

APPENDIXES

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COUNTRY ECONOMIC, SOCIAL, AND ENVIRONMENT INDICATORS
Table A1.1: Economic Indicators

Item	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
A. Income and Growth						
1. GDP per Capita (\$, current)	287.2	335.9	359.6	354.3	369.2	395.5
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	4.5
B. Saving and Investment (current market prices)						
			(percent of GDP)			
1. Gross Domestic Investment	27.1	28.1	28.3	23.8	22.2	23.9
2. Gross National Saving	13.6	17.6	21.4	19.2	26.3	25.6
C. Money and Inflation						
			(annual percent change)			
1. Consumer Price Index ^a	16.9	5.6	3.1	7.9	4.1	(1.7)
2. Total Liquidity (M2)	22.6	22.5	26.1	25.5	39.3 ^b	39.0
D. Government Finance						
			(percent of GDP)			
1. Revenue and Grants	23.3	22.9	20.9	20.5	19.9	20.8
2. Expenditure and Onlending	24.1	23.7	24.8	22.1	22.5	25.2
3. Overall Fiscal Surplus/Deficit (-) ^c	(1.4)	(1.3)	(4.8)	(2.2)	(3.2)	(4.8)
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	(15.2)	(12.7)	(4.9)	(3.7)	3.8	1.3
2. Current Account Balance (% of GDP) ^d	(13.5)	(10.5)	(6.9)	(4.6)	4.1	1.7
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 (including gold, \$ million)	1,323	1,673	1,857	1,995	2,947	3,266
(weeks of current year's imports of goods)	8.2	8.3	9.2	10.0	14.7	12.1
2. External Debt Service (% of exports of goods & services)	13.7	12.9	12.8	13.9	12.7	11.2
3. Total External Debt (% of GDP)	85.6	77.2	74.3	76.0	71.7	38.8
G. Memorandum Items						
GDP (current prices, D billion)	228,892	272,036	313,623	356,197	394,310	435,358
Exchange Rate (D per \$, average)	11,038	11,033	11,706	13,297	13,944	14,168
Population (million)	72.2	73.4	74.5	75.6	76.6	77.7

GDP = gross domestic product.

^a Annual percentage change (period average).

^b Refers to the annual percentage growth of liquidity in the small survey which comprises the State Bank of Viet Nam, 4 state-owned commercial banks and 24 non-state owned banks.

^c Excluding grants and including onlending.

^d Excluding official transfers.

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

Table A1.2: Social and Environment Indicators

Item	1985	1990	Latest Year
Population Indicators			
Total Population (million)	59.87	66.23	77.69 (2000)
Annual Population Growth Rate (% change)	2.08	2.25	1.42 (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)
Female	67	69	70.10 (1999)
Male	63	64	66.60 (1999)
Adult Literacy (%)	84	88	94.00 (2000)
Primary School Gross Enrollment (%) ^a	110 (1986/87)	103 (1991/92)	95 ^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 (International, %)	—	—	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 GDP)	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	0.68 (1999)
Rank	—	115	101 (1999)
Gender-Related Development Index	—	—	0.68 (1999)
Rank	—	—	89 (1999)
Environmental Indicators			
		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			
Water and Sanitation			
Urban percent of population with access to safe water		—	53 (1990-96)
Rural percent of population with access to safe water		—	32 (1990-96)
Access to sanitation in urban areas (%)		—	43 (1990-96)
Land Use and Deforestation			
Forest area (million ha)		—	11 (2000)
Average annual deforestation (km ²)		—	1,352 (1990-95)
Average annual deforestation (% change)		—	1.4 (1990-95)
Rural population density (people per sq km of arable land)		—	1,071 (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)

— = not available, kg = kilogram, km = kilometer, GDP = gross domestic product.

^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. Refers to net enrollment. Based on Vietnamese Education Development Strategy to Year 2010 (draft).

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

POVERTY INDICATORS

Item	1990	Latest Year
Poverty Incidence ^a		
Percentage Share of Poor to Total Population	58.1 (1992/93)	37.4 (1997/98)
By Region		
Northern Uplands	79 (1992/93)	59 (1997/98)
Red River Delta	63 (1992/93)	29 (1997/98)
North Central	75 (1992/93)	48 (1997/98)
Central Coast	50 (1992/93)	35 (1997/98)
Central Highlands	70 (1992/93)	52 (1997/98)
Southeast	33 (1992/93)	8 (1997/98)
Mekong Delta	47 (1992/93)	37 (1997/98)
Poverty Gap ^b	18.5 (1992/93)	9.5 (1997/98)
Poverty Severity Index ^c	—	—
Inequality (Theil L Index) ^d	0.177 (1992/93)	0.201 (1997/98)
Human Poverty Index	—	29.1 (1999) ^e
Rank	—	45 (1999)

— = not available.

^a Based on headcount ratio, which measures the percentage of the population with per capita expenditure less than the poverty line.

^b Based on the poverty gap index, which reflects the depth of poverty. The index shows the shortfall of the poor's expenditure from the poverty line expressed as an average of all people in the population.

^c Measures the intensity of poverty and gives more weight to the poorest of the poor.

^d Based on Theil L index, a measure of inequality based on information/probability theory.

^e The human poverty index (HPI-1) measures deprivations in the three basic dimensions, namely, a long and healthy life, knowledge and a decent standard of living. The value ranged from 4.0 percent (least deprived) to 63.6 percent (most deprived).

Sources: Human Development Report, 2001, UNDP; Viet Nam Development Report 2000: Attacking Poverty, 1999, Joint Report of the Government-Donor-NGO Working Group.

COUNTRY STRATEGY AND PROGRAM MATRIX

	Development Issues/Challenges	National Development Goals, Strategies, and Targets	ADB's Strategy and Program			Monitorable Indicators
Poverty Reduction	<ul style="list-style-type: none"> Although poverty incidence has declined, it still remains quite significant (35 percent according to Viet Nam Living Standards Survey). Gains in poverty reduction across regions have been uneven with the Northern Uplands, Central Region, and Mekong Delta lagging. 	Between 2000 and 2010, reduce poverty according to the international poverty line by two fifths and according to the national poverty line by three quarters (equivalent to reduction by 12 percentage points under either poverty line).	Support the Government's goal of poverty reduction by selective focus on each of four pillars of poverty reduction <ol style="list-style-type: none"> sustainable growth, socially inclusive development, good governance, and balanced regional development through geographic focus on the relatively impoverished Central Region. 	See below.	The Government adopts a holistic approach to poverty reduction, one that mainstreams poverty issues in policies and programs, i.e., growth, poverty, and equity concerns are simultaneously addressed.	<ul style="list-style-type: none"> Monetary measure of welfare - Headcount index Nonmonetary measures (see relevant sections)
1. Sustainable Growth	1.1 Rural Development					
	1.1.1 Agricultural Productivity With limited scope for further expansion in sown area, agricultural productivity has become a critical bottleneck for higher agricultural growth. <ul style="list-style-type: none"> A key constraint is access of small farmers to information and knowledge needed to improve productivity, diversify production, add value to their products, and exploit market opportunities. 	<ul style="list-style-type: none"> Achieve growth rates of 4-4.5 percent for agriculture. Agricultural growth is to rely on diversification, higher productivity, improved technology, and stronger linkages to industry. 	<ul style="list-style-type: none"> Help to raise agricultural productivity through <ul style="list-style-type: none"> encouraging adequate allocation of public resources to agricultural research and extension. institutional strengthening of agricultural research and extension services improved market channels and institutions Improve targeting of poor, female, and ethnic groups in extension activities. 	<ul style="list-style-type: none"> Agriculture Sector Development Program Loan II (2002) and supporting technical assistance (TA) (2003) Possibly Japan Fund for Poverty Reduction for targeting of extension services 	<ul style="list-style-type: none"> Quantity and quality of public spending on agricultural research and extension services. Relevance of agricultural research and extension services to the livelihoods of poor farmers. 	<ul style="list-style-type: none"> Share of budget allocated to agricultural research and extension Extension outreach (no. of farmers and types of crops) Agricultural crop diversification indices
	1.1.2. Rural Nonfarm Employment <ul style="list-style-type: none"> The very limited nonfarm activities engaged in by the poorest are in the nature of "last resort" activities associated with low labor productivity. The agro-industry sector, which is currently undeveloped, has significant potential for creating jobs and raising rural incomes. 	Achieve annual rate of growth of rural industry and services of 10-12 percent by promoting off-farm employment and rural industrialization.	Promote private small and medium agro-enterprises by removal of constraints including: <ul style="list-style-type: none"> availability of land in rural and peri-urban areas access to medium and long-term credit simplification of complex tax rules, permits and licensing requirements information on markets and technology. 	<ul style="list-style-type: none"> Agriculture Sector Development Program Loan II (2002) & related TA (2003) Small and Medium Enterprises Development (2004) & related TA (2004) Rural Enterprise Development Project Preparatory TA (PPTA) (2003) 	Government has identified and is committed to implementing a specific set of measures to create an enabling environment for rural nonfarm employment.	Growth in rural nonfarm activities: <ul style="list-style-type: none"> Employment Value added

	Development Issues/Challenges	National Development Goals, Strategies, and Targets	ADB's Strategy and Program		Monitorable Indicators	
1. Sustainable Growth (continued)	1.2 Private and Financial Sector Development					
	1.2.1. Domestic Private Sector <ul style="list-style-type: none"> Formal domestic enterprises suffer from discriminative policies that favor state-owned enterprises (SOEs) resulting in: <ul style="list-style-type: none"> difficult access to land and credit, and higher transaction costs due to the cumbersome and arbitrary administrative regulations and taxation system. Inadequate infrastructure is a bottleneck to accelerating private sector growth 	Private sector development and foreign investment will be promoted through easing of barriers to entry and liberalization of the business environment. At the same, leading role of state sector in key sectors will continue.	<ul style="list-style-type: none"> Support improved business environment: <ul style="list-style-type: none"> <u>national level</u> removal of constraints in the areas of taxation, regulations on registration and licensing, and customs regulation; <u>local level</u> promote flexible approaches to solving constraints related to land, credit, and other factors controlled by local authorities; processes for maintaining dialogue between the Government and the domestic private sector. Promote private sector participation for infrastructure development in power and water supply sectors through use of private sector operations (PSO) demonstration/pilot projects to disseminate best practices. 	<ul style="list-style-type: none"> Small and Medium Enterprises (SME) Development (2004) Capacity Building for SME Development TA (2004) Agricultural Sector Development Program Loan II (2002) Rural Enterprise Development PPTA (2003) Tax Implementation (Economic and Sector Work) 	There is a change in attitude of decision makers toward private sector development.	<ul style="list-style-type: none"> Private sector share in gross domestic product (GDP) Number of new private SMEs Progress in SOE equitization
	1.2.2. Financial Sector <p>Financial sector constrained in the intermediation of funds to the private sector due to:</p> <ul style="list-style-type: none"> banking sector burdened with nonperforming loans mainly owed by SOEs lack of diversified sources of long-term financing. 	<ul style="list-style-type: none"> Restructuring of state-owned commercial banks Separation of policy from commercial lending Development of nonbank financial sector 	<p>Focus on three areas:</p> <ul style="list-style-type: none"> building financial infrastructure; development and strengthening of financial intermediaries outside the banking sector, such as leasing and insurance; development of money, capital, and housing mortgage markets; support for state-owned commercial banks restructuring through improvements in their credit culture, capacity for risk assessment and internal operations, within the framework of the Poverty Reduction and Growth Facility (PRGF)/Poverty Reduction Support Credit (PRSC). 	<ul style="list-style-type: none"> Financial Sector Program Loan (FSPL) II (2002) Strengthening of Financial Markets Institutions TA (2003) Housing Finance component of Central Region Urban Development loan (2003) Social Safety Nets and Financial Markets Development TA (2004) 	Key stakeholders including Government, ADB, and World Bank reach consensus on detailed action plans and division of labor among multilateral financial institutions.	<ul style="list-style-type: none"> Transaction volume on the money and capital markets. Progress in phasing out lending rate caps posed on commercial banks. Volume and sector share of credit received by the private sector

	Development Issues/Challenges	National Development Goals, Strategies, and Targets	ADB's Strategy and Program			Monitorable Indicators
2. Socially Inclusive Development	2.1 Education					
	<ul style="list-style-type: none"> • Enrollment and completion rates in secondary education are low. This reduces productivity and employability of labor force, reducing growth and generating underemployment. • Access of the poor to secondary education is limited, which tends to marginalize them and reduce their opportunities for gainful employment. • Low system efficiency, due to deficiencies in teaching, curriculum and instructional method, raises costs. • Technical and vocational education is mainly state-driven and does not systematically respond to the needs of the labor market. 	<ul style="list-style-type: none"> • Consolidating universal primary education and illiteracy eradication by 2005 • Achieving universal lower secondary education and expanding upper secondary education • Targeting difficult areas and ethnic minorities • Developing vocational education 	<p>Support the Government's goal of universal lower secondary education by 2010 and gradually expanding upper secondary education:</p> <ul style="list-style-type: none"> • lower secondary education <ul style="list-style-type: none"> – support universal access with particular focus on disadvantaged areas including the Mekong Delta, Central Highlands, and the Northern Uplands – improve quality through continued support for the national program for modernization of curricula and textbooks – support decentralization in education management • upper secondary education, in addition to access, quality, and decentralized management, develop approaches to “position” upper secondary education in terms of curriculum structure and career pathways to meet the more diverse needs of a market-oriented economy 	<ul style="list-style-type: none"> • Upper Secondary Education Development (2002) • Lower Secondary Education Development II (2004) • TA for Capacity Building in Upper Secondary Education (2003) • ESW and TA for Public-Private Partnership in Skills Development 	<ul style="list-style-type: none"> • Resource implications of quality improvements such as school hours, school shifting, teachers' salaries, and learning outcomes are worked out • There is adequate institutional capacity for planning and implementation with increasing decentralization • The financial capacity of local governments to provide educational services is adequate, or complemented by central budget allocations 	<ul style="list-style-type: none"> • Net and gross enrollment rates (disaggregated by gender and ethnicity) • Completion rates (disaggregated by gender and ethnicity) • Incidence of benefits including access of the poorest to post-primary education 20 percent
2.2 Health						
	<p>Persisting inequities in health status and vulnerability of the poor to health related shocks</p> <ul style="list-style-type: none"> • Inequitable Public Expenditure. Public spending on hospital care absorbs excessive share of public spending on health and subsidizes nonpoor. • Demand for Health Services. The high direct and indirect costs of health care, combined with user fee system and focus of health insurance on urban nonpoor limits access of poor to health. In addition, quality of health services in poor areas has deteriorated. 	<ul style="list-style-type: none"> • Greater equity in the access to and use of health care services • Reduction of the infant mortality rate (MR) to 25/1000 by 2010 • Reduction of under-5 MR to 32/1000 by 2010 • The reduction of maternal mortality ratio to 70/100,000 by 2010 	<p>Increase access of the poor to quality health services and reducing their vulnerability to health shocks:</p> <ul style="list-style-type: none"> • improving quality of and access to health services in remote and poor areas • enhancing affordability of health services by the poor through more equitable health financing • strengthening provincial preventive health care • improving the quality of human resources in the health sector 	<ul style="list-style-type: none"> • Health Sector Development Loan (2004) • TA for Policy Support for Health Sector Development (2004) • Health Financing for the Poor (2003) (ESW) 	<p>Government is able to prioritize its health sector interventions and appropriate level of resources are made available</p> <p>All major financing agencies continue to support health sector development</p>	<ul style="list-style-type: none"> • Infant mortality rate • Under-5 mortality rate • Proportion of underweight children of age 5 or less • Maternal mortality ratio • Proportion of deliveries attended by skilled health personnel

	Development Issues/Challenges	National Development Goals, Strategies, and Targets	ADB's Strategy and Program			Monitorable Indicators
2. Socially Inclusive Development (continued)	<ul style="list-style-type: none"> • Nutrition. Child malnutrition has declined but remains significant. • Women's Health. Limited access to reproductive health care services for the poor and ethnic minorities. Abortion rates remain unacceptably high. • New challenges. New diseases are emerging including HIV/AIDS, accidents, noncommunicable diseases and drug-resistant tuberculosis. 	<ul style="list-style-type: none"> • Achievement of universal access to contraceptives and other reproductive health services 				<ul style="list-style-type: none"> • Contraceptive prevalence • HIV/AIDS prevalence
3. Good Governance	<p>Reorientation in the systems and machinery of Government has been partial. Remaining agenda includes:</p> <ul style="list-style-type: none"> • upgrading organization, remuneration, and skills of civil service to design appropriate policies and deliver related services • removing inconsistencies in existing legal framework and filling gaps in legislation and regulations • well-functioning courts, trained officials, effective information systems • capacity-building at the local level • improved financial management with expenditure that is consistent with resources available • reduced corruption 	<ul style="list-style-type: none"> • Public administration reform (PAR) for <ul style="list-style-type: none"> – restructuring of Gov't. at all levels with emphasis on decentralization – salary reforms • Public financial management <ul style="list-style-type: none"> – budget reforms – audits of administrative agencies • Legal reforms 	<ul style="list-style-type: none"> • Support PAR implementation with emphasis on redefinition of role and mandate of central level agencies (GCOP, MOF, MOI, SBV), policy-making coordination and service delivery improvements • Support civil service reform • Selectively support development of legal framework, particularly for private enterprise development • Support capacity building of local administrations in areas and sectors where ADB is active • Promote definition of standards of service quality and accessibility in areas and sectors where ADB is active • Selective action to improve financial accountability in ADB projects and sectors of involvement 	<ul style="list-style-type: none"> • Institutional Support for Policy Formulation and Coordination (2003) • Governance and Public Administration Reform (2002 and 2003 TAs and possible 2004 standby loan) • Support for PAR TA (2004) • Legal Needs Assessment (ongoing with other financing agencies) • Legal Sector Capacity Building and Reform TA (2002) • Coordination of operations in the Central Region (ESW) • Financial implications of civil service reform and public administration restructuring (ESW) 	<ul style="list-style-type: none"> • Constitutional amendments completed • PAR Strategy draft is finalized and endorsed by Communist Party of Viet Nam and Government and ADB support is sought • Legal needs assessment is successfully completed in early 2002 and Govt. is committed to its implementation • Administrative decentralization is accompanied by corresponding fiscal decentralization or resource allocation • Government commitment to implementing the announced systemic approach to deal with corruption 	<ul style="list-style-type: none"> • Approved constitutional amendments and other legislation • Civil service <ul style="list-style-type: none"> – size – compensation package – guidelines • Surveys on progress in reducing corruption

	Development Issues/Challenges	National Development Goals, Strategies, and Targets	ADB's Strategy and Program			Monitorable Indicators
4. Geographic Focus on Central Region	<p>4. Balanced Regional Development</p> <ul style="list-style-type: none"> Regional growth patterns have been uneven. If past growth patterns continue into the future, growth would exacerbate regional inequalities and hence be less pro-poor. The Central Region includes provinces with the highest incidence of poverty. 	Key economic zones to lead growth but public investment will be prioritized toward lagging regions	Focusing geographically approximately one third of lending operations on selected poor provinces within the Central Region using a two-tiered approach combining <ul style="list-style-type: none"> community-level interventions under livelihood improvement projects covering a few contiguous provinces with higher level investment in the region (in roads, water resources, urban development) 	<ul style="list-style-type: none"> Central Highlands Livelihood Improvement (2003) Central Region Coastal Livelihood PPTA (2003) and ensuing loan (2005) Central Provinces Water Resources Sector (2003) Central Region Urban Development and Housing Finance (2003) Central Region Road Sector (2004) Provincial/district Towns Development in the Central Region PPTA (2003) and ensuing loan (2005). Components of the power, education, and health loans (2002-2004) 	Necessary interprovincial coordination takes place to ensure appropriate selection of the sector investment	<ul style="list-style-type: none"> Share of budget allocated to Central Region. Regional economic indicators
5. Cross-cutting Concerns	5.1 Environment					
	In the mountainous areas, resource degradation due to population pressure has aggravated poverty	National Strategy for Sustainable Development	Institutional development and poverty-linked forestry, water resource and coastal management activities in the Central Region	Forests for Livelihood Improvement in the Central Highlands	Government is committed to incorporating environmental concerns in local plans	Successfully completed projects in small-forestry and watershed management in Central Region
	5.2 Gender					
	<ul style="list-style-type: none"> Increasing feminization of agriculture as a result of slower out-migration Less opportunities for women in state sector but more in foreign direct investment sector 	Plan of Action for the Advancement of Women 2001-2005 (POA2)	Provide access and narrow gaps in all areas of intervention.	<ul style="list-style-type: none"> Upper Secondary Education Development (2002) Lower Secondary Education Development (2004) Health Sector Development (2004) 		<ul style="list-style-type: none"> Girls/boys in secondary school Percentage of women with access to basic health insurance

ESW = economic and sector work, GCOP = Government Committee on Organization and Personnel, MOF = Ministry of Finance, MPI = Ministry of Planning and Investment, SBV = State Bank of Viet Nam, TA = technical assistance.

POVERTY ANALYSIS¹

A. Poverty Measurement in Viet Nam

1. There are two official sources for poverty estimates in Viet Nam: the General Statistical Office (GSO) and the Ministry of Labor, Social Affairs and Invalids (MOLISA). The two sources differ in terms of definition and methodology for measuring poverty. GSO's Viet Nam living standards surveys are based on the living standards measurement surveys of the World Bank. Poverty lines (food and total) are derived from the estimated minimum cost of meeting basic nutritional and other requirements. The poverty lines are constant in real terms to enable comparison over time but adjustments are made to reflect price changes. GSO has carried out two surveys so far, in 1992-1993 and in 1997-1998, respectively, based on these poverty lines. The results show that the proportion of the population below the total poverty line has declined from 58.1 percent in 1993 to 37.4 percent in 1998 while the proportion of the population below the food poverty line has declined from 25 percent to 15 percent over the same period.

2. MOLISA's poverty lines are based on the cash income that a household requires to meet minimum needs. MOLISA's poverty surveys provide commune-level data as their purpose is to identify the poor for the purposes of targeted poverty programs. Revisions in the poverty line make it difficult to compare MOLISA's poverty estimates over time. Prior to the revision of the poverty lines in 2001, MOLISA's estimates showed that the proportion of poor households had declined from 30 percent in 1993 to 15.7 percent in 1998. Based on the revised poverty lines,² the proportion of poor households is estimated to be 17 percent.

3. There is clearly a need for a single nationwide poverty line that should form the basis for systematic monitoring and informed target setting. A recent paper³ on Viet Nam's targets for poverty reduction tries to move in this direction in the following way. It takes as the starting point MOLISA's current (2001) poverty estimate of 17 percent and its target of reducing the proportion of poor households to under 5 percent by 2010. This means an annual reduction in the number of poor households by 280,000-300,000. Assuming that the average household size is 4.7 persons, poverty according to the GSO poverty line would fall from 37 percent in 1998 to 32 percent in 2000, and further to 15 percent in 2010. Poverty reduction of this magnitude would need to be underpinned by economic growth of at least 7.5 percent annually. It is likely that the Government will go for more conservative targets of reducing poverty according to the total poverty line in the range of 19-21 percent.

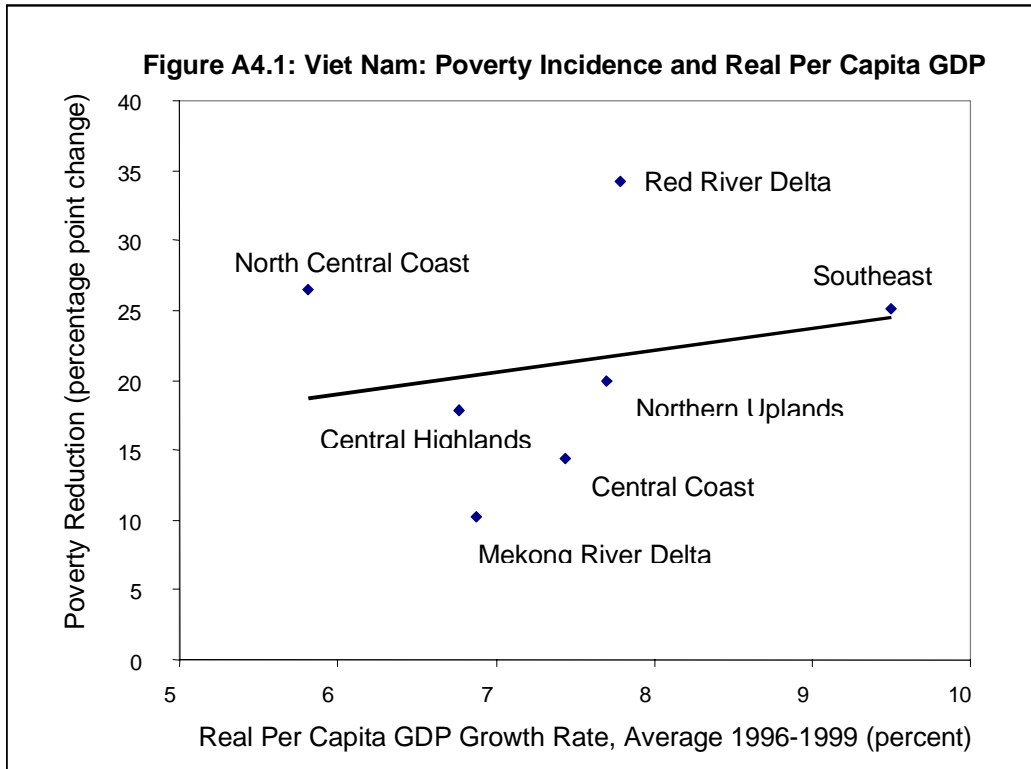
B. Explaining Trends in Poverty Reduction

4. Viet Nam's impressive performance on poverty reduction, however measured, has mainly been due to strong economic growth that averaged over 9 percent from 1992 until the onset of the Asian financial crisis. Analysis of economic growth during this period shows that the key factors that contributed to poverty-reducing growth were (i) macroeconomic stabilization, particularly inflation control; (ii) surging inflows of foreign direct investment between 1992 and 1996 with the opening up of the economy; and (iii) reform of property rights that provided incentives for individual farmers to increase production. Regional-level analysis confirms the positive relationship between growth and poverty reduction (Figure A4.1). The dispersion around the mean is in part due to differences in the initial depth of poverty.

¹ This Appendix is based on a more in-depth analysis contained in *Viet Nam: Poverty Analysis*, background paper for the country strategy and program.

² The poverty lines have a four-tier structure: (i) hungry households—income less than D45,000 per month; (ii) poor households in (a) mountainous areas—D55,000 per month; (b) delta and midlands—D70,000; and (c) urban areas—D90,000.

³ Halving Poverty and Eradicating Hunger in Viet Nam by 2010. Poverty Task Force, Viet Nam.



Region-wise changes in sector shares and change in poverty incidence indicate that regions with significant declines in agriculture's share in gross domestic product (GDP), including the Mekong River Delta and the Northern Uplands, have registered relatively low rates of reduction in poverty incidence; regions where the decline in agriculture's share has been relatively modest, have experienced significant declines in poverty incidence. The likely explanation is that because it is accompanied by lower inequality than identical growth in industry and services sector growth, agricultural growth is more poverty reducing. The exception is the Central Highlands where an increase in the share of agriculture in GDP was accompanied by a relatively small reduction in poverty. Also, in the richer regions, notably the Red River Delta and the Southeast, reduction in poverty incidence is associated with higher farm productivity and more opportunities to supplement farm income with nonfarm income. Thus, there is a positive linkage in these richer regions between farm and nonfarm output, which accelerates the rate of poverty reduction. In the poorer regions, agriculture has done less well and the linkage with the nonagriculture sector is weak and consequently, the impact on poverty reduction is less significant. In regard to the impact of growth on employment, analysis indicates that this has been relatively modest. A plausible explanation is that the main drivers of growth have been manufacturing, wholesale trade, and agriculture (in that order). Manufacturing growth was to a large extent generated by relatively capital-intensive industries that did not have a significant impact on the overall employment situation. Other segments of the formal sector also offered limited employment opportunities as they tended to employ only better educated and skilled workers. The poor, given limited job growth and absorption capacity in the formal sector, and their inadequate levels of human capital, have to resort to low productivity employment in the informal sector.

C. Contribution of Government Policies and Programs to Poverty Reduction

5. Government policies and programs can exert a significant influence on whether or not growth is pro-poor. In designing an effective poverty reduction strategy, the challenge is to

determine which of the recent policies have been pro-poor and should be continued and which policies have been impediments to more rapid poverty reduction. To provide an overview of the issue, recent policies have been mapped into a growth-equity matrix (see Table A4), with policies differentiated according to whether they enhance/impede/or have no impact (neutral) on growth and equity. The purpose of presenting policies in this framework is not to have an accurate “fit” but rather to emphasize the need to accelerate policy shifts into the pro-poor upper quadrant.

D. Challenges

6. The Government’s objective is to reduce poverty incidence by about 12 percentage points between 2001 and 2010. There are two related concerns in regard to the feasibility of achieving this target: sustaining strong growth and ensuring that such growth is shared. To achieve the Government’s poverty reduction target, GDP growth will need to accelerate to 7.5 percent until 2005 and stay at 7.0 percent from 2005 to 2010. These are, in fact, the targets set forth in the Socioeconomic Development Strategy 2001-2010. The sector growth rates underpinning this overall growth scenario project industry growing at 10.0 percent, services at about 7.0 percent, and agriculture at about 3.5-4.0 percent. This high-growth scenario assumes higher investment rates, enhanced productivity growth, and robust expansion of exports. Viet Nam has achieved growth rates of higher magnitude in the past but now faces new challenges. First, the investment rate, while showing some improvement, remains below minimum levels necessary (30 percent of GDP) for sustained high growth. Second, there is potential for enhanced productivity growth from both labor and capital. Realizing this productivity growth will require emphasis on improving the efficiency of investment and the quality and productivity of the labor force through human capital development. Third, the potential for growth from early reforms in the agriculture sector has largely been exploited. The faster growth in the nonagriculture sectors can be poverty reducing but it will need to be more labor intensive than in the past. Fourth, the external environment over the medium and long term is likely to be more challenging and Viet Nam will need to reposition itself to take advantage of new realities: on the one hand, from traditional agricultural commodity exports where demand has peaked and a protected domestic market to, on the other, more diversified high value-added composition of exports and exploiting new market opportunities from reduced trade barriers.

7. A point that bears emphasis is that economic growth alone will be insufficient to achieve the Government’s poverty reduction target. With poverty becoming more concentrated in “harder to reach” groups (the rural population, ethnic minorities, the poor employed in the informal sector) and remoter regions (the Northern Uplands and the Central Highlands), efforts will have to be made to ensure that these groups and regions participate in growth. It will also be necessary to help consolidate the position of the near poor who have barely managed to escape poverty but remain vulnerable to falling back into it again. To achieve poverty reduction through a strategy of shared growth, action will be required on several fronts. In the agriculture sector, research and extension activities will need to be made more relevant to the needs of small farmers and actually reach them. New approaches to rural development, including area-based multisector interventions should also be pursued as they may hold the key to increased participation of communities in selecting and implementing small-scale investments. There will have to be a stronger commitment to moving from a few large-scale capital-intensive activities in the public sector toward a large number of small and medium-scale private sector initiatives, while preserving a complementary relationship between the private and public sectors. Access to secondary education and education quality improvements will be necessary to help remove supply-side constraints to participation of the poor in better-paying jobs. The quality of health services will need to be improved and made more affordable to the poor.

**Table A4: Pro-Poor Orientation of Government Policies and Programs:
A Retrospective View**

Growth	Equity		
	Enhancing	Neutral	Impeding
Enhancing	<ul style="list-style-type: none"> • Expansion of light manufacturing sector but significant untapped potential remains • Property rights reform providing incentive to individual farmers to increase output and productivity • Universalization of primary school education 	<ul style="list-style-type: none"> • Macroeconomic stability: <ul style="list-style-type: none"> – successful control of inflation but agriculturists vulnerable to “price scissors” effect – moderate deficits – relatively low inflation – prudent debt management • Nascent capital market • Expansion of rice exports, which have benefited resource-poor farmers less than better-off farmers 	<ul style="list-style-type: none"> • Public investment tends to be concentrated in the economic growth zones of Hanoi-Haiphong and Ho Chi Minh City and toward capital-intensive sectors; doubtful sustainability of rapid growth over the long term under this approach
Neutral	<ul style="list-style-type: none"> • Resources allocated to HEPR program too small and too thinly spread to have a tangible impact 	<ul style="list-style-type: none"> • FDI policies have not focused on attracting investment to productive sectors such as agro-processing; FDI has mainly gone to nonproductive sectors such as real estate 	<ul style="list-style-type: none"> • Tax structure and incidence of user fees and charges regressive • Social safety nets that focus on workers in the formal sector leaving out the poor and vulnerable in the informal sector • Limited evidence that disadvantaged ethnic minorities are benefiting from government programs
Impeding	<ul style="list-style-type: none"> • Interest subsidization of borrowing by the poor from VBP undermining financial soundness of VBP • Protection given to the sugar industry, which has led to smuggling in of cheaper foreign-produced sugar and overinvestment by domestic producers; in the short term it has created jobs for the poor but in the long run, layoffs are inevitable 	<ul style="list-style-type: none"> • Weak environment for BOT infrastructure projects • Non-oil revenue mobilization weak, undermining government capacity to fund pro-poor expenditures • Rural savings mobilization weak 	<ul style="list-style-type: none"> • Implicit and explicit barriers to private SME development; preferential treatment to SOEs results in low off-farm employment growth • Public investment in agriculture low, particularly in agricultural research and extension • Type of public spending on health (hospital-based services) disproportionately benefits the nonpoor; high direct and indirect costs borne by the poor, seeking health care services • Limited transparency in public administration and financial management • Limited participation of the poor in the design, implementation, and monitoring of projects intended to benefit them

BOT = build-operate-transfer, FDI = foreign direct investment, HEPR = hunger eradication and poverty reduction, SME = small- and medium-scale enterprise, SOE = state-owned enterprise, VBP = Viet Nam Bank for the Poor.

8. The Government’s Comprehensive Poverty Reduction and Growth Strategy (CPRGS), currently under refinement, is expected to address these and other related issues outlined above. It is expected that the CPRGS will have a stronger emphasis than the available plan documents on prioritizing objectives, costing them, and embedding them in a consistent macroeconomic framework.

PRIVATE SECTOR ASSESSMENT AND STRATEGY

A. Private Sector Characteristics and Government Policies

1. The private sector in Viet Nam has been growing steadily, but unevenly, since the economic renovation policy (*doi moi*) was introduced in 1986. It now accounts for nearly 90 percent of employment and more than half of gross domestic product (GDP) (see Table A5.1). The largest share of employment (62 percent) is in private small-scale agriculture, followed by private household nonfarm activities (22 percent). The foreign-invested sector accounts for over half the country's exports and 10 percent of GDP, but less than 1 percent of employment. The state sector's contribution to GDP (41 percent) and employment (10 percent) has remained fairly stable since 1995, but can be expected to slowly shrink in the coming years. Projections based on recent trends show that between 2000 and 2005 the most dynamic sources of employment will be the domestic formal and foreign-invested sector, but the bulk of the growing labor force (estimated at 1.0–1.2 million per year) will continue to be absorbed by the private informal household nonfarm sector.

Table A5.1: Shares of Labor Force and Output by Economic Sector in Viet Nam, 2000 and 2005

Sector	Percent of GDP	Percent of Workers	GDP Growth 1996-2000	Export Share ^a	Percent of Workers (projected 2005)
Agriculture	25.4	62.7	4.3	30	55
(of which private)	24.3	61.6	4.2	—	—
Other sectors	74.6	37.3	6.7	70	45
(of which:)					
Household Nonfarm Private	7.8	22.1	3.8	—	28
Formal Nonfarm	66.8	15.2	7.7	—	—
Collective/Mixed Sector	8.4	1.5	5.1	—	—
Formal Domestic Private	7.3	2.7	6.5	—	6
Foreign Invested	10.0	0.9	18.2	53	2
SOE/Other State Activities	41.1	10.1	5.9	17	9

— = not available, GDP = gross domestic product, SOE = state-owned enterprise.

Notes: Foreign sector includes oil and gas. Agricultural exports include a small amount of domestic private nonfarm exports.

^a Export shares as of 2000.

Sources: Compiled from Private Sector in Viet Nam: Facts Figures, Policy Changes and a Survey of Research Findings. Center for International Economics, Dec 6, 2000.L. Steer; and *Vietnam Economic Times*, May 2001, p. 33.

2. The Socioeconomic Development Strategy (SEDS) 2001-2010, recently approved by the Ninth Congress of the Communist Party of Viet Nam, recognizes the need for an evolving multisector economy that provides equal opportunities for the private sector, but at the same time reaffirms that the state will continue to play a leading role in strategic activities. While the concept of a "socialist-oriented market economy" referred to in the SEDS is not precisely defined, the authorities have indicated that they aim at creating an economically level playing field for private and foreign-invested enterprises, but envisage that state-owned enterprises (SOEs) and the state sector will continue to play a role in sectors where the Government feels

that the conditions are not ripe for private sector activities, or where the private sector has shown no interest.

B. Private Sector Assessment: Key Findings

3. Key findings of the Viet Nam Private Sector Assessment and Strategy, prepared as a background study for the country strategy and program (CSP), include the following:

- (i) The broad legal framework for a functioning private sector is in place. There is still considerable room for coordination of conflicting legislation and regulations and for improving specific provisions, but the most pressing challenge is for the Government to move from legislation to implementation, and to ensure predictable and transparent application of existing laws.
- (ii) Viet Nam's infrastructure development needs are considerable. For energy and transport alone they are estimated at \$3.4 billion-\$3.9 billion annually, equivalent to the entire public investment program in recent years. However, the Government's attitude toward private sector participation through build-operate-transfer (BOT) and other similar arrangements is not particularly favorable, and only a handful of projects have been successfully completed. Low tariff levels, incomplete regulations, and "bundling" of sector utilities all contribute to reducing the potential for widespread private sector participation. During the next five years, gradual removal of these barriers should be accompanied by individual demonstration projects, and a gradual increase in private contractors' participation in public procurement.
- (iii) The constraints that hamper the development of the various segments of the private sector are different. In the case of agriculture, the most pressing issues are diversification of crops, improvement of product quality through technology, and value addition through processing. For household nonfarm enterprises, the main challenge is expansion beyond the local low-income markets and evolution toward more sophisticated products. Formal domestic enterprises have difficulty in accessing land and credit, and their small size and limited managerial resources put them at a disadvantage in dealing with cumbersome and arbitrary administrative regulations and taxation systems. Foreign-invested enterprises have less difficulty in accessing land and credit, but are penalized by sector restrictions, high costs of doing business, steep taxation of their high-skill domestic labor force, and lack of transparency in regulations and in their implementation. Since these barriers are different among sectors and over time, it is important to establish processes and forums that will allow continuing debate over them and their resolution.
- (iv) The macroeconomic environment has been very stable in recent years, and therefore conducive to the development of private business. In some cases, however, this stability has been achieved through administrative measures that create microeconomic distortions, resulting in suboptimal allocation of resources. It will be important for the Government to resist these tendencies. It will also be important for the Government to tackle and resolve the interlinked problem of overexposure of state-owned commercial banks (SOCBs) toward SOEs, which tend to misallocate financial resources, and are a potential source of financial instability. The Government has taken important steps in this direction, including agreement on structural programs with the International Monetary Fund (IMF) and World Bank covering the areas of SOCB, SOE, and trade reform.

- (v) A number of institutional developments are needed to put the private sector in Viet Nam on a stronger footing. They include: (i) changes in public perceptions and attitudes toward the private sector; (ii) freer flow of market information; (iii) streamlining of the legal system and improvements in legal enforcement of contracts; (iv) improved regulation and competition, particularly with regard to the operations of state enterprises; (v) reduced potential for corruption; and (vi) stronger mechanisms for dialogue and issue resolution within the private sector and between the private sector and the Government.

C. Role of ADB and External Assistance

4. Past ADB operations in support of private sector development (PSD) have promoted policy reforms and legal framework improvements in agriculture, banking and finance, and SOEs, including corporate governance. In addition, long-term credit has been made available for crop diversification, and for the development of farm and nonfarm rural enterprises. Infrastructure rehabilitation in a number of sectors has also provided enabling conditions. Private sector operations have supported a cement plant, a BOT water treatment plant, a private university, and a hospital.

5. External assistance to PSD comes from a variety of sources—multilateral, bilateral, and nongovernment organization (NGO). Creation of a level playing field through SOE and SOCB reform and trade liberalization has been supported by the World Bank, IMF, Australia, United Kingdom, and United States. Sizable credit to farm and nonfarm enterprises has been provided by the World Bank, with the Agence française de Développement, and Japan. A variety of initiatives, mostly with bilateral or NGO funding, have supported training, microfinance, and business services. Given the range of approaches in these areas, there is scope for systematizing the rich field experience for replication on a larger scale.

D. Proposed Future ADB Private Sector Development Strategy

6. To maximize poverty reduction, Viet Nam needs rapid economic growth that will reach all income segments of the population. The Government estimates that, to achieve its target 7.0 percent annual growth rate, the ratio of investment to GDP must increase to about 30 percent. To achieve this level, while maintaining fiscal stability, domestic private resource mobilization will need to expand significantly, from 7.0 percent of GDP during 1991-2000 to at least 11.0 percent in 2001-2010. Profitability of the private sector and efficient financial intermediation will be necessary to increase the available pool of savings and channel it toward productive investment. In addition, mobilization of the private sector to help meet Viet Nam's physical and social infrastructure requirements will be required.

7. The pattern and labor intensity of growth will be equally important. During the 1990s, growing productivity and stable prices in privatized agriculture and accelerating foreign direct investment inflows helped reduce poverty. The distribution of growth was widespread because almost all Vietnamese farmers had access to land. Their own labor and human capital are the assets that will allow most Vietnamese to take part in the next phase of the country's development. Private sector development in labor-intensive subsectors is therefore the pattern of growth that will yield the most tangible benefits in terms of poverty reduction.

8. ADB will support the Government's efforts to improve the environment for private sector development, following the three strategic thrusts of creating enabling conditions, generating business opportunities, and catalyzing private investment. The first two thrusts will be pursued through public sector operations, and the third through private sector activities. The main areas

of focus under each strategic thrust are summarized in Table A5.2, and are discussed in more detail in Section III of the main text.

Table A5.2: Strategic Thrusts for Private Sector Development in Viet Nam

Creating Enabling Conditions	Generating Business Opportunities	Catalyzing Private Investment
<ul style="list-style-type: none"> • Improve market potential through reform and productivity increase in agriculture • Remove barriers and improve implementation of existing policies affecting private sector at national and local levels • Reform financial sector and improve access to credit • Raise labor force qualifications through secondary education • Improve infrastructure and the urban network in rural areas with a regional focus on central Viet Nam • Reduce red tape and corruption through public administration and legal reform • Support processes for continuing policy dialogue between private sector and Government and for private sector self-support • Policy dialogue on enabling environment for private sector participation in power and water supply infrastructure 	<ul style="list-style-type: none"> • Improve access of domestic contractors to ADB and publicly funded projects • Support development of the housing sector through policy reforms and housing finance 	<ul style="list-style-type: none"> • Demonstration projects for private participation in infrastructure or infrastructure services • Funds or other financial instruments to develop domestic private firms' access to long-term funding, including in local currency • Pilot health and education projects that can free public resources for more pro-poor investment

GENDER AND DEVELOPMENT STRATEGY¹

A. Introduction

1. Viet Nam has made good progress in improving the well being of women and reducing gender disparities in terms of income and access to productive resources, education, and health care. However, gender gaps continue to exist. Overall, health and education indicators for women are worse than for men, wage differentials persist, and women are underrepresented in the formal labor market. Differences are also apparent in state employment, access to credit and land, time worked, political representation, and decision making. Competition over scarce resources exposes and reinforces gender inequalities, which are more apparent in poorer communities, poor and remote rural areas, and ethnic minority communities.

B. Situation Analysis of Gender Issues

1. Participation in the Economy and Legal Rights

2. Women's labor force participation rates have been high for decades, but their participation in the formal economy has declined since *doi moi* and improved economic conditions. Economically active women are concentrated in agriculture, and contribute more hours of labor than do men to cultivation, livestock breeding, agricultural processing, and marketing of agricultural produce, but have only limited access to extension services. Since male farm employment has declined since 1993, while the number of female farmers has increased,² the sector has become increasingly feminized. Given the limited wage employment opportunities for women in rural areas, their off-farm employment tends to be concentrated in informal sector activities of trade and handicraft production.

3. Women are also less successful in establishing small and medium-scale enterprises (SMEs) in the formal sector due to lack of resources including labor time, management skills, knowledge of the market, and access to credit and land. Only 10 percent of economically active women are now employed by the state. During the initial years of *doi moi*, it is estimated that female labor accounted for 70 percent of the loss from the state sector, and by 1999 only 42 percent of state employees were women. According to recent studies, women work about the same time in income-earning activities but earn 14 percent less than men per month. These differentials, however, decreased during the 1990s, although differences persist in the latter years of the working life cycle.

4. According to the 1996 Constitution and relevant laws, women and men are granted equal rights with respect to economic opportunities, marriage and family matters, political participation, public administration, and ownership of property, including land. The law on marriage and family stipulates that land-use certificates (LUCs) for household common land must list the names of both spouses indicating shared possession. However, the 1993 land law, which predates it, does not mention co-ownership, and in 80 percent of the cases LUCs in rural areas are registered in the name of the male household head. This can make it more difficult for women to access credit and pursue business opportunities. Although women have equal

¹ For a more detailed analysis and data sources, see *All is Not as it Seems with Gender Relations in Viet Nam*, a gender profile prepared as a background document for the country strategy and program.

² The number of male farmers declined by 0.3 percent per annum and female farmers increased by 0.9 percent between 1993 and 1998.

property rights, they are often disadvantaged due to social mores, which cut across and often contradict the legislation, whose enforcement is often left to the discretion of local officials.

2. Social and Political Status of Women

5. Gender gaps still exist in upper secondary, vocational and technical, and university education. At present, 90 percent of adult males and 79 percent of adult females are literate. Of those over five years of age who have never attended school, 12 percent are girls and 7.5 percent are boys; these proportions have remained remarkably constant over the past 20 years. Gender gaps are prominent among the poor and ethnic minorities and in rural areas of the Northern Uplands, the Mekong River Delta, and the Central Coast, due to the greater impact of school fees and the higher opportunity cost of lost child labor. While the gap is closing for higher education, it persists in vocational and technical education (VTE), and signs of sex segregation in upper secondary and university education are becoming more obvious, with females clustering in pedagogy, social sciences, and linguistics, and males in technical and scientific courses. This segregation potentially disadvantages women from fully participating in the new industries, such as information technology, biotechnology, and new materials.

6. Given their child-bearing role and consequent susceptibility to reproductive tract infections, women are proportionally higher users of health services, and have benefited from improved access. Difficulties in affording the fees introduced with economic reform, however, have constrained use for those living in remote areas and for the poor. Common health problems for ethnic minority women and their families include malaria, malnutrition,³ respiratory and gynecological infections, and obstetric complications resulting in higher maternal mortality. Although more than 50 percent of families now use modern contraceptive methods, one of the major health risks to women is dominance of intrusive forms of contraception (intrauterine device) and family planning (abortion). It is estimated that 40 percent of pregnancies are terminated, and the rate is the highest in the world (2.5 per woman).

7. New issues for women's health are emerging with increasing awareness of promiscuity and domestic violence. In an environment where the use of condoms is not common and intravenous drug use is increasing, the risks of contracting HIV/AIDS have also grown. In 2000, 14 percent of total HIV cases for the country were women, and the prevalence of HIV in female sex workers has increased to 4.33 percent. Domestic violence is clearly a health issue for women. In recent years, the instances of domestic violence as recorded in official reports have increased and a greater number of cases are being heard in court.

8. In Viet Nam, there is no formal barrier to women's participation in the electoral process. Although representation of women elected to positions at the local level has increased, it is still low relative to their election to the national assembly; and even though women are better represented in the national assembly, they are poorly represented on the strategic decision-making bodies such as party committees. There are no women in the Politburo and the proportion of women in the Central Committee has declined. In summary, recent trends indicate a deterioration in the political decision-making role of women.

3. Government Policy and Program on Women

9. The Government has adopted a National Plan of Action for the Advancement of Women 2001-2005 (POA2). The plan outlines six objectives and activities in the areas of employment

³ In resource-constrained households, women's share of food is lower than men's.

and economic status for women; education and training; health; leadership and decision-making; women's rights; and strengthening the national machinery. Each ministry has a committee for the advancement of women, responsible for drafting ministry-based gender strategies and action plans to promote and facilitate gender mainstreaming. The Viet Nam Women's Union, a mass organization with over 11 million members, operates at the commune, district, provincial, and national levels. In addition to its mandate of awareness raising and advocacy at the grassroots level, it has increasingly become involved in the implementation of a number of programs and projects.

C. Asian Development Bank Gender Strategy

10. The gender situation analysis summarized above shows that areas of more relevant gender gap in Viet Nam include (i) limited access to extension, credit, and land in the agricultural sector, where female labor force concentration is increasing, combined with difficulties in pursuing off-farm employment prospects; (ii) lower enrollment in secondary and vocational/technical education, which in turn limits the potential for female employment in modern sectors and for greater voice in fertility choices; and (iii) creeping under-representation in state employment and in Government decision-making positions at various levels. The country strategy and program of the Asian Development Bank (ADB)—which focuses on economic growth through rural and private sector development, equalization in human capital endowments through universal lower secondary education, and improved governance with special emphasis on public administration reform—is well suited to addressing these gaps by mainstreaming these concerns in ADB operations, as follows:

- (i) ADB operations in support of agriculture and rural development will strive to create a level playing field for men and women to improve agricultural production and develop rural enterprises through a focus on equal access to agricultural inputs, extension services, skills training, and productive resources such as land and credit.
- (ii) ADB operations in the social sector will ensure that gender equity and empowerment is promoted through equal access to secondary education and VTE, which is not sex-segregated. Achievement of secondary education is expected to lead to improved labor force participation, better control of contraception and fertility, and greater awareness and ability to fight the worst manifestations of poverty including high infant mortality rates and child malnutrition. By promoting accessible health care and its equitable financing, ADB will also be benefiting women more than proportionately, given their greater dependence on health services during their reproductive years.
- (iii) In the area of governance, ADB will contribute to gender mainstreaming in all government policies and programs through gender capacity-building support to relevant government agencies and ensuring all ADB assistance is gender-inclusive. Focus will be on ensuring that civil service and public administration reform do not unevenly affect women and that the reforms undertaken support the Government's gender mainstreaming goals.

D. Implementing the Strategy through Asian Development Bank Operations

11. The proposed approach will be implemented mostly by mainstreaming gender considerations into ADB projects, with particular attention to those in the areas of agriculture and rural development; SME promotion; secondary education; health services and financing;

and public administration reform. To facilitate such an approach, the routine conduct of gender analysis will be actively promoted in the design stage to ensure that women's needs are met and more effectively mainstreamed, and collection of gender-disaggregated data at both the design and benefit monitoring and evaluation stage will be required in the above-identified areas. Special components will be designed, and resources allocated, where women are identified as a clear target group. The following paragraphs detail more specific actions.

1. Agriculture and Rural Development

12. Given women's significant role in the agriculture sector, ADB assistance will be designed to be responsive to women's roles, priorities, and needs, and to ensure equal access to resources such as seeds, fertilizers, information, new technology, and extension services. Women's distinct role and responsibilities in the sustainable utilization of natural resources, as key resource users and managers, will be supported. For example, community awareness programs will be developed with women as a specific target group; women will be actively encouraged to participate in land-use planning, social forestry, and other income-earning opportunities; and provision will be made for women's access to, and control over, natural resources. Poverty reduction initiatives will include a focus on reducing female poverty. Possible approaches that will be explored include development of strategies to increase and enhance women's employment prospects in the informal sector, in view of their high presence; promoting rural off-farm employment; income-generating opportunities; and greater access to credit. Community-based livelihood projects to address food security, crop and livestock diversification, and microfinance will be developed with special attention to the needs of poor women.

2. Socially Inclusive Development

13. The focus will be on improving access to, and retention rates in, secondary schooling and VTE for girls, especially poor and ethnic minority girls and women. To achieve this, ADB projects will explore the potential to include mechanisms such as fellowships, application of affirmative action principles, stipends, and targets. Girls' entry into nontraditional fields such as science, technology, and vocational and technical courses will also be supported, through priority for female access to VTE and design of appropriate curricula to provide girls with realistic marketable skills.

3. Governance

14. ADB support for governance improvements in the areas of public sector reform and participation in decision making will be designed to be gender inclusive. The POA2 goals of gender mainstreaming in sector ministries through the review of skills mix and requirements and policy and planning procedures will be supported directly or indirectly. In addition, future support for public sector reforms will be developed with attention to possible gender impacts and their mitigation.

THE CENTRAL REGION AND THE ASIAN DEVELOPMENT BANK PROPOSED FOCUS

A. Profile of the Central Region

1. The Central Region comprises 18 out of 61 provinces in Viet Nam, and extends from Thanh Hoa province in the north to Binh Thuan and Ninh Thuan provinces in the south, with a population of 22 million.¹ It can be further divided into three areas: the North Central Coast, the South Central Coast, and the Central Highlands.² Low per capita income and consumption level and a high incidence of poverty characterize the Central Region, and especially the North Central Coast and Central Highlands. Per capita gross domestic product (GDP) in the Central Region was lower than the average of the country by about 40 percent in 1997.

2. The absence of alternative employment opportunities has created extreme dependence on land. About 82 percent of the people in the Central Region live in rural areas and 72 percent of the workforce is employed in agriculture. Agriculture accounts for 45 percent of GDP in the Central Region compared to 26 percent nationally. The difficult terrain, poor infrastructure and extension facilities, and virtually nonexistent post-harvest technology and marketing facilities have combined to cause very low levels of agricultural productivity. The problem is exacerbated by a predominance of rain-fed agriculture and vulnerability to storms, resulting in a high degree of instability in production, which adversely affects private investment in agriculture and income levels.

3. With 29 percent of the national population, the Central Region hosts 38 percent of the nation's poor. The North Central Coast and Central Highlands are two of the three poorest areas in the country, with poverty rates in 1998 of 47 percent and 42 percent respectively, compared to a 37 percent national average. The poor are a diverse group. Most are scattered ethnic Kinh farmers or fishermen, vulnerable to the vagaries of the weather, who may escape from poverty from time to time with a good harvest. Ethnic minorities make up over 10 percent of the poor households of the Central Region but tend to be more concentrated in remote communes. The Central Region contains 33 percent of the 1,715 poor communes targeted under the Government's Program 135, and contains more than its share of especially disadvantaged people including invalids, orphans, and elderly without children, due both to natural disasters and the consequences of war.

4. The Central Region still displays higher than average fertility. Various debilitating and infectious diseases (malaria, dengue fever, and Japanese encephalitis); leprosy and tuberculosis; and nutritional deficiency diseases, such as goiter, still affect the poorer population groups and especially ethnic minorities, negatively influencing their productivity and ability to participate in development. Almost half of children under five in the region suffer from malnutrition, partly due to food shortage, but also due to lack of knowledge about proper nutrition, parasites, and other diseases. Over 4 percent of the working age population of the Central Region are illiterate, and less than half have education beyond primary school. The average grade level attained by the workforce in the region is just beyond grade seven, and 89 percent of the economically active population have had no formal skills training. The picture for women is bleaker. Close to 6 percent of females of labor force age are unable to read a

¹ 1999 Census.

² The North Central Coast comprises Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri, Thua Thien Hue. The South Central Coast comprises Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa. Binh Thuan and Ninh Thuan are currently included in the South Central Coast, but may be reallocated to the Northeast (South) area. The Central Highlands area covers Kon Tum, Gia Lai, and Dak Lak. Lam Dong is currently included in this area but may be reallocated to the Northeast (South) area.

simple sentence, over 90 percent have had no skills training, and only slightly more than 40 percent have education beyond primary school.

5. Events during the past 40 years have imposed major pressures on the Central Region's natural resource base and socioeconomic conditions. Widespread deforestation and soil contamination during the war in the 1960s and 1970s adversely impacted the environment and subsequent economic opportunities in the North Central Coast. The North Central Coast nonetheless maintains a level of biodiversity on its western boundary with the Lao People's Democratic Republic (PDR) that is unique in Asia, and important resource conservation conflicts in this area that are caused by the extreme levels of poverty need to be addressed urgently. More recently, migration of the landless rural poor to the Central Highlands has imposed further pressure on diminishing forest resources, through the combined impact of land conversion for food production by migrants and traditional swidden agriculture of the ethnic minority groups in the highland areas.

6. The seven river catchments of the Central Region are characterized by short steep basins and a topography that promotes rapid run-off and limited storage capacity. These features are compounded by high variations in monsoon rainfall resulting in some 75 percent of total run-off being generated in three or four months. This causes extreme annual floods and correspondingly low dry-season flows. These key features of all the Central Region river systems are exacerbated locally by land-use modification in the upper watershed areas. Deforestation has almost certainly contributed to higher flood levels in the Ba and Se San basins. Although total flows are generally sufficient to meet demand, the difficulty in supply is primarily associated with the uneven annual distribution of flows, and a general requirement for irrigation over an eight-month period. Availability of irrigation water may also be constrained by sedimentation arising from upstream soil loss, and the irrigation systems in Central Region are currently operating at 60 percent capacity, partly for this reason.

7. In spite of the above difficult conditions, the Central Region has potential for sustainable growth of a diversified agricultural base. Intraregional agroclimatic variations enable a wide range of food, industrial, and tree crops to be produced in different locations throughout the region. Coastal and inland fisheries resources from both capture fishing and aquaculture are significant. The forestry subsector has suffered from extensive overexploitation in past years. While the Government has made concerted efforts to address illegal logging and inappropriate land use, more needs to be done to preserve and exploit this resource in a sustainable manner. If measures to promote agricultural expansion and diversification are adopted, the Central Region agriculture sector can grow on average by 3.0–3.5 percent a year between now and 2010.

8. There is also great scope for the development of agroprocessing industries linked to crops such as peanuts, maize, cashews, coffee, rubber, and other food crops. These industries could draw from, and in turn support, increased agricultural output and diversification through forward production and marketing linkages. Located in rural areas, they would provide off-farm employment to rural households. Other rural industrial enterprises with strong development potential include local food processing, textiles, garments, wood, bamboo and rattan-based products, metalworking, and building materials. Such enterprises are driven by local consumer demand, and would benefit from backward consumption linkages associated with rising incomes among farmers as agricultural productivity increases and agricultural diversification proceeds. Other industries with development potential in the Central Region are resource based, such as building materials and, notably, cement, and labor-based industries such as the garment, footwear, furniture, handicrafts and (potentially) electronics industries. The region also has

obvious comparative advantages for attracting the fast-growing tourism industry, possibly even more than it does for diversified manufacturing.

9. One of the obstacles to further development in the Central Region is inadequate physical and social infrastructure. Per capita state budget investment in the region in 1997 was 15 percent lower than the rest of the country. The region's present peak electricity load is about 650 megawatts (MW), compared to an expected level of 3,000–4,800MW by 2010, and electricity networks are overloaded and in poor condition. Road density in the region is approximately half the national average. Rural and inter-urban roads are insufficient and deteriorating. Access to health and education services needs upgrading, particularly for remote communities. Urbanization accelerated by 4.5 percent annually between 1989 and 1999, (4 percent in the North Central Coast and 7.2 percent in the Central Highlands), but urban centers in the Central Region, and especially the smaller towns, have received low levels of new investment and repair over the past 20 years. More than 50 percent of Central Region urban households do not have access to safe water; less than 45 percent of the urban population have access to toilets connected to sewers/drains; and solid waste management is available to under 50 percent of the largest urban areas. The majority of urban roads are unpaved and urban public transport systems are generally poor.

B. The Government's Regional Development Strategy

10. The current regional development strategy of the Government (as reflected in the Socioeconomic Development Strategy 2001-2010 [SEDS] and 2001-2005 Action Plan) is to focus investment and infrastructure development in six key economic zones. The Central Region contains two of the six focal zones. Policies for the Northern Central Coast area, Central Coast area and central key economic zone (key economic zone number 3) encourage development of the Dung Quat-Chu Lai economic zone, other coastal industrial zones, and tourism in the Hue-Da Nang-Hoi An-Nha Trang corridor. The plan documents also give attention to agricultural development and natural disaster mitigation, including reservoir development for hydropower and flood management. Further, they encourage the Central Highlands to develop industrial crops and forestry, along with hydropower and minerals exploitation, and road links with other parts of Viet Nam and across the border to the Lao PDR. Reference is made in the SEDS to special policies needed to support ethnic minorities. A specific development strategy for the Central Highlands is currently under preparation.

11. Two concerns arise from the Government's proposed approach to regional development as outlined in the SEDS. The first is potential continued emphasis on the Government's role as the direct "investor and operator" in industry and tourism rather than as the indirect facilitator, regulator, and provider of infrastructure that will generate the environment for private sector investment in response to market opportunities. The second derives from the risk of unbalanced allocation of public resources in favor of the more dynamic economic zones, thus exacerbating regional disparities. It will therefore be important for the Government to implement the commitment undertaken in the SEDS to invest more in regions facing difficult conditions.

C. Proposed Asian Development Bank Approach

12. By focusing approximately one third of its operations in the Central Region, ADB will support in a specific geographic area the goals of poverty reduction through rural development and more balanced regional development articulated in the country strategy and program (CSP). Special emphasis in the Central Region will be placed on the considerably poorer North Central Coast and South Central Coast areas, and the Central Highlands. As the brief profile in paras. 1-9 shows, the disadvantage of the Central Region is multidimensional, and extends from

lower levels of human and physical capital to vulnerability to disaster, to fragile environmental conditions. ADB's approach will reflect this. It will support interventions aimed at raising the incomes of the rural poor through livelihood improvements based on the local resource endowments, combined with strengthening the regional physical and social infrastructure. It is expected that the improved incomes resulting from this approach will generate further linkages among sectors and additional demand to support local off-farm enterprises.

13. **Community-based livelihood projects** focused on a small number of contiguous provinces will address, at the micro level, the causes of poverty. These operations will focus on poor districts or communes within few (three to six) provinces facing similar constraints and opportunities. They will establish participatory planning processes, resulting in small-scale investment at the community level in food security (crop and livestock diversification); microcredit; small-scale infrastructure; and other activities aimed at improving grassroots livelihood conditions.³ These projects will also address the link between natural resource depletion and poverty. Operations in the Central Highlands will emphasize forestry and watershed management as a tool for poverty reduction, possibly including agroforestry, planting of fruit trees, and fuelwood crops; promotion of off-farm income through processing of (mainly nontimber) forest products; and food and livelihood security for forest-dependent communities. Coastal resources management and alternative livelihood activities that would remove some of the pressure from exploitation of the rapidly depleting fish stock will be the focus of operations in the coastal areas. Detailed approaches will be developed during project preparation.

14. **Physical and social infrastructure** with a regional scope will complement community-based development.⁴ Priority sectors include road transport, water resource management infrastructure, power transmission/distribution, and urban development. The aim of the regional infrastructure will be to ensure that local development potential is enhanced through access to markets and services, and to guarantee a proper management of natural resources and the urban environment. Social infrastructure will be provided in the framework of national projects aimed at improving access to health and secondary education. With the exception of very small-scale commune-level infrastructure included in the livelihood improvement projects, all infrastructure investment will be delivered through sector projects, to minimize coordination problems and ensure quality. While detailed sector investment needs will be further assessed, the following guiding principles will help ensure maximum synergy and development impact.

15. In the road sector, it is likely that three types of investment will be considered. The first will target roads enabling district towns to connect to their productive hinterlands, to each other, and to the larger provincial towns, to enhance the role of the district towns as catalysts of rural industrialization and as generators of local off-farm employment. The second type of investment, especially beneficial for the Central Highlands, will aim at improving access to coastal markets and ports, subject to analysis of the impact on migration patterns and natural resources. The third will consider selective bypass construction in some of the provincial and district towns on the route of national road no. 1, to reduce safety and environmental hazards associated with increasing traffic volumes.

³ One such project, the Central Region Livelihood Improvement Project, is scheduled for approval in December 2001, to be followed by the Forests for Livelihood in the Central Highlands Project in 2003, and the Central Coast Livelihood and Marine Resource Management Project in 2005.

⁴ Lending operations for this purpose include Central Provinces Water Resources Sector and Central Region Urban Development in 2003, Central Region Road Sector in 2004, and a planned Provincial/District Towns Development in the Central Region in 2005. Components of the Power Transmission and Distribution Loan in 2004 will also be in the Central Region, if relevant to complete the local grid and compatible with a "least-cost" expansion plan. Other national projects in health and education will, to the extent feasible, also give priority to the Central Region for the physical investment or institutional strengthening component.

16. In the water resources sector, interventions are likely to be of small-medium scale and tailored to the local needs. In the North Central Coast, where river basins are quite small, the terrain steep, and flooding problems significant, investment will combine flood mitigation with associated economic uses, most likely in agriculture. In the Central Highlands, more emphasis will be placed on basinwide watershed management. The focus in the urban sector will be on district and provincial towns, to strengthen their role as local absorbers of rural-urban migration. While it can be expected that water supply, sanitation, and drainage will account for the bulk of investment needs in these centers, the scope of ADB assistance will gradually expand and include institutional development needs in the areas of urban development planning, financing, and management.

D. Risks and Safeguards

17. Nearly 2.3 million people from 30 ethnic groups live in the Central Region, accounting for more than a quarter of Viet Nam's ethnic minority population. Several of these groups have fewer than 20,000 people, and the diversity in their sociocultural backgrounds makes it difficult to devise common solutions to their particular development challenges. These groups suffer from much higher incidences of poverty and live in more remote areas, implying that they are likely to be targeted by ADB-supported livelihood improvement activities. Their lifestyle is also coming under pressure from high levels of unorganized in-migration into the Central Highlands. This has resulted in significant population pressure and unsustainable use of natural resources, and unmet demand for social services. Improvements in the infrastructure endowment, while retaining local populations, can reinforce existing in-migration trends, exacerbating these social and environmental pressures. The issues of sustainable in-migration and of cultural sensitivity to ethnic populations will require special attention in the design of projects affecting the Central Region. ADB will engage in dialogue with NGOs and other development partners who have experience in these areas to verify project and program design and minimize adverse impacts.

18. While geographic focus on a few provinces is expected to result in better implementation supervision and in strengthening of local administrations, it must be recognized that local capacity is weak, and that strong initial efforts and support will be needed to develop local analytical skills and to keep processing and implementation on track. While use of separate sector projects for infrastructure targeted at the Central Region will minimize the need for intersector coordination, it will be necessary to pursue interprovince coordination to appropriately prioritize investment in a regional perspective. The challenge will be to combine local consultation and inputs at the provincial and lower levels with the broader development agenda for the region. At the moment, the central Government is pursuing this broader regional development vision, since no equivalent administrative units or bodies have been tasked with such a level of planning; consequently, forums for consultation among the affected provincial and local governments will need to be developed.

19. Finally, financing and resource allocation issues will need to be addressed. A first step would be for the Government to raise per capita public investment expenditures in the Central Region to match the average for the country. Even under this favorable scenario, only a fraction of the needed resources would be available. While ADB's focus on the Central Region will partially help address the financing gap, efforts will be needed to augment private sector funding of infrastructure, and private involvement in its construction and in the delivery of services, possibly under contractual arrangements, including community development in ethnic minority areas.

ROLE AND COORDINATION OF EXTERNAL ASSISTANCE

A. Current Status of External Assistance to Viet Nam

1. External assistance commitments to Viet Nam have remained above \$2 billion annually since most external aid agencies resumed operations in 1993, while annual disbursements have increased steadily, from \$625 million in 1993-1995 to approximately \$1.5 billion in 1999-2000. During 1996-1999, approximately 60 percent of disbursements were grants, and the rest were loans with a large concessional element.

2. A summary of sectors of involvement of the main sources of external assistance to Viet Nam is presented in Table A8. Among multilateral sources, United Nations (UN) agencies have played an important role since the mid-1980s. Support for the transition to a market economy, governance, social development, and environmental protection are the main themes of the United Nations Development Programme (UNDP) program. UNDP also plays an important role in aid coordination and mobilization. Specialized UN agencies are active in their respective sectors of operations, and area-based rural development projects have been supported by the United Nations Capital Development Fund and the International Fund for Agricultural Development in some provinces. The World Bank is the largest multilateral source of external assistance to Viet Nam, with average annual commitments of \$380 million during 1996-2000, compared to ADB's \$271 million. State-owned enterprise (SOE) and banking sector reform, rural development and finance, health, primary education, transport, energy, urban development in larger urban centers, and forestry in coastal wetlands are major areas of World Bank operations. The European Union has been active in almost all sectors, including primary education and health, forestry and biodiversity, rural development in northern provinces, urban environmental management, microcredit and small and medium-scale enterprise (SME) development, civil aviation, and decentralized electrification. The Nordic Development Fund has provided support for hydropower and for vocational and technical education.

3. Among bilateral sources of assistance, Japan is now Viet Nam's principal channel of official development assistance (ODA), with annual commitments of more than \$700 million. Japan is especially active in physical and social infrastructure rehabilitation projects (power, transport, water supply, rural infrastructure, telecommunications), and has provided, through the New Miyazawa Initiative, support for policy reforms enhancing the role of the private sector. Finland and Sweden have a long history of support to Viet Nam, while Australia became an important source from the mid-1980s. Other important bilateral sources are Belgium, Canada, Denmark, France, Germany, Italy, Netherlands, Spain, Switzerland, and the United Kingdom. Some external aid agencies have focused their assistance rather sharply (e.g., the Netherlands on water resources, forestry and health; Australia on education, water resources, and gender issues), while others have covered a wider range.

4. Nongovernment organizations (NGOs) played an important role in providing assistance to Viet Nam before 1993, and continue to do so, especially in grassroots rural development and programs targeting disadvantaged groups. NGOs are currently supporting over 700 small-scale projects and programs, ranging from health and education, to income generation, microfinance and rural credit, agriculture and small-scale integrated rural development, but also covering environment, humanitarian/emergency relief, and population and family health programs.

B. Coordination Mechanisms

5. Mechanisms for aid coordination include annual and midterm consultative group meetings,¹ accompanied by private sector/business forums, attended by representatives of the international and domestic private sector, and 23 “partnerships” covering either cross-cutting issues (such as poverty, gender, environment, civil society) or specific sectors (e.g., banking, health, education, transport, forestry, water resources). Partnerships aim to facilitate exchange of information, coordination of policy dialogue, and common approaches to externally funded development cooperation. The institutional arrangements for these partnerships vary, ranging from full-time secretariats, earmarked budgets, periodic meetings, and clear identification of lead government agencies to more informal coordination mechanisms. Outcomes are not always directly correlated with the degree of formal institutional setup. Most international NGOs are affiliated to the NGO resource center, and a few networks exist for local NGOs.

6. Viet Nam is a comprehensive development framework pilot country for the World Bank. The approach, however, has been applied rather flexibly, through joint analytical work (e.g., by the poverty task force) and sector-level partnerships, to avoid imposing excessive demands on the Government’s time and resources. Attempts have been made in some sectors (notably forestry and water resource management for disaster mitigation) to promote sector-wide approaches. The general assessment is that while coordinated approaches at the sector level can be promoted, the situation is not quite ripe yet in Viet Nam for sector-wide approaches, where funds are committed to a government program from a variety of sources, and implemented by conventional government structures (e.g., without separate project management units). Obstacles to sector-wide approaches include the need to further develop sector policies, underdeveloped financial and benefit monitoring mechanisms, and different funding agency procedures for processing and implementing development cooperation. In light of the renewed interest for these approaches expressed by participants at the December 2001 consultative group meeting for Viet Nam, ADB will continue to assess the potential for their application. Attempts to harmonize procedures with the Government’s requirements have been undertaken by the World Bank, Japan Bank for International Cooperation (JBIC), ADB, and jointly by six bilateral aid agencies.²

C. Proposed ADB Approach to Aid Coordination in Viet Nam

7. In support of efficient coordination mechanisms, ADB will continue to play an active role in the consultative group process and will promote, when feasible, the preparation of joint or shared documentation and analyses. While in the past ADB made attempts to liaise with most partnership groups, in the future its participation will become more selective, through active involvement as a “core group” partnership member in the sectors of more significant ADB involvement (poverty, agriculture, water resources, forestry, urban sector, SME and private sector development, education, health, public administration reform). It will retain observer status in a second tier of sectors where involvement is expected to be lighter or indirect. ADB’s imminent reorganization will facilitate internal coordination to ensure that relevant sector specialists from headquarters will attend critical partnership events, while the Viet Nam Resident Mission (VRM) will follow up on more general coordination and participate in activities relevant to its delegated responsibilities.

¹ The *Viet Nam Development Report 2001: Viet Nam 2010 Entering the 21st Century, Volume I - Pillars of Development* for the 2000 Consultative Group meeting, containing a commentary on the Government’s 10-year Socioeconomic Development Strategy, is a good example of aid agencies’ cooperation, since it was jointly prepared by the World Bank, United Nations Development Programme, and ADB.

² The six are Finland, Netherlands, Norway, Sweden, Switzerland, and United Kingdom.

8. The relationship between the country strategy and program (CSP) and operations of other aid agencies, including identification of areas where further coordination is needed, is presented in Table 5 of the main text. The proposed approach is based on consultations held during CSP preparation, but it will be applied with some degree of flexibility to respond to changing circumstances. A brief description follows of how this approach will influence the link between ADB operations and those of the most relevant aid agencies active in Viet Nam.

9. ADB already coordinates actively with UN agencies. Cofinancing or cooperation takes place in the health sector with the United Nations Population Fund, United Nations Children's Fund, and World Health Organization. ADB and UNDP are supporting, with other aid agencies, a joint legal needs assessment and implementation of the Public Administration Reform master plan. Such involvement is expected to continue in the future, and to be further strengthened in the areas of strategy and policy preparation, both at the macroeconomic and sector levels.

10. Projects have been cofinanced in the past with World Bank in the population and family health sector, while good coordination was achieved in road transport (rehabilitation of different segments of highway no. 1), education, and urban development in Ho Chi Minh City. More extensive coordination can be expected in the future. In rural development, ADB will focus its operations and related infrastructure support in the Central Region, while World Bank will focus on other areas. In the urban sector, ADB will reorient its operations toward provincial and district towns in the Central Region, while the World Bank will focus more on urban poverty and urban upgrading in larger urban centers and in other parts of the country. In the promotion of economic restructuring and private sector development, the World Bank will continue its engagement in broad SOE and banking sector reform, while ADB will focus more on domestic private sector and SME development, and selectively support SOE reform in specific sectors (agriculture, forestry) and individual state-owned commercial bank efficiency improvement. In education, ADB will continue to focus on the secondary level, and the World Bank, along with other aid agencies, on the primary and tertiary levels. In the power sector, responsibilities will be shared according to subsector and geographic coverage, while a common approach on policy and institutional issues will be maintained. In the area of governance, ADB will focus its support on public administration and civil service reform, while the World Bank will emphasize public financial management. Further dialogue is ongoing on the approach and possible focus of the two institutions in agriculture policy support, rural finance and microfinance, health, and water supply in district towns. This overall coordination will be further refined under the framework provided by the Government's Comprehensive Poverty Reduction and Growth Strategy and during preparation of the World Bank's country assistance strategy in 2002.

11. In cooperation with other bilateral aid agencies, ADB's focus will be on maintaining the sector and geographic focus outlined in the CSP and on seeking opportunities for complementarity, through cofinancing and mutually supportive analysis and policy dialogue. Multiyear agreements have already been reached with the Agence française de Développement, to cofinance, in principle, projects in the water resource, urban, finance, and enterprise development sectors. Very close cooperation has been developed with Australia and the Netherlands in the area of water resources management, and there are very promising signs for cooperation with a number of bilateral aid agencies in forestry-based poverty reduction. Large cofinancing has been arranged in 2001 with DFID of the United Kingdom in support of area-based livelihood improvement. Consultations on the respective programs are held systematically with JBIC and the Japan International Cooperation Agency. Efforts will be made during the first year of CSP implementation to translate these promising beginnings into a solid multiyear cofinancing and cooperation pipeline, which takes advantage of the synergy between the large size of loan funds that ADB can make available and the grant (and in some

case soft loan) support that bilateral agencies can provide, to address institutional development and capacity-building components for which the Government is reluctant to borrow.

12. Coordination with NGOs in the past has mostly taken the form of consultation during country strategy and programming missions, and more intensely during the design of projects or components in areas where NGOs have developed innovative approaches (e.g., community-based rural development, microfinance, health communication). NGOs have at times implemented ADB technical assistance or loan components linked to research, community mobilization, or supervision of resettlement activities. The constraints to further NGO involvement resulting from the fact that ADB financing is channeled through government executing agencies cannot be ignored. There is scope, however, for sharper division of responsibilities (with ADB, for example, withdrawing from the population control sector, where a number of NGOs are quite active), and for continuing dialogue in areas of common interest (community-based development, grassroots democracy, microfinance, development of informal household enterprises, modalities of interaction with ethnic minority or other disadvantaged groups under ADB projects, resettlement) where NGOs can, through their experience, influence ADB project design and ADB can, through its resources, help “bring to scale” innovative approaches developed by NGOs in pilot form.

Table A8: Operations of Main Official Development Assistance Sources in Viet Nam

ODA Source/ Country	Agriculture	Education	Environment and Natural Resources Management	Energy	Health
Multilateral					
European Union	<ul style="list-style-type: none"> - Integrated pest management - Veterinary services 	<ul style="list-style-type: none"> - Primary Education 	<ul style="list-style-type: none"> - Forestry - Disaster preparedness - Nature conservation and biodiversity 	<ul style="list-style-type: none"> - Energy efficiency and conservation - Interconnected Mekong transmission system - Decentralized electrification 	<ul style="list-style-type: none"> - Provincial primary health care - Malaria control - Health policy and planning - Reproductive health
UN Related Institutions	<ul style="list-style-type: none"> - Agricultural diversification and production - Agricultural policy, institution building, and training - Animal and plant science - Mitigation of the effects of disasters on agriculture, emergency activities - Master Plan for Agricultural Research - Globalization and competitiveness of agriculture - Integrated Pest Management (above by FAO) 	<ul style="list-style-type: none"> - Nutrition education for mothers and children (FAO) - Holistic development for children (UNICEF) - Basic education (UNICEF) 	<ul style="list-style-type: none"> - Forestry policy research, analysis and planning - Land use planning and participatory forest land allocation - New approaches to forest management and conservation (above by FAO) - Raising environmental awareness (UNDP) 	<ul style="list-style-type: none"> - Analyze potential for wood energy - Alternative energy sources - Promote improved cook stoves in rural areas (above by FAO) 	<ul style="list-style-type: none"> - Population strategy (UNFPA) - Addressing RTIs, STIs, and HIV/AIDS (UNFPA) - Behavior change of parents and child care-takers - Community-based primary health and nutrition - National health and nutrition policies - "Healthy Living" youth education (above by UNICEF)
WB	<ul style="list-style-type: none"> - Agricultural diversification - Irrigation rehabilitation 	<ul style="list-style-type: none"> - Primary education - Higher education 	<ul style="list-style-type: none"> - Forest protection - Coastal wetlands/ protection 	<ul style="list-style-type: none"> - Power transmission and distribution - Rural energy 	<ul style="list-style-type: none"> - Family health and population
Bilateral					
Australia	<ul style="list-style-type: none"> - Ministry of Agriculture and Rural Development capacity building - Management of pest fruit flies 	<ul style="list-style-type: none"> - Scholarships - CB for Rural Development - Basic education for poor and minority children - English training 			<ul style="list-style-type: none"> - HIV/AIDS CB and awareness raising - Provincial health care for women and children - Malaria control
Belgium	<ul style="list-style-type: none"> - Dairy farming - Integrated pest management - Support for research capacity 	<ul style="list-style-type: none"> - Professional training - Higher education - Lower secondary education 	<ul style="list-style-type: none"> - Watershed management 	<ul style="list-style-type: none"> - Electricity distribution 	<ul style="list-style-type: none"> - Malaria control - Leprosy control - Community health services

ASEM = Asia-Europe Meeting, CB = capacity building, CEDAW = Convention for Elimination of All forms of Discrimination
HIV/AIDS = human immunodeficiency virus / acquired immune deficiency syndrome, MARD = Ministry of Agriculture and Rural
ODA = official development assistance, PAR = public administration reform, RTI = reproductive tract infections, SME = small-
Development Programme, UNFPA = United Nations Population Fund, UNICEF = United Nations Children's Fund, VLSS = Viet

Governance	Transport	Finance and Industry	Poverty Alleviation and Rural Development	Urban Development (including WSS)	Gender	Others
- Transition to market economy - Good governance (reform of the state)	- Civil Aviation	- SME fund - ASEM Trust Fund - MPDF	- Rural development in four provinces	- Urban environmental management - Decentralized cooperation	- Microcredit facility for women	
- Assist MARD to implement its PAR program (FAO) - Economic and legal reform (UNDP)		- Financial resources for agricultural and rural development (FAO) - Credit schemes for micro rural investment (FAO)	- Livelihood and income-generating strategies for the rural poor - Food insecurity and vulnerability information and mapping system - Food security and nutrition - Inland fisheries and aquaculture (above by FAO) - Raising people's awareness for development planning (UNDP) - Hygiene and safe WSS in rural areas (UNICEF)	- Analyze the food marketing sector in the cities (FAO) - Street food sector (FAO)	- Gender in MARD policies and Land Law - VLSS gender analysis (above by FAO) - NCFAW CB (UNDP) - Conventions on discrimination against women and rights of the child (UNICEF) - CEDAW training, advocacy and monitoring (UNICEF)	- Food safety and quality control coordination (FAO) - Strengthen capacity for child survival, development and protection (UNICEF) - Promotion of children's rights within CRC (UNICEF)
	- Highway rehabilitation - Mekong and urban transport - Inland waterways	- Banking modernization	- Rural finance, rural transport - Community-based rural infrastructure - Poverty reduction support credit	- Ho Chi Minh City environmental sanitation	- Three cities sanitation	- Water supply
- SOE audits - Monitoring and evaluation - HCM Political Academy: public policy research and human rights		- Capital aid fund for employment of the poor	- North Vam Nao water control - Rural infrastructure and income generation - Mekong Delta rehabilitation	- Rural, delta towns and Da Nang WSS	- Specific needs of women	- Australian small activities and human rights schemes
- Capacity of civil service in Can Tho			- Rural development	- Upgrading of canals in Ho Chi Minh City		

Against Women, CRC = Convention for the Rights of the Child, FAO = Food and Agriculture Organization, HCM = Ho Chi Minh, Development, MPDF = Mekong Project Development Facility, NCFAW = National Committee for the Advancement of Women, and medium-scale enterprise, SOE = state-owned enterprise, STI = sexually-transmitted disease, UNDP = United Nations Nam Living Standards Survey, WSS = water supply and sanitation.

ODA Source/ Country	Agriculture	Education	Environment and Natural Resources Management	Energy	Health
Canada		- Primary education for disadvantaged children - Vocational and technical training - Scholarships	- CB of MOSTE + environmental research organizations - Pollution control		- AIDS in southern Viet Nam
Denmark	- Fishery sector - Small scale farmers poverty alleviation		- Environmental support programme		
France	- Agricultural diversification - Farm product development	- Vocational and technical education (VTE)		- Rural electrification	- Hospitals - Pharmacy, public health, medical training
Germany	- Specific farm product development	- VTE	- Resources management the lower Mekong - Flood damage rehabilitation - Forestry development and administration	- Rehabilitation of hydro power plant	- Reproductive health and family planning - Provincial hospitals and commodity assistance - Malaria control - HIV/AIDS prevention
Italy	- Food security information system - On-farm plant genetic resources use + conservation	- VTE	- Flood forecasting and warning - Food aid program to flood- victims		- Mother and child protection - Hospital facilities and equipment
Japan		- Building primary schools in central and north areas - Primary education program - Scholarship - Technical training	- Water environment - Water resource management - Forestry management - Industrial pollution prevention	- Thermal and hydro power generation - Transmission line	- Hospitals and medical equipment - HIV/AIDS prevention - Measles vaccine - Reproductive health
Korea		- Vocational and technical training - Primary schools in central area			- Building and upgrading hospitals
Netherlands		- Vocational and technical training	- Forestry and wetlands - Environment fund - Coastal and water resource management - Metropolitan environment - Flood protection	- Energy conservation and efficiency	- Tuberculosis - CB of health workers - Reproductive health - National health - Strengthening medical facilities

CB = capacity building, CIEM = Central Institute for Economic Management, HCMC = Ho Chi Minh City, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, MRD = Mekong Rural Development, MOSTE = Ministry of Science, Technology, and Environment, MPDF = Mekong Project Development, small- and medium-scale enterprise, TV = television, WSS = water supply and sanitation.

Governance	Transport	Finance and Industry	Poverty Alleviation and Rural Development	Urban Development (including WSS)	Gender	Others
<ul style="list-style-type: none"> - MOSTE IT development - NA Law and Social Affairs Committee - Legal Reform and Competition Act 	<ul style="list-style-type: none"> - Support to inland waterways in northern Viet Nam 	<ul style="list-style-type: none"> - Support to People's Credit Funds - SME financing - MPDF - SME promotion 	<ul style="list-style-type: none"> - Provincial, district and commune level programs in Thanh Hoa and Soc Trang 		<ul style="list-style-type: none"> - Small project facility 	
<ul style="list-style-type: none"> - Public administration reform 	<ul style="list-style-type: none"> - Ferry sector 			<ul style="list-style-type: none"> - WSS program 		<ul style="list-style-type: none"> - Mixed credit program
<ul style="list-style-type: none"> - Administrative cooperation - Judicial and legal training - Inter-parliament assistance 	<ul style="list-style-type: none"> - Railway facilities - Pilot and maintenance training 		<ul style="list-style-type: none"> - Rural infrastructure - Rural credit 	<ul style="list-style-type: none"> - WSS - Solid waste 		<ul style="list-style-type: none"> - Telecommunications
<ul style="list-style-type: none"> - CB at CIEM - Establishment of the State Auditor - Budgetary reform - PAR - Legal reform - Democratic reform at local level - Parliamentarism and rule of law 	<ul style="list-style-type: none"> - Rehabilitation of locomotives - Supply of modern railway cranes 	<ul style="list-style-type: none"> - Banking reform - Rural credit and savings - SME development - Industrial zones 	<ul style="list-style-type: none"> - Revolving fund for poverty alleviation - Self-help oriented poverty alleviation 	<ul style="list-style-type: none"> - Water supply and wastewater 		
		<ul style="list-style-type: none"> - Microfinance for rural development 	<ul style="list-style-type: none"> - Pilot project for the rural development 	<ul style="list-style-type: none"> - Assist two provinces water supply companies 		
<ul style="list-style-type: none"> - Legal field cooperation - Economic development policy research 	<ul style="list-style-type: none"> - Upgrading highways - Port expansion 	<ul style="list-style-type: none"> - SME finance - SME promotion (Miyazawa initiative) 	<ul style="list-style-type: none"> - Rural irrigation, forestry, electrification, roads and bridges at provincial level 	<ul style="list-style-type: none"> - Rural and urban water supply and drainage system 		<ul style="list-style-type: none"> - Rural telecommunications - Coastal communication - TV center
<ul style="list-style-type: none"> - Training and study program for Vietnamese officials in Korea 	<ul style="list-style-type: none"> - Stock exchange center 	<ul style="list-style-type: none"> - Community-based rural development 			<ul style="list-style-type: none"> - Public housing project 	
<ul style="list-style-type: none"> - Public administration reform in People's Committee and MARD 		<ul style="list-style-type: none"> - SME development 	<ul style="list-style-type: none"> - Feed mill projects 	<ul style="list-style-type: none"> - Cities housing improvement - Groundwater supply in the Mekong Delta - Wastewater and solid waste in HCMC 	<ul style="list-style-type: none"> - Trafficking of women - Local women fund 	

immunodeficiency virus/acquired immune deficiency syndrome, IT = information technology, MARD = Ministry of Agriculture and Facility, NA = National Assembly, ODA = official development assistance, PAR = public administration reform, SME =

ODA Source/ Country	Agriculture	Education	Environment and Natural Resources Management	Energy	Health
New Zealand	- Agricultural development in central area	- Secondary education - English training - Scholarships			- Training and project in the central area
Norway	- Fisheries, aquaculture, rural development	- Ethnic minority primary education - Vocational and technical training		- Preparation of national power plan	- HIV/AIDS prevention
Sweden	- Capacity development in marine and coastal resources	- Support to National Economics University	- Support Viet Nam Environment Management Authority - Environmental fund	- Power generation and distribution in central area - Hydropower plan - Demand side management - Rural energy study	- Primary health - Health sector policy - Improvement of health status in the poorest areas
Switzerland		- Vocational and technical training - Train academic staff in business management and other areas	- Establish Center for Environmental Technology and Management - CB for teaching and research		
United Kingdom		- English language teacher training - Primary teacher training - Education for disadvantaged children			- HIV/AIDS prevention
United States		- Support MBA program - Fulbright programs - Viet Nam Education Foundation	- Flood and coastal storm early warning systems - Flood-resistant houses and clinics - Revision of Environmental Protection Law - HCMC air quality - Phase out leaded gasoline		- Disabled policy and services - HIV/AIDS, accidental injury, and infectious disease prevention - Safe motherhood program in selected provinces - Environmental and public health CB

CB = capacity building, GCOP = Government Committee on Organization and Personnel, HCMC = Ho Chi Minh City, Administration, MPDF = Mekong Project Development Facility, NA = National Assembly, ODA = official development reduction and growth facility, PRSC = poverty reduction support credit, SME = small- and medium-scale enterprise, SOCB = WTO = World Trade Organization.

Governance	Transport	Finance and Industry	Poverty Alleviation and Rural Development	Urban Development (including WSS)	Gender	Others
- Trade policy CB - CB assistance for the Office of Government			- Small Projects Fund for community-based projects		- CB for VWU on violence against women	- Assist gender rights under the land law
- Support GCOP, PM Research Commission, and NA Office - Provincial PAR - Land administration - Legal aid		- SME medium-term credit - SME development (MPDF)	- Mountain rural development program		- Support to Viet Nam Women's Union - Gender fund	
- Development of a professional administration		- External debt management		- CB in urban development - PAR pilot project in urban development	- Enhance capacity of the municipality	- Support trade promotion and WTO accession
- PER - Institutional strengthening in central region - Support reform of state corporations	- Rural Transport - CB at Ministry of Transport	- Cofinancing World Bank Poverty Reduction Support Credit (PRSC)	- Poverty alleviation in Ha Tinh, northern mountains, and central area - Rural WSS			
- Support PRGF/PRSC through audit of one SOCB		- Support of US/Viet Nam bilateral trade agreement	- Microfinance program in a province	- Urban development partnerships between Viet Nam and US cities		

HIV/AIDS = human immunodeficiency virus/acquired immune deficiency syndrome, MBA = Masters in Business assistance, PAR = public administration reform, PER = public expenditure review, PM = Prime Minister, PRGF = poverty state-owned commercial bank, US = United States, VWU = Viet Nam Women's Union, WSS = water supply and sanitation,

PORTFOLIO PERFORMANCE
Table A9.1: Implementation, Disbursement Performance, and Postevaluation Results
of Public Sector Projects
(as of 31 October 2001)

A. Project Portfolio	Net Loan Amount		Rating (No.)											
			Total		Implementation Progress				Development Objectives					
	\$ million	%	No.	%	HS	S	PS	U	HS	S	PS	U		
Agriculture/Natural Resources	446.3	29.1	9	34.6	0	7	2	0	0	7	2	0		
Energy	145.0	9.4	2	7.7	0	0	2	0	0	2	0	0		
Finance and Industry	95.6	6.2	2	7.7	0	2	0	0	0	2	0	0		
Transport and Communications	387.1	25.2	4	15.4	0	4	0	0	0	3	1	0		
Social Infrastructure	461.0	30.0	9	34.6	1	7	1	0	2	7	0	0		
Others/Multisector	0.0	0.0	0	0.0	0	0	0	0	0	0	0	0		
Total	1,535.0	100.0	26	100.0	1	20	5	0	2	21	3	0		
B. Disbursements			OCR			ADF			Total					
1) Total funds available for withdrawal (\$ mn, active loans only)			40.0			1,495.0			1,535.0					
2) Disbursed amount (\$ mn, cumulative, active loans only)			20.0			569.4			589.4					
3) Percentage disbursed [(2)/(1)] (%)			50.0			38.1			35.7					
4) Disbursements (\$mn, active loans only, Jan-Oct 2001)			0.0			126.2			126.2					
5) Disbursement ratio (%) as of 30 Oct 2001 ^a			0.0			13.0			12.7					
C. Net Transfer of Resources^b (\$million)			OCR			ADF			Total					
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					
30 September 2001			(1.9)			103.9			102.0					
D. Postevaluated Projects (by Year of PPAR Circulation)^c									1996-2001					
1. Postevaluation Rating (as of 31 October 2001)									No.	%				
Highly Successful									0	—				
Successful									0	—				
Partly Successful									0	—				
Unsuccessful									0	—				
No Rating									0	—				
Total									0	—				
2. Postevaluation Rating by Sector			Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
1996-2001 (as of 31 October 2001)			No. %		No. %		No. %		No. %		No. %		No. %	
Agriculture and Natural Resources			0 —		0 —		0 —		0 —		0 —		0 —	
Energy			0 —		0 —		0 —		0 —		0 —		0 —	
Finance and Industry			0 —		0 —		0 —		0 —		0 —		0 —	
Social Infrastructure			0 —		0 —		0 —		0 —		0 —		0 —	
Transport and Communications			0 —		0 —		0 —		0 —		0 —		0 —	
Others/Multisector			0 —		0 —		0 —		0 —		0 —		0 —	
Total			0 —		0 —		0 —		0 —		0 —		0 —	

ADF= Asian Development Fund, HS = highly satisfactory, — = 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 Postevaluation 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 A9.2: Status of Implementation of Public Sector Projects
(as of 31 October 2001)

Sector	Project Title	Net Loan Amount		Approval Date (mm/yy)	Effectiveness Date (mm/yy)	Closing Date		Project Progress (% complete)	Cum Contract Awards (\$ million)	Cumulative Disbursement (\$ million)	Project Performance Rating	
		OCR (\$ million)	ADF			Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
AGR	Irrigation & Flood Protection Rehabilitation Project		68.6	Oct-93	Mar-94	Dec-98	Jun-01	100	67.1	66.1	S	S
AGR	Red River Delta Water Resources (Sector) Project		52.8	Dec-94	Apr-95	Sep-00	Dec-01	92	50.8	51.0	S	S
AGR	Fisheries Infrastructure Improvement Project		36.9	Nov-95	Apr-96	Dec-02		85	20.7	16.4	S	PS
AGR	Rural Credit Project		46.1	Sep-96	Apr-97	Jun-01	Dec-01	92	43.8	45.8	S	S
AGR	Forestry Sector Project		20.6	Mar-97	Oct-97	Dec-03		13	0.8	1.3	PS	PS
AGR	Rural Infrastructure Sector		99.1	Oct-97	Apr-98	Dec-04		36	38.7	33.3	S	S
AGR	Phuoc Hoa Multipurpose Water Resources (Eng)		2.5	Dec-97	Jul-98	Mar-00	Dec-00	90	2.1	2.1	PS	S
AGR	Tea and Fruit Development		39.8	Nov-00	Nov-01	Jun-07		0	0.0	0.0	S	S
AGR	Rural Enterprise Finance Project		79.9	Dec-00	Aug-01	Nov-06		1	0.0	0.0	S	S
ENE	Power Distribution Rehabilitation Project		51.6	Jun-95	Sep-95	Dec-99	Dec-01	85	49.6	49.2	PS	S
ENE	Central and Southern Viet Nam Power Distribution Project		93.3	Nov-97	Feb-99	Dec-02		55	25.1	12.6	PS	S
F&I	SOE Reform and Corporate Governance Program Loan	40.0	55.6	Dec-99	Oct-00	Dec-03		50	49.7	47.9	S	S
Subtotal			646.9						348.5	325.7		

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

Table A9.2 (cont'd.): Status of Implementation of Public Sector Projects
(as of 31 October 2001)

Sector	Project Title	Net Loan Amount		Approval Date (mm/yy)	Effectiveness Date (mm/yy)	Closing Date		Project Progress (% complete)	Cum Contract Awards (\$ million)	Cumulative Disbursement (\$ million)	Project Performance Rating	
		OCR (\$ million)	ADF			Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
SOC	Ho Chi Minh City Water Supply and Sanitation		55.5	Nov-93	Apr-95	Jun-99	Dec-02	86	50.9	41.5	PS	HS
SOC	Provincial Towns Water Supply and Sanitation		55.3	Aug-95	Dec-95	Dec-00	Dec-02	85	52.1	35.3	S	S
SOC	Population and Family Health Project		39.0	Sep-96	Mar-97	Jun-03		78	32.4	34.0	HS	S
SOC	Second Provincial Towns Water Supply & Sanitation		61.3	Feb-97	Nov-97	Jun-02		53	28.9	21.7	S	HS
SOC	Lower Secondary Education Development Project		45.5	Nov-97	Mar-98	Jun-04		55	19.0	19.7	S	S
SOC	Vocational and Technical Education		49.0	Dec-98	Dec-99	Oct-04		10	6.4	1.3	S	S
SOC	Ho Chi Minh City Environmental Improvement Project		65.3	Oct-99	Jun-00	Jun-06		6	0.0	3.0	S	S
SOC	Teacher Training Project		23.1	Dec-99	Sep-00	Jun-06		10	0.0	1.0	S	S
SOC	Rural Health Project		66.9	Nov-00	Oct-01	Dec-06		0	0.0	0.0	S	S
T&C	Second Road		106.2	Nov-66	Jul-97	Dec-01		75	88.7	65.9	S	PS
T&C	Third Road Improvement		168.4	Dec-98	Sep-99	Dec-03		40	78.2	24.6	S	S
T&C	Phnom Penh-Ho Chi Minh City Highway Project		89.2	Dec-98	Nov-99	Jun-03		10	41.8	14.9	S	S
T&C	GMS: East-West Corridor Project		23.2	Dec-99	Sep-00	Dec-04		5	2.3	0.8	S	S
	Subtotal		848.1						400.9	263.7		
	Total	40.0	1,495.0						749.4	589.4		

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

THREE-YEAR PIPELINE

Table A10.1: Lending Pipeline, 2002-2004

Sector/Project Name	Poverty Classification ^a	Thematic Priority ^b	Responsible Division ^c	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 Multipurpose Water Resources	Other	ECO	AWFN	1997	155.0		85.0	85.0	40.0	30.0
2 Agriculture Sector Development Program	Other	ECO	AWAR	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	Other	PSD	IWFI	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	AWEH	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 River Tourism Infrastructure Development		RC	AWWU	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	
2002 Standby Loans										
Social Infrastructure										
1 Housing Finance	Other	HD	AWWU	2001	30.0		20.0	20.0	10.0	
	Subtotal				30.0		20.0	20.0	10.0	
	Total				30.0		20.0	20.0	10.0	
2003 Firm Loans										
Agriculture and Natural Resources										
1 Central Provinces Water Resources Management	PI	ENV	AWFN	2002	160.0		90.0	90.0	40.0	30.0
2 Forests for Livelihood Improvement in the Central Highlands	CPI	ENV/GAD	AWFN	2001	75.0		50.0	50.0	15.0	10.0
	Subtotal				235.0		140.0	140.0	55.0	40.0
Social Infrastructure										
3 Central Region Urban Development	Other	HD	AWWU	2001	115.0		60.0	60.0	25.0	30.0
4 Housing Finance	Other	HD	AWWU	2001	30.0		20.0	20.0	10.0	
	Subtotal				145.0		80.0	80.0	35.0	30.0
	Total				380.0		220.0	220.0	90.0	70.0
Subregional (subject to confirmation)										
5 GMS: Kunming- Hai Phong Economic Corridor	Other	RC	IWTC	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.

^a CPI = core poverty intervention, PI = poverty intervention.

^b ECO = economic growth, ENV = environmental protection, GAD = gender and development, HD = human development, PSD = private sector development, RC = regional cooperation.

^c AWAR = Agriculture and Rural Development, AWEH = Education, Health, and Population, AWFN = Forestry and Natural Resources, AWWU = Water Supply, Urban Development and Housing, IWFI = Financial Sector and Industry, IWTC = Transport and Communication.

Table A10.1 (cont'd.): Lending Pipeline, 2002-2004

Sector/Project Name	Poverty Classification ^a	Thematic Priority ^b	Responsible Division ^c	Year of PPTA	Total	Project Cost (\$million)				
						OCR	ADB ADF	Total	Gov't Cofinancing (Others)	
2003 Standby Loans										
Energy										
1 Power Transmission and Distribution	Other	ECO	IWEN	2002	115.0	80.0		80.0	35.0	
					115.0	80.0		80.0	35.0	
Social Infrastructure										
2 Lower Secondary Education Development II	PI	HD/GAD	AWEH	2002	65.0		45.0	45.0	20.0	
					65.0		45.0	45.0	20.0	
					180.0	80.0	45.0	125.0	55.0	
2004 Firm Loans										
Energy										
1 Power Transmission and Distribution		ECO	IWEN	2002	115.0	80.0		80.0	35.0	
					115.0	80.0		80.0	35.0	
Finance and Industry										
2 SME Development	PI	PSD/GAD	IWFI	2002	135.0	40.0	55.0	95.0	20.0	20.0
					135.0	40.0	55.0	95.0	20.0	20.0
Social Infrastructure										
3 Health Sector Development	PI	HD/GAD	AWEH	2002	80.0		55.0	55.0	25.0	
4 Lower Secondary Education Development II	PI	HD/GAD	AWEH	2002	65.0		45.0	45.0	20.0	
					145.0		100.0	100.0	45.0	
Transport and Communications										
5 Central Region Road Sector	PI	ECO	IWTC	2002	95.0		65.0	65.0	30.0	
					95.0		65.0	65.0	30.0	
					490.0	120.0	220.0	340.0	130.0	20.0
2004 Standby Loans										
Others/Multisector										
1 Governance and Public Administration Reform		GG	PWD	2002	50.0		35.0	35.0	5.0	10.0
					50.0		35.0	35.0	5.0	10.0
					50.0		35.0	35.0	5.0	10.0

ADF = Asian Development Fund, OCR = ordinary capital resources, PPTA = project preparatory technical assistance, SME = small- and medium-scale enterprise.

^a CPI = core poverty intervention, PI = poverty intervention.

^b ECO = economic growth, GAD = gender and development, GG = good governance, HD = human development, PSD = private sector development.

^c AWEH = Education, Health, and Population, IWEN = Energy, IWFI = Financial Sector and Industry, IWTC = Transport and Communication, PWD = Programs Department (West).

Table A10.2: Technical Assistance Program, 2002-2004

Sector/Project Name	Responsible Division ^a	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
Year 2002					
Agriculture and Natural Resources					
1 Central Provinces Water Resources Management	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 Lower Secondary Education Development II	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	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 Economic Corridor	IWTC	PPTA	600.0		600.0
Subtotal			600.0		600.0
	Total		600.0		600.0
Year 2003					
Agriculture and Natural Resources					
1 Central Region Coastal Management	AWFN	PPTA	700.0		700.0
2 Capacity Building for Forestry for Livelihood Improvement in the Central Highlands	AWFN	ADTA	800.0		800.0
3 Support for Implementation of Agriculture Policy Reform	AWAR	ADTA	800.0		800.0
Subtotal			2,300.0		2,300.0
Social Infrastructure					
4 Provincial / District Towns Urban Development	AWWU	PPTA	950.0		950.0
5 Health Financing Study	AWEH	ADTA	200.0		200.0
6 Capacity Building for Upper Secondary Education	AWEH	ADTA	400.0		400.0
Subtotal			1,550.0		1,550.0
Finance and Industry					
7 Strengthening of Capital Markets Institutions	IWFI	ADTA	700.0		700.0
Subtotal			700.0		700.0
Others/Multisector					
8 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		5,350.0	200.0	5,550.0

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

^a AWAR = Agriculture and Rural Development, AWEH = Education, Health, and Population, AWFN = Forestry and Natural Resources, AWWU = Water Supply, Urban Development and Housing, IWEN = Energy, IWFI = Financial Sector and Industry, IWTC = Transport and Communication, OGC = Office of General Counsel, PWD = Programs Department (West), VRM = Viet Nam Resident Mission.

Table A10.2 (cont'd.): Technical Assistance Program, 2002-2004

Sector/Project Name	Responsible Division ^a	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
Year 2004					
Agriculture and Natural Resources					
1 Integrated Natural Resource Management Strategy for the Central Provinces	AWFN	ADTA	150.0		150.0
Subtotal			150.0		150.0
Energy					
2 Strengthening of Transmission and Distribution Systems	IWEN	ADTA	500.0		500.0
Subtotal			500.0		500.0
Finance and Industry					
3 Capacity Building for SME Development	IWFI/AWAR	ADTA	600.0		600.0
4 Social Safety Nets and Financial Markets Development	IWFI	ADTA	500.0		500.0
Subtotal			1,100.0		1,100.0
Social Infrastructure					
5 Capacity Building for Health Sector Development	AWEH	ADTA	400.0		400.0
6 Secondary Education Expansion and Quality Improvement	AWEH	PPTA	600.0		600.0
7 Public-Private Partnership in Professional Education	AWEH	ADTA	250.0		250.0
Subtotal			1,250.0		1,250.0
Others/Multisector					
8 Support for Public Administration Reform	VRM/PWD	ADTA	500.0	200.0	700.0
9 Assessment and Monitoring of Poverty Reduction	PW3	ADTA	250.0		250.0
Subtotal			750.0	200.0	950.0
Total			3,750.0	200.0	3,950.0

ADTA = advisory technical assistance, PPTA = project preparatory technical assistance, SME = small and medium-scale enterprise, TA = technical assistance.

^a AWAR = Agriculture and Rural Development, AWEH = Education, Health, and Population, AWFN = Forestry and Natural Resources, IWEN = Energy, IWFI = Financial Sector and Industry, PWD = Programs Department (West), PW3 = Programs Department (West) Division III, VRM = Viet Nam Resident Mission.

Table A10.3: 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	10.0
2. Poverty Intervention (Noncore)	1	20.0	5	50.0
3. Other	4	80.0	4	40.0
Total	5	100.0	10	100.0
B. By Thematic Priority				
1. Economic Growth	2	40.0	2	20.0
2. Environment	0	0.0	2	20.0
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	4	40.0
6. Private Sector Development	1	20.0	1	10.0
7. Regional Cooperation	1	20.0	1	10.0
Total	5	100.0	10	100.0
C. By Sector				
1. Agriculture and Natural Resources	2	40.0	2	20.0
2. Energy	0	0.0	1	10.0
3. Finance and Industry	1	20.0	1	10.0
4. Social Infrastructure	2	40.0	4	40.0
5. Transport and Communications	0	0.0	2	20.0
6. Others/Multisector	0	0.0	0	0.0
Total	5	100.0	10	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.

**COUNTRY LENDING SCENARIO AND PERFORMANCE TRIGGERS
2002 - 2004**

Low	Base	High
Deterioration in macroeconomic environment with unsustainable fiscal and current account deficits, significantly overvalued real effective exchange rate, and falling foreign exchange reserves.	Supportive macroeconomic framework for continued deep structural reforms, including sustained revenue mobilization efforts (revenue to GDP ratios not less than 20 percent), credit policies conducive to private sector growth (credit growth of 20-25 percent with increasing share to private sector), and more flexible exchange rate management to correct for misalignment of the real exchange rate.	Base case triggers met +
	Adequate provisions for poverty reduction programs and development of backward regions in 2002 and subsequent budgets.	Sector programs and expenditures linked to multiyear overall resource availability in a transparent and consistent framework under the Comprehensive Poverty Reduction and Growth Strategy (CPRGS).
In Agricultural Sector Development Program Loan II, lack of progress in key areas including: <ul style="list-style-type: none"> – share of state budget to agricultural research and extension, – improvement of conditions for private small and medium agro-enterprise development. 	<ul style="list-style-type: none"> • Agricultural Sector Development Program Loan II on track. • Progress in equitization of state-owned enterprises (SOEs), particularly agriculture and forestry SOEs. 	<ul style="list-style-type: none"> • Impact surveys show significant increase in number of small farmers, women, and ethnic minority people who are aware of and adopt new agricultural practices, trying/using new seed varieties and introducing new crops to cropping patterns. • Substantive progress in forestry sector reforms implementation. • Forest land classification and allocation/planning rationalized in Central Region.
Lack of progress in key areas of financial sector reform, including a clear and practical strategy for resolving nonperforming loans.	<ul style="list-style-type: none"> • Government has reviewed the effectiveness of the existing environment for private small and medium-scale enterprises (SME) development and has developed an action plan for SME development. • SME Development Program initial actions on track • Forums for private-public dialogue on private sector development maintained • Financial Sector Program Loan II and financial sector reform on track. • Appropriate regulatory framework for nonbank financial intermediation in place. 	Government has demonstrated strong commitment to domestic private sector development through: <ul style="list-style-type: none"> – improved implementation of Enterprise Law and associated regulatory changes, – new or strengthened public-private institutional partnerships, to improve the business environment, – increased private participation in power and water supply build-own-operate-transfer/build-operate-transfer, – increased number of contract awards to domestic private enterprises for infrastructure construction and maintenance, and – increased share of nonbank financial intermediation.

Low	Base	High
	<ul style="list-style-type: none"> • Satisfactory progress in implementing Secondary Education Master Plan. • Secondary school curriculum is revamped with greater emphasis on meeting labor market and societal needs. • Secondary school enrollment rates of women and ethnic minorities increase. 	<p>Base case triggers met +</p> <p>Government decision taken to structure and fund a vocational and technical education system based on public-private partnership.</p>
	<p>Mechanisms developed to improve regional equity in the delivery of health care services and better targeting of public subsidies.</p>	<p>Government decision to implement financially sustainable health insurance program for the poor.</p>
	<ul style="list-style-type: none"> • Steady and satisfactory progress in implementing public administration reform. • Progress in implementing grassroots democracy decree. 	<ul style="list-style-type: none"> • Major improvements in public financial management implementing the recommendations made under the Public Expenditure Review and agreed upon by the Government and the donor community. • Improved working of judicial system and court infrastructure. • Satisfactory implementation of relevant elements of legal needs assessment.
<ul style="list-style-type: none"> • Unsatisfactory compliance with agreed country portfolio review (CPR) actions. • Percentage of projects at risk is high. • Disbursement ratio is low. 	<ul style="list-style-type: none"> • Percentage of projects at risk is declining. • Disbursement ratio is rising. • Start-up delays reduced from current level. 	<ul style="list-style-type: none"> • Satisfactory compliance with agreed CPR actions every year. • Percentage of projects at risk is low. • Disbursement ratio is high. • Start-up delays significantly reduced.

ECONOMIC AND SECTOR WORK PIPELINE

Type of Economic and Sector Work	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 (2004)	Analysis of the relationship between poverty profile, public policies, and poverty outcomes.	ADTA 2004
(ii) Governance and Public Administration Reform	Study to support Government's public administration reform agenda covering both legal and institutional issues.	ADTA 2002 (cluster)
(iii) Support to Governance and Public Administration Reform	Analyses to underpin implementation of the public administration reform program and related capacity building for central agencies.	ADTA 2003 (cluster)
(iv) Support for Public Administration Reform	Analysis of constraints in public service delivery and efficiency improvement measures in the public sector.	ADTA 2004 (cluster)
(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 industrialization Study	Assess the tools and potential for the promotion of rural industrialization.	Staff Consultant
(iii) Rural Finance Strategy Study	Study to develop a strategy for efficient and sustainable rural finance and microfinance.	Staff Consultant
(iv) Transport Sector Strategy Update	Assess needs and development of sector reform and operations.	Staff Consultant
(v) Central Region Road Sector	Develop a road master plan for the central region, to help prioritize investment.	TA 2002
(vi) Legal Sector Capacity Building and Reform	Support for institutions involved in professional legal education and training.	ADTA 2002
(vii) Health Financing Study	Analysis of health financing options.	ADTA 2003

Type of Economic and Sector Work	Strategic or Operational Objective	Modality (staff/staff consultant/ ADTA/RETA)
(viii) Capacity Building for Upper Secondary Education	Plan for capacity-building in MOET and other institutions involved in upper secondary education.	ADTA 2003
(ix) 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
(x) Capacity Building for Forests for Improved Livelihoods in the Central Highlands	Strengthen capacity for demand-driven investment, performance-based administration and effective MIS for natural resources management.	ADTA 2003
(xi) 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
(xii) 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
(xiii) Strengthening of Transmission and Distribution Systems	Asses development of the national power transmission and distribution systems and promote power sector unbundling	ADTA 2004
(xiv) Capacity Building for Health Sector Development	Assessment of potential options and formulation of the policy framework to improve health services for the poor.	ADTA 2004
(xv) Public-Private Partnership in Vocational and Technical Education	Analyze the potential and instruments for closer private sector involvement in VTE.	ADTA 2004
(xvi) Integrated Natural Resources Management Strategy for the Central Provinces	Assess progress under ongoing natural resources interventions and identify "change management" capacity building and support needs	ADTA 2004

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

THE PROCESS OF COUNTRY STRATEGY AND PROGRAM PREPARATION

1. Preparation of the Viet Nam country strategy and program (CSP) has been closely coordinated with (i) preparation of the Government's Socioeconomic Development Strategy (SEDS) 2001-2010 and Five-Year Plan 2001-2005, and relevant poverty and sector strategies; (ii) other aid agencies active in Viet Nam; and (iii) background analysis performed within the Asian Development Bank (ADB), through ADB-supported technical assistance (TA), or externally.
2. After a first country strategy mission in May-June 1999, CSP preparation was temporarily suspended to synchronize it with the Government's process of preparing a 10-year SEDS for 2001-2010 and a related five-year plan for 2001-2005. It was also agreed with the Government that the CSP would have the same 2005 time horizon as the five-year plan. ADB actively participated in providing sector-level analytical inputs through TA (for example on agriculture and water resource policy) and in a series of broad consultations on the SEDS.¹
3. The Government has developed a number of poverty-specific strategic documents. A 10-year strategy and a five-year plan for hunger eradication and poverty reduction (HEPR) were prepared by the Ministry of Labor, Invalids and Social Affairs in late 2000 and early 2001. They focus on targeted poverty reduction programs through a set of measures, which include subsidized credit, rural infrastructure, resettlement assistance, fee exemption for health and education services, extension services, and other direct support to households classified as poor. Through TA, ADB supported the analysis of past HEPR operations in the areas of credit, forestry, and resettlement, and the organization of three regional consultation workshops in Hanoi, Hue, and Ho Chi Minh City to obtain feedback on adapting the HEPR strategy and to plan to local circumstances. The Government is currently engaged in the preparation of a Comprehensive Poverty Reduction and Growth Strategy (CPRGS), and ADB has been supporting the process through its involvement in the Poverty Task Force (PTF). While the CPRGS is scheduled for completion in April 2002, the guiding principles will not be substantially different from those contained in the Government's SEDS, Five-Year Plan, HEPR strategy and plan, and interim poverty reduction strategy paper (I-PRSP), which was finalized in July 2001. These principles have been adopted in the preparation of the CSP, and any changes contained in the final CGPRS will be reflected as needed in subsequent CSP updates.
4. The consultation process with Government and within the external aid community has benefited from a very active PTF, to which ADB belongs. The PTF undertook a sequence of activities, starting in 1999 with the analysis of the causes and dimensions of poverty in Viet Nam through household expenditure surveys and participatory poverty assessments, summarized in the *Attacking Poverty* report, presented at the December 1999 consultative group meeting. The focus of PTF activities shifted in 2000 to the strategy for poverty reduction, by providing commentary to the overall SEDS,² and inputs into the preparation of the HEPR strategy and plan, and I-PRSP. In 2001, the main emphasis has been on monitoring of poverty reduction, through the preparation of eight background papers aimed at localizing the international development goals on the basis of Viet Nam's specific circumstances and the Government's

¹ Consultations between the Government and the international community on the 2001-2010 Socioeconomic Development Strategy (SEDS) were held in March 2000, November 2000, and June 2001. They were supported by United Nations Development Programme (UNDP) and attended by high levels of Government (the Deputy Prime Minister, and ministerial level representatives of the SEDS drafting team). ADB chaired sessions on governance and public administration reform during these consultations and provided written inputs.

² Notably through the *Viet Nam Development Report 2000: Attacking Poverty*, jointly prepared by the Government-Donor-NGO Working Group for the 1999 Consultative Group meeting.

strategies. The papers were discussed at a PTF workshop in Haiphong in September 2001. Work will continue in 2002 to support completion of the CPRGS and possibly begin analysis of regional characteristics of poverty in Viet Nam.

5. ADB's consultation process in CSP preparation has been closely meshed with the PTF activities described in para. 3. In addition, joint sector level consultations were organized with the World Bank and relevant sector ministries in health and education, and the proposed ADB sector strategy was presented and discussed at broad sector coordination forums, such as the international support group for the Ministry of Agriculture and Rural Development, the urban forum, and the public administration reform retreat.³ Consultations with NGO and the private sector took place during annual country programming and country strategy missions. Further consultations responding to the requirements of the high level forum were organized in Hanoi on 25-26 October 2001. To build on the spirit of partnership described above, the consultations were carried out within the framework of existing processes, namely through one of the periodic meetings of the poverty working group, and with focus groups of government officials, the private sector, and international and local NGOs.

6. Economic and sector work (ESW) in support of CSP preparation took place through in-house resources or TA. A country assistance program evaluation was completed in December 1999, and informs the analysis presented in Section II. Cross-cutting themes were analyzed through a Poverty Assessment, Private Sector Assessment, Gender Briefing Paper and Strategy, and Governance Strategy, all produced in 2001. Sector-level background analysis was prepared through internal ADB ESW to prepare an Energy Sector Profile (1999) and a study on Better Health for the Poor (2000) and TA which supported preparation of Agriculture Sector Policies analysis, Secondary Education Sector Master Plan, Human Capital of the Poor in Viet Nam (2001); and Central Region Development Strategy (2000). Relevant sector plans and analyses prepared by the Government, other aid sources (particularly the World Bank and United Nations Development Programme) and the NGO and Vietnamese research institutes and academic community were consulted and used as references as appropriate.

³ These were held respectively on 30 May 2001, 21 May 2001, and 27-28 September 2001.

PROJECT SELECTION BRIEFS AND TECHNICAL ASSISTANCE CONCEPT PAPERS

Table A14.1: 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 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 Ho Chi Minh City for domestic and industrial uses, (ii) increase irrigated agriculture in the surrounding provinces, and (iii) reduce salinity intrusion in the Saigon River in Ho Chi Minh City.
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 – Significant adverse environmental impacts expected
Social Issues:	Resettlement

— = not applicable.

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 A14.2: Project Selection Brief for Agriculture Sector Development Program

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:	Sector Development Program
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 support continuing transformation of 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 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 – Some adverse environmental impacts expected
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 A14.3: 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 Capital 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 Assessment and Strategy prepared for the CSP identified important elements for 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 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 issues related to building a more diversified financial system, capable among other things of better serving SMEs.
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 and 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 A14.4: 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 (3670-VIE)
Proposed PPTA Amount:	\$600,000 approved on 7 June 2001
Attached ADTA:	Capacity Building for Upper Secondary Education
Proposed ADTA Amount:	\$400,000
Start Pre-design 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 prepared a long-term education development strategy covering the period 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 the labor market, ADB will assist the Government in increasing equitable access for 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 equalizing opportunity for human capital improvements. 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 is assisting 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.
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 – Unlikely to have adverse environmental impact

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 loan 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 A14.5: Project Selection Brief for GMS: Mekong 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 approved on 28 December 1999
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 loan will implement needed small infrastructure investment to support tourism development. 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 under 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

— = not applicable.

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 A14.6: Project Selection Brief for Central Provinces Water Resources Sector Management

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:	Shunsuke Bando, Programs Officer, PW3
Tentative Loan Amount According to CSP:	\$90.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Central Provinces Water Resources Sector Management (2002)
Proposed PPTA Amount:	\$1.0 million
Attached ADTA:	None
Proposed ADTA Amount:	—
Start Pre-design 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, 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 – Significant adverse environmental impacts expected/ Some adverse environmental impacts expected
Social Issues:	Emphasis will be given to poverty reduction.

— = not applicable.

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 A14.7: Project Selection Brief for Forests for Livelihood Improvement
in the Central Highlands**

A. Data	
Project Number:	34341-01
Country:	Viet Nam
Sector:	Agriculture and natural resources
Subsector:	Forestry/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:	Forests for Livelihood Improvement in the Central Highlands
Proposed PPTA Amount:	\$1 million
Attached ADTA:	Capacity Building for Forests for Livelihood Improvement in the Central Highlands
Proposed ADTA Amount:	\$800,000
Start Predesign Phase:	2Q 2001
Start Design Phase:	4Q 2001
Approval Year According to CSP:	2003 Firm
Proposed Executing Agency:	MARD and Provincial Departments of Agriculture and Rural Development in Dac Lac; Gia Lai; and Kon Tum provinces.
Contact Person in Proposed Executing Agency:	Mr. Dao Trong Tu, Vice-Director, MARD – International Cooperation Department
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 will be implemented to maximize the developmental impact of ADB investments in the Central Highlands in coordination with other ADB investment.

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 and 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 – Some adverse environmental impacts expected
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 A14.8: Project Selection Brief for Central Region Urban Development

A. Data	
Project Number:	34355-01
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:	\$60.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Central Region Urban Development
Proposed PPTA Amount:	\$1,000,000
Attached ADTA:	None
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:	The Project will facilitate sustainable urban development in selected provincial and district towns of the Central Region of Viet Nam. 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.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	A recently completed ADTA analyzed the current situation of the urban sector in the Central Region, including a pre-screening of potential provinces and towns suitable for detailed feasibility study.
Comparative Advantage of ADB in Proposed Project:	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. ADB's role as an important 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. 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.
Rationale and Scope of Attached ADTA:	—
Development Objective (thematic priority):	Human development
Environmental Classification Project:	B – Some adverse environmental impacts expected
Social Issues:	To be determined (possibly some resettlement)

— = not applicable.

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 A14.9: Project Selection Brief for Housing Finance

A. Data	
Project Number:	34355-02
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:	\$20.0 million (ADF)
Proposed Lending Modality:	Project loan
PPTA:	Housing Finance
Proposed PPTA Amount:	\$400,000
Attached ADTA:	None
Proposed ADTA Amount:	—
Start Predesign Phase:	August 2001
Start Design Phase:	December 2001
Approval Year According to CSP:	2002 Standby - 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:	The Project will support the establishment of a sustainable, market-based system for the delivery of housing finance to meet the needs of low- and middle- income households. 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. The project will also support the development of financial markets.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	A recently completed ADTA analyzed the current situation, constraints, and challenges and prepared an ADB approach to support the Government's objectives and plans.
Comparative Advantage of ADB in Proposed Project:	ADB has pioneered the analysis of housing finance issues in Viet Nam through ADTA. ADB also supported financial sector development through Financial Sector Program Loan I. This loan will also support the establishment of a sustainable, market based housing financing system.
Rationale and Scope of Attached ADTA:	—
Development Objective (thematic priority):	Human development
Environmental Classification Project:	C – Unlikely to have adverse environmental impact
Social Issues:	To be determined

— = not applicable.

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 A14.10: Project Selection Brief for GMS: Kunming – Hai Phong Economic 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:	Hans Carlsson, 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 Economic Corridor (2002)
Proposed PPTA Amount:	\$600,000
Attached ADTA:	None
Proposed ADTA Amount:	—
Start Pre-design 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, and Haiphong 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 Province 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 the PRC portion of this corridor.
Comparative Advantage of ADB in Proposed Project:	ADB has a long-standing involvement in providing subregional transport infrastructure in GMS. Ongoing activities in the GMS (cross-border agreements) and physical infrastructure projects in Yunnan Province and Viet Nam will complement the proposed loan.
Rationale and Scope of Attached ADTA:	—
Development Objective (thematic priority):	Regional cooperation
Environmental Classification:	To be determined
Social Issues:	Resettlement

— = not applicable.

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 A14.11: 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:	Strengthening of Transmission and Distribution Systems
Proposed ADTA Amount:	\$500,000
Start Predesign 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 the 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.
Rationale and Scope of Attached ADTA	Support strengthening and reform of sector institutions, through actions such as the unbundling of generation, transmission and distribution; the creation of an independent regulator to facilitate clearly defined contractual arrangements for power supply; and the entry of commercial producers in the long term
Development Objective (thematic priority):	Economic growth
Environmental Classification:	B – Some adverse environmental impacts expected
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 A14.12: Project Selection Brief for SME Development

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 (2002)
Proposed PPTA Amount:	\$700,000
Attached ADTA:	Capacity Building for SME Development
Proposed ADTA Amount:	\$600,000
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 (e.g. business services) to viable SMEs. A program component is likely to be included to address significant policy constraints for SME development identified during the PPTA.
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. The PPTA will undertake a comprehensive review of the past work done for the promotion of SMEs, 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).
Rationale and Scope of Attached ADTA:	Support the policy reforms and institutional development requirements associated with the loan. Promotion of business associations and of forums for dialogue between Government and the private sector will be supported.
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 A14.13: 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:	Capacity Building for Health Sector Development
Proposed ADTA Amount:	\$400,000
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) an 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 follows 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. The World Bank did an expenditure review of the health sector in 2000.</p> <p>ADB undertook the following sector work in 2000-2001:</p> <ul style="list-style-type: none"> 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)
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:	<p>Support health sector reforms and capacity development, particularly in the areas of service quality improvement and health financing.</p>
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 loan will address 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 loan will be designed to improve the health status of these groups.</p>
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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, PPTA = project/program preparatory technical assistance, TA = technical assistance, VRM = Viet Nam Resident Mission.

Table A14.14: Project Selection Brief for Lower Secondary Education Development II

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:	Lower Secondary Education Development II (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 formation, 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 Education Development Strategy to Year 2010 in 2000, including secondary education. ADB assisted through RETA the process of Education for All 2000 assessment including Viet Nam. ADB is assisting 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.
Rationale and Scope of Attached ADTA:	—
Development Objective (thematic priority):	Human development /gender and development
Environmental Classification:	C – Unlikely to have adverse environmental impact
Social Issues:	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 loan 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.

— = not applicable.

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 A14.15: Project Selection Brief for Central Region Road Sector

A. Data	
Project Number:	34356-01
Country:	Viet Nam
Sector:	Transport and Communications
Subsector:	Roads and road transport
Project Division:	IWTC
Contact Person in Projects Division:	Hans Carlsson, 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, complementing area-based livelihood improvement interventions.
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.

— = not applicable.

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 A14.16: Project Selection Brief for Governance and Public Administration Reform

A. Data	
Project Number:	35343-01
Country:	Viet Nam
Sector:	Others/Multisector
Subsector:	Governance and public administration
Project Division:	PWD
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 Predesign Phase:	2002
Start Design Phase:	2003
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 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 master plan (supported by ADB and UNDP over time) was approved in September 2001. As PAR plans are defined, 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 – Unlikely to have adverse environmental impact
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 A14.17: TA Concept Paper for Governance and Public Administration Reform

A. Profile	
Department, Division, RM, Officer Concerned:	PWD, 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) master plan to overcome weaknesses in the legal and institutional framework of governance and public administration, institutional capacity, policy making, and service delivery. If requested by the Government, the TA will also support preparation of a program loan in governance and PAR programmed on a standby basis for 2004, and 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.
3. Scope (specific major components, e.g. capacity building)	The TA will be designed as a component of a TA cluster in support of PAR and improved governance over three-years. The major components of the ADTA are expected to involve some of the following areas: support for implementing the Government's PAR master plan through structural and strategic planning reform, capacity building in the central agencies that are leading the reform, improvements in policy making, skills development, and personnel management and remuneration policy reform.
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 to strengthen the Office of Government and its capacity to provide leadership in the PAR process is under implementation.
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, CAP = Country Assistance Plan, 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 ADB operations (for RETAs).

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

Table A14.18: 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 past TA, ADB supported a major program to familiarize about 1,000 legal officers and lawyers with skills and knowledge required in a market economy. The Government has requested ADB's continuing support for the subsector of legal professional training. An ongoing joint legal needs assessment is comprehensively analyzing the reform and development needs in the legal area. ADB is supporting the assessment, and has committed to support implementing resulting reform measures, seeking synergy with the approach proposed under the CSP. The exact scope of ADB assistance will be determined during development of the LNA action plan, expected to be available in early 2002.
2. Relation to Strategic Objectives (How the TA addresses the following) • 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) • 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 (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

— = not applicable.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CAP = Country Assistance Plan, CSP = country strategy and program, JSF = Japan Special Fund, LNA = Legal Needs Assessment, 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 ADB operations (for RETAs).

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

Table A14.19: 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 Management 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 fish stock, post-harvest 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	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 	RETA-5712: Coastal and Marine Environmental Management in South China Sea (\$2.7m), completed in December 2000. The TA concluded that (i) there are no clear responsibilities within the Government for managing marine protected areas; (ii) there is increasing pressure on coastal and marine resources; (iii) damage to marine protected areas will adversely affect the tourism industry, particularly in the north and central areas of the country; (iv) measures for institutional, policy, and legal strengthening are necessary.
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 	\$600,000
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, CAP = Country Assistance Plan, 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 ADB operations (for RETAs).

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

Table A14.20: TA Concept Paper for Provincial/District Towns Urban Development

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):	Provincial/District Towns Urban Development
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, particularly for investment at the district town level.
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. The ensuing project will improve the environment in urban areas.
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, CAP = Country Assistance Plan, CSP = country strategy and program, **IPF = Indicative Planning Figure**, 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 ADB operations (for RETAs).

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

Table A14.21: TA Concept Paper for Secondary Education Expansion and Quality Improvement

A. Profile	
Department, Division, RM, Officer Concerned:	AWD, AWEH, Yasushi Hirosato, Education Specialist
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	Secondary Education Expansion and Quality Improvement
Country/Region (as applicable):	Viet Nam
Sector/Subsector:	Social Infrastructure/Education
Poverty Classification and Thematic Priorities: ^a	Poverty Intervention Human Development/Gender and Development
Program Year: ^b	2004
Expected Approval Date (mo/yr):	February 2004
Estimated Completion Date:	November 2004
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Ongoing and planned loans will contribute to increase the net enrolment rate for lower secondary education to 82 percent, and that for upper secondary to 45 percent; and support the nationwide introduction of new curriculum and textbooks for all four grades at the lower secondary level. In line with the Government's goal of universalizing lower secondary education and expanding upper secondary education with high quality by 2010, it is necessary to provide further support to secondary education expansion and improvement including nonformal options for out-of-school youth in rural, disadvantaged areas.
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 PPTA and the ensuing loan will contribute to reduce poverty by helping the poor and ethnic minorities increase their access to secondary education with quality in rural, disadvantaged areas, especially in the North Uplands, Central Highlands, and Mekong Delta. The ensuing loan is also in line with the ADB's country strategy, emphasizing the need for improving the human capital of the poor.
3. Scope (specific major components, e.g. capacity building)	The PPTA will develop a project including the following three major components: (i) increasing access of "hard to reach" groups including nonformal secondary education options, (ii) improving quality and efficiency by introducing full-day lower secondary education, and (iii) strengthening institutional capacity for education management.
4. Expected Outcome and Monitorable Indicators	The PPTA will have the following outputs: (i) an in-depth analysis on remaining issues in universalizing quality lower secondary education and expanding quality upper secondary education, and (ii) a project feasibility report for the consideration of ADB and the Government.
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 	Previous TAs are: TA 2690-VIE: Lower Secondary Curriculum and Teacher Training Systems Development, for \$1 million and approved in 1997; and TA 2970-VIE: Teacher Training Project, for \$600,000 and approved in 1997. The ensuing loans have contributed to develop and improve lower secondary education including teacher training. TA 3560-VIE: Secondary Education Sector Master Plan, for \$600,000 approved in December 2000, is ongoing.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Education and Training (MOET)
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF/TASF) (ii) Sources other than JSF/TASF 	\$600,000
8. Country, RETA IPF for relevant year	\$6 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department (West), AWEH = Education, Health and Population Division, CAP = Country Assistance Plan, CSP = country strategy and program, IPF = Indicative Planning Figure, 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 ADB operations (for RETAs).

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