listed below:

- Issued regulation on financial reporting system of enterprises, including SOEs to make information on performance of SOEs systematic and accessible (Decision 167/2000/QD-BTC of October 25, 2000).


- Designated the State Treasury as the main agency responsible for maintaining the consolidated public accounts and thus for establishing the integrated public financial management information system.

- Initiated study and survey on the unification of the treasury, budget and taxation accounting systems.

- Established a Task Force to develop and implement the unification of budget and treasury accounting systems (July, 2001).

-Initiated study and survey on the unification of the treasury, budget and taxation accounting systems.

- Established a Task Force to develop and implement the unification of budget and treasury accounting systems (July, 2001).

- Issued an amendment (Decision 182/2001/QD-TTg dated November 20, 2001 by the Prime Minister) to the regulations for State Budget transparency at all levels to allow for detailed information to be disclosed (i.e. amendment of Decision 225/1998/QD-TTg of November 20, 1998).
• Completed provincial PERs in HCMC and Quang Binh: reports of these PERs are available on the UNDP VIE 96/028 website. A Provincial PER for Bac Ninh is underway and is expected to be completed in November.

• Initial steps have been taken to develop the medium-term sector expenditure program for education by MOET and MOF, and further work will be undertaken during the next year.

• Established a working group on revision of budget norms.

• Completed estimates of costs of SOE and Banking reforms and obtained approval of financial plan.

• Increased budget allocation in 2001 for agriculture extension and hybrid development, for provision of health insurance card to the poor, for Hunger Eradication and Poverty Reduction program, for Program for poor communes (Program 135). Allocated budget to provinces for provision of free notebooks for children and free drugs for people living in remote and disadvantaged areas.

Success criteria for 2002 by which the partnership will monitor it is reaching development goals.

• Continued progress in implementing the Matrix of actions

• Timely donor response to Government requests

• Information flow from Government to donors, including the use of MOF Website.
Education Forum

Key Outcomes of the Partnership in the last six months

1. The Education Forum has continued to meet on a quarterly basis, providing an opportunity for education sector partners to exchange information and knowledge on a thematic basis. Meetings continue to be well attended, with over 100 participants from different departments and levels of MOET, related ministries, multilaterals, bilaterals, INGOs, and LNGOs.

2. The June Forum’s theme was Primary Education for Disadvantaged Children. This meeting focused on the new project being prepared by MOET and the World Bank with support from DFID, AusAID and CIDA, which aims to support initiatives that will ensure that disadvantaged children can enjoy the level and quality of education outcomes as their more advantaged peers. Good practice from around Vietnam, especially in the areas of inclusive education, ethnic minority education, and education in especially poor rural and urban areas, was presented and discussed in order to inform the design of the project.

3. The October Forum’s theme was Early Childhood Development, led by SCF(UK) and UNICEF with active MOET involvement. This was the first forum to focus on the pre-primary level, and attempted to share best practice models that were family, community and/or schools based, in order to encourage a greater interest in and response to the needs of the 1 to 5 age group in Vietnam. Minutes of discussions were circulated to all agencies and relevant Government departments.

4. The key outcome of each forum meeting has been greater information sharing, and broader ownership, around each of the themes.

Significant changes as a result of the partnership.

5. Significant changes have taken place in the way Government, donors and NGOs co-operate to achieve Vietnam’s education goals.

6. Firstly, regular participation from MOET and its specialized research institutes NIES and NIED has now become the norm. The topic of each forum is chosen by MOET in consultation with donors, to ensure the Ministry’s strategic interests are met.

7. Secondly, to ensure continuity from one meeting to the next, at the start of each meeting a short session reports to the Forum on follow up activities that resulted from the immediate past meetings. Consequently, forums have received updates on curriculum reform and the Government strategy for 2001-2010.

8. Thirdly, the Forum is now used to debate, discuss and collaboratively prepare new documents including the Vietnam Development Targets. Over the past six months agreement has been reached on the Vietnam Development Targets for Education, and mechanisms are being put in place – under the EFA umbrella – to make the VDTs for Education a reality.
The Vietnam Development Target Education Goal: Achieve better education for all

<table>
<thead>
<tr>
<th>Targets</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide quality basic education for all by 2010 with emphasis on full day primary education</td>
<td>Net enrollment rate in primary education</td>
</tr>
<tr>
<td></td>
<td>Net enrollment rate in lower secondary education</td>
</tr>
<tr>
<td></td>
<td>Pre-school attendance for 3-5 years old</td>
</tr>
<tr>
<td></td>
<td>Age-specific enrollment rate</td>
</tr>
<tr>
<td></td>
<td>% of children in full day schooling</td>
</tr>
<tr>
<td></td>
<td>Completion rate of primary education</td>
</tr>
<tr>
<td></td>
<td>Literacy rate of 15-24 years old</td>
</tr>
<tr>
<td>Eliminate gender disparities in primary and secondary education by 2005 and ethnic disparities in primary and secondary education by 2010</td>
<td>Ratio of girls to boys in primary, secondary and tertiary education</td>
</tr>
<tr>
<td></td>
<td>Ratio of literate females to males of 15-24 years old</td>
</tr>
<tr>
<td></td>
<td>Ratio of enrollment rate of ethnic minority children to Kinh children in primary and secondary education by 2010</td>
</tr>
</tbody>
</table>

Success criteria for 2002 by which the Forum will monitor it is reaching its development goals.

9. The key success criteria will be the achievement of measurable progress towards the targets outlined in the table above, against the specified indicators.

10. For the forum itself, plans for 2002 include the continuation of quarterly forum meetings, with updates on progress on issues raised in previous meetings, as well as a greater collaboration with MOET on the identification of new issues to be discussed and preparation of the meetings themselves. Possible topics for discussion include:

   - Primary teacher training and upgrading;
   - Student achievement and assessment of learning outcomes;
   - Reports from the joint MOET/JICA team working on the Primary Education Development Plan (PEDP); and,
   - Reports from MOET and a joint donor team with UNESCO on the progress in meeting the international commitments under the Education for All (EFA) programme.

11. Success of the Forum itself can be measured by its regular meetings and broad-based attendance of over 100 participants.
Health

Background

1. The health sector in Vietnam has received important ODA support since the beginning of the 1990s. At times in the past, the Government requested several donors and international organisations to support the same specific programme. Therefore the need for coordination was high which quickly resulted in the creation of several informal working groups each focusing on one specific topic (e.g. malaria control, iodine deficiency, tuberculosis, etc). Each working group consists of representatives of the Ministry of Health, national institutes and representatives of international organisations involved in these topics. The common goal of such groups is to assure information sharing and to improve effectiveness of the implementation of the programmes.

2. In 1997, the Ministry of Health organised the first official "donor coordination" meeting and invited all major organisations working in the health sector in Vietnam to participate.

3. In the following years a health sector review was conducted by the Ministry of Health and a limited number of core donors, led by the World Bank. The report of the review was finalised in May 2001. It documented the impressive achievements of the health system and identified important constraints and challenges partly due to the socio-economic changes which took place in the past decade.

4. In 1998, the Ministry of Health created a Project Coordination Department within the Ministry, which set up an International Support Group on Health in 2000.

Partnership groups in 2001

International Support Group

5. The International Support Group (ISG) enables representatives of the Ministry of Health, the donor community and other ministries to meet on a regular basis. Through this working group the international community has the opportunity to coordinate its support for the implementation of the health care strategy for 2001-2010 and the plan of action for the period of 2001-2005.

6. Since the creation of the group in 2000, five meetings have been organised where policy issues have been discussed, ongoing and future programmes of core donors have been presented and needs of particular regions have been explained.

Health Sector Working Group

7. Following the completion of the health sector review, a new donor working group - the "Health Sector Working Group" has been formed in 2001. This group consists only of donors but has the full support of the Ministry of Health, which is informed about results.
8. This "Health Sector Working Group" meets on a quarterly basis under the auspices of the WHO. It groups the major partners of the Ministry of Health, including the multilateral agencies, bilateral donors and a representative of the international NGOs active in the health sector in Vietnam.

9. Its main objectives are:
   - to improve relations between the Ministry of Health and the donor community;
   - to improve information sharing between donors;
   - to discuss ways to improve the management of ODA in the health sector;
   - to discuss key policy and strategic issues;
   - to advocate priority issues to the Ministry of Health and the Government;
   - to make ISG meetings more effective and participatory.

10. In addition to the planned meetings, ad hoc meetings have been organised to enable experts of preparatory and evaluation missions and operational research teams to present their views to the donor community.

Sub-groups

11. Several informal working groups created at the beginning of the 90s continue to exist and several new ones have been created since (e.g. reproductive health, safe motherhood, food security and safety, etc). Some of those have a more technical approach or involve representatives of other sectors (e.g. group on parasitic zoonoses).

Key outcomes

12. The main outcome of the regular contact between donors and the Ministry of Health and among donors has been a better understanding of the strategies already applied, of the problems and of the constraints of the Ministry of Health and of the ongoing process to resolve the critical issues.

13. Better relations and trust are important assets for future collaboration and increased efficiency. This can best be illustrated by the way members of the ISG reacted to a WHO request in 2001. Within hours of launching a call for financial support for the integration of hepatitis B into the Expanded Programme of Immunization of Vietnam (EPI), WHO received several positive responses of the members of the ISG.

14. It is generally accepted that it is too early to apply a SWAp in the health sector. However, through improved contacts between donors, steps have been taken to move to cofinancing in areas such as HIV/AIDS.

15. The more technical approach of the sub-groups certainly contributed to the success of several vertical health programmes in Vietnam.
Prospects

16. Overall the number of participants to these working groups and the contribution of the different partners are increasing. Therefore the time seems right to raise the objectives of the health partnership groups and move from information sharing to real coordination. This will be reached by continuing to interact on three different levels, i.e. the ISG meetings, the health sector working groups and the sub-groups.

17. The donor community wants to adopt a more proactive approach on critical and structural issues. In the ISG meetings, it would like to focus its discussions with the Ministry of Health on the following topics:

   - the vision on health policy including issues of health coverage and the link between private and public health care;
   - organisational and institutional issues at of the Ministry of Health;
   - international development targets concerning the health sector;
   - the funding of the health system in Vietnam;
   - procedures.

18. More attention will be given to the analysis of previous experiences in order to scale up positive experiences, identify the gaps and recognize the links. Such an analysis should certainly be conducted in the field of health system reform. In fact, besides the above mentioned review of the health sector, the Ministry of Health has collaborated with four major donors (WB, ADB, EC and Sweden) in four different health system reform programmes. Therefore coordinators of these interventions will be invited to brief the other donors and international organisations in 2001. These experiences and the lessons learned will be taken into account for future interventions.
Forest Sector Support Program & Partnership

Progress in the last six months
- A number of international signatories of the 5 Million Hectare Reforestation Program (5MHRP) Partnership, and representatives from different Departments of the Ministry of Agriculture and Rural Development, commented on the Forestry Sector Support (FSSP) Framework developed by a Joint Formulation Team in April & May and presented to the 5MHRP Partnership Steering Committee (PSC). In general, the comments were very constructive and praised the quality of the documents.

- MARD set up a revision team consisting of members of the Joint Formulation Team (1 international and 3 national) in order to integrate the comments provided into the Memorandum of Agreement (MoA) and its two key attached documents: the principles for cooperation in the forestry sector and the FSSP program framework. The first revision of these documents served as the basis for a review by a Vietnamese review committee and an independent team of international consultants in September and early October 2001.

- A Vietnamese review committee with 15 members was established with support of the Partnership Secretariat and started their work on September 10, 2001. Representatives from the Office of Government, the Ministry of Planning and Investment, the Ministry of Finance, the Ministry of Science, Technology and Environment, the Ministry of Agriculture and Rural Development, and the General Department of Land Administration presented their findings at a meeting with donor representatives on September 25, 2001.

- The international review team worked under the guidance of Mr. Wijnand van Ijssel, Co-chairman of the PSC. They started their work on October 2, 2001 and presented their findings on October 8 and 11 to representatives of the international signatories and of MARD and other Ministries concerned.

- The PSC meets end of October 2001 in order to present and officially endorse the revised MoA, the principles for cooperation in the forestry sector and the FSSP program framework. H.E. Minister of Agriculture and Development and heads of international agencies signed the MoA, including the principles and the framework, in mid-November 2001.

Major changes
- Donors have started to adjust their ways of planning and working toward a more coherent sector wide approach. Information on new projects and programs is shared, a focal group on forestry education has met and all major Banks shape their loans together with the Vietnamese Government in order to fit the program framework of the FSSP. The 5MHRP Partnership also led to a very intensive dialogue between MARD and the international donors and organizations in developing a strategy for the forestry sector. Moreover, the Government of Vietnam acknowledges the Sector Wide Approach as an appropriate tool to plan sector activities.

- The title of the 5MHRP Partnership changed to the Forest Sector Support Program & Partnership (FSSP & P). The scope of the FSSP & P goes beyond the 5MHRP and
covers the whole forestry sector. The FSSP & P is regarded as the key tool to implement the Governments’ Forest Development Strategy 2001 – 2010, which is now in its fourth draft and will be finalized in the coming weeks.

**Milestones set for the year 2002**
- The Government of Vietnam and the signatories will work on the Matrix of International and National Affiliations.
- The development of the following key operational documents and systems will form the work program for the FSSP & P in the year 2002:
  - Common Work Plan;
  - M&E system;
  - Forestry Sector Manual;
  - Information System.
- The future FSSP & P Office will be in charge of coordinating the national and international inputs to develop those documents.
- In addition, sub-program identification and formulation will be one of the major tasks in the year 2002. The nature of those sub-programs will either be regional or thematic and be financed by individual or joint donor and Government agencies. In addition to the Partnership Office, other relevant Departments of MARD and other Ministries as well as the respective donor agencies will closely cooperate to develop those sub-programs.
- For further information on the development of the FSSP & P, please contact the FSSP & P Office at MARD (Tel.: 04-7337913, e-mail 5mhpart@hn.vnn.vn).
Recent outcomes

1. The Partnership to Assist the Poorest Communes (PAC) has been largely dormant in 2001, but will become active again in 2002. The dormancy is the result of a prospective change in the Partnership’s structure and mode of operation. At the 2001 CG, it was explained that government and donor support for the development of poor communes, under the broad umbrella of Program 135, was not taking place within a common framework for either the program objectives or budgetary support. Investments in policy development or action on the ground is still disjointed, incremental, and project-based and opportunities for mutual learning are not being seized. PAC, which could be a mechanism for a more coherent approach to community-driven development in poor communes, remains largely a forum for information exchange. To improve on this, PAC will change its structure and mode of operation in 2002, notably by recruiting for a period of two years a professional monitoring, research and support team.

Changes to the Partnership

2. The changes that are expected to take place are two-fold. First, PAC will be “professionalized.” Currently PAC works as a forum of well-informed participants from government, donors, mass organizations and NGOs. While this structure was effective at first, none of the participants has the significant amounts of time or other resources to devote to PAC that would make it a source of reliable data, policy analysis and field-based experience. Thus, PAC will recruit a consultant team, initially for a period of two years, to establish a formal PAC office in MPI able to guide and manage an applied research and information program that addresses both community driven development policy and assessment and analysis of community driven project actions from the field. This activity will be supported by an ASEM II grant of $419,000 to MPI to be available in November 2001. Second, PAC will develop and adopt a formal, two-year work program based around a unified, computer-based monitoring system to be housed in MPI, but accessible to other agencies of government, donors and other stakeholders.

Milestones

3. The details of PAC’s future work program are still to be discussed and finalized. Thus, major milestones cannot be identified today. However, PAC will by February 2002 have an agreed work program that will include:

- Establishment within MPI, but accessible to others, of a computer-based monitoring system for community-driven development activities including those supported by government (notably Program 135), donors and NGOs;
• Development of a system to monitor project **inputs, outputs and effects**; and

• Development of a parallel system to monitor the **process** of community-driven development, including community mobilization; selection of investments; assessment and improvement of community capacity to manage projects; promotion of labor-intensive works; community project supervision; and community project operation and maintenance.

4. The short- to medium-term aim of PAC will be to create within government and those stakeholders that support community-driven development, a sufficient pool of experience-based knowledge that Program 135 and similar programs and projects can be revised and updated to increase their effectiveness on the ground and raise their efficiency in the use of resources.
Key outcomes of the Group in the last six months

1. The problems/issues raised in the FSG meeting have helped the group to focus on the major food security issues in Vietnam and the data requirement for the information system.

2. The FSG has helped the government and in particular the Ministry of Agriculture and Rural Development (MARD) to understand what food security related data are available from the various sources and to make arrangements to access those data.

3. The FSG discussion of the World Food Summit plus five (now postponed to 2002) has helped MARD focus on what they needed to do to prepare for the Summit and how the Group could best support the Government in this work. The group has prepared a report on the "State of Food Insecurity in Vietnam" and in early November will organize a food security seminar.

4. In the last semester, FSG meeting guests (NIN and MOLISA) have been invited to make presentations and the relation between poverty and food security and in particular the impact of the various national development programmes on food security has been analyzed.

5. As one of the main purposes of the FSG is to exchange information on food security and strengthen ties between the various people working in this field, a lot of efforts have been concerned on this aspect in the last semester. Almost all provinces have been approached and discussions on the food security issue have been carried out to better understand the situation in the field and particularly the need of the local governments for assistance.

The changes that have taken place as a result of the FSG.

6. As mentioned above, the FSG has had a significant impact on the diffusion and collection of food security information. The Group is preparing food security vulnerability profiles to identify the most vulnerable groups and the main causes of their deprivation.

7. The FSG has generated an increased awareness on food security issues nationwide. The Group has contributed to build the Government's perception that food security will not be achieved by default alleviating poverty. On occasion of the UN meeting with the Prime Minister on 24/11, the only request that the premier has made to the UN agencies was to continue to extend support to the country to secure access to nutritious food for all population. The Government is very concerned that despite the impressive economic gains, a large portion of the population is malnourished.

Success criteria for 2002

8. The success criteria for 2002 are the following:

   • Concrete actions to reduce food insecurity (e.g. focus on agricultural extension on mountainous areas, more gender balanced training activities, research
activities targeted to the technical needs of the marginal farmers, linkages with nutrition education activities, etc.) inserted in MARD’s five-year development plan to be approved by the National Assembly early next year;

• The establishment of a Food Security Information System to be achieved through various projects and activities of members of the FSG:

a) Support for capacity building of existing survey and surveillance systems and improvement in the design of those systems.

b) Improvement in the reporting and dissemination of survey and surveillance data.

c) Establishment of a Food Security Information System by linking various sources of data.

d) Facilitating access to the Food Security Information System; e.g. through development of Web sites and issuing of regular reports.

e) Undertaking in-depth studies of existing survey data to analyze food security related factors.

f) Complementing the Food Insecurity Vulnerable Profiles to clarify target groups.
### Structure of Food Security Information System

<table>
<thead>
<tr>
<th>Category of indicators</th>
<th>Sub category</th>
<th>Surveys and surveillance</th>
<th>Improvement and expected output by the support (of FSG members / their project)</th>
</tr>
</thead>
</table>
| 1. National and Sub-national Context Indicators | 1) Economic Conditions 2) Risks, Hazards and Shocks | - National Accounts Statistics  
- Monthly Crop Monitoring  
- Disaster Management Reports | - Regular crop condition report |
| 2. National Food Economy Indicators         | 1) Food Availability  
2) Stability of Food Supplies and Access  
3) Food Access | - Monthly Crop Monitoring  
- Crop and Livestock Production Surveys  
- Agricultural Censuses  
- CPI and Other Prices  
- Vietnam Living Standards Survey  
- MOLISA Poverty Reports | - Regular crop forecast  
- Regular market report |
| 3. Individual Outcome Indicators            | 1) Food Consumption Status  
2) Nutritional Status | - National Food Consumption Survey  
- Child Malnutrition Survey  
- Sentinel System  
- Growth Monitoring Survey | - Improved design of nutritional surveillance system  
- Development of food security surveillance system  
- Regular reports on nutrition and food security status  
- Establishment of Nutrition Information Center |
| 4. Other Indicators                         | 1) Health Status  
2) Other Socio-economic Indicators | - National Health Survey  
- Population Census  
- Vietnam Living Standards Survey  
- Agricultural Census | FIVIMS Information Centre  
Food Security Information Center |
Natural Disaster Mitigation

Key outcomes

1. One of the key outcomes of the NDM-Partnership is the strong promotion of Government ownership. Under Government leadership (the Ministry of Agriculture and Rural Development (MARD)), the Partnership has successfully finalised the Memorandum of Agreement (MOA), which was approved by the Government and signed at the mid-term CG in Hoi An in June 2001 by the Government, Donors and NGOs. The objectives of the NDM-Partnership stated in the MOA are as follows: the NDM-Partnership will establish a proactive co-operation among concerned Government agencies, interested Donors and NGOs through:
   - Regular information sharing
   - Policy dialogue
   - Proposing and recommending
   - Effectively utilising Government, Donor and NGO resources.

2. The MOA provides a framework for Government, Donor and NGO cooperation under the Partnership. However, its mechanism and operation still need to be specified.

3. After the signing of the MOA in June 2001, work began to further identify implementation arrangements to achieve the objectives of the NDM-Partnership stated in the MOA. MARD has been working with Government agencies and Provincial People Committees of seven Central Provinces to nominate members of the Steering Committee. H.E Mr. Le Huy Ngo, Minister of MARD has expressed his willingness to be the Chairman of the Steering Committee. Government representatives include MPI, MOFI, one Vice Minister of MARD and the Director, Standing Office of CCFSC.

4. It quickly became apparent to the planners that a period of preparatory NDM-Partnership implementation was needed as a bridge between the concepts formalised in the MOA, and the actual first year of implementation of the Partnership. A Preparatory Assistance Document has been prepared by MARD, UNDP and RNE for the preparatory implementation of the NDM-Partnership and will be sent to all Partnership stakeholders for comments and approval at the next meeting of the NDM-Partnership, scheduled sometime in the period from 14 to 20 November 2001. Objectives of this preparatory phase, which form the development goals of the Partnership in the year 2002, include:
   1) Maintain dialogue and regular information sharing between Government agencies, donors and NGOs, including the establishment and operation of the institutional framework of the NDM-Partnership
   2) Prepare a comprehensive NDM-Partnership Framework Document and Action Plan based on the five priority areas (see Annex 1 of the MOA) and the principles
of the NDM- Partnership specified in the signed MOA. This Partnership Framework Document will be approved; and supported by the Government and the Members of the Partnership through multi-year funding.

3) Identify priority provincial projects for disaster mitigation in Central Vietnam, and to assist the provinces to obtain Government and Donor funding for these projects

4) Preparing an Action Plan (or Master Plan as indicated in the MOA) for the NDM-P.

5) Determine if and how the Natural Disaster Mitigation-Partnership for Central Vietnam, can be extended to the North and to the South of the country to serve as a National Partnership for Natural Disaster Mitigation in Vietnam.

5. Efforts have also been put in place by seven provinces with support from MARD and a National consultant to review the priority projects identified in the Government/Multi-donor mission report, and to select the 21 highest priority projects to be recommended to the Partnership for funding and implementation.
Water Resources


1. A database and website developed by MARD/ISG as a management information system on projects and programs has been updated. Details regarding project status will be posted periodically on the MARD / ISG website. (http://www.isgmard.org.vn)

2. NWRC organised three meetings to discuss the regulation (approved) on the operation of the Council, action plan for 2001 - 2003, and water resources and flood control programs for the Red and Mekong Rivers.

3. The Office of NWRC is being set up. A small number of staff have been appointed to work on a full-time basis and appointment of a full-time Deputy Director is expected before the end of the year.

4. Implementation of several international projects funded by ADB, JICA, AusAID, Netherlands, Denmark to support the water sector are at various stages of planning, approval and implementation. These projects are intended to address various national and basin-level water resource development and management objectives, and to build capacity.


5. Full activation of the Office of the NWRC and formation of inter-ministry working groups will allow work to begin on major coordinated water resource management activities such as development of a national water sector profile, strategy, action plan and development of policy statements. This activity is being supported by ADB / Netherlands and AusAID-funded projects.

6. Regulations are needed regarding the operation of RBPMOs mentioned in MARD decisions. Activation of some basin councils and their offices is expected in the coming year.

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

8. The attached table summarizes both recent / current assistance and proposed assistance in the water sector. This information will be regularly updated and made available through the MARD ISG website to promote coordinated assistance and donor / government partnership. MARD ISG with support from relevant international funded projects (ADB, DANIDA, AusAID, etc.) will continue to develop its management information system, mainly based on MARD database on ODA projects and the Development Forum on ISG website.
9. Implementation of donors' activities as well as inter-ministrial mechanism to support the government in terms of sector strategy and policy and institutional framework will begin via the activities of NWRC. The support will be focused on Government priorities which include:

a. Formulation of Institutional framework:
   - Establishment of the National Water Resources Council (NWRC).
   - Establishment of River Basin Organizations (RBO).
   - Formulation of decrees and by-law documents.

b. Hydraulic works and irrigation activities:
   - Irrigation works:
     o Construction of works: upgrading and rehabilitation in order for improved effectiveness; new construction.
     o Management: Macro-level: rearrangement of irrigation-drainage companies, participatory irrigation management mechanisms
   - Flood control, disaster mitigation, dykes and dams management (including formulation of legal documents):
     o Preparedness
     o Warning
     o Forecasting
     o Mitigating
## Donor Assistance in Water Resource Management

<table>
<thead>
<tr>
<th>Donors</th>
<th>Recent or Current Assistance</th>
<th>Proposed Assistance</th>
<th>National Organization and Capacity Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Assistance to prepare Decision on formation of NWRC and preparation for NWRC meeting (Red River Basin Project) Institutional design and preparation of Decision on formation of three River Basin Organizations (Red River Basin Project)</td>
<td>Support for formation / activation of NWRC, ONWRC and interministry working groups; prepare NWRC Action Plan and procedures to fulfilling Council legal mandate (TA Cluster, subproj 1) Water resource management training (TA Cluster, subproj 1)</td>
<td></td>
</tr>
<tr>
<td>AusAID</td>
<td></td>
<td>Capacity Building in the NWRC (Water Resources Management Assistance Project)</td>
<td></td>
</tr>
<tr>
<td>DANIDA</td>
<td></td>
<td>Institutional study on water resources management (Water SPS, subcomp 1.1), Support for Rural Water Supply Strategy Implementation (subcomp 1.2), Water Resources University (subcomp 1.3) and other water resources institutes (subcomp 1.4)</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td>Further assistance under consideration. Considering co-financing of ADB 2nd Red River Basin Sector Project</td>
<td></td>
</tr>
<tr>
<td>World Bank</td>
<td></td>
<td>Support for national capacity building under Vietnam Water Resources Assistance Program, particularly focusing on dam safety management issue.</td>
<td></td>
</tr>
</tbody>
</table>

### Policy, Strategies and Legislation

<table>
<thead>
<tr>
<th>Donors</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>National water resources policy (broad strategies and policies) (TA Cluster, subproj 1)</td>
<td></td>
</tr>
<tr>
<td>DANIDA</td>
<td>Design of (technical level) legislative process, support for specific technical level decisions (Water SPS, subcomp 1.1)</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Co-funding ADB TA cluster. Other activities under consideration.</td>
<td></td>
</tr>
<tr>
<td>World Bank</td>
<td>Drafting of Law on Water Resources (approx 1995-98) and four implementing decrees.</td>
<td></td>
</tr>
</tbody>
</table>
### Data and Information Management

<table>
<thead>
<tr>
<th>Organization</th>
<th>Activities</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>AusAID</td>
<td></td>
<td>National Framework for Water Resources Information (Water Resources Management Assistance Project)</td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td>Cofunding ADB TA Cluster. Other activities under consideration.</td>
</tr>
</tbody>
</table>

### Water Resources Planning

<table>
<thead>
<tr>
<th>Organization</th>
<th>Activities</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Procedures for river basin planning relative to NWRC mandate (TA Cluster, subproj 1)</td>
<td></td>
</tr>
<tr>
<td>DANIDA</td>
<td>Enhanced capacity for water resources planning (national strategy and action plan) (Water SPS, subcomp 1.1)</td>
<td></td>
</tr>
<tr>
<td>JICA</td>
<td>National water resources study followed by development studies in 2 selected basins</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Co-funding ADB TA Cluster. Other activities under consideration.</td>
<td></td>
</tr>
<tr>
<td>Norway / Sweden</td>
<td>Ongoing EVN national hydropower study, including data base development</td>
<td></td>
</tr>
</tbody>
</table>

### Water Resources Regulation (Allocation, Quality, Etc)

<table>
<thead>
<tr>
<th>Organization</th>
<th>Activities</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Regulatory design study for bulk water resource allocation / licensing (Red River Basin Project) Regulatory design study for wastewater discharge licensing (Red River Basin Project)</td>
<td></td>
</tr>
<tr>
<td>DANIDA</td>
<td>Water rights administration and tariff and economic instruments design (Water SPS, subcomp 1.1)</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Further assistance under consideration. Considering co-financing of ADB 2nd Red River Basin Sector Project</td>
<td></td>
</tr>
</tbody>
</table>
### River Basin Management and Institutional Development

<table>
<thead>
<tr>
<th>Organization</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Support for formation of river basin organization in Dong Nai Basin (TA Cluster, subproj 3) Support for Red River Basin Organization (2nd Red River Basin Sector Project) Advise on formation and operation of river basin organizations through NWRC (TA Cluster, subproj 1) Development of an investment strategy for water resources in the Central Region (TA Cluster, subproj 2)</td>
</tr>
<tr>
<td>AFD</td>
<td>Considering cofinancing of ADB 2nd Red River Basin Sector Project</td>
</tr>
<tr>
<td>AusAID</td>
<td>Coordination Mechanism for the Cuu Long (Mekong) Delta (Water Resources Management Assistance Project)</td>
</tr>
<tr>
<td>DANIDA</td>
<td>“Action Plan for Development of Water Resources in the Upper Srepok Basin” and “Support to Water Resources Management in Dak Lak” Support for water resource management in Ca and Srepok River Basins (Subcomp 3.1 &amp; 3.2)</td>
</tr>
<tr>
<td>JICA</td>
<td>National water resources study followed by development studies in 2 selected basins</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Further assistance under consideration. River basin management identified as possible area of support. Considering co-financing of ADB 2nd Red River Basin Sector Project)</td>
</tr>
<tr>
<td>World Bank</td>
<td>Ongoing water resource management project in Cuu Long (Mekong) Delta (in cooperation with AusAID) Support for river basin planning and development, (Vietnam Water Resources Assistance Program) with focus on the reform of Irrigation Management Companies. Support for weather forecast and early warning system with focus on natural disaster mitigation effort (Natural Disaster Mitigation Project).</td>
</tr>
</tbody>
</table>
Key outcomes of Transport partnership in the last six (6) months

1. In accordance with the agreement among members for the Transport Partnership’s operations, the group has focused on consolidating information and experience on projects, programs and related activities by transport stakeholders. Apart from the aforesaid activities, topics of mutual concern were, for the first time, presented by donors and discussed among Ministry of Transport and other stakeholders, at the fourth transport partnership meeting in August 2001. It is unanimously resolved that from the fifth partnership meeting, donors will prepare concerned topics for presentation to pave the way for the formulation of new schemes/projects and to collect comments from other transport stakeholders.

Significant changes

2. Since the transport partnership has mainly focused on information and experience sharing, it is a bit early to measure any significant changes in Vietnam’s transport sector since the establishment of the Transport Partnership. All partnership members strongly expect that through information sharing, the group will effectively and efficiently contribute to Vietnam’s transport sector.

Milestones for 2002

3. As mentioned above, the Partnership’s operations have aimed at consolidating information rather than implementing any specific performance, it is inappropriate to right now identify the exact timing, action and stakeholders in-charge.

4. However, it is the consensus of all donors to continuously support the MOT through partnership activities. The objective of the partnership meeting is to promote coordination between donors in particular and all stakeholders in Vietnam’s transport sector in general with a view to avoiding any overlap and to effectively implement programs, thus maximizing benefit for Vietnam.

5. All donors unanimously resolved to implement the following activities:

   (1) Consolidation of information on the projects, programs and related activities of donor agencies in the transport sector of Vietnam;
   It is unanimously resolved that the World Bank, the British Government (DFID) and the Japanese Government (JICA) will closely collaborate for rural transport improvement, under the two projects, i.e. Rural Transport Project 2 (RT2) by the World Bank and DFID and the project on bridges construction in Central area by JICA, especially when these schemes are under the same counterpart agency (PMU 18).
   The strategy’s framework “Rural Infrastructure Development and Poverty Reduction in Vietnam”, which is mainly implemented by JBIC, in coordination with the World Bank and JICA, pays particular regard to infrastructure
development. The strategy is to identify reasonable intermediate and long-term targets for poverty-focused infrastructure and accompanying indicators to monitor the achievements through reviewing the existing government and donor-assisted strategies. JBIC and concerned stakeholders, will prepare the final version for release in the near future.

(2) Monitoring the MOT’s Transport Sector Strategy Plan which is currently being considered by the Government for approval in the near future, and monitoring other plans pertaining to transport sector;

(3) Holding workshops on specific themes by donor agencies if deemed necessary by MOT.

6. In the spirit of the item (3), the Second Global Road Safety Partnership (GRSP) Seminar jointly organized by MOT and Japan GRSP Committee with close coordination from the World Bank and JICA Vietnam Office, will take place in Hanoi, March 2002.

7. In response to the proposal by MOT to interested stakeholders for a traffic safety program, JICA Vietnam has been implementing Traffic Accident Study which is to be completed by March 2002. With a view to disseminating the Study’s results, JICA proposed to hold the sixth partnership meeting around the time of the report’s completion.
**Ho Chi Minh City ODA Partnership**

**Key outcomes in the last six months**

- A Working Group, which involves the representatives of DPI, OSTO and donors, has been formed and meets every month to discuss and monitor the transition of OSTO functions to the newly ODA Project Management Division (OPMD) within the Department of Planning and Investment (DPI), established as a result of implementation of the HCMC ODA Management Action Plan.

- ODAP pilot training for ODA Project Management Units in HCMC has been arranged with funding from JBIC and will commence from November, which will result in a training programme for the city to organise follow-up training courses at least for the next two years.

- A workshop on Urban Public Transport was organized. One of its objectives was information sharing and coordination of efforts by the city, central government (Ministry of Transport) and donor (JICA) in public transport development for the city.

- An ODA database, which was presented in the portfolio meeting in August and was highly evaluated by MPI, donors and other cities, is serving as a tool for ODA project management and monitoring.

- Two issues of ODAP Newsletter, No. 8 and No.9, were published.

- PMU Forum was established, providing a floor for all ODA PMUs to share experience, informal training among themselves on project management skills, and to recommend improvements in the legal framework/ procedures for project management to the relevant government agencies. This initiative was also highly appreciated by ODAP members and we were asked to share it with other PMUs throughout the whole country.

**Significant changes as a result of the partnership**

- Clear understanding by DPI about the role of ODAP in the city development, particularly the coordination of efforts provided by different donors and agencies. DPI has started taking initiatives in coordination not only between ODA projects, but also between ODA and domestic funded projects. More active involvement of DPI in Steering Committee, Working Group meetings and workshop preparation is occurring.

- Coordinated activities within ODAP framework resulted in a new grant arrangement by the Belgian government for a FS for Tan Hoa - Lo Gom basin, given the WB commitment to follow-up investment.

- AFD and an INGO representative were invited as observers in the ODAP Steering Committee’s Fourth Meeting, and expressed their willingness to coordinate with other donors in their programmes and projects in the city for better efficiency.
Milestones and success criteria for 2002

- Change in the role of OSTO from exercising partnership with “adoption” by DPI to providing advice to DPI in implementing OSTO functions. The input (person/months) of all OSTO staff will be significantly reduced in the third year of ODAP from Nov 2001 to Oct 2002.

- Success criterion: OSTO functions will be fully taken on by DPI during 2002, while the outputs will be of the same quality, more specifically: 1) maintain information sharing through newsletters, 2) preparation of working papers for Steering Committee meetings (secretariat function), 3) propose topics, prepare workshops and reporting, 4) organise training courses for PMUs, 5) investment programming, 6) expansion of ODAP members as necessary as well as networking with other bilateral donors.
Public Administration Reform

Introduction

1. This note outlines recent progress in establishing the future directions for the Public Administration Reform (PAR) and in building associated partnership arrangements.

Key Outputs

2. Further reform to governance and public management is critical to progressing human development and to supporting poverty alleviation in Vietnam. Three main areas of reform are needed to make the governance transition:

   • development of a consistent legal, regulatory and institutional framework accompanied by fair, speedy and accessible law enforcement;
   • well informed policy formulation, accompanied by fair and efficient implementation of the resulting program and services; and
   • development of the needed market and civil society institutions.

3. A number of reforms have been made to date through enacting new laws such as the Grassroots Democracy Decree; by reducing the number of Ministries; by modest increases to salaries and changes to personnel management; by introducing administrative courts and legal aid centres; by adapting policies and service delivery mechanisms to the increasing role of the market and the private sector, and through making financial management more transparent.

4. A number of donors including UNDP, Sweden, Denmark, Germany, The Netherlands, ADB and the World Bank have provided technical support in supporting implementation of governance projects. However, donor support is perceived as fragmented and improvements in focus and coordination are needed.

5. The Government has also, frequently, been itself critical of the slow pace of PAR implementation since its launch in 1995. This has in part been due to the lack of a clear implementation strategy. The successful PAR Review in 2000, which was carried out by the PAR Steering Committee with donor assistance coordinated through UNDP, was the first step in addressing this gap (see Vietnam Development Report 2000).

6. The main output in 2001 has been the development and completion of the PAR Master Program. The PAR Steering Committee and its Secretariat played the leading role in formulating the PAR Master Program. The Prime Minister officially approved the Program in September 2001.

7. The Government has acknowledged the valuable assistance provided by international consultants funded under the aid programs of UNDP, Germany and Sweden in preparation of the PAR Master Program. Denmark and Sweden have also provided financial support. The success of this endeavor was influenced not only by the Government’s own priorities and ownership but also by the strong partnership that developed between the Government and the donors.
The launch of the PAR Master Program provides a clearer vision and strategy for implementation of public sector reform for the period up to 2005; and the period from 2005-2010. The PAR Master Program identifies seven action programs: improving legal documents; institutional reform; downsizing; personnel management and development; salary reform; public financial management; and modernizing the administrative system. The reforms proposed to be made under the Master Program involve far-reaching changes affecting laws, institutions, organizational structures, management and financial systems and all of the people who work in the Public Sector. Renovation will be a long-term process requiring careful sequencing of reform steps and ongoing effective management of the action taken in implementation.

The Halong Bay Workshop held in September 2001, which was organized jointly by the Government and donors, enabled more detailed discussion of PAR implementation issues across each of the seven action programs. The discussion at the Workshop also covered the mobilization of donor assistance and funding mechanisms. Donors suggested that there is scope for improving the focus, design, management and overall coordination of specific projects undertaken under the PAR Master Programme.

On the request of the Government and other donors, UNDP has proposed the establishment of a PAR facility and funding framework. The objective of this funding facility is to support the Government to undertake a co-ordinated and programmatic approach to formulation, implementation, monitoring and management of the PAR Master Programme for the period 2001-2010. This would also be advantageous in providing flexibility in responding to requests from the Government for grant technical assistance to be made available at short notice.

The Halong Bay Workshop recognized that the implementation of the PAR Master Program would require considerable long-term assistance from donors and possibly the use of new funding mechanisms. Some donors felt that the level of funding assistance required went well beyond what could be provided through grant technical assistance alone. For example, both the technical assistance and financing requirements are substantial for such key areas as Public Service downsizing, salary reform, upgrading the skills and competencies of public servants, and modernizing the administrative system such as through e-government initiatives. In this context, several donors at the Halong Bay workshop urged that the Government, and in particular the Prime Minister as Chairman of the PAR Steering Committee, should be made fully aware of the magnitude of the financing requirements for the effective implementation of the PAR Master Program.

Key Outcomes

While the PAR Master Program gives a much clearer sense of the intended outcomes of the reforms, the Prime Minister has only just approved the PAR Master Program so it will take some time before its outcomes can be judged. Its implementation first requires refinement of the seven action programs identified in it; broad communication of the Program’s contents and objectives inside and outside Government; and the development of PAR plans for each individual agency. For this the Government has the following immediate time line:
Activity | Time Schedule
---|---
Seven programme teams to refine content | September-December
First draft of programme ready | October 26
Seminar on each programme organised by the Government Steering Committee for PAR | Beginning of November
Comments and further refinement of drafts | November-December
Final Draft of each programme submitted to the Prime Minister | December

13. The PAR Master Program should thus enable improved mobilization and use of donor resources in supporting implementation of PAR. Already, all existing PAR projects that are being supported by donors are being reviewed to ensure their consistency and coherence with the PAR Master Program. This should overcome existing fragmentation and improve the targeting of assistance.

14. The reforms that are to be made to the Public Sector under the PAR Master Program must be treated by all development partners as closely linked to achieving the more general outcomes that are being sought by the Government in socio-economic development and in supporting poverty alleviation. The success of the PAR Master Program should be assessed not just on the basis of the completion of the desired reform output, but also on the basis of performance standards related to what was the actual outcome achieved—such as, for example, in improving the position of the poor.

4. Milestones 2001-2002

15. The following milestones are drawn from the plan recently approved by the PAR Steering Committee to implement the PAR Master Program.

<table>
<thead>
<tr>
<th>Key Activity</th>
<th>Expected Outcome</th>
<th>Deadline/Date</th>
<th>Key Players</th>
</tr>
</thead>
</table>
| Formulate 7 national PAR action programs and submit for approval to the Prime Minister | Clear implementation plans for PAR Master Program in place | End of December 2001 | • Government Steering Committee for PAR  
• Lead central agencies for PAR  
• PAR donors |
<p>| Dissemination and Awareness of the Master Program, including conduct Dissemination Conference for PAR Master Program for Government agencies; and dissemination of Program to all agencies | Awareness and understanding raised of the PAR Master Program at all levels of government, national and provincial | October, 2001 | • Government Steering Committee for PAR |
| Formulate annual PAR plans of | December, 2001 | • Government |</p>
<table>
<thead>
<tr>
<th>Key Activity</th>
<th>Expected Outcome</th>
<th>Deadline/Date</th>
<th>Key Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>and five year PAR plans for ministries and provinces and submit for approval</td>
<td>ministries and provinces consistent with and give effect to the PAR Master Program</td>
<td></td>
<td>Steering Committee for PAR • PAR Steering Committees of ministries and provinces</td>
</tr>
<tr>
<td>Establish a PAR Facility and Funding framework for the PAR Master Programme</td>
<td>ODA resources strategically targeted to support the implementation of the PAR Master Program</td>
<td>December 2001</td>
<td>• GCOP/ Government Steering Committee for PAR • UNDP with donors involved in supporting implementation of the PAR Master Program</td>
</tr>
<tr>
<td>Finalize draft amendments to Law on Organization of the Government to submit to the Parliament</td>
<td>New law in place that enables the Government to carry out restructuring of organizations</td>
<td>December 2001</td>
<td>• GCOP, OOG</td>
</tr>
<tr>
<td>Implement Program on downsizing according to resolution 16/2000/NQ-CP</td>
<td>Payroll reduced by 15% Personnel management in service entities transformed towards result-orientation and product-based pay. Compensation policy for retrenched staff established</td>
<td>2001-2002</td>
<td>• GCOP • All Ministries and Government agencies</td>
</tr>
<tr>
<td>Revise Operational regulations for Governmental Agencies</td>
<td>Clear procedural framework in place</td>
<td>2001-2002</td>
<td>• OOG, Ministries and provinces</td>
</tr>
<tr>
<td>Set up PAR Steering Committees in all Government agencies</td>
<td>Steering Committees set up in all agencies</td>
<td>2001</td>
<td>• GCOP</td>
</tr>
<tr>
<td>Propose reform for salary structure</td>
<td>Proposal developed and put in place and salary adjustment proceeds</td>
<td>End of 2002</td>
<td>• GCOP • MOF/Molisa</td>
</tr>
<tr>
<td>Develop plan to mobilise domestic and international resources for</td>
<td>Plan in place that supports PAR priorities</td>
<td></td>
<td>• GCOP in coordination with MPI, MOF, OOG</td>
</tr>
<tr>
<td>Key Activity</td>
<td>Expected Outcome</td>
<td>Deadline/Date</td>
<td>Key Players</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>implementing the Master Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submit proposal for new organizational structure of the Government to XI</td>
<td>Structure in pace that gives effect to Government priorities</td>
<td>End of 2002</td>
<td>• GCOP</td>
</tr>
<tr>
<td>Tenure of the National Assembly</td>
<td></td>
<td></td>
<td>• OOG</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• PAR Steering Committee</td>
</tr>
</tbody>
</table>

16. More specific initiatives may also be needed in particular areas. These might include expanding and improving published budget information; strengthening the systematization of laws; and reinforcing the nationwide implementation of the one-stop initiative.

17. The milestones outlined above may need further consideration once the formulation of the seven action programs for the PAR Master Program is completed.
Legal Needs Assessment

Background

1. The Legal Needs Assessment was put forward for implementation as a result of an intense series of discussions and consultations between the Government of Vietnam and the donor community and among the various State agencies (including the Party) themselves, during the course of 2000. The LNA was officially launched by the Government of Vietnam on March 15, 2001, and that is on track to achieve the initially expected results.

Major outcomes to date

2. Special attention had to be paid to the identification of the scope, terms of reference, and operational modalities of this exercise, in view of the critical role it will play in supporting the goals and objectives of the new 10 year socio-economic strategy and the process of integration of Vietnam, and the fact that it is also a multi-agency endeavour.

3. This careful preparatory work was important to ensure a solid common agreement and understanding and to build a foundation for the exercise. The Government decided to take the lead in the LNA and has incorporated it in its work plan.

4. Since March this year, significant outputs have been produced, as scheduled, including the establishment of five national expert teams, elaboration and agreement of working and co-ordination mechanisms to timely benefit donor input during the ongoing LNA process, collective identification of major legal development needs in four key areas of legal development (incl. legal framework, legal institutions, legal education and professional training, and legal information education and dissemination). Four draft individual reports highlighting the results of the assessment of current development situation, major development needs and strategic solutions were drafted and presented for discussion at a two-day national workshop, in Do Son, in mid-July. The four draft reports have been finalised, thus providing a basis for elaboration of a draft overall report on the legal development needs assessment, development strategy 2001-2010, action plan to effectively implement the strategy as well as an ODA framework for better co-ordination of external assistance to the sector. The draft overall report is being improved for discussion at the first large-scale Government-Donor consultative Workshop, being scheduled for early November as inputs for the CG meeting this year.

5. The above reports, which result from joint efforts of the key state agencies and donors, though still requiring further finalisation, are historical benchmarks in Vietnam’s legal development since its establishment in 1945.
Changes as result of Government-Donor Partnership

6. The LNA has brought about significant changes in the *co-ordination framework*, which involves 8 key donors including 5 bilaterals (Australia, Denmark, France, Japan, and Sweden), and 3 international organisations (UNDP, World Bank and Asian Development Bank). Each of the 4 National Expert Teams is supported by a "lead" donor (in cash and in kind) and has benefited from technical input by resident or short-term international experts provided by the bilateral donors. Several international experts (including resident and visiting specialists representing ADB, Denmark, France, Japan, Sweden, WB and UNDP), have been providing more direct assistance to all four teams, and especially to the fifth Team in the overall co-ordination and technical drafting and review tasks. In the past, each donor had worked with the Government mainly on their own keeping other parties informed on an ad-hoc basis. Through the LNA, the donors have worked together with the Government and with each other through a co-ordinated framework driven by the *National Inter-Agency Steering Committee*, with high level representatives from all key state legal agencies, chaired by the Minister of Justice and supported by a full time secretariat. Such a co-ordination mechanism for national and international inputs has evolved in the LNA process. The Committee meets regularly providing guidance for the work of the national expert's teams and for donor inputs. *Information sharing* has therefore been fundamentally improved through a *LNA Newsletter* issued for the first time in April 2001 and on a regular basis by the Committee.

Success criteria for 2002

7. By June 2002, the LNA is expected to produce:

   a) key legal development needs clearly identified and analysed;
   b) a long-term development strategy elaborated;
   c) an Action Plan to carry out the strategy; and,
   d) an ODA framework to support the implementation of the Action Plan.

8. Key *milestones* from now to June 2002:

   * Early November 2001: First large-scale consultative workshop to present to key state agencies and the donors community of the Strategy.
   * Target approval by the Government by June 2002.