

ASIAN DEVELOPMENT BANK

**COUNTRY STRATEGY AND PROGRAM UPDATE
(2002 – 2004)**

VIET NAM

June 2001

CURRENCY EQUIVALENTS

(As of 30 June 2001)

Currency Unit	—	Dong (D)
D1.00	=	\$0.0000672
\$1.00	=	D14,864

ABBREVIATIONS

ADB	-	Asian Development Bank
ADF	-	Asian Development Fund
CAP	-	country assistance plan
COS	-	country operational strategy
CPV	-	Communist Party of Viet Nam
CSP	-	country strategy and program
GDP	-	gross domestic product
GMS	-	Greater Mekong Subregion
IMF	-	International Monetary Fund
IPF	-	indicative planning figure
JBIC	-	Japan Bank for International Cooperation
MPI	-	Ministry of Planning and Investment
OCR	-	ordinary capital resources
PAR	-	Public Administration Reform
PBA	-	performance-based allocation
SME	-	small- and medium-scale enterprise
SOCB	-	state-owned commercial bank
SOE	-	state-owned enterprise
TA	-	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government coincides with the calendar year.
- (ii) In this report, "\$" refers to US dollars.

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I. DEVELOPMENT SITUATION

A. Recent Political and Social Developments

1. The ninth congress of the communist party of Viet Nam (CPV) was held on 19-22 April 2001. The congress elected a 150-member Central Committee (CPV CC) with a five-year term. At its first plenary session, the CPV CC elected a new general secretary of the CPV CC and a 15-member political bureau. The congress served as a forum for reports on party programs since the last congress. The political report sought ratification of party directives for the future, stressing the importance of party building and discipline. The 10-year socioeconomic development strategy and 5-year plan directions presented at the congress set forth a number of goals including an annual economic growth rate of at least 7 percent. While recognizing the need for an evolving multisector economy that provides equal opportunities for the private sector, the report stressed that the State would continue to play a leading role in strategic activities. Reconciling these two potentially conflicting objectives will be a challenge.

B. Economic Assessment and Outlook

2. Gross domestic product (GDP) growth in Viet Nam accelerated to over 6 percent in 2000, after two years of economic slowdown when the growth rate ranged between 4.4 and 4.7 percent (Appendix 1). Sectoral performance was marked by strong recovery in the industry and construction sector and robust performance by the agriculture sector. On the demand side, domestic consumption picked up (5.6 percent increase), in part due to the rise in public sector wages and to the Government's fiscal stimulus package. The ratio of gross domestic investment to GDP rose to 23.6 percent, with domestic private investment responding well to the Enterprise Law. There was also a modest recovery of foreign direct investment.

3. Fiscal estimates for 2000 reveal higher revenue receipts and expenditure than the budgeted levels, with a combined effect of lower-than-expected fiscal deficit (4.5 percent of GDP). Monetary policy remained accommodative in 2000 with a significant acceleration in credit growth. The year-on-year percentage change in the consumer price index was negative (-0.6 percent) due to the declining food price index. The current account balance remained in surplus in 2000 although the surplus narrowed to 1.6 percent of GDP as imports recovered (34.5 percent growth). Export performance remained resilient growing by 25.2 percent in US dollar value, led by the price-driven surge in crude oil exports. The exchange rate was relatively stable until the fourth quarter of the year: the period average depreciation was 1.6 percent while the end-of-period depreciation was 3.5 percent. The external debt position improved after Viet Nam secured in September 2000 a restructuring of its outstanding transferable ruble debt owed to Russia.

4. Structural reforms went on in 2000. The surge in registration of private small- and medium-scale enterprises (SMEs) was due in no small measure to the Enterprise Law. Revisions to the Foreign Investment Law were made to create a more conducive environment for foreign investors. In the banking sector, an overall framework for reform of state-owned commercial banks (SOCBs) was prepared and individual SOCBs drew up restructuring plans. A comprehensive plan for reform of state-owned enterprises (SOEs) was also drawn up, but completed equitizations fell short of the announced targets. The most notable development in the trade arena was the signing of the bilateral trade agreement with the United States in July

2000. There was also progress in trade liberalization with the removal of a number of quantitative restrictions.

5. The economy is expected to grow by 6.4 percent in 2001 and by around 7 percent in 2002. Domestic demand will be the main driver of economic growth in 2001, underpinned by rising private consumption and a modest recovery in domestic investment. However, export growth is expected to slow down to around 12-13 percent while import growth is likely to increase faster than exports at 16-17 percent. The external sector outlook is based on declining oil prices and uncertain growth prospects in the industrialized countries. Sustaining strong growth in Viet Nam requires a pickup in the investment rate, with much of the needed increase coming from the private sector. The increase in turn requires reforms that create an enabling environment for private sector development, including banking and SOE reform, and safeguarding external competitiveness to enable Viet Nam to realize export potential in areas where it has a comparative advantage. The fiscal deficit is likely to widen as the Government meets the costs of the structural reform programs it has committed to. The deficit is, however, expected to remain within manageable limits.

C. Implications for the Country Strategy and Program

6. The Government envisions Viet Nam to become an industrialized country by 2020, with an annual GDP growth rate of at least 7 percent during the period, and proportionally higher growth in industry and the urban areas. Among the social goals, poverty incidence (according to a food poverty line) is targeted for reduction by one third by 2005 and by two thirds by 2010. Additional quality of life targets by 2010 include achieving universal lower secondary education, reduced children malnutrition rate from one third to less than 20 percent, increased life expectancy from 68 to 70-71 years, near universal access to clean water in urban areas, and expanded forest cover from 28 to 43 percent. The Government is aware that, to achieve these goals, in the initial years significant emphasis will have to be placed on developing and diversifying the rural economy.

7. To support the Government's vision in a manner consistent with the overarching poverty reduction objective of the Asian Development Bank (ADB), the country strategy and program (CSP) under preparation suggests that future ADB operations address dimensions that will make growth and the structural transition pro-poor and sustainable. To this end, ADB will selectively focus its operations on three pillars: pro-poor sustainable economic growth, social development, and good governance. In addition, ADB will pursue synergy in its operations by concentrating a share of investment projects, designed with an integrated poverty reduction focus, in the relatively impoverished Central Region of Viet Nam, especially in the Central Highlands and North Central Coast. This approach has been endorsed by the Government and guides the proposed country assistance plan (CAP).

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

8. The last country operational strategy (COS) for Viet Nam, prepared in 1995, was based on the principle of sustainable growth with equity. To this end, it emphasized policy and institutional reform, social and physical infrastructure development, and environmental and natural resource management. Strengthening linkages between urban and rural areas, and between Viet Nam and its neighboring countries in the Greater Mekong Subregion (GMS) were also important elements of the COS. The proposed program represents a transition from the

previous COS to the CSP under design and, while retaining the focus on growth with equity, will emphasize support to ease the rural-urban transition, narrow down sector focus, and sharpen targeting on the poor through emphasis on the Central Region of Viet Nam.

A. Poverty Reduction

9. Poverty reduction in Viet Nam during the last decade has been dramatic and largely associated with economic growth and liberalization, particularly in agriculture. ADB supported this process through an agriculture sector program loan, small-scale rural finance, and investment to upgrade infrastructure (significantly for irrigation and flood protection). Affordable access of the poor to health and education was also promoted.

10. In addition to promoting broad-based pro-poor growth, ADB will start in 2001 to adopt more sharply targeted interventions to further reduce poverty rates. The proposed geographic focus on the Central Region will be carried out at two levels:

- (i) Community-based livelihood projects focused on a small number of provinces will address at the microlevel the causes of poverty. Incorporating natural resources management in those projects will ensure environmental sustainability.
- (ii) Sector projects designed with a regional perspective (in road transport, water resource management infrastructure, power transmission/distribution, and urban development) will ensure that the mesolevel infrastructure needed to access market opportunities is put in place, and natural resources and the urban environment are appropriately managed.

B. Thematic Priorities

1. Economic Growth

11. Rapid economic growth during the 1990s was the result of liberalization, particularly in agriculture, and improved policies and infrastructure. ADB supported this process through three program loans for agriculture, financial sector, and SOE reform. Loans were also provided to upgrade infrastructure (particularly for irrigation and flood protection, national road transport, and ports), upgrade labor force skills, and provide credit and business services to promote crop diversification and the emerging private agroprocessing industry.

12. In the future, pro-poor, sustainable economic growth will be fostered through support for policy reforms and liberalization in the agriculture and financial sectors, SME development, and infrastructure development, the latter emphasizing the Central Region. Policy-based operations will build on the momentum for reform emerging from the recently concluded 9th party congress and recently approved International Monetary Fund (IMF) and World Bank structural adjustment operations. Power sector development will be supported mainly through ordinary capital resources (OCR) lending, subject to implementation of tariff levels that will ensure the financial sustainability of sector utilities.

2. Human Development

13. Viet Nam's achievements in social development are significant, and health and education indicators are well above those of countries of comparable per capita income level

(Appendix 2). ADB has supported the provision of population and reproductive health services and of primary health care in remote districts, while assisting in analyzing the policy on the appropriate financing of social services. In the education sector, emphasis has been on lower secondary and vocational and technical education.

14. The Government has emphasized the importance of universal lower secondary education by 2010 and expansion of health care to remote areas. The proposed program will therefore support secondary education and health sector development. While a considerable share of these operations will be national in nature, priority will be given as feasible to investment or pilot implementation in the Central Region. In the urban sector, the traditional focus on water supply and sanitation will be expanded to include other urban services, and reoriented from large urban centers (Ho Chi Minh City) to provincial and district-level towns, again with emphasis on the Central Region, to help reduce migration flows to the main cities. Support for low income housing finance may also be considered.

3. Gender and Development

15. Gender disparities in Viet Nam are not as marked as those in some other developing countries. However, there are differences in access to economic opportunities and social services, decision-making power in the household, and voice in institutions. The health and education status of ethnic minority women remains low. Where warranted, ADB operations have paid special attention to improving opportunities for women or indigenous groups, notably in access to secondary education. This mainstreaming approach to gender issues will continue.

4. Good Governance

16. The Government recently took a number of actions on this front, including preparing a revised draft of the Public Administration Reform (PAR) strategy, and agreeing to undertake an assessment of legal needs, jointly supported by the United Nations Development Programme (UNDP), ADB, World Bank, and bilateral aid agencies. The recent 9th CPV congress stressed the importance of the Government progressing with greater vigor in implementing a comprehensive PAR program.

17. ADB has given continuing support in this area, through technical assistance (TA) for public administration reform, capacity building at the Ministry of Planning and Investment (MPI) and at the State Auditor General Office, retraining of legal officers, and recent approval of a TA to assist the Office of Government to review and rationalize its role and functions. ADB is also close to finalizing a strategy for Viet Nam and ADB partnership in governance. ADB has confirmed to the Government that it is prepared to support Viet Nam in the areas of governance and public management through possible lending for both PAR and legal reform, in addition to TA. The proposed program therefore includes provisions for a standby PAR loan in 2004, if requested by the Government.

5. Private Sector Development

18. The Government's 2010 strategy embraces the concept of a socialist-oriented market economy – which implies that both State and market institutions will coexist – and commits to giving equal opportunities to all sectors. In the past, ADB public sector operations promoted structural reforms in the agriculture and financial sectors, corporate governance and state enterprise reform, and other preconditions for private sector development, including

infrastructure. Private sector group operations focused on expanding productive capacity and social infrastructure in the water supply and higher education sectors.

19. Private sector development will be pursued through support for policy reforms in agriculture and finance, modernization of the governance and legal framework, development of SMEs, and provision of social and physical infrastructure to allow particularly the rural-based labor-intensive enterprises to develop. Through its public sector window, ADB will support the development of a policy and institutional framework conducive to expansion of the private sector. Through its private sector operations, it will foster the forging of private-public partnerships in relevant sectors, particularly in the areas of infrastructure (electric power, wastewater management, and water supply), SME-related projects in the financial sector, and possibly pilot projects in the social sector. The scope for operations in support of private sector development will be further defined through the ongoing private sector assessment.

6. Environmental Protection

20. Viet Nam is abundantly endowed with natural resources, but has also intensively exploited them, particularly its forest and inshore marine resources (Appendix 2). ADB operations have assisted the conservation and more rational use of such resources through institutional development, strengthening of capacity, policy reforms at the national level, and investment. Past and current TA operations support implementation of the Water Resources Law and creation of a national water resource council and river basin organizations; loans for irrigation, flood protection, forestry, and fishing ports have promoted water management infrastructure, reversed forest cover losses, reduced postharvest losses, and promoted offshore fishing. Future operations will focus especially on natural resources management and development in the areas of water and forestry.

7. Regional Cooperation

21. Viet Nam has been active in promoting subregional cooperation in the GMS. ADB-funded road projects (the Phnom Penh-Ho Chi Minh City highway in the south and the East-West corridor in the center) have been the most tangible sign of Viet Nam's GMS integration. Community Action for Prevention of HIV/AIDS¹ in Cambodia, Lao PDR, and Viet Nam funded by the Japan Fund for Poverty Reduction (JFPR) was recently approved. Integration has also been—and will continue to be—promoted through soft infrastructure like cross-border agreements to facilitate the flow of goods and people, and through regional TA operations supporting joint approaches to economic monitoring and health, education, and environmental management.

22. ADB recently earmarked additional funds to finance TA and lending operations with a subregional dimension over and above the country indicative planning figure (IPF). On this basis, one project preparatory TA in 2002 and two loan projects have been included in the program. The Kunming-Haiphong corridor in 2003 will complement earlier subregional links developed in the center and south of the country. The GMS Mekong/Lancang River Tourism Infrastructure Development Project in 2002 will support employment generation in rural areas along the Mekong river, mitigate environmental degradation from unplanned and unsustainable development, and support related infrastructure development. The Vietnamese portion of the Telecommunications Backbone Project, developed under ADB TA to allow interconnection of the national networks of six GMS countries and reduce the “digital divide”, will be implemented in 2002, but will be financed from domestic or bilateral aid sources.

¹ HIV/AIDS = human immunodeficiency virus/acquired immuno-deficiency syndrome.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance Implementation

23. Since operations resumed in 1993 and up to end-2000, ADB has provided 30 loans amounting to nearly \$2 billion and TA of about \$76 million for 108 projects. Implementation performance is still behind ADB-wide average, but has been improving. The disbursement ratio was 18.7 percent in 2000, still lower than the ADB average of 20.5 percent, but showing steady improvement from 14.2 percent in 1998 and 16 percent in 1999. Contract awards and disbursements in 2000 exceeded projections, but the contract award ratio of 19.0 percent was still lower than the ADB average of 21 percent. Delays in loan signing and effectiveness again have become significant. To address this issue, Government and ADB processing procedures are under review to identify opportunities for harmonization. Appendix 3 shows that most Viet Nam projects being implemented are rated satisfactory or highly satisfactory in implementation progress (85 percent) and achievement of development objectives (96 percent). The Government has expressed some concern about the effectiveness of TA projects, including quality of project preparation, development impact of advisory TAs, and level of ownership. To improve TA quality, design phases are now longer and more interactive, and TA projects are more closely scrutinized.

B. Counterpart Funding

24. Counterpart funds allocated to line ministries are usually enough and are not a serious issue. However, their slow and inadequate release was identified as one of the causes of delays in implementing resettlement and compensation in some ongoing projects, along with procedural difficulties. Funds allocated by line ministries to some projects have been insufficient. The issue is being monitored through monthly project implementation meetings. Through TA, ADB will also assist in preparing a new decree on resettlement.

C. Monitoring and Evaluation

25. The improvement in portfolio performance in recent years can be attributed to government efforts, supported by ADB TA to familiarize the executing agencies with implementation procedures and requirements, and to monthly project implementation review meetings held by the Viet Nam Resident Mission with MPI and the line ministries and executing agencies concerned. Issues still to be addressed are the centralized and cumbersome approval processes; inadequate project implementation capacity; delays in recruiting consultants and procuring goods and services; and issues on land acquisition, resettlement, and compensation. To address these issues, a project management conference, jointly sponsored by ADB, World Bank, and Japan Bank for International Cooperation (JBIC), was organized in April 2000. The Government used the conference outcome as an input to prepare the new Decree 17/CP, issued on 4 May 2001, which regulates the management of official development assistance. A joint portfolio review with the World Bank and JBIC, first held in 1999, will be repeated in 2001, to address common implementation issues. Advisory TAs proposed for 2001 will help in establishing more adequate cost and technical norms, addressing issues of SOE participation in procurement, and in preparing a new decree on resettlement.

26. The country assistance program evaluation (CAPE) for Viet Nam was completed in December 1999. It concluded that, while ADB operations were appropriate for the prevailing circumstances at the time, in the future (i) a narrower focus should be pursued; (ii) a long-range perspective and greater synergy should be developed among TA operations; (iii) the emphasis on rapid legal and regulatory reforms in program lending should be tempered by a more realistic assessment of the consensus-based decision-making process in Viet Nam; and (iv) a sharper geographic focus would be desirable. So far, no projects approved after 1993 have been post-evaluated. Two project completion reports were concluded for Loans 1340 Agriculture Sector Program Loan and Loan 1272 Road Improvement Project. Both loans were classified as generally successful.

IV. COUNTRY PERFORMANCE AND LENDING LEVELS

A. Proposed Lending Level

27. The Asian Development Fund (ADF) lending level starting in 2002 will be based on the performance-based allocation (PBA) system. Country-specific indicators covering macroeconomic, structural, and portfolio implementation issues were discussed by the Government and ADB (Appendix 4). Consequently, the lending figures for 2002-2004 in the attached program should be regarded as indicative. The proposed program was designed based on annual base case commitments of \$220 million for ADF and \$60 million for ordinary capital resources (OCR) on average, and is subject to adjustments depending on PBA outcomes. Especially in the early years of PBA application, adjustments in lending level will have to be made by adjusting the size of planned loans. In later years, it may be possible to develop standby operations in case of high performance. Subregional projects totaling \$70 million have been included for Viet Nam. Their funding will be supplementary to Viet Nam's country allocation, and subject to considerations of overall ADF allocation among GMS countries. The project selection briefs and the TA concept papers are in Appendix 6.

28. Initial analysis shows that the debt service impact of modest amounts of OCR borrowing is manageable and can be accommodated within the nonconcessional borrowing limits set by the IMF during negotiation of the Poverty Reduction and Growth Facility (PRGF). In particular, sectors and projects with a clear revenue generation capacity should make use of OCR funds to avoid crowding out other sectors that need more concessional terms and conditions. A mix of concessional loans and grants as cofinancing from official funding agencies will be sought to support the identified thematic priorities. As appropriate, opportunities for commercial cofinancing and guarantees will be explored for viable projects.

B. Loan Program

29. The lending program has been designed to reflect the three pillars and the geographic focus identified in para. 7. The proposed lending program is presented in Appendix 4. Approximately 6 percent of lending (7 percent of projects) will be core poverty operations; 43 percent of both lending and projects will be poverty interventions, and 51 percent of lending (50 percent of projects) nonclassified pro-poor growth interventions. Preliminary analysis suggests that, due to poverty levels, the North Central Coast and Central Highlands should be the main focus of ADB operations in the Central Region. During 2002-2004, four projects for \$285 million will focus essentially on the Central Region; another four projects for \$225 million, while national

in scope, will have partial focus on the same area. Since a number of such projects will have decentralized implementation arrangements, focus on a more limited number of provinces will also facilitate capacity building of local governments and institutions. The program is subject to further refinement as a result of the full CSP preparation process, which will be completed by December 2001.

C. Technical Assistance and Economic and Sector Work Program

30. The TA pipeline (Table A4.3) was designed to support the main areas of emphasis identified in the lending program. A base case scenario of \$6 million was used for the TA IPF for 2002 and 2003. Since the CSP will be finalized during the second half of 2001, the proposed TA pipeline, particularly for 2003 and 2004, will be further adjusted to respond to the final CSP priorities. To strengthen the lending pipeline, nearly two thirds of the TAs in 2002 and 2003 will be project preparatory TAs. The remaining few advisory TAs are all in support of planned lending operations or governance improvements. Given the large needs of Viet Nam for capacity building, sector analysis, and institutional development, cofinancing will be actively sought to ease the constraint imposed by the reduced TA IPF.

31. Economic and sector analysis (Appendix 5) will continue to be performed in the sectors of ADB involvement, particularly in areas of renewed attention (such as governance and public management, decentralization, area-based poverty reduction, SME development, and urban development in provincial and district towns). A more detailed economic and sector analysis program will be included in the full CSP.

D. Summary of Changes

32. The proposed lending program differs from the one presented in the 2001-2003 CAP mostly because (i) operations in support of financial sector and SME development slipped by one year, to allow more time for adequate preparation; (ii) lending for the Se San 3 hydropower project, scheduled for 2002, was cancelled subsequent to concern about appropriate assessment of environmental impacts, and incompatibility with the Government's proposed schedule for implementation; (iii) lending for the GMS Kunming-Haiphong corridor is to be funded through funds earmarked for subregional cooperation, outside Viet Nam's IPF, and will slip by one year; and (iv) a new loan in support of governance and public administration reform was scheduled on a standby basis for 2004, subject to further Government assessment.

APPENDIX

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ECONOMIC INDICATORS

Item	FY1995	FY1996	FY1997	FY1998	FY1999 ^a	FY2000 ^b
A. Income and Growth						
1. GDP per Capita (dollars, current)	287.2	335.9	359.6	354.3	369.2	401.7
2. GDP Growth (% in constant prices)	9.5	9.3	8.2	4.4	4.7	6.1
Agriculture	4.8	4.4	4.3	2.8	5.2	4.0
Industry	13.6	14.5	12.6	7.3	7.6	9.6
Services	9.8	8.8	7.1	3.0	2.1	4.4
B. Savings and Investment (current market prices)						
	(percent of GDP)					
1. Gross Domestic Investment	27.1	28.1	28.3	23.8	20.1	23.6
2. Gross National Saving	13.6	17.6	21.4	19.2	24.1	25.2
C. Money and Inflation						
	(annual percent change)					
1. Consumer Price Index ^c	12.9	4.4	3.6	9.2	0.1	-0.6
2. Total Liquidity (M2)	22.6	22.5	26.1	25.6	39.3	40.6
D. Government Finance						
	(percent of GDP)					
1. Revenue and Grants	23.3	22.9	20.9	20.5	18.8	19.6
2. Expenditure and Onlending	24.1	23.7	24.8	22.5	21.2	23.8
3. Overall Fiscal Surplus/Deficit (-) ^d	-1.4	-1.3	-4.8	-2.6	-2.8	-4.5
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	-15.2	-12.7	-4.9	-3.7	3.8	1.2
2. Current Account Balance (% of GDP) ^e	-13.5	-10.5	-6.9	-4.6	4.0	1.6
3. Merchandise Export (\$) growth (annual percent change)	28.2	41.2	24.6	2.4	23.2	25.2
4. Merchandise Import (\$) growth (annual percent change)	59.3	25.5	-0.2	-1.1	1.1	34.5
F. External Payments Indicators						
1. Gross Official Reserves (\$ million)	1,323.0	1,673.0	1,858.0	1,995.0	2,947.0	3,903.0
(weeks of imports)	6.6	8.3	9.3	9.9	12.5	13.9
2. External Debt Service (% of exports of goods & services)	12.1	9.8	11.1	13.2	10.7	9.2
3. External Debt (% of GDP)	35.0	36.6	38.6	38.5	37.4	35.0
G. Memorandum Items						
GDP (current prices, D billion)	228,892	272,036	313,623	356,197	394,310	442,258
Exchange Rate (D per \$, average)	11,038.0	11,033.0	11,706.0	13,297.0	13,944.0	14,170.0
Population (million)	72.2	73.4	74.5	75.6	76.6	77.7

AFF = agriculture, forestry and fishery, GDP = gross domestic product, GSO = General Statistical Office.

^a 1998 and 1999 are staff estimates. Revised GSO figures for 1998 are 5.8 % for GDP, 3.5 % for AFF, 8.3 % for industry, 5.1% for services. Preliminary GSO estimates for 1999 are 4.8% for GDP, 5.2% for AFF, 7.7 % for industry and 2.3% for services.

^b Estimates.

^c Based on end of period.

^d Excluding grants and including onlending.

^e Excluding official transfers.

Sources: General Statistical Office, State Bank of Viet Nam, Ministry of Finance, International Monetary Fund reports, and staff estimates.

SOCIAL AND ENVIRONMENTAL INDICATORS

Table A2.1: Social Indicators

Item	1985	1990	Latest Year
Population Indicators			
Total Population (million)	59.87	66.23	77.70 (2000)
Annual Population Growth Rate (% change)	2.08	2.25	1.44 (2000)
Social Indicators			
Total Fertility Rate (births per woman)	4.20 (1987)	3.30 (1992)	2.53 (2000)
Maternal Mortality Rate (per 100,000 live births)	—	—	100 (1999)
Infant Mortality Rate (below 1 year; per 1,000 live births)	47 (1987)	44 (1992)	37 (1999)
Life Expectancy at Birth (years)	65	67	68.30 (1999)
	67	69	70.10 (1999)
	63	64	66.60 (1999)
Adult Literacy (%)	84	88	94.00 (2000)
Primary School Gross Enrollment (%) ^a	110 (1986/87)	103 (1991/92)	92 ^b (2000)
	—	—	—
Lower Secondary School Gross Enrollment (%) ^a	58 (1986/87)	44 (1991/92)	74 ^b (2000)
	—	—	—
Upper Secondary School Gross Enrollment (%) ^a	24 (1986/87)	13 (1991/92)	38 ^b (2000)
	—	—	—
Child Malnutrition (% of under age 5)	52 (1980-1985)	—	37 (1999)
Population Below Poverty Line (%)	—	—	37 (1998)
Population with Access to Safe Water (%)	46 (1985-1988)	27 (1988-1991)	65-70 (2000)
Population with Access to Sanitation (%)	—	18 (1988-1991)	29 (1998)
Public Education Expenditure (as % of GNP)	1.04	1.05	2.00 (1999)
Public Health Expenditure (as % of GDP)	0.57	0.88	0.80 (1999)
Human Development Index	—	0.47	0.67 (1998)
Human Development Ranking	—	115	108 (1998)

— = no available data.

^a Gross enrollment ratios are defined as the number enrolled in a level of education, whether or not they belong in the relevant age group for that level, expressed as a percentage of the population in the age group 6-10 years for primary school, 11-14 years for lower secondary school, and 15-17 years for upper secondary school.

^b Refers to net enrollment

Source: World Bank, World Development Reports, various years; World Bank, World Development Indicators; UNDP Human Development Indicators, various years; UNDP Human Development Indicators, various years; General Statistical Office.

Table A2.2: Environmental Indicators

Item	1980	Latest Year	
Energy Efficiency of Emissions			
GDP per unit of energy use (PPP\$/kg oil equivalent)	—	3.2	(1997)
Traditional fuel use (% of total energy use)	49.1	40.5	(1996)
Carbon dioxide emissions (total metric tons)	16.8	37.6	(1996)
Carbon dioxide emissions (per capita metric tons)	0.3	10.8	(1996)
Water Pollution			
Emissions of organic water pollutants (kg/day)	—	—	
Industry share of emissions of organic water pollutants			
Wood (%)	—	—	
Primary Metals (%)	—	—	
Paper and Pulp (%)	—	—	
Chemical (%)	—	—	
Food and Beverages (%)	—	—	
Textiles (%)	—	—	
Water and Sanitation			
Forest area (million ha)	—	11	(2000)
Average annual deforestation (km ²)	—	1352	(1990-95)
Average annual deforestation (% change)	—	1.4	(1990-95)
Rural population density (people per sq km of arable land)	—	1071	(1997)
Arable land (% of land area)	18.2	17.4	(1997)
Permanent cropland (% of land area)	1.9	4.7	(1997)
Biodiversity and Protected Areas			
Nationally protected areas (million ha)	—	1.8	(2000)
Percent of total land area	—	5.4	(2000)
Mammals (number of threatened species)	—	38	(1996)
Birds (number of threatened species)	—	47	(1996)
Higher plants (number of threatened species)	—	341	(1997)
Reptiles (number of threatened species)	—	12	(1996)
Amphibians (number of threatened species)	—	1	(1996)
Urban			
Urban population (millions)	10.3	15	(1998)
Percentage urban	19	20	(1998)
Per capita water use (liter/day) - Hanoi	—	110	(1998)
Wastewater treated (percent)	—	—	(1998)
Per capita solid waste generation (kg/day)	—	1.2	(1998)
Air Pollution			
City population ('000)			
Total Suspended particulates (micrograms per cubic meter)	—	—	
Sulfur dioxide (micrograms per cubic meter)	—	—	
Nitrogen dioxide (micrograms per cubic meter)	—	—	

— = no available data.

PORTFOLIO PERFORMANCE

**Table A3.1: Implementation, Disbursement Performance and Postevaluation Results
of Public Sector Projects
(as of 31 December 2000)**

A. Project Portfolio	Net Loan Amount		Rating (No.)										
	\$ million	%	Total		Implementation Progress				Development Objectives				
			No.	%	HS	S	PS	U	HS	S	PS	U	
Agriculture/Natural Resources	473.4	28.0	9	34.6	0	8	1	0	0	8	1	0	
Energy	163.4	9.7	2	7.7	0	1	1	0	0	2	0	0	
Finance and Industry	96.2	5.7	1	3.8	0	1	0	0	0	1	0	0	
Transport and Communications	469.9	27.8	9	34.6	2	6	1	0	1	8	0	0	
Social Infrastructure	485.1	28.7	5	19.2	0	4	1	0	0	5	0	0	
Others/Multisector	0.0	0.0	0	0.0	0	0	0	0	0	0	0	0	
Total	1,688.0	100.0	26	100.0	2	20	4	0	1	24	1	0	
B. Disbursements			OCR				ADF				Total		
1) Total funds available for withdrawal (\$ mn, active loans only)			40.0				1,648.0				1,688.0		
2) Disbursed amount (\$ mn, cumulative, active loans only)			20.0				581.8				601.8		
3) Percentage disbursed [(2)/(1)] (%)			50.0				35.3				35.7		
4) Disbursements (\$mn, active loans only, Jan-Dec 2000)			20.0				198.9				218.9		
5) Disbursement ratio (%) ^a			50.0				17.6				18.7		
C. Net Transfer of Resources^b (\$million)			OCR				ADF				Total		
1995			40.0				1,648.0				1,688.0		
1996			0.0				25.8				25.8		
1997			0.0				145.9				145.9		
1998			0.0				124.1				124.1		
1999			2.5				185.8				188.3		
2000			65.2				166.0				231.2		
D. Postevaluated Projects (by Year of PPAR Circulation)^c										1996-2000			
1. Postevaluation Rating (as of 31 December 2000)										No.	%		
Highly Successful										0	n.a.		
Successful										0	n.a.		
Partly Successful										0	n.a.		
Unsuccessful										0	n.a.		
No Rating										0	n.a.		
Total										0	n.a.		
2. Postevaluation Rating by Sector		Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
1996-2000 (as of 31 December 2000)		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Energy		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Finance and Industry		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Social Infrastructure		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Transport and Communications		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Others/Multisector		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.
Total		0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.	0	n.a.

ADF= Asian Development Fund, HS= highly satisfactory, n.a. = not available, OCR= Ordinary capital resources, PS= partly satisfactory, S= satisfactory, U = unsatisfactory.

^a Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^b Includes private sector projects for countries with private sector operations.

^c A new four-category project rating system for Project Performance Audit Reports (PPARs) was approved by Management in September 2000 and was consequently supplemented by a minor change in the project rating terminology as approved by the President on 28 May 2001. The Post Evaluation Information System (PEIS) was revised to accommodate the new project rating system, while maintaining the old one. Projects were retrofitted to show postevaluation results circulated since 1996 using the new project rating system.

Table A3.2: Status of Implementation of Public Sector Projects
(as of 31 December 2000)

Sector	Project Title	Net Loan Amount		Approval Effectiveness		Closing Date		Project Progress (%) complete)	Cum Contract Awards (\$ million)	Cumulative Disbursement (\$ million)	Project Performance Rating	
		OCR (\$ million)	ADF (\$ million)	Date (mm/yy)	Date (mm/yy)	Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
AGR	Irrigation & Flood Protection Rehabilitation		68.8	Oct-93	Mar-94	Dec-98	Dec/2000	87	66.3	58.4	S	S
AGR	Red River Delta Water Resources (Sector) Project		54.6	Dec-94	Apr-95	Sep/2000	Jun/2001	80	48.7	42.4	S	S
AGR	Fisheries Infrastructure Improvement Project		47.5	Nov-95	Apr-96	Dec/2002		67	19.1	14.6	S	S
AGR	Rural Credit Project		46.1	Sep-96	Apr-97	Jun/2001		85	42.3	45.2	S	S
AGR	Forestry Sector Project		31.2	Mar-97	Oct-97	Dec/2003		7	0.5	1.1	PS	PS
AGR	Rural Infrastructure Sector		100.6	Oct-97	Apr-98	Dec/2004		24	32.4	25.2	S	S
AGR	Phuoc Hoa Multipurpose Water Resources (Eng)		2.5	Dec-97	Jul-98	Mar/2000	Dec/2000	60	2.1	1.2	S	S
AGR	Tea and Fruit Development		40.6	Nov/2000		Jun/2007		0	0.0	0.0	S	S
AGR	Rural Enterprise Finance Project		81.5	Dec/2000				0	0.0	0.0	S	S
ENE	Power Distribution Rehabilitation Project		68.2	Jun-95	Sep-95	Dec-99	Dec/2001	77	49.6	45.3	PS	S
ENE	Central and Southern Viet Nam Power Distribution Project		95.1	Nov-97	Feb-99	Dec/2002		46	13.5	1.3	S	S
F&I	SOE Reform and Corporate Governance Program Loan	40.0	56.2	Dec-99	Oct/2000	Dec/2003		50	50.0	47.9	S	S
SOC	Ho Chi Minh City Water Supply and Sanitation Rehabilitation		55.9	Nov-93	Apr-95	Jun-99	Jun/2001	78	47.5	32.4	PS	S
SOC	Provincial Towns Water Supply and Sanitation		55.8	Aug-95	Dec-95	Dec/2000	Dec/2002	74	50.6	31.7	S	S

ADF = Asian Development Fund, AGR = agriculture & natural resources, ENE = energy, F&I = finance and industry, OCR = ordinary capital resources, PS = partly satisfactory, S = satisfactory, SOC = social infrastructure, SOE = state-owned enterprise.

Table A3.2 (con't): Status of Project Implementation of Public Sector Projects
(as of 31 December 2000)

Sector	Project Title	Net Loan Amount		Approval Date	Effectiveness Date	Closing Date		Project Progress (%) complete)	Cum Contract Awards (\$ million)	Cumulative Disbursement (\$ million)	Project Performance Rating	
		OCR (\$ million)	ADF (\$ million)			Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
SOC	Population and Family Health Project		39.3	Sep-96	Mar-97	Jun/2003		67	29.4	26.5	HS	S
SOC	Second Provincial Towns Water Supply &		62.4	Feb-97	Nov-97	Jun/2002		35	28.3	10.2	S	S
SOC	Lower Secondary Education Development Project		48.2	Sep-97	Mar-98	Jun/2004		38	16.4	12.1	HS	S
SOC	Vocational and Technical Education		49.9	Dec-98	Dec-99	Oct/2004		5	0.1	1.0	S	S
SOC	Ho Chi Minh City Environmental Improvement Project		66.6	Oct-99	Jun/2000	Jun/2006		6	0.0	0.5	S	S
SOC	Teacher Training Project		23.6	Dec-99	Sep/2000	Jun/2006		0	0.0	1.0	S	S
SOC	Rural Health Project		68.2	Nov/2000		Dec/2006		0	0.0	0.0	S	S
T&C	Road Improvement		111.1	Nov-93	Nov-94	Dec-98	Jun/2000	100	109.3	111.1	Closed	Closed
T&C	Saigon Port Project		27.5	Mar-95	Jul-95	Dec-98	Jun/2000	100	27.7	27.5	S	S
T&C	Second Road Improvement Project		109.5	Nov-96	Jul-97	Dec/2001		75	84.3	45.0	PS	S
T&C	Third Road Improvement Project		120.5	Dec-98	Sep-99	Dec/2003		22	62.0	11.4	S	S
T&C	Phnom Penh-Ho Chi Minh City Highway		92.8	Dec-98	Nov-99	Jun/2003		20	42.2	8.9	S	S
T&C	GMS: East-West Corridor Project		23.7	Dec-99	Sep/2000	Dec/2004		4	2.3	0.0	S	S
Total		40.0	1,647.9						824.6	601.9		

ADF = Asian Development Fund, HS = highly satisfactory; OCR = ordinary capital resources, PS = partly satisfactory; S = satisfactory; SOC = social infrastructure; T&C = transport and communications.

LOAN AND TECHNICAL ASSISTANCE PROGRAM, 2002-2004

Table A4.1: Country Lending Scenario and Performance Triggers

Low Case Scenario	Base Case Scenario	High Case Scenario
* Fiscal sustainability undermined by revenues growth of less than 7.5 percent in 2001	* Moderate fiscal sustainability with revenues growth between 7.5 and 10.5 percent in 2001	* Fiscal sustainability supported by revenues growth of more than 10.5 percent in 2001
	* Savings mobilization climate improved through funding of the Deposit Insurance Agency for the protection of small depositors.	* Steps to improve the functioning of the Deposit Insurance Agency include to: (i) assess the quality of the assets and capital adequacy of member institutions and the size-distribution of deposit accounts insured according to current regulations and start to develop a methodology to assess the adequacy of Deposit Insurance Agency's funding, (ii) draft regulations on coordination between the SBV's Supervision Department and the Deposit Insurance Agency to ensure the sharing of information on the performance and soundness of member depository institutions with the Agency on a regular and timely basis.
	* Improve access to credit for enterprises through approval by the Prime Minister of the decision to establish the registry of secured transactions and adequate funding for registry requested by MOJ and allocated by MOF.	* Take steps to implement the registry of secured transaction by having feasibility study for registry project completed and approved by MOJ.
	* Improve coordination of water resources management by convening the first meeting of the NWRC.	* Establish an adequate office to support the NWRC.
* Significant deterioration in the percentage of contract awards achieved compared with three-year average (1998-2000)	* Percentage of contract awards maintained at around the three-year average (1998-2000)	* Significant improvement in the percentage of contract awards achieved compared with three-year (1998-2000) average
* Project start-up slow because some projects have not established a PIO with a qualified manager and key staff by the time of loan negotiations.	* Prompt project implementation facilitated by ensuring that all projects have established PIO with a qualified manager and key staff by the time of loan negotiations	

MOF = Ministry of Finance, MOJ = Ministry of Justice, NWRC = National Water Resources Council, PIO = project implementation office, SBV = State Bank of Viet Nam.

Table A4.2: Lending Pipeline, 2002-2004

Sector/Project Name	Poverty Classification ^a	Thematic Priority ^b	Year of PPTA	Project Cost (\$million)					
				Total	ADB		Gov't	Cofinancing (Others)	
					OCR	ADF			Total
2002 FIRM LOANS									
Agriculture and Natural Resources									
1 Phuoc Hoa Water Resources	NC	ECO	1997	155.0		85.0	85.0	40.0	30.0
2 Agriculture Sector Development II	NC	ECO	1999	95.0	50.0	45.0	95.0		
Subtotal				250.0	50.0	130.0	180.0	40.0	30.0
Finance and Industry									
3 Finance Sector Development II	NC	PSD	1998	95.0	50.0	45.0	95.0		
Subtotal				95.0	50.0	45.0	95.0		
Social Infrastructure									
4 Upper Secondary Education Development	PI	HD/GAD	2001	65.0		45.0	45.0	20.0	
Subtotal				65.0		45.0	45.0	20.0	
Total				410.0	100.0	220.0	320.0	60.0	30.0
Subregional (subject to confirmation)									
5 GMS: Mekong Lancang River Tourism Infrastructure Development	NC	RC	1999	15.0		10.0	10.0	5.0	
Subtotal				15.0		10.0	10.0	5.0	
Total				15.0		10.0	10.0	5.0	
2003 FIRM LOANS									
Agriculture and Natural Resources									
1 Central Provinces Water Resources Sector	PI	ENV	2002	130.0		90.0	90.0	40.0	
2 Central Highlands Livelihoods Improvement and Integrated Natural Resources Management	CPI	ENV/GAD	2001	75.0		50.0	50.0	15.0	10.0
Subtotal				205.0		140.0	140.0	55.0	10.0
Social Infrastructure									
3 Central Region Urban Development and Housing Finance	NC	HD	2001	115.0		80.0	80.0	35.0	
Subtotal				115.0		80.0	80.0	35.0	
Total				320.0		220.0	220.0	90.0	10.0
Subregional									
4 GMS: Kunming-Hai Phong Corridor	NC	RC	2002	90.0		60.0	60.0	30.0	
Subtotal				90.0		60.0	60.0	30.0	
Total				90.0		60.0	60.0	30.0	

ADF = Asian Development Fund, GMS = Greater Mekong Subregion, OCR = ordinary capital resources, PPTA = project preparatory technical assistance and medium-scale enterprises.

^a CPI = core poverty intervention, PI = poverty intervention, NC = not classified.

^b ECO = economic growth, ENV = environmental protection, GAD = gender and development, GG = good governance, HD = human development, PS = sector development, and RC = regional cooperation.

Table A4.2 (con't): Lending Pipeline, 2002-2004

Sector/Project Name	Poverty Classification ^a	Thematic Priority ^b	Year of PPTA	Project Cost (\$million)				
				Total	ADB		Gov't	Cofinancing (Others)
					OCR	ADF		
2003 STANDBY LOANS								
Energy								
1 Power Transmission and Distribution	NC	ECO	2002	115.0	80.0	80.0	35.0	
Subtotal				115.0	80.0	80.0	35.0	
Social Infrastructure								
2 Second Lower Secondary Education Development	PI	HD/GAD	2002	65.0		45.0	45.0	20.0
Subtotal				65.0		45.0	45.0	20.0
Total				180.0	80.0	45.0	125.0	55.0
2004 FIRM LOANS								
Energy								
1 Power Transmission and Distribution	NC	ECO	2002	115.0	80.0	80.0	35.0	
Subtotal				115.0	80.0	80.0	35.0	
Finance and Industry								
2 SME Development/Microfinance	PI	PSD/GAD	2002	135.0	40.0	55.0	95.0	20.0
Subtotal				135.0	40.0	55.0	95.0	20.0
Social Infrastructure								
3 Health Sector Development	PI	HD/GAD	2002	80.0		55.0	55.0	25.0
4 Second Lower Secondary Education Development	PI	HD/GAD	2002	65.0		45.0	45.0	20.0
Subtotal				145.0		100.0	100.0	45.0
Transport and Communications								
5 Central Region Road Sector	PI	ECO	2002	95.0		65.0	65.0	30.0
Subtotal				95.0		65.0	65.0	30.0
Total				490.0	120.0	220.0	340.0	130.0
2004 STANDBY LOANS								
Others/Multisector								
1 Governance and Public Administration Reform	NC	GG	2002	50.0		35.0	35.0	5.0
Subtotal				50.0		35.0	35.0	5.0
Total				50.0		35.0	35.0	5.0

Table A4.3: Technical Assistance Program, 2002-2004

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
Year 2002					
Agriculture and Natural Resources					
1 Central Provinces Water Resources Sector	AWFN	PPTA	1,000.0		1,000.0
Subtotal			1,000.0		1,000.0
Social Infrastructure					
2 Health Sector Development	AWEH	PPTA	600.0		600.0
3 Second Lower Secondary Education Development	AWEH	PPTA	600.0		600.0
Subtotal			1,200.0		1,200.0
Energy					
4 Power Transmission and Distribution	IWEN	PPTA	750.0		750.0
Subtotal			750.0		750.0
Finance and Industry					
5 SME Development/Microfinance	IWFI	PPTA	700.0		700.0
Subtotal			700.0		700.0
Others/Multisector					
6 Governance and Public Administration Reform	VRM/PWD	ADTA	500.0	250.0	750.0
7 Legal Sector Capacity Building and Reform	OGC	ADTA	750.0		750.0
Subtotal			1,250.0	250.0	1,500.0
Transport and Communications					
8 Central Region Road Sector	IWTC	PPTA	1,100.0		1,100.0
Subtotal			1,100.0		1,100.0
Total			6,000.0	250.0	6,250.0
Subregional					
9 GMS Kunming - Hai Phong Corridor	IWTC	PPTA	600.0		600.0
Subtotal			600.0		600.0
Total			600.0		600.0
Year 2003					
Social Infrastructure					
1 Provincial/District Towns Development in the Central Region	AWWU	PPTA	950.0		950.0
2 Capacity Building for Upper Secondary Education	AWEH	ADTA	400.0		400.0
Subtotal			1,350.0		1,350.0
Agriculture and Natural Resources					
3 Central Region Coastal Management	AWFN	PPTA	700.0		700.0
4 Support for Implementation of Agriculture Policy Reform	AWAR	ADTA	800.0		800.0
Subtotal			1,500.0		1,500.0
Finance and Industry					
5 Capacity Building for Central Highlands Livelihoods Improvement and Integrated Natural Resources Management	AWFN/AWAR	ADTA	800.0		800.0
6 Strengthening of Financial Markets Institutions	IWFI	ADTA	700.0		700.0
Subtotal			1,500.0		1,500.0
Others/Multisector					
7 Support to Governance and Public Administration Reform	VRM/PWD	ADTA	800.0	200.0	1,000.0
Subtotal			800.0	200.0	1,000.0
Total			5,150.0	200.0	5,350.0

ADTA = advisory technical assistance, GMS = Greater Mekong Subregion, PPTA = project preparatory technical assistance, SME = small- and medium-scale enterprises, TA = technical assistance.

Table A4.3 (con't): Technical Assistance Program, 2002-2004

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		Total
			ADB	Others	
Year 2004					
Energy					
1 Strengthening of Transmission and Distribution Systems	IWEN	ADTA	500.0		500.0
Subtotal			500.0		500.0
Finance and Industry					
2 Capacity Building for SME Development	IWFI/AWAR	ADTA	600.0		600.0
3 Social Safety Nets and Financial Markets Development	IWFI	ADTA	500.0		500.0
Subtotal			1,100.0		1,100.0
Social Infrastructure					
4 Capacity Building for Health Sector Development	AWEH	ADTA	400.0		400.0
Subtotal			400.0		400.0
Others/Multisector					
5 Improvement of Public Service Efficiency	VRM/PWD	ADTA	500.0	200.0	700.0
Subtotal			500.0	200.0	700.0
Total			2,500.0	200.0	2,700.0

Table A4.4: By Poverty Classification, Thematic Priority, and Sector

Classification	2002		2003-2004	
	No.	%	No.	%
A. By Poverty Classification				
1. Core Poverty Intervention	0	0.0	1	11.1
2. Poverty Intervention (Noncore)	1	20.0	5	55.6
3. Not Classified	4	80.0	3	33.3
Total	5	100.0	9	100.0
B. By Thematic Priority				
1. Economic Growth	2	40.0	2	22.2
2. Environment	0	0.0	2	22.2
3. Gender and Development ^a	0	0.0	0	0.0
4. Good Governance	0	0.0	0	0.0
5. Human Development	1	20.0	3	33.4
6. Private Sector Development	1	20.0	1	11.1
7. Regional Cooperation	1	20.0	1	11.1
Total	5	100.0	9	100.0
C. By Sector				
1. Agriculture and Natural Resources	2	40.0	2	22.2
2. Energy	0	0.0	1	11.1
3. Finance and Industry	1	20.0	1	11.1
4. Social Infrastructure	2	40.0	3	33.4
5. Transport and Communications	0	0.0	2	22.2
6. Others/Multisector	0	0.0	0	0.0
Total	5	100.0	9	100.0

^a One loan in 2002 and four loans in 2003-2004 also meet the criteria for Gender and Development classification as a thematic priority.

ECONOMIC AND SECTOR WORK PROGRAM

Type of ESW	Strategic or Operational Objective	Modality (staff/ staff consultant/ ADTA/RETA)
1. Economic Work		
(i) Country Economic Review	Review of recent macroeconomic performance and structural policies.	Staff
2. Thematic work		
(i) Assessment and Monitoring of Poverty Reduction (2003)	Analysis of the relationship between poverty profile, public policies, and poverty outcomes.	Staff Consultant
(ii) Governance and Public Administration Reform	Study to support Government's public administration reform agenda covering both legal and institutional issues.	ADTA 2002
(iii) Support to Governance and Public Administration Reform	Monitoring implementation of the public administration reform program and related capacity building for the central agencies.	ADTA 2003
(iv) Improvement of Public Service Efficiency	Analysis of constraints in public service delivery and efficiency improvement measures in the public sector.	ADTA 2004
(v) Capacity Building for SME Development	Institutional and human resources development for the private SME sector.	ADTA 2004
3. Sector work		
(i) Rural Development Strategy Study	Analysis of determinants of rural poverty and the strategies needed to address it.	Staff Consultant
(ii) Rural Finance Strategy Study	Study to develop a strategy for efficient and sustainable rural finance.	Staff
(iii) Social Safety Nets and Financial Markets Development	Assessment of the underlying fundamentals for the development of a financially sound and well targeted social protection system.	ADTA 2004
(iv) Update Central Region Transport Master Plan	The new road master plan for the central region.	TA 2002
(v) Legal Sector Capacity Building and Reform	Support for institutions involved in professional legal education and training.	ADTA 2002
(vi) Capacity Building for Upper Secondary Education	Plan for capacity-building in MOET and other institutions involved in upper secondary education.	ADTA 2003
(vii) Support for Implementation of Agriculture Policy Reform	Capacity building for research and extension services and support for strengthening the legislative and regulatory environment.	ADTA 2003
(viii) Capacity Building for Central Highlands Livelihoods Improvement and Integrated Natural Resources	Strengthen capacity for demand-driven investment, performance-based administration and effective MIS for natural resources management.	ADTA 2003
(ix) Strengthening of Financial Markets Institutions	Assessment of policy changes required particularly in regard to good governance and capacity building needs for financial institutions.	ADTA 2003
(x) Strengthening of Transmission and Distribution Systems	Monitoring development of the national power transmission and distribution systems.	ADTA 2004
(xi) Capacity Building for Health Sector Development	Assessment of potential investment options and formulation of the policy framework to improve health services for the poor.	ADTA 2004

ADTA = advisory technical assistance, ESW = economic and sector work, MIS = management information system, MOET = Ministry of Education and Training, RETA = regional technical assistance, SME= small- and medium-scale enterprises.

PROJECT SELECTION BRIEFS AND TECHNICAL ASSISTANCE CONCEPT PAPERS

Table A6.1: Project Selection Brief for Phuoc Hoa Water Resources

A. Data	
Project Number:	29296-01
Country:	Viet Nam
Sector:	Agriculture
Subsector:	Water resources
Project Division:	AWFN
Contact Person in Projects Division:	Peter Logan, Irrigation Engineer
Programs Division:	Shunsuke Bando, Programs Officer, PW3
Tentative Loan Amount according to CSP:	\$85.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	2575-VIE (completed in 1997)
Proposed PPTA Amount:	Not available
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	(TA Loan 1598-VIE was approved in 1997)
Start Design Phase:	Processing of investment loan can start in 4Q 2001
Approval Year According to CSP:	2002 Firm
Proposed Executing Agency:	Ministry of Agriculture and Rural Development
Contact Person in Proposed Executing Agency:	Mr. Dao Trong Tu, Deputy Director, International Cooperation Dept.
B. Description	
Brief Rationale of Project:	The Project will transfer excess water resources from the Song Be River to the Saigon River to (i) increase water security in HCMC for domestic and industrial uses, (ii) increase irrigated agriculture in the surrounding provinces, and (iii) reduce salinity intrusion in the Saigon River in HCMC.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Extended feasibility studies, including water balance studies, social assessment, participatory design for irrigation development and management, and development of the resettlement plan are being finalized under the TA loan, which is expected to be completed by December 2001. The ADB-financed TA Cluster for Capacity Building in Water Resources Management will help establish a River Basin Organization for planning and managing water resources in the Greater Dong Nai River Basin, of which the Song Be and Saigon Rivers form a part.
Comparative Advantage of ADB in Proposed Project:	ADB is lead funding agency in the water sector in Viet Nam. A PPTA and TA Loan were earlier approved for the proposed Project.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Economic Growth
Environmental Classification:	A
Social Issues:	Resettlement

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWFN = Forestry and Natural Resources Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, HCMC = Ho Chi Minh City, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III, TA = technical assistance.

Table A6.2: Project Selection Brief for Agriculture Sector Development II

A. Data	
Project Number:	32285-01
Country:	Viet Nam
Sector:	Agriculture and natural resources
Subsector:	Industrial crops and agro-industry
Project Division:	AWAR
Contact Person in Projects Division:	Raymond Z. H. Renfro, Senior Project Economist
Programs Division:	Alessandro Pio, Senior Programs Officer, VRM
Tentative Loan Amount According to CSP:	\$50.0 million (OCR); \$45.0 million (ADF)
Proposed Lending Modality:	Program loan
PPTA:	Agriculture Sector Program (3223-VIE)
Proposed PPTA Amount:	\$1,000,000 approved on 14 July 1999
Attached ADTA:	Support for Implementation of Agriculture Policy Reforms
Proposed ADTA Amount:	\$800,000
Start Predesign Phase:	2000
Start Design Phase:	2001
Approval Year According to CSP:	2002 Firm
Proposed Executing Agency:	Ministry of Agriculture and Rural Development
Contact Person in Proposed Executing Agency:	Mr. Cao Duc Phat, Vice Minister
B. Description	
Brief Rationale of Project:	Sector reforms are required to transform production and marketing to a market-based system, with an expanded role for the private sector. Total factor productivity growth is low, and the capacity of the government to introduce new technologies is limited. Small and medium agro-industry represents two – thirds of the value added of total rural industry but is still very small and underdeveloped. Access to land and credit are major constraints. The Program will address these constraints, consistent with ADB's sector objectives in the CSP.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Agriculture and Rural Development Strategy approved in 2001.
Comparative Advantage of ADB in Proposed Project:	Long involvement in sector and major funding agency in sector. Agriculture Sector Program Loan I approved in 1994 was successfully completed.
Rationale and Scope of Attached ADTA:	ADTA will assist in drafting relevant regulations and legislation, and strengthening research and extension services.
Development Objective (thematic priority):	Economic growth
Environmental Classification Project:	B
Social Issues:	No major issues.

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWAR = Agriculture and Rural Development Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, OCR = ordinary capital resources, PPTA = project/program preparatory technical assistance, VRM = Viet Nam Resident Mission.

Table A6.3: Project Selection Brief for Financial Sector Development II (Program Loan)

A. Data	
Project Number:	30295-01
Country:	Viet Nam
Sector:	Finance sector
Subsector:	Private sector development
Project Division:	IWFI
Contact Person in Projects Division:	Shigeko Hattori, Financial Capital Markets Specialist
Programs Division:	Padmini Desikachar, Senior Economist, PW3
Tentative Loan Amount According to CSP:	\$50.0 million (OCR); \$45.0 million (ADF)
Proposed Lending Modality:	Program Loan
PPTA:	Financial Market Development (3147-VIE)
Proposed PPTA Amount:	\$980,000 approved on 24 December 1998
Attached ADTA:	Strengthening of Financial Market Institutions (31368-01)
Proposed ADTA Amount:	\$700,000
Start Pre-design Phase:	1999
Start Design Phase:	2001
Approval Year According to CSP:	2002 Firm
Proposed Executing Agency:	State Bank of Viet Nam
Contact Person in Proposed Executing Agency:	To be determined
B. Description	
Brief Rationale of Project:	FSPL II will build on the work completed under FSPL I. It will further advance financial sector reforms initiated under FSPL I, and in particular will address constraints in the financial system, which hinder channeling of funds to SMEs in Viet Nam. It will complement SOCB restructuring efforts undertaken by the World Bank and IMF under a recent PRSC and PRGF by focusing on nonbank financial institutions, and possibly on the operational and capacity constraints of SOCBs. FSPL II will strategically be designed as an important linkage to the development of the private sector and to the SME Development Project in 2004, in particular.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Substantial work has been undertaken for building a more market-oriented, efficient, and resilient financial system in Viet Nam. In particular, the World Bank and IMF have completed broad preparatory work in the PRGF and PRSC, which were approved in April and June 2001. The ongoing ESW for development of financial sector strategy in Viet Nam, and the private sector development strategy under preparation for the 2001 CSP are expected to give important inputs into the FSPL II design.
Comparative Advantage of ADB in Proposed Project:	FSPL I aimed to establish the necessary financial infrastructure for a more market-oriented financial system in Viet Nam, giving insights into the operational weaknesses of the overall financial sector. The SOE Reform and Corporate Governance Program Loan has promoted the transition corporatization and commercialization of SOEs, initially by adopting improved corporate governance standards. The two program loans have given ADB a distinct competitive edge to address the problems in building a financial system capable of better serving the SMEs, the majority of its future borrowers.
Rationale and Scope of Attached ADTA:	The TA will address capacity-building needs to undertake policy changes, particularly in connection with the adoption of good governance standards by financial institutions being proposed under FSPL II.
Development Objective (thematic priority):	Private sector development
Environmental Classification:	C – Unlikely to have adverse environmental impact
Social Issues:	FSPL II does not foresee substantial social issues in its scope. However, consultation with the stakeholders (such as small investors and minor shareholders) will be undertaken to assure that social issues, if any, are adequately addressed.

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IMF = International Monetary Fund, IWFI = Financial Sector and Industry Division, FSPL = financial sector program loan, OCR = ordinary capital resources, PPTA = project/program preparatory technical assistance, PRGF = poverty reduction growth facility, PRSC = poverty reduction support credit, PW3 = Programs Department (West) Division III, SME = small- and medium-scale enterprise, SOCB = state-owned commercial bank, SOE = state-owned enterprise, TA = technical assistance.

Table A6.4: Project Selection Brief for Upper Secondary Education Development

A. Data	
Project Number:	28309-01
Country:	Viet Nam
Sector:	Social infrastructure
Subsector:	Education
Project Division:	AWEH
Contact Person in Projects Division:	Yasushi Hirosato, Education Specialist
Programs Division:	Padmini Desikachar, Senior Economist, PW3
Tentative Loan Amount According to CSP:	\$45.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Upper Secondary Education Development
Proposed PPTA Amount:	\$600,000
Attached ADTA:	Capacity Building for Upper Secondary Education
Proposed ADTA Amount:	\$400,000
Start Predesign Phase:	2001
Start Design Phase:	2001
Approval Year According to CSP:	2002 Firm
Proposed Executing Agency:	Ministry of Education and Training (MOET)
Contact Person in Proposed Executing Agency:	Dr. Nguyen Van Vong, Vice Minister
B. Description	
Brief Rationale of Project:	MOET developed a long-term education development strategy covering the period from 2001 to 2010, which aims to gradually expand upper secondary education to promote industrialization and economic modernization. Given the strategic role in absorbing the rising number of lower secondary graduates and preparing qualified graduates for higher education and labor market, ADB will assist the Government in increasing equitable access to students in underserved/rural areas, improving quality and efficiency through introduction of new, diversified curricula and textbooks, and related teacher training, and strengthening management capacity at the upper secondary education level, in accordance with the long-term education strategy, and the CSP focus on poverty reduction and good governance. Some concentration of associated investment in the Central Region will be pursued, as feasible.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	MOET prepared a draft Vietnamese Education Development Strategy to Year 2010 in 2000, including secondary education. ADB supported the Education for All 2000 Assessment including Viet Nam (RETA 5841: Support for Education for All 2000 Assessment). ADB will assist the Government in preparing the secondary education sector master plan (TA 3560-VIE) in 2001.
Comparative Advantage of ADB in Proposed Project:	ADB is the leading funding agency in supporting the development and improvement of secondary education by providing a significant volume of assistance. The World Bank and other aid agencies focus on primary and tertiary education. Given its important role in ensuring employment, socioeconomic improvements, and poverty reduction, and the support to universal primary education by other aid agencies, ADB should continue to focus on development of secondary education.
Rationale and Scope of Attached ADTA:	Capacity Building for Upper Secondary Education is programmed in 2003 to develop the capacity building plan for the MOET and other institutions involved in upper secondary education based on an assessment of training needs, and support the preparatory phase of introducing new, diversified curricula and textbooks, and related teacher training programs.
Development Objective (thematic priority):	Human development /gender and development
Environmental Classification:	C

Social Issues:	Despite an impressive GDP growth record in the 1990s, Viet Nam remains a low-income country and a large proportion of the population continues to live in impoverished conditions. Access to upper secondary education is limited to urban areas, and thus significant disparities in enrollments and completion between urban and rural areas appear at the upper secondary level. Limited access, especially by ethnic minorities in the North Uplands and the Central Highlands, remain a persistent problem. The TA will help the Government reduce poverty in rural areas, assist girls and ethnic minorities through increased opportunities for quality upper secondary education, and improve governance under the decentralized education management.
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ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWEH = Education, Health, and Population Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GDP = gross domestic product, MOET = Ministry of Education and Training, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III, RETA = regional technical assistance, TA = technical assistance.

Table A6.5: Project Selection Brief for GMS: Mekong/Lancang River Tourism Infrastructure Development

A. Data	
Project Number:	33029-02
Country:	Viet Nam
Sector:	Social infrastructure
Subsector:	Urban development and housing
Project Division:	AWWU
Contact Person in Projects Division:	Lise Weidner, Private Sector Development Specialist
Programs Division:	Shunsuke Bando, Programs Officer, PW3
Tentative Loan Amount According to CSP:	\$10.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	RETA 5893: Mekong/Lancang River Tourism Infrastructure Development
Proposed PPTA Amount:	\$600,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	October 1999
Start Design Phase:	June 2001
Approval Year According to CSP:	2002 Firm
Proposed Executing Agency:	Ministry of Tourism
Contact Person in Proposed Executing Agency:	To be determined
B. Description	
Brief Rationale of Project:	The purpose of the Project is to promote and strengthen subregional cooperation and tourism development within the GMS countries. The cross-border interrelatedness of the infrastructure development projects will create a unique opportunity for the GMS countries to work jointly on promoting the Mekong/Lancang River as a tourism destination. The implementation of the TA will result in a feasibility study that analyzes potential development projects among these prioritizes and selects the projects that are considered highest priority in each country. Potential projects will be environment-friendly and include construction of riverboat landing and facilities, provision of tourist rest and convenience areas, water supply and sanitation services, and access roads and bridges.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	A RETA for preparation of the feasibility study is ready to begin implementation.
Comparative Advantage of ADB in Proposed Project:	ADB has played for years a leading role in promoting subregional cooperation in the GMS region.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Regional cooperation
Environmental Classification:	To be determined
Social Issues:	To be determined

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWWU = Water Supply, Urban Development and Housing Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GMS = Greater Mekong Subregion, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III, RETA = regional technical assistance, TA = technical assistance.

Table A6.6: Project Selection Brief for Central Provinces Water Resources Sector

A. Data	
Project Number:	30292-02
Country:	Viet Nam
Sector:	Agriculture and natural resources
Subsector:	Irrigation and rural development
Project Division:	AWFN
Contact Person in Projects Division:	Peter Logan, Irrigation Engineer
Programs Division:	Kenji Takamiya, Young Professional, PW3
Tentative Loan Amount According to CSP:	\$90.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Central Provinces Water Resources Sector Project (2002)
Proposed PPTA Amount:	\$1.0 million
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	2002
Start Design Phase:	2002
Approval Year According to CSP:	2003 Firm
Proposed Executing Agency:	Ministry of Agriculture and Rural Development
Contact Person in Proposed Executing Agency:	To be determined.
B. Description	
Brief Rationale of Project:	The central region of Viet Nam currently suffers from water shortages and saltwater intrusion during the dry season, and flooding in the wet season, which is a constraint on economic growth. Much of the existing water resources infrastructure in the region are performing below potential and require upgrading. Expanding irrigation and flood mitigation are a high priority of the Government. The proposed Project will develop new and existing infrastructure to provide more reliable water supplies, improve agriculture production, and control flooding. Subprojects will be selected to provide economic growth with emphasis on poverty reduction and environmental protection, in synergy with area-based poverty interventions in the region.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The Government has identified a range of possible interventions to address the water resources issues in the central region. These will be considered under two TAs that will precede the Project. An ADTA will develop a water resources investment strategy for the region involving setting selection criteria and ranking priority subprojects. This will be followed by a PPTA to further investigate the technical and economic viability of the highest ranked subprojects.
Comparative Advantage of ADB in Proposed Project:	ADB is a lead funding agency in the water sector and is focusing its strategy on the central region.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Environmental protection
Environmental Classification:	A/B – Likely to have significant environmental impact; to be confirmed upon receipt of adequate information.
Social Issues:	Emphasis will be given to poverty reduction.

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWFN = Forestry and Natural Resources Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III, TA = technical assistance.

Table A6.7: Project Selection Brief for Central Highlands Livelihoods Improvement and Integrated Natural Resource Management

A. Data	
Project Number:	34341-01
Country:	Viet Nam
Sector:	Forestry
Sub-sector:	Rural development
Project Division:	AWFN
Contact Person in Projects Division:	Javed H. Mir, Forestry Specialist
Programs Division:	Alessandro Pio, Senior Programs Officer, VRM
Tentative Loan Amount According to CSP:	\$50.0 million (ADF)
Proposed Lending Modality:	Sector development program
PPTA:	Central Highlands Livelihoods Improvement and Integrated Natural Resource Management
Proposed PPTA Amount:	\$1 million
Attached ADTA:	Capacity Building for Central Highlands Livelihoods Improvement and Integrated Natural Resources Management
Proposed ADTA Amount:	\$800,000
Start Pre-design Phase:	2Q 2001
Start Design Phase:	4Q 2001
Approval Year According to CSP:	2003 Firm
Proposed Executing Agency:	Provincial Departments of Agriculture and Rural Development in Dac Lac; Gia Lai; and Kon Tum provinces.
Contact Person in Proposed Executing Agency:	To be identified during Reconnaissance Mission scheduled for June 2001.
B. Description	
Brief Rationale of Project:	<p>The Central Highlands are home to about 3 million people, one third of whom belong to various ethnic minority groups. Approximately 60 percent of households fall below the food poverty line and 75 percent below the general poverty line. During recent years large-scale expansion of cash crops (mainly coffee) has indirectly contributed to socioeconomic marginalization of poorer groups and has led to negative environmental impacts.</p> <p>The Five Million Hectare Reforestation Program (5MHRP) has built-in socioeconomic and poverty reduction objectives. Besides environmental security the program seeks to contribute to a hill and mountain economy free of hunger, with substantially reduced poverty and secure and resilient livelihoods. The ongoing Loan 1515-VIE: Forestry Sector Project is helping the Government to achieve these objectives in central regions including selected communes in Gia Lai. There is good potential to upgrade, further rationalize, and intensify this approach. Doing so will serve to improve livelihoods and food security in the Central Highlands, and address national needs and priorities for forest resource development.</p>
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Forest sector work and reports include the Government's 5MHRP and draft Forest Development Strategy 2001-2010; A framework for the 5MHRP Partnership's Forest Sector Support Program; and ADB TA 3255-VIE: Study of the Policy and Institutional Framework for Forest Resources Management.
Comparative Advantage of ADB in Proposed Project:	The proposed project would upgrade policy and operational capacities put in place by the ongoing ADB forest sector investments. It will reinforce complementarity and intersectoral and portfolio management. The area-based development approach of the CSP will thereby be implemented and maximize the developmental impact of ADB investments in the Central Highland region.

Rationale and Scope of Attached ADTA:	The ADTA will help build the capacity of the line agencies in areas of project planning, organization, and management. This will result in an increasingly demand-driven planning of subproject investments, introduction of performance-based technical extension mechanisms, and institution of appropriate management information system/monitoring and evaluation mechanisms. At the same time the ADTA will support state forest enterprise restructuring and reform implementation. At the commune and beneficiary levels, capacity to deal with participatory integrated land use planning and implementation will be reinforced.
Development Objective (thematic priority):	Environmental protection/gender and development
Environmental Classification Project:	B
Social Issues:	Empowerment of socially disadvantaged communities, in particular ethnic minorities, by ensuring and enhancing their involvement in participatory project planning, implementation, and benefit-sharing.

5MHRP = five million hectare reforestation program, ADB = Asian Development Bank, ADTA = advisory technical assistance, AWFN = Forestry and Natural Resources Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory technical assistance, TA = technical assistance, VRM = Viet Nam Resident Mission.

Table A6.8: Project Selection Brief for Central Region Urban Development and Housing Finance

A. Data	
Project Number:	34355
Country:	Viet Nam
Sector:	Social infrastructure
Subsector:	Urban development and housing
Project Division:	AWWU
Contact Person in Projects Division:	Alfredo Perdiguero, Project Economist
Programs Division:	Shunsuke Bando, Program Officer, PW3
Tentative Loan Amount According to CSP:	\$ 80.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Central Region Urban Development and Housing Finance
Proposed PPTA Amount:	\$ 900,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	August 2001
Start Design Phase:	December 2001
Approval Year According to CSP:	2003 Firm
Proposed Executing Agency:	Ministry of Construction
Contact Person in Proposed Executing Agency:	Mr. Nguyen Tan Van, Vice Minister
B. Description	
Brief Rationale of Project:	<p>The project will facilitate sustainable urban development in selected provincial and district towns of the Central Region of Viet Nam and will support the establishment of a sustainable, market-based system for the delivery of housing finance to meet the borrowing needs of low- and middle- income households. The project will improve the urban environment and enhance human capital in some of the poorest provinces of the country, improving the health situation. It will lead to increased productivity and reduce migration to the bigger cities in the south and north of Viet Nam.</p> <p>Assistance to meet the demand for housing, especially through the development of an affordable, market-based housing finance system, and the exploration of innovative mechanisms to provide low-cost housing for the poor, will have a positive impact on the quality of life and productivity of the beneficiaries and will reduce insecurity and vulnerability especially for the poor.</p>
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	An ongoing sector study is analyzing the current situation, constraints and challenges in both sub-sectors and preparing an ADB strategy to support the government objectives and plans.
Comparative Advantage of ADB in Proposed Project:	<p>ADB has acquired deep knowledge of the urban problems and challenges in provincial towns through the preparation and implementation of three projects for water supply and sanitation. This position of ADB as the main funding agency in the urban sector in the provincial towns provides an excellent opportunity to expand its support to other urban subsectors to be included in this loan and deepen the long-term cooperation with these towns. The focus of the urban component in the Central Region, where other ADB projects will also be implemented in the following years, will maximize the benefits of the project, due to synergies with those projects.</p>
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Human development
Environmental Classification Project::	Category B
Social Issues:	To be determined

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWWU = Water Supply, Urban Development and Housing Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III.

Table A6.9: Project Selection Brief for GMS: Kunming – Hai Phong Corridor

A. Data	
Project Number:	34351-01
Country:	Viet Nam
Sector:	Transport and communications
Subsector:	Roads and road transport
Project Division:	IWTC
Contact Person in Projects Division:	Thomas F. Jones, Senior Project Economist
Programs Division:	Shunsuke Bando, Programs Officer, PW3
Tentative Loan Amount According to CSP:	\$60.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	GMS: Kunming - Hai Phong Corridor (2002, Regional)
Proposed PPTA Amount:	\$600,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2002
Start Design Phase:	2002
Approval Year According to CSP:	2003 Firm
Proposed Executing Agency:	To be determined
Contact Person in Proposed Executing Agency:	To be determined
B. Description	
Brief Rationale of Project:	Kunming/Hanoi/Hai-Phong are linked by road, rail and inland water transport. Transport facilities especially on the Viet Nam side are a major constraint to the free flow of trade between Yunnan Province and northern Viet Nam. Both Yunnan and northern Viet Nam are very poor areas. Improving the transport linkages will generate more economic interaction and integration, thus providing for improved employment opportunities and subregional cooperation.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	In 1994 ADB supported a prefeasibility study that identified this corridor as having high priority within the GMS. The People's Republic of China has been improving the road and rail linkages in this corridor.
Comparative Advantage of ADB in Proposed Project:	The main comparative advantage is through the GMS initiative combined with ongoing activities in the GMS (cross-border agreements) and physical infrastructure projects in Yunnan Province and Viet Nam.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Regional cooperation
Environmental Classification:	To be determined
Social Issues:	Resettlement

ADB = Asian Development Bank, ADF = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GMS = Greater Mekong Subregion, IWTC = Transport and Communications Division, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III.

Table A6.10: Project Selection Brief for Governance and Public Administration Reform

A. Data	
Project Number:	
Country:	Viet Nam
Sector:	Others/Multisector
Subsector:	Governance and public administration
Project Division:	VRM/PWOD
Contact Person in Projects Division:	John Samy, Resident Representative, VRM
Programs Division:	Clay Wescott, Senior Public Administration Specialist, PWOD
Tentative Loan Amount according to CSP:	\$35.0 million (ADF)
Proposed Lending Modality:	Program loan
PPTA:	ADTA to be converted to PPTA if loan becomes firm
Proposed PPTA Amount:	\$500,000
Attached ADTA:	Support to Governance and Public Administration Reform
Proposed ADTA Amount:	\$800,000
Start Pre-design Phase:	2001
Start Design Phase:	2002
Approval Year According to CSP:	2004 Standby
Proposed Executing Agency:	To be determined
Contact Person in Proposed Executing Agency:	To be determined
B. Description	
Brief Rationale of Project:	The loan will provide major support for the Government of Viet Nam's comprehensive reform agenda in governance and public administration reform (PAR). It will assist Viet Nam to implement PAR so as to overcome serious weaknesses both in the legal and institutional framework of governance and public administration, in institutional capacity, in policy making, and in service delivery. Possible areas to be covered include human resources development, and changes in personnel management and remuneration policy reform; improving capacity for implementing decentralization reforms at the provincial level, modernization of public administration through IT.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	ADB has previously supported TAs relating to the development of the PAR agenda in GCOP, namely Strengthening Capacity for PAR, Phases I and II. A TA for OOG to strengthen its capacity to provide leadership in the PAR process was approved in 2001. The Government PAR strategy (supported by ADB and UNDP over time) is scheduled for approval in July 2001. Subsequently, the Government will confirm if it will seek loan assistance for PAR implementation. For this reason, the loan is on standby.
Comparative Advantage of ADB in Proposed Project:	ADB previously supported PAR through TA. The Government has indicated that it values the impartial advice coming from a multilateral institution.
Rationale and Scope of Attached ADTA:	The ADTA will support the implementation of the Government's PAR agenda through structural and strategic planning reform, capacity building in the central agencies that are leading the reform, improvements in policy making.
Development Objective (thematic priority):	Good governance
Environmental Classification:	C
Social Issues:	Possible labor redundancy issues

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GCOP = Government Committee of Organization and Personnel, IT = information technology, OOG = Office of Government, PAR = public administration reform, PPTA = project/program preparatory technical assistance, PWOD = Programs Department (West) Office of the Director, TA = technical assistance, UNDP = United Nations Development Programme, VRM = Viet Nam Resident Mission.

Table A6.11: Project Selection Brief for Power Transmission and Distribution

A. Data	
Project Number:	32273-01
Country:	Viet Nam
Sector:	Energy
Subsector:	Electric power
Project Division:	IWEN
Contact Person in Projects Division:	John Kuiper, Senior Project Economist
Programs Division:	Shunsuke Bando, Programs Officer, PW3
Tentative Loan Amount According to CSP:	\$80.0 million (OCR)
Proposed Lending Modality:	Project loan
PPTA:	Power Transmission and Distribution (2002)
Proposed PPTA Amount:	\$750,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Pre-design Phase:	2002
Start Design Phase:	2002
Approval Year According to CSP:	2003 Standby 2004 Firm
Proposed Executing Agency:	Electricity of Viet Nam
Contact Person in Proposed Executing Agency:	To be determined
B. Description	
Brief Rationale of Project:	The project will develop national transmission systems and also reinforce distribution systems, with emphasis on the disadvantaged central region of Viet Nam. This is necessary to ensure adequate supply of electricity throughout the country, and to support efficient economic growth, including that of small- and medium-scale enterprises. It is also necessary to reduce losses, which are currently about 18-20%, and improve power supply efficiency. Approval of the project loan will be subject to satisfactory progress on power sector reform (including the new Electricity Law), and satisfactory financial performance of the executing agency.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	No preparatory work yet on the engineering project. Substantial planning for power sector reform was carried out in last four years, with technical assistance from ADB (TA 2888 for Improvement of the Power Sector Regulatory Framework) and by the World Bank.
Comparative Advantage of ADB in Proposed Project:	ADB has established presence in the power sector, and the experience to offer good advice and manage TA for sector reforms and to plan and implement such engineering projects.
Development Objective (thematic priority):	Economic growth
Environmental Classification:	B – An initial environmental impact assessment is required to identify potentially significant impacts
Social Issues:	None expected - Possibility of some resettlement

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IWEN = Energy Division, OCR = ordinary capital resources, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III, TA = technical assistance.

Table A6.12: Project Selection Brief for SME Development / Microfinance

A. Data	
Project Number:	34344-01
Country:	Viet Nam
Sector:	Finance sector
Subsector:	Private sector development
Project Division:	IWFI
Contact Person in Projects Division:	Shigeko Hattori, Financial Capital Markets Specialist
Programs Division:	Padmini Desikachar, Senior Economist, PW3
Tentative Loan Amount According to CSP:	\$40.0 million (OCR); \$55.0 million(ADF)
Proposed Lending Modality:	Project loan with a possible program component
PPTA:	SME Development / Microfinance (2002)
Proposed PPTA Amount:	\$700,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Pre-design Phase:	2002
Start Design Phase:	2003
Approval Year According to CSP:	2004 Firm
Proposed Executing Agency:	To be determined
Contact Person in Proposed Executing Agency:	To be determined
B. Description	
Brief Rationale of Project:	The project will pilot-test new modalities for channeling financial and other relevant inputs to viable SMEs. A program component may be included should the PPTA identify significant policy constraints for SME development.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Substantial work on SME development has been undertaken by other aid agencies, the Government, and ADB on private sector development, which consists mainly of SMEs. PPTA for this project will undertake a comprehensive review of the past work done for the promotion of SME growth, to learn from and build on them.
Comparative Advantage of ADB in Proposed Project:	Financial Sector Program Loan II was designed to target SMEs as major clients of the Vietnamese financial system. The State-Owned Enterprise (SOE) Reform and Corporate Governance Program Loan has addressed the need to transform viable SOEs to private sector SMEs. The past two projects have given ADB an understanding of the operational environment of the SMEs and their developmental needs (including financial inputs). This is expected to give ADB a unique competitive edge in designing and pilot-testing new modalities for promoting SME growth in Viet Nam.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Private sector development / gender and development
Environmental Classification:	C – Unlikely to have adverse environmental impact
Social Issues:	Social issues, such as gender inequality for accessing financial inputs, will be closely reviewed under the PPTA and addressed either under a program component recommending policy changes or in the design feature of modalities to be proposed for channeling inputs.

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IWFI = Financial Sector and Industry Division, OCR = ordinary capital resources, PPTA = project/program preparatory technical assistance, SME = small- and medium-scale enterprises, SOE = state-owned enterprise, PW3 = Programs Department (West) Division III.

Table A6.13: Project Selection Brief for Health Sector Development

A. Data	
Project Number:	34348-01
Country:	Viet Nam
Sector:	Social infrastructure
Subsector:	Health and population
Project Division:	AWEH
Contact Person in Projects Division:	Indu Bhushan, Senior Project Economist
Programs Division:	Alessandro Pio, Senior Programs Officer, VRM
Tentative Loan Amount According to CSP:	\$55.0 million (ADF)
Proposed Lending Modality:	Sector Development Program Loan
PPTA:	Health Sector Development (2002)
Proposed PPTA Amount:	\$600,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Pre-design Phase:	2002
Start Design Phase:	2003
Approval Year According to CSP:	2004 Firm
Proposed Executing Agency:	Ministry of Health
Contact Person in Proposed Executing Agency:	Dr. Ngo Huu Dung/Dr. Duong Huy Lieu
B. Description	
Brief Rationale of Project:	<p>The project will support (i) investment options, and (ii) appropriate policy framework for improving the quality of health services in poor areas and increasing the poor's access to services. Possible areas of attention will include regional hospitals in remote areas, provincial preventive health care, and secondary medical education.</p> <p>The proposed project is in line with the CSP focus on poverty reduction and improvement in human capital of the poor. Some concentration of investment in the central region will be pursued, as feasible.</p>
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	<p>The Ministry of Health is preparing a Public Health Report that will summarize the major issues in the health sector and suggest available options.</p> <p>A health sector review supported by many sources was recently completed.</p> <p>The World Bank did an expenditure review of the health sector in 2000.</p> <p>ADB undertook the following sector work in 2000-2001: Human Capital of the Poor (2001) Better Health for the Poor: ADB's Future Role in Viet Nam (2000) Health and education needs of ethnic minorities in GMS (2000)</p>
Comparative Advantage of ADB in Proposed Project:	<p>ADB is one of the leading funding agencies in the health sector and has provided significant assistance in the past. It also enjoys a good relationship with the Ministry of Health and with all major aid agencies in the sector. ADB can provide assistance for large investments that cannot be done by other sources except the World Bank.</p>
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	Human development / gender and development
Environmental Classification:	To be determined
Social Issues:	<p>The studies show that the ongoing <i>Doi Moi</i> process may have hampered the capacity of the poor to seek public health services. The TA will identify specific interventions and policy conditions to lower the barriers that the poor face in using health services.</p> <p>Ethnic minorities and women have specific health care needs and often face severe constraints in seeking health services. The TA will provide policy suggestions for improving the health status of these groups.</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, AWEH = Education, Health and Population Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PPTA = project/program preparatory technical assistance, TA = technical assistance, VRM = Viet Nam Resident Mission.

Table A6.14: Project Selection Brief for Second Lower Secondary Education Development

A. Data	
Project Number:	33304-01
Country:	Viet Nam
Sector:	Social infrastructure
Subsector:	Education
Project Division:	AWEH
Contact Person in Projects Division:	Yasushi Hirosato, Education Specialist
Programs Division:	Padmini Desikachar, Senior Economist, PW3
Tentative Loan Amount According to CSP:	\$45.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Second Lower Secondary Education Development (2002)
Proposed PPTA Amount:	\$600,000
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	2002
Start Design Phase:	2003
Approval Year According to CSP:	2003 Standby/2004 Firm
Proposed Executing Agency:	Ministry of Education and Training (MOET)
Contact Person in Proposed Executing Agency:	Dr. Nguyen Van Vong, Vice Minister
B. Description	
Brief Rationale of Project:	MOET developed a long-term education development strategy covering the period 2001-2010, which aims to make quality lower secondary education universal by 2010. Given the strategic role of lower secondary education in poverty reduction through human capital formulation, ADB will assist the Government in increasing equitable access to students in underserved/rural areas, improving quality and efficiency, and strengthening management capacity at the lower secondary education level, in accordance with the long-term education development strategy, and the CSP focus of poverty reduction and improvement in the human capital of the poor. Some concentration of the investment component in the Central Region will be pursued, as feasible.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	MOET prepared a draft Vietnamese Education Development Strategy to Year 2010 in 2000, including secondary education. ADB assisted the process of Education for All 2000 assessment including Viet Nam (RETA 5841: Support for Education for All 2000 Assessment). ADB will assist the Government in preparing the secondary education sector master plan (TA 3560-VIE) in 2001.
Comparative Advantage of ADB in Proposed Project:	ADB is the leading funding agency in supporting the development and improvement of secondary education, by providing significant volume of assistance. The World Bank and other sources focus on primary and tertiary education. Given its important role in ensuring employment, socioeconomic improvements, and poverty reduction, and the support to universal primary education by other sources, ADB should continue to focus on development of secondary education.
In Case Attached ADTA is Proposed, Indicate Rationale and Scope:	TA 3560-VIE: Secondary Education Sector Master Plan will be implemented from June to November 2001 to develop policy frameworks, strategies, and investment priorities in secondary education including lower secondary education. Key issues in making quality lower secondary education universal will also be analyzed.
Development Objective (thematic priority):	Human development /gender and development
Environmental Classification:	C

Social Issues:	Despite the impressive GDP growth record of the 1990s, Viet Nam remains a low-income country and a large proportion of Viet Nam's population continues to live in relatively impoverished conditions. Access to lower secondary education is improving; however, limited access, especially by ethnic minorities in the North Uplands and the Central Highlands, remain a persistent problem. The TA will help the Government reduce poverty in rural areas, assist girls and ethnic minorities through increased opportunities for quality lower secondary education, and improve governance under the decentralized education management structure.
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ADB = Asian Development Bank, ADF = Asian Development Fund, ADB = advisory technical assistance, AWEH = Education, Health and Population Division, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GDP = gross domestic product, MOET = Ministry of Education and Training, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III, RETA = regional technical assistance, TA = technical assistance.

Table A6.15: Project Selection Brief for Central Region Road Sector

A. Data	
Project Number:	
Country:	Viet Nam
Sector:	Transport
Subsector:	Roads and highways
Project Division:	IWTC
Contact Person in Projects Division:	Thomas F. Jones, Senior Project Economist
Programs Division:	Shunsuke Bando, Program Officer, PW3
Tentative Loan Amount According to CSP:	\$65.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Central Regional Road Sector (2002)
Proposed PPTA Amount:	\$1.1 million
Attached ADTA:	None
Proposed ADTA Amount:	
Start Predesign Phase:	2002
Start Design Phase:	2003
Approval Year According to CSP:	2004 Firm
Proposed Executing Agency:	Ministry of Transport (Project Monitoring Unit – to be determined)
Contact Person in Proposed Executing Agency:	Mr. Nguyen Viet Tien, Vice Minister
B. Description	
Brief Rationale of Project:	ADB's strategy will focus poverty reduction efforts on the Central Region, one of the poorest parts of the country. Central Region transport facilities are generally in very poor condition and improvements are required at national, provincial, district, and commune levels to put a sustainable all-weather road network in place with connections to other important transport modes. The objective is to provide all segments of society with access to economic and social opportunities.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Under French grant assistance a Transport Master Plan for the Central Region of Viet Nam was prepared in July 1998. It made recommendations regarding only the highest levels of transport, national highways, ports, airports and railways. This and other studies provided a basis for the JICA-assisted Study on the National Transport Development Strategy in the Socialist Republic of Viet Nam. Again this study focused on national/regional priorities. A more specific and detailed road master plan for the central region will be developed during phase I of the PPTA.
Comparative Advantage of ADB in Proposed Project:	ADB will focus a relevant share of future lending on the Central Region. The project will supply complementary infrastructure to area-based projects to ensure access to markets and services.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Economic growth
Environmental Classification Project::	To be determined
Social Issues:	Social equity. Ethnic minority considerations. Resettlement.

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IWTC = Transport and Communications Division, JICA = Japan International Cooperation Agency, PPTA = project/program preparatory technical assistance, PW3 = Programs Department (West) Division III.

Table A6.16: TA Concept Paper for Governance and Public Administration Reform

A. Profile	
Department, Division, RM, Officer Concerned:	PWD, VRM, PWOD, John Samy, Resident Representative Clay Wescott, Senior Public Administration Specialist
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	Governance and Public Administration Reform
Country/Region (as applicable):	Viet Nam
Sector/Subsector:	Governance/ Public administration
Poverty Classification and Thematic Priorities ^a :	Good governance
Program Year ^b :	2001
Expected Approval Date (mo/yr):	April 2002
Estimated Completion Date:	January 2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	The ADTA will support the Government's public administration reform (PAR) agenda to overcome serious weaknesses both in the legal and institutional framework of governance and public administration, in institutional capacity, in policy making, and in service delivery. If requested by the Government, the TA will also support preparation of a program loan in governance and public administration reform that is programmed on a standby basis in the lending pipeline for 2004, as well as the preparation of the terms of reference for associated technical assistance.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> poverty reduction/thematic priorities country strategy (where applicable) regional cooperation 	The ADTA will assist in supporting ADB's poverty reduction objectives by helping to build national capacity for pro-poor policy formulation; and by improving service delivery to the poor through improved public administration. The ADTA is consistent with the focus that the CSP gives to governance as one of the three pillars of development assistance for Viet Nam. The ADTA is also a principal element of a draft Strategy for Viet Nam and ADB Partnership in Governance.
3. Scope (specific major components, e.g. capacity building)	The major components of the ADTA are expected to involve some of the following areas: support for implementing the Government's PAR agenda through structural and strategic planning reform, capacity building in the central agencies that are leading the reform, improvements in policy making, improvements in skills development, and changes in personnel management and remuneration policy reform; improving capacity for implementing decentralization reforms at the provincial level.
4. Expected Outcome and Monitorable Indicators	Outcomes of the PAR program include the development of new institutional mandates and organizational structures and legal frameworks; more effective decentralized administration and improved service delivery; improvements in institutional capacity; improvements in leadership, management, and policy formulation skills; and enhanced coordination between the central agencies.
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> name, amount, status assessment of outcome 	ADB has previously supported TAs relating to the development of the PAR agenda in GCOP, namely Strengthening Capacity for Public Administration Reform, Phases I and II. A TA is shortly to commence in OOG to strengthen its capacity to provide leadership in the PAR process.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	OOG and GCOP
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$500,000 \$250,000
8. Country, RETA IPF for relevant year	\$6 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, GCOP = Government Committee of Organization and Personnel, JSF = Japan Special Fund, OOG = Office of Government, PAR = public administration reform, PPTA = project/program preparatory technical assistance, PWD = Programs Department (West), PWOD = Programs Department (West) Office of the Director, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund, VRM = Viet Nam Resident Mission.

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs).

^b Year of inclusion in CSP or CAP for transition period.

Table A6.17: TA Concept Paper for Legal Sector Capacity Building and Reform

A. Profile	
Department, Division, RM, Officer Concerned:	OGC Eveline Fischer, Senior Counsel
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	Viet Nam
Sector/Subsector:	Legal
Poverty Classification and Thematic Priorities ^a :	Human development/good governance
Program Year ^b :	2000
Expected Approval Date (mo/yr):	January 2002
Estimated Completion Date:	June 2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Systemic weaknesses in the legal sector in Viet Nam constrain economic growth and equitable development. Retraining and continuing legal education of legal professionals is an essential tool in strengthening the legal sector. Under TA 2853-VIE, which will be completed in 2001, ADB has supported a first phase of a major program to familiarize about 1,000 legal officers and lawyers with skills and knowledge required in a market economy. This program has helped lay the foundation for institutionalized retraining and continuing education of legal professionals. The Government has requested ADB's continuing support for the subsector of legal professional training. The exact scope of the TA will depend on the outcome of an ongoing joint legal needs assessment whose preliminary results will be available in late 2001.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> poverty reduction/thematic priorities country strategy (where applicable) regional cooperation 	Good governance, including legal system development, is one of the three focal areas of ADB's country strategy for Viet Nam. Legal capacity building is an essential element of legal system development.
3. Scope (specific major components, e.g. capacity building)	Subject to the outcome of the ongoing legal needs assessment, the TA may provide support for institutions involved in continuing legal education for legal professionals; training of trainers; training of legal professionals, including future judges.
4. Expected Outcome and Monitorable Indicators	Strengthened institutions capable of developing and delivering continuing legal education programs. Improved capacity of legal professionals.
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> name, amount, status assessment of outcome 	TA 2853-VIE: Retraining of Government Legal Officers (approved 1997) for \$1,200,000. Teaching skills of about 20 Vietnamese law teachers were upgraded. About 1,000 government legal officers and lawyers were trained in 10 training courses of 3 months each. Very positive feedback from Government, recipients of training, and other funding agencies.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Justice
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$750,000 TASF. No other sources identified yet.
8. Country, RETA IPF for relevant year	\$6 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, JSF = Japan Special Fund, OGC = Office of the General Counsel, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs).

^b Year of inclusion in CSP or CAP for transition period.

Table A6.18: TA Concept Paper for Provincial/District Towns Development in the Central Region

A. Profile	
Department, Division, RM, Officer Concerned:	AWD, AWWU X. Ye, Senior Financial Analyst
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	District Towns Water Supply and Sanitation
Country/Region (as applicable):	Viet Nam
Sector/Subsector:	Social infrastructure/ Water supply and sanitation
Poverty Classification and Thematic Priorities ^a :	Poverty intervention/Human development
Program Year ^b :	2001
Expected Approval Date (mo/yr):	June 2003
Estimated Completion Date:	June 2004
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	The PPTA will recommend an appropriate policy framework for sustainable development of urban centers at the provincial and district levels, prepare an urban development project up to feasibility study and preliminary design stage suitable for ADB financing. It can be expected that water supply and sanitation will represent a large share of the ensuing investment.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> poverty reduction/thematic priorities country strategy (where applicable) regional cooperation 	The proposed PPTA and objectives of the ensuing project support the focus on provincial and district towns and the geographic concentration of investment on the poorer Central Region of Viet Nam, in line with the focus of the CSP under preparation.
3. Scope (specific major components, e.g. capacity building)	Preparation of an investment project
4. Expected Outcome and Monitorable Indicators	The PPTA will prepare a feasibility report for the consideration of ADB.
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> name, amount, status assessment of outcome 	Third Provincial Towns Water Supply and Sanitation for \$1,000,000 was approved in 1999. The ensuing project is supposed to be approved in 2001.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Provincial People's Committee (To be determined)
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$950,000
8. Country, RETA IPF for relevant year	\$6 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department (West), AWWU = Water Supply, Urban Development and Housing Division, CSP = country strategy and program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs).

^b Year of inclusion in CSP or CAP for transition period.

Table A6.19: TA Concept Paper for Central Region Coastal Management

A. Profile	
Department, Division, RM, Officer Concerned:	AWD, AWFN Snimer K. Sahni, Financial Specialist
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	Central Region Coastal Livelihood Project
Country/Region (as applicable):	Viet Nam
Sector/Subsector:	Forestry & natural resources / Natural resources management
Poverty Classification and Thematic Priorities ^a :	Poverty intervention/Environment
Program Year ^b :	2000
Expected Approval Date (mo/yr):	June 2003
Estimated Completion Date:	June 2004
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	The north-central coast of Viet Nam has one of the highest incidences of poverty in the country. Poverty for coastal residents is often associated with overexploitation of inshore fish stock, postharvest losses, and scarce and inappropriately managed natural resources. Previous ADB livelihood projects in the area have focused on the upland districts, but coastal populations are just as much in need of assistance to develop improved livelihoods through better management of the available resources. Coastal area development is a priority for the Government and there is commitment to both environmental protection and sustainable resource management. The PPTA would design a feasible project addressing these issues.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> poverty reduction/thematic priorities country strategy (where applicable) regional cooperation 	The ensuing loan would be the third area-based livelihood improvement focusing on a limited number of central region provinces, consistent with the approach identified in the CSP under design for Viet Nam.
3. Scope (specific major components, e.g. capacity building)	While the concept needs to be further refined, the PPTA would design a project which combines improved management of coastal resources with development of alternative livelihood through crop diversification, food security, small off-farm activities.
4. Expected Outcome and Monitorable Indicators	To be determined
5. Previous TA(s) on the same theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> name, amount, status assessment of outcome 	RETA-5712: Coastal and Marine Environmental Management in South China Sea (\$2.7m), completed in December 2000. The TA has concluded that (i) there are no clear responsibilities fixed within the Government for managing marine protected areas; (ii) there is increasing pressure on coastal and marine resources due to exploitation from uncontrolled fishing and other forms of extraction; (iii) damage to marine protected areas will adversely affect the tourism industry; (iv) the adverse impact is particularly felt in the north and central areas of the country; (v) measures for institutional, policy, and legal strengthening are necessary; and (vi) there is need to adopt a suitable action plan to address the issues.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	To be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$700,000
8. Country, RETA IPF for relevant year	\$6 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department (West), AWFN = Forestry and Natural Resources Division, CSP = country strategy and program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for Bank operations (for RETAs).

^b Year of inclusion in CSP or CAP for transition period.