This report summarises the aid program’s progress in 2011 against the Vietnam country strategy *Australia’s strategic approach to aid in Vietnam: 2010–2015*.

**Context**

Following two decades of strong economic growth and associated reforms, Vietnam has become a lower middle income country with per capita income of US$1130 in 2010.

Vietnam introduced a package of monetary and fiscal tightening measures under Resolution 11 in early 2011 to address macroeconomic instability, particularly high inflation. These measures stabilised the economy but also slowed economic growth to 5.9 per cent in 2011 compared to 6.8 per cent in 2010. Structural problems have been identified with the financial sector, declining productivity and improving competitiveness, and Vietnam’s government announced plans in October 2011 to undertake economic restructuring, including by restructuring public investment, state owned enterprises and the financial sector, over the next five years.

Vietnam continues to aspire towards becoming an industrialised and modern economy by 2020. The 10 year National Development Strategy 2011–2020 and the five year Social and Economic Development Plan 2011–2015 sets out the priorities to meet these aspirations. Three breakthrough areas are defined: human resource development, infrastructure development, and modernising institutions.

Good progress is being made against the Millennium Development Goals (MDGs) and poverty reduction. Vietnam has already achieved five of its 10 original MDG targets and is likely to meet a further two by 2015. Remaining areas of concern are HIV/AIDS and access to sanitation. The poverty rate was 12.3 in 2009. Addressing widening income disparities, the persistence of poverty in rural and remote ethnic communities, and continued gender inequality is required to further reduce poverty rates and improve broader social inclusion. A 2011 country gender assessment noted that while Vietnam has made good progress on gender equality in general, key ongoing areas of concern include HIV/AIDS, gender violence, poverty among elderly Vietnamese women in rural areas, and primary education enrolment rates among particular ethnic minority groups. Following a growth path
that is more environmentally sustainable and responsive to the challenges of climate change is a further dimension to Vietnam’s future development.

**Program objectives and strategy**

The Vietnam country strategy has five strategic objectives:

- improving the quality of Vietnam’s human resources
- developing better transport infrastructure and policy to support economic integration
- increasing rural access to clean water and sanitation
- advancing climate change adaptation and mitigation
- developing more sustainable and resilient systems in agriculture, forestry and fisheries.

Support to help Vietnam modernise its institutions so they are able to support the next phase of Vietnam’s development underpins this thematic engagement.

These objectives remain relevant to Vietnam’s development needs and are aligned with the key priorities in Vietnam’s Social and Economic Development Plan 2011–2015. From 2012, the number of strategic objectives will be reduced from five to four with the removal of ‘developing more sustainable and resilient systems in agriculture, forestry and fisheries’. This reflects the completion of related initiatives with ongoing activities limited to programs implemented by the Australian Centre for International Agricultural Research.

Vietnam’s development partners pledged US$7.3 billion for 2012 at the December 2011 Vietnam Consultative Group meeting. While official development assistance (ODA) is received from many sources, total ODA accounts for less than 4 per cent of GDP.

Australia is the largest bilateral grant donor to Vietnam, with an estimated $106.3 million provided in 2011–12. Other major donors include the World Bank, Asian Development Bank, Japan, Germany, the United States and European Union. A number of bilateral donors are phasing out ODA while others, including Australia, are continuing their programs.

Australia recognises Vietnam’s ownership and leadership of the development agenda. Much of our aid is delivered through, and helps strengthen, the government’s own systems. Australia also works in partnership with other multilateral and bilateral donors and non-government organisations to deliver programs. Key partnerships include the World Bank, Asian Development Bank, Germany, the United Kingdom and Denmark.
Table 1: Estimated expenditure in 2011–12

<table>
<thead>
<tr>
<th>Objective</th>
<th>A$ million</th>
<th>% of bilateral program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective 1: Improvement in the quality of Vietnam’s human resources</td>
<td>26.8</td>
<td>25</td>
</tr>
<tr>
<td>Objective 2: Better transport infrastructure and policy to support economic integration</td>
<td>36.8</td>
<td>35</td>
</tr>
<tr>
<td>Objective 3: Increase rural access to clean water and sanitation</td>
<td>16.1</td>
<td>15</td>
</tr>
<tr>
<td>Objective 4: Advance climate change adaptation (focusing on the Mekong Delta) and mitigation</td>
<td>23.6</td>
<td>22</td>
</tr>
<tr>
<td>Objective 5: Develop more sustainable and resilient systems in agriculture, forestry and fisheries (ACIAR)*</td>
<td>4.7</td>
<td>3</td>
</tr>
<tr>
<td>Other engagement</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>106.3</strong></td>
<td></td>
</tr>
</tbody>
</table>

*ACIAR funding is additional to the AusAID managed bilateral program.

Progress against objectives

The Vietnam program uses a performance assessment framework (Annex A) that provides milestones against which performance is assessed each year. As well as promoting rigour in judging program implementation, the framework also promotes strategic focus. The ratings presented in this section are a combination of actual progress against milestones in 2011 and future challenges/issues that could hinder progress. In 2011, overall progress was positive with three green ratings and one amber rating across the four objectives. No rating was given to objective 5 on agricultural research, but comments on overall progress were sought from the Australian Centre for International Agricultural Research. Of the top five planned results for 2011 (Annex B), one was fully achieved and four were partially achieved.

Table 2: Ratings of the program’s progress towards the objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Current rating</th>
<th>Relative to previous rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective 1: Improvement in the quality of Vietnam’s human resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 2: Better transport infrastructure and policy to support economic integration</td>
<td></td>
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<td>Objective 3: Increase rural access to clean water and sanitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objective 4: Advance climate change adaptation (focusing on the Mekong Delta) and mitigation</td>
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</tbody>
</table>

Note:
- The objective will be fully achieved within the timeframe of the strategy.
- The objective will be partly achieved within the timeframe of the strategy.
- The objective is unlikely to be achieved within the timeframe of the strategy.
Vietnam aims to become an industrialised and modern economy by 2020. To help achieve this ambitious goal, in July 2011 the government approved a 10-year Master Plan for Human Resource Management 2011–2020 which identified the need to train 8.5 million people at diploma level and above by 2020. A key constraint is the quality of education, particularly at the tertiary level, which remains low. In this context, the master plan also sets a target to have 30 per cent of university lecturers with doctorate degrees by 2020\(^1\). A further constraint is the mismatch between training and use of the workforce.

Improving human resource quality through demand-based training and enhancing capacity of policy makers, entrepreneurs and skilled workers have been identified as priority areas for human resource development\(^2\). The country strategy supports increased quality of Vietnam’s human resources by building individuals’ skills and impact, strengthening public institutions, and promoting Australia-Vietnam linkages.

Country strategy 2011 performance assessment framework milestones (Annex A) have been achieved, except for preparing the human resource development delivery strategy which has been delayed due to lack of resources.

**Improving individuals’ skills and impact**

Australia remains the largest scholarship provider to Vietnam and ranks second after Indonesia for Australia Awards recipient countries. The number of people awarded tertiary scholarships (Comprehensive Aid Policy Framework indicator 16) in 2011 was 250. We are on track to meet our 2015 target to provide 1380 postgraduate scholarships with around 20 per cent (275) for PhD degrees.

As was the case in 2010, 60 per cent of awards in 2011 went to women. There were two awardees with disability. The most common fields of study are economic growth (18 per cent), agriculture and rural development (16 per cent), environment (14 per cent), and education (12 per cent).

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\(^1\) As of December 2011, only 14 per cent of tertiary level academic staff had doctorates.

A mid-term review undertaken in April 2011 concluded that the program is on track to enhance Vietnam’s professional, technical and leadership skills through scholarships for tertiary study. The targeting approach using profiles was generally effective and helps the program successfully attract sufficient applications across all profiles. However, the review recommended that more support be provided for alumni and their employers to ensure that alumni are able to use their knowledge and skills to contribute to Vietnam’s development. To address this, a comprehensive reintegration strategy will be developed in 2012 and ongoing alumni support activities will be implemented to support Australian Development Scholarships and Australian Leadership Awards graduates to better apply their knowledge and skills, and contribute to their respective development areas.

Of the 3097 AusAID-funded alumni since 1977, 88 per cent have returned to Vietnam. A tracer study carried out in May 2011 reported that:

- Alumni are able to use their skills and knowledge to contribute in areas such as public policy development (59 per cent), management and administration (77 per cent), business and commerce (55 per cent), research and teaching (8 per cent), and promoting gender equality (49 per cent). A third of alumni had introduced innovations and system changes in their work.

- A total of 66 per cent of alumni are working for the public sector, 25 per cent are in the private sector and the remaining 9 per cent work for non-government organisations and international agencies.

- A total of 18 per cent are in senior positions that include vice ministers, directors general, rectors, heads of research institutes and CEOs. Another 47 per cent are in management positions and 60 per cent reported that they were promoted within two years of return from study in Australia.

- Women account for 34 per cent of alumni in senior positions and 47 per cent in management positions.

**Strengthening public institutions**

Strong public institutions are needed if Vietnam’s ambition of becoming an industrialised country by 2020 is to be realised. To support this, 40 per cent of Australian Development Scholarships are reserved for central government agencies.

The 2011 tracer study showed that 66 per cent of AusAID-funded alumni are working in the public sector. Those who are working in central government agencies are likely to make a contribution to policy development, technical skills, research, and management and administration. In 2012, an in-depth analysis will be undertaken to evaluate the institutional impact of Australian Development Scholarships and Australian Leadership Awards on selected central government agencies.
A revised approach to supporting key AusAID partner government agencies using both scholarships and non-scholarships will be designed in 2012 as recommended by the mid-term review, as part of the human resource development delivery strategy.

**Promoting Australia-Vietnam linkages**

People-to-people and institutional linkages between Australia and Vietnam are being promoted through alumni activities, Australian Leadership Award Fellowships, the Public Sector Linkages Program, and the Australian Volunteers for International Development program.

In 2011, a total of 152 Australian Leadership Award Fellowships were awarded to undertake training and work attachments in Australia. A further 19 senior government officers from key central ministries participated in a public management short course in Canberra organised under a short-course awards pilot funded by AusAID.

The Public Sector Linkages Program aims to develop long-term partnerships between Australian and Vietnamese institutions. Under the Public Sector Linkages Program, seven capacity building projects commenced in 2011 in the areas of climate change, economic integration, judicial training, health information systems, animal health and social studies. AusAID continues to prioritise future activities that leverage the impacts of the Vietnam aid program strategic objectives.

Australian volunteers make a valuable contribution to building the capacity of individuals, organisations and communities through skills and knowledge exchange. In 2011, 123 volunteers (37 men and 86 women) were placed in Vietnam through the Australian Volunteers for International Development program. There is a strong alignment between volunteer placements and the three pillars articulated in the country strategy. Volunteer placements have also been targeted towards AusAID’s thematic priorities including disability support, gender and HIV/AIDS. The governance sector accounts for 30 per cent of placements, environment and climate change account for 26 per cent, the health sector 16 per cent, education sector 13.5 per cent, and rural development 5.7 per cent.

<table>
<thead>
<tr>
<th>Vietnam development goal: increase in economic activity (national and cross-border) in targeted regions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
</tr>
<tr>
<td>Strategy Objective 2: Better transport infrastructure and policy to support economic integration</td>
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</tbody>
</table>

**Note:**
- ▶ The objective will be fully achieved within the timeframe of the strategy.
- ▼ The objective will be partly achieved within the timeframe of the strategy.
- ■ The objective is unlikely to be achieved within the timeframe of the strategy.
While Vietnam continues to grow at an impressive rate, maintaining growth that brings benefits to all depends on how well it exploits the opportunities presented by economic integration at local, national, subregional and global levels. Implementing reforms in areas such as finance, banking, industry, state owned enterprises, competition policy and land policy is needed to strengthen the policy framework and institutions essential to the proper functioning of a globally integrated economy.

Poor infrastructure, particularly major road systems and rural connections to markets, remains a fundamental challenge. Some parts of Vietnam are more heavily affected than others. The full potential of the Mekong Delta with its dense population and vast agricultural and industrial capacity is not being realised because the complex infrastructure needed to traverse its geography remains under-developed. Better infrastructure is needed to support more effective economic integration.

While all but one of the 2011 performance assessment framework milestones have been achieved, progress with this strategic objective is rated amber reflecting issues with the Beyond WTO program (discussed below). Australia’s contribution to co-financed projects and small scale village infrastructure has enabled 52 kilometres of road to be constructed (CAPF Indicator 7) in 2011.

**Infrastructure**

The government currently invests 8 to 10 per cent of GDP in the infrastructure sector with 22.6 per cent of the 2011 national budget spent on transport infrastructure. US$450 million of donor commitments to the transport infrastructure sector were disbursed in 2011. Australia’s contribution (A$42.2 million in 2011) is through a number of strategic infrastructure interventions in the Mekong Delta co-financed with the World Bank and Asian Development Bank.

Australia has chosen investments in this sector based on the following criteria:

- large economic benefits that include a wider Greater Mekong Sub-region integration rationale
- a focus on the rural poor by improving connections to markets through rural feeder roads
- potential to become model projects in terms of approach to climate change, environment, gender, HIV and financing arrangements.

Australia’s infrastructure investments in Vietnam are founded on a strong regional rationale. Bangkok and Ho Chi Minh City are the two economic powerhouses of the Mekong. They trade extensively with each other and house the region’s critical trade infrastructure. For example, the five biggest container terminals in the Mekong are located in Thailand and Vietnam. When completed, the Southern Coastal Corridor, which runs from the southern tip of Vietnam along the coast
through Cambodia to Bangkok, will be a major route to transport cargo by road between Ho Chi Minh City and Bangkok. The Central Mekong Delta Connectivity Project (Cao Lanh Bridge) will be a critical part of this major transport link between the Southern Coastal Corridor and Ho Chi Minh City. The Mekong Delta Transport Infrastructure Development Project will provide important feeder links into these major corridors to get produce moving to markets across the region.

Our infrastructure projects have progressed well in 2011. The detailed design of the Cao Lanh Bridge commenced in late 2011. AusAID helped ensure a project coordinating committee was set up as the main mechanism for dealing with complex project issues as they arise and is a core member of this committee. Key issues AusAID identified during project preparation for particular attention include climate change, road safety and social impacts. Decisions on how these issues will be dealt with during design and civil works will be made by the project coordinating committee. At AusAID’s suggestion, the Asian Development Bank will now include a resettlement expert in its delegation to committee meetings, providing further assurance that appropriate attention is given to these issues by all stakeholders, including Vietnam’s government and relevant provincial governments. AusAID will continue to pay close attention to these issues and provide further expertise to partners if required during the resettlement phase of the project.

AusAID is co-financing two road projects in the Mekong Delta: the Greater Mekong Subregion Southern Coastal Corridor (co-financed with the Asian Development Bank) and the Mekong Delta Transport Infrastructure Development Project (co-financed with the World Bank).

Construction of the Southern Coastal Corridor is 27 per cent complete compared to the 2011 performance assessment framework milestone of 30 per cent. On the Mekong Delta Transport Infrastructure Development Project, 96 kilometres of rural roads were constructed during 2011, which is 48 kilometres more than the 2011 performance assessment framework milestone. A total of 236 kilometres has now been constructed over the life of the project, enabling 96,000 people in poor communes across the Mekong Delta to have better access to markets and essential services.

AusAID participates in supervision and review missions for co-financed infrastructure projects. Our engagement in the Southern Coastal Corridor mid-term review identified a significant technical issue relating to the way soft-soils are to be treated for this project. As a result, an independent review was commissioned and measures are now being taken to rectify the problem. Without AusAID’s input to the review, a significant quality issue with potentially serious road-safety impacts would likely have been overlooked.

AusAID’s efforts to strengthen the social development aspects of our engagement in the infrastructure sector are beginning to show results. For example, we are funding HIV/AIDS awareness and mitigation activities to accompany these major infrastructure investments. Under the Southern Coastal Corridor project, 32
women and 18 men from the Women’s Union, Youth Union, and provincial health departments have been trained to conduct peer education campaigns. HIV/AIDS prevention training has also been provided to construction workers (seven women and 141 men) on this project. A post-training questionnaire from the first two provincial HIV/AIDS awareness training courses conducted under the Mekong Delta Transport Infrastructure Development Project demonstrated a 70 per cent increase in the accuracy of responses to an HIV/AIDS awareness survey amongst the total of 96 participants.

A range of process compliance issues relating to the Asian Development Bank and World Bank’s resettlement policies on these infrastructure projects over the last few years have now largely been dealt with. AusAID continues to work closely with these institutions to encourage robust monitoring of resettlement activities and are confident they are devoting adequate attention and resources to these.

**Policy**

The need for international competitiveness continues to be a basis for further reform in Vietnam.

Some progress is being made on reforming policies that will further economic integration. A new resolution on integration reform (2011–2015) has been submitted to the Prime Minister’s office for approval. This will replace the resolution associated with the national action plan for the World Trade Organization and will provide a more tightly focused road map for further integration. This resolution also proposes revisions to the institutional arrangements for implementing this work and we expect this to strengthen the machinery for dealing with integration issues. Vietnam is progressing important policy reforms in the area of land management with a revised land law to go to the National Assembly in 2012. This has been brought forward from 2013 (as reported in last year’s APPR) as an urgent priority.

The Beyond WTO program is AusAID’s major program working with Vietnam’s government to support economic integration and associated reforms. In last year’s APPR, contributing to evidence-based approaches in areas such as the land law was identified as a target for the program in 2011. The program has supported work during the year that has been drawn on by the team in the Ministry of Natural Resources and Energy that is drafting the revised land law. This work focused on how to apply market principles to land valuation and how to involve the private sector in valuing land. Having land valuation based on market principles will level the playing field for the private and state sectors, improving competitiveness.

Analytical work funded by Beyond WTO also highlighted major regulatory restraints to competition in 10 key industry sectors and made recommendations for how these should be addressed. The government is drawing on these findings as it reforms competition and industrial policy. Improving competition will bring
down prices for consumers and avoid the need for costly and market distorting price interventions or subsidies from government.

While Beyond WTO showed some good results in 2011, institutional issues continued to have an impact on its overall performance. Resolution of the key institutional restructuring issues for the program began to pick-up pace in late 2011. A mid-term review will be conducted in June 2012 which will be a critical point at which we will not only assess the results of the program to date, but also whether it has been restructured in a way that will improve focus and efficiency.

The management consequences from the 2010 APPR identified a program of analytical work around economic and financial sector reform to be developed with the World Bank. In the second half of 2011, AusAID negotiated a country level strategic partnership agreement with the World Bank, which encompasses work in this area. Progress will be reported in the 2012 APPR.
Vietnam development goal: reduce incidence of waterborne diseases.

<table>
<thead>
<tr>
<th>Strategy Objective 3: Increase rural access to clean water and sanitation</th>
<th>Rating</th>
</tr>
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</table>

**Note:**
- The objective will be fully achieved within the timeframe of the strategy.
- The objective will be partly achieved within the timeframe of the strategy.
- The objective is unlikely to be achieved within the timeframe of the strategy.

Based on the national statistics in 2010, waterborne diseases resulting from polluted water and insufficient sanitation conditions continue to have a major economic and health impact on rural populations. The Ministry of Health concludes that the major contributing factor to the extent of waterborne diseases is lack of access to clean water and sanitation. Realising the importance of clean water supply and sanitation for the health of the rural poor, and that access to sanitation remains a lagging MDG target, the government has designed a third phase of the National Target Program for Rural Water Supply and Sanitation (NTP3) for 2012–2015.

Australia, together with Denmark and the UK, continued to provide targeted program budget support and technical assistance to the second phase of the National Target Program for Rural Water Supply and Sanitation (NTP2) in 2011 and have agreed to also support NTP3. The development of NTP3 was based on the findings of a thorough sector review in 2010, joint annual reviews of NTP2 by donors (including Australia) and government, technical and financial audits, and a number of specialist studies. This process has been largely consultative and taken on lessons learnt from previous phases of implementation. Continued Australian support to the sector through NTP3 will provide the opportunity to lock-in the achievements of NTP2 and make further improvements in access to water supply and sanitation, program management and overall sector performance.

NTP2 was extended by one year and completed in 2011. It achieved impressive outcomes in increased access to hygienic water and latrines from 2006–2011. The numerical targets for the number of beneficiaries under NTP2 were met at the end of 2011, however, the program fell short of the overall increased access target percentages. In the area of sanitation, this reflects the complex challenges of achieving behavioural change and affordability. It also reflects inaccurate baseline data at the commencement of NTP2 and problems with monitoring and evaluation data collection in the early years of NTP2. At the completion of NTP2, rural access to hygienic water is 76 per cent and rural access to hygienic sanitation is 52 per cent. The targets for NTP3 at the end of 2015 are 85 per cent for hygienic water and 65 per cent for hygienic sanitation.
While donor support was a relatively small percentage of NTP2 (approximately 6 per cent of the aggregate contributions), it was a significant catalyst in promoting change and improving sector performance. In addition to increased access to water supply and sanitation services, donor funded technical assistance to NTP2 resulted in four areas of significant improvement:

- a greater focus on sanitation and hygiene
- improved coordination between the Ministry of Agriculture and Rural Development, Ministry of Health, and Ministry of Education and Training at national and provincial levels
- quality of construction and sustainability of infrastructure
- planning and reporting of the national program.

The following outcomes were achieved under NTP2 in 2011:

- an additional 2.3 million people were provided with access to clean water compared to 2010
- an additional 455,275 households were provided with access to hygienic latrines compared to 2010
- an additional 8,500 schools and 505 clinics were provided with new or upgraded hygienic water and sanitation facilities.

Australia funded 9 per cent of the 2011 NTP2 budget. This enabled an additional 208,610 people to have access to clean water (Comprehensive Aid Policy Framework indicator 3) and provided an additional 185,850 people with increased access to basic sanitation (Comprehensive Aid Policy Framework indicator 4). The 2011 performance assessment framework milestones were partially achieved.

In 2011, important preparatory work was undertaken to roll out NTP3 in 2012 with intensive technical support from Australia. This work included:

- undertaking a comprehensive review of the legal framework guiding implementation and management of the program and redefining roles and responsibilities of related agencies
- developing pro-poor targeting and gender policies
- reforming the planning and budgeting process which resulted in the development of a medium term expenditure framework for NTP3 for all provinces
- revising the 2008 water tariff circular which provided an improved mechanism for provinces in relation to the collection of revenue for operation and maintenance, and increased participation, of private sector investment in NTP3
• completing data collection and consolidation following the roll out of the new monitoring and evaluation framework for rural water supply and sanitation in all provinces. This was undertaken with support from AusAID, the Danish International Development Agency, and the United Nations Children’s Fund. The monitoring and evaluation results have been used for formal reporting of NTP2 2011 results and planning for NTP3, and more importantly to guide management decisions.

• providing capacity building for implementing agencies through mobile teams of consultants in all provinces. This initiative was coordinated with the Ministry of Planning and Investment, Ministry of Finance, Ministry of Agriculture and Rural Development, and State Audit of Vietnam.

Vietnam development goal: reduce human, economic and environmental losses associated with climate change, including natural disasters.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Strategy Objective 4: Advance climate change adaptation (focusing on the Mekong Delta) and mitigation</td>
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</table>

Note:
- Green: The objective will be fully achieved within the timeframe of the strategy.
- Orange: The objective will be partly achieved within the timeframe of the strategy.
- Red: The objective is unlikely to be achieved within the timeframe of the strategy.

Vietnam’s government made significant progress in 2011 in establishing institutional arrangements, strategies and prioritised action for its climate change response. This culminated in the release of Vietnam’s first national climate change strategy by the prime minister in December 2011. The strategy reaffirms Vietnam’s strategic focus on adaptation, recognising the acute vulnerability of many people, particularly to weather disasters and sea level rise. But it also sees Vietnam moving to cut emissions through opportunities for productive low carbon growth.

In 2011, AusAID joined other donors including Canada, France, Japan, South Korea and the World Bank, in a structured process of policy dialogue under the Support Program to Respond to Climate Change to promote a comprehensive multi-sectoral climate change response. Policy actions for 2011 were endorsed by Vietnam’s prime minister and a joint assessment will be undertaken in the first quarter of 2012 to determine the release of over US$200 million by contributing donors in general budget support prioritised for climate change planning and investment.

While progress in establishing the national policy and institutional arrangements is encouraging, challenges remain in coordination across line ministries and in translating policy into action at the provincial level where climate change assistance is needed most. AusAID will be focusing on these issues through our

3 The results have also been used and incorporated in the National Household Survey in Vietnam in 2009.
policy dialogue under the support program in 2012, and by establishing a technical assistance facility. This will include a focus on integrated coastal management that will draw on our experience with Germany in the Mekong Delta.

**Climate change adaptation**

This year marked the end of a three year pilot project with Germany to help communities in Kien Giang adapt to climate change and improve their management of coastal environments. As part of the project, more than 4.5 kilometres of protective fences were installed to improve the survival and growth rates of over 40 hectares of mangroves. New sustainable livelihood activities, such as growing salt tolerant crops, were also introduced in vulnerable communities, increasing income by between 50 and 150 per cent for 98 households. Resources for primary schools on climate change, biodiversity and waste management have been incorporated into school curricula across the province and are being used by 8000 teachers in over 280 schools.

AusAID and Germany’s aid agency GIZ started an expanded partnership across five provinces under the Climate Change and Coastal Ecosystems Program in mid-2011. This five-year partnership brings German funded projects in Bac Lieu and Soc Trang, as well as the AusAID-GIZ pilot in Kien Giang and two new provinces (An Giang and Ca Mau) under a larger unified program. This is supported by a national component that promotes the sharing of lessons and experience across provinces to inform the national response to climate change. The program is currently in its mobilisation phase and will move to full implementation in 2012.

Other Australian Government agencies are also contributing to Vietnam’s climate change adaptation efforts under the aid program. Australia’s national science and research agency, CSIRO, is undertaking a research project to explore options for climate adaptation through sustainable urban development in Can Tho City, with a focus on water. CSIRO undertook a scoping mission in late 2011 to identify further opportunities to work with Vietnam’s climate scientists and research institutions to better understand and predict the impacts of climate change. The Australian Centre for International Agricultural Research launched a new $4 million project in 2011 to improve the capacity of rice farmers in the Mekong Delta to adapt to likely climate changes. AusAID is working with these agencies to share experience and to identify opportunities for collaboration.

**Disaster risk reduction**

In 2011, natural disasters continued to impact on Vietnamese livelihoods and infrastructure with flooding of around 450,000 households, inundation of more than 350,000 hectares of rice paddy field, 295 recorded deaths, and an estimated damage bill of US$620 million. This compares to US$780 million and 282 recorded deaths in 2010. In November 2011, AusAID provided A$500,000 in response to the International Federation of the Red Cross Emergency Appeal. This contribution assisted around 17,640 people (Comprehensive Aid Policy Framework indicator 29) who were affected by the worst flooding to Vietnam’s
Mekong Delta in more than a decade. Flood relief and recovery assistance included the distribution of household kits, shelter supplies, safe drinking water, storage containers, and disease prevention and health promotion activities. While the floods severely impacted on people’s livelihoods, there were only 86 recorded deaths compared to more than 400 during similar flooding in 2000. This indicates a higher level of preparedness, including improvements in early warning systems and supporting infrastructure.

AusAID continued support for improving community resilience to natural disasters in 2011 through our partnerships with non-government organisations. CARE Australia completed a project in mid-2011 that supported three provinces in the Mekong Delta (Long An, Dong Thap and An Giang) to improve the ability of over 17,000 people to prepare and adapt to annual flooding and storms, and to improve livelihood security. This included small-scale infrastructure that addressed the priority needs of target communities during the flood season, including strengthening 81 and constructing 43 new bridges, improving 438 community roads, and reinforcing over 800 houses. Post-flood monitoring confirmed that the target communities were better prepared and were able to reduce the level of impact.

AusAID has worked with other donors and non-government organisations under a technical working group for the national Community Based Disaster Risk Management program. This has included technical assistance through a partnership with Oxfam to help Vietnam’s Disaster Management Centre to prepare operational guidance, a monitoring and evaluation framework and training materials to support the program’s roll-out in 2011.

AusAID issued a call for proposals in December 2011 under the Community-based Climate Change Action Grants that will lead to new non-government organisation partnerships to improve community resilience in the areas of adaptation and mitigation.

**Climate change mitigation**

Having achieved lower middle-income status, Vietnam is on a path of economic growth that will see substantial rises in energy demand, carbon-based energy generation and greenhouse gas emissions across all key development sectors. Vietnam’s national climate change strategy outlines a commitment to join international efforts to reduce emissions, recognising that promoting low-carbon growth also has broader benefits for sustainable development.

In 2011, AusAID focused on developing new programming in the area of climate change mitigation under the draft Climate Change Delivery Strategy 2011–2016. Australian assistance will focus on mitigation activities with strong development co-benefits in the areas of energy efficiency, agriculture and the promotion of clean technologies.

AusAID joined Finland in contributing to a World Bank feasibility study into a Climate Innovation Centre in Vietnam that will support small and medium-sized
enterprises to develop clean technologies. While this is a relatively modest upfront investment (A$150 000), there will be an opportunity for Australia to scale up assistance based on careful consideration of the study findings.

AusAID is in consultation with the World Bank to identify potential areas of partnership to promote energy efficiency in Vietnam, including through improved energy distribution and regulation for high-end users.

In summary, the 2011 performance assessment framework milestones have been largely achieved. The main challenge will be moving from mobilisation to full implementation for new climate change activities and continuing to build effective partnerships. The Climate Change Delivery Strategy has been drafted and will be finalised following the release of the 2012–13 aid budget in May 2012.

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<tr>
<th>Strategy</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Strategy Objective 5: Develop more sustainable and resilient systems in agriculture, forestry and fisheries</td>
<td>Not rated</td>
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</table>

Note:
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- The objective will be partly achieved within the timeframe of the strategy.
- The objective is unlikely to be achieved within the timeframe of the strategy.

The Australian Centre for International Agricultural Research’s program in Vietnam supports technical and agribusiness research to enhance smallholder incomes from selected areas of high-value agriculture, aquaculture and forestry. These projects are increasingly multidisciplinary, and there is a growing focus on linking central research institutes with provincially based research and extension departments.

Research achievements in 2011 include:

- introducing improved rice varieties with higher tolerance to stagnant flooding, salinity stress and anaerobic conditions during germination
- helping Vietnam to develop a substantial industry of acacia and eucalypt plantations
- progressing fisheries projects on hatchery production of molluscs, developing improved feeds for farmed marine fish and crustaceans, sea cucumber culture, and spiny lobster grow out and disease management
- conducting forage trials in water limiting environments in the South Central Coast of Vietnam (Binh Dinh, Phu Yen and Ninh Thuan provinces) that have yielded significant growth improvements in smallholder cattle systems. Farmers have reported better health and labour saving from planting forages
• working with ethnic minority groups in north-west Vietnam to enhance the productivity, yield and fruit quality of persimmon

• supporting the Vietnamese Women’s Union to undertake production trials and value chain analyses of six traditionally grown vegetables in northern Vietnam.

Other engagements

Ethnic minority poverty reduction

2011 marked the final year of implementation under AusAID’s Implementation Support Program for ethnic poverty reduction in Quang Ngai as foreshadowed in the 2010 APPR. The program helped reduce poverty in 57 upland communes in conjunction with Vietnam’s national ethnic poverty reduction program (P135-II).
Box 1: Key results from AusAID’s support to ethnic poverty reduction in Quang Ngai

The Implementation Support Program worked directly with provincial and local authorities to build capacity in delivering targeted programs for ethnic poverty reduction. Key results included:

- reducing the poverty rate in Quang Ngai’s upland area from 58 per cent in 2008 to 44 per cent in 2010. Households received an income of more than the P135-II target of VND3.5mil per capita per year and have risen from 27 per cent in 2006 to 50 per cent by 2011
- training 950 commune staff in program and financial management, procurement and leadership. This led to 100 per cent of target communes managing their own investment projects, from a base of only 14 per cent in 2006. This is above the national average of 69 per cent under P135-II
- providing technical training to 20 000 poor households to promote the adoption of new approaches in agricultural production. As a result, rice yields have increased from 2800 kilograms to 3800 kilograms per hectare a season and cassava production has increased from 10 to 18 ton a year. Increased production has contributed to food security and improved income for over 16 000 households
- supporting the construction of 147 small scale infrastructure projects to benefit 12 000 poor households. Projects include commune roads, irrigation schemes, water supply systems and kindergartens
- promoting participation of women in commune planning processes, which has led to the selection of infrastructure investments that meet the needs of women. Women are also participating in program-supported farming activities, forming over 45 per cent of the program’s activity groups.

The Implementation Support Program experience has provided some valuable lessons to inform AusAID’s future climate change program, which will look at opportunities for channelling funds to the provincial level through government systems such as the National Target Program to Respond to Climate Change. The strength of the program has been in fostering a high level of ownership at provincial level, which promotes greater responsibility, accountability and longer term sustainability. However, a key lesson is that working through government systems (particularly at the provincial level) takes time and needs to be adequately resourced by the partner government and by AusAID.

Health and HIV/AIDS

Australia is working with the Asian Development Bank to reform the health workforce to deliver better health outcomes through the Health Human Resource Sector Development Program. The program is improving coordination in the health sector and ensuring its workforce is appropriately qualified and held to high performance standards. The program has seen improved progress in 2011 with agreement reached with Vietnam to introduce a centralised health professional registration and licensing system. This system not only adheres to international best practice but also addresses the shortcoming of the law on examination and
treatment. Before agreement was achieved on the system, the law only recognised registration of health facilities, and did not include registration of health professionals. Progress on other activities under the program, including capacity development for health staff and procurement of medical equipment, remains slow mainly due to the government’s medical profession bureaucracy.

Vietnam’s progress towards meeting the MDG targets for HIV/AIDS remains a concern. Through our regional HIV/AIDS program (HAARP), which is focused on reducing the spread of the virus among injecting drug users, we helped distribute 545,000 condoms and 466,000 needles and syringes to program provinces in Vietnam. Through the Clinton Health Access Initiative, we have helped more than 3000 children receive life-saving anti-retroviral treatment since the program commenced in 2006. Initiation and technical assistance to the national Early Infant Diagnosis program has been a stand-out achievement. Without this initiative, 50 per cent of HIV positive children may die by the age of two.

Gender

Vietnam developed the National Action Plan on Gender Equality during the year, which runs to 2015. The plan operationalises the National Strategy on Gender Equality to 2020, which was approved in 2010.

In 2011, the government released a set of national statistical indicators on gender development to monitor and evaluate progress on gender equality. This tool is good quality but the challenge is to ensure it is used nationally so the government can capture progress made across the country.

Australia and the World Bank jointly funded the 2011 Vietnam Country Gender Assessment, which has recommendations that are a good basis for ongoing policy dialogue with the government on priority gender equality issues.

In the 2010 APPR, development of a gender action plan was identified as a priority for 2011. This plan is almost finalised. It articulates how and what we will do to promote gender equality through the aid program in Vietnam and also serves as a mechanism for measuring the performance of our interventions.

Building on the success of our previous partnership with UN Women (then UNIFEM), we will engage UN Women and a proven local gender equality institution (the Institute for Family and Gender Studies – part of the Vietnam Academy for Social Science) to implement the plan. This will strengthen AusAID’s influence at the policy level, improve gender integration across our program in Vietnam, and support national gender capacity building.

Anti-corruption

As foreshadowed in last year’s APPR, Vietnam’s self-assessment against the United Nations Convention on Anti-Corruption was completed in 2011 and received positive feedback from the United Nation’s peer review team.
In 2011, the government and donors reviewed the donor/government anti-corruption dialogue mechanism and agreed it should be held once rather than twice a year to facilitate greater focus on implementation of agreed actions.

In 2011 Vietnam’s rating on Transparency International’s Corruption Perceptions Index improved slightly from 2.7 to 2.9 out of 10. Vietnam still rates below China (3.6) and Indonesia (3), but above Philippines (2.6), Laos (2.2) and Cambodia (2.1).

Australia has been an active partner in the anti-corruption dialogues in 2011 facilitating private sector inputs (including Australian mining companies) to discussions on corruption in the extractive industries. This practical insight, along with that of other participating donors, helped provide impetus for the government’s decision to stop issuing new mining licenses while it reviewed all current licenses in the months following the dialogue.

In 2011, we commenced a three-year anti-corruption training program for high level officials of the Communist Party Inspectorate (Vietnam’s highest level anti-corruption body), the Office of National Steering Committee on Anti-corruption and the Government Inspectorate. The program is bringing together anticorruption policy makers and practitioners from Australia and Vietnam to strengthen Vietnam’s fight against corruption. It includes an alumni mechanism that will help us monitor ongoing impact as well as provide a way of building and maintain links between Australian and Vietnamese anticorruption institutions.

Feedback from the first cycle of training courses suggests the program is addressing the right issues and targeting the right people, but it is early days and monitoring concrete outcomes of a program like this will be a challenge.

**Human Rights Technical Cooperation Program**

A new phase of the Human Rights Technical Cooperation Program was designed in 2011. It incorporates recommendations of the 2010 independent review of the program and includes activities that link directly to Vietnam’s key legal reforms in the area of human rights, as well as recommendations from the universal periodic review. Some important changes following this review include:

- a stronger focus on outcomes through a new monitoring and evaluation framework

- an improved analytical foundation through development of a baseline document that will be updated periodically. This document outlines and tracks Vietnam’s progress against international human rights commitments.

In 2011, the program improved access to:

- justice for communities in six targeted provinces by educating 213 community legal advisers from local socio-political organisations on
citizens’ legal rights relating to complaint, settlement of land disputes and local governance

- legal services for women in three targeted provinces by establishing 18 women’s legal clubs. Legal clubs in a further six provinces were established through funding to the Vietnam Women’s Union based on the model supported by the program.

Program quality

The Vietnam program uses a performance assessment framework (Annex A) that provides milestones against which performance is assessed each year.

Quality at Implementation (QAI) assessment and reporting is a key component of AusAID’s system for monitoring and improving the quality of Australian aid. It provides managers with a tool to review how well initiatives are performing against the quality criteria for Australian aid, drawing on ongoing performance information. In the 2011 QAI round, 80 per cent (12/15) of the program’s monitored initiatives were categorised as ‘acceptable/moderate quality’ or ‘high quality’. Three initiatives were categorised as ‘needs improvement’.

QAI reports were completed for 13 initiatives in both the 2010 and 2011 QAI rounds (Annex C). Of these, three initiatives improved in quality and moved into a higher category, seven initiatives remained static and three declined. Of these last three, two moved into the category of ‘needs improvement’.

One initiative (INH507 – Vietnam: delivering better health) was again categorised as ‘needs improvement’. The lower scoring for this initiative reflects slow mobilisation and initial implementation due to delays in finalising the project memorandum of understanding between the Asian Development Bank and Ministry of Health. Implementation progress has shown signs of improving in 2011 and the view is that continuation of the initiative is justified.

The lessons learnt reported in the five final QAI reports prepared for initiatives in their completion phase provided good inputs into the design of a new Mekong-wide platform to support non-government organisation engagement in Vietnam, Cambodia and Laos. The reports were also used for our engagement in the climate change area, particularly for activities using government systems and working at the commune level. Lessons learnt from the Implementation Support Program will be disseminated to the government and relevant development partners.

Table 3 shows the average quality rating from QAIs completed in 2010 and 2011. While the overall ratings are satisfactory or higher, with higher ratings achieved in 2011 compared to 2010, there remains room for improvement including in the area of monitoring and evaluation. There is a need to further improve monitoring and evaluation frameworks to facilitate stronger evidence-based assessments, as well as to improve the capacity of staff to undertake these assessments. A workshop will be held in early 2012 on strengthening evidence-based
performance management as part of an ongoing capacity building program to equip staff with the skills and tools to focus on aid quality and results.
Table 3: Average quality rating 2010 and 2011

<table>
<thead>
<tr>
<th>Name</th>
<th>Relevance</th>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>Monitoring &amp; evaluation</th>
<th>Sustainability</th>
<th>Gender equality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average rating 2010</td>
<td>4.73</td>
<td>4.00</td>
<td>3.91</td>
<td>3.91</td>
<td>4.00</td>
<td>4.36</td>
</tr>
<tr>
<td>Average rating 2011</td>
<td>4.93</td>
<td>4.43</td>
<td>4.29</td>
<td>4.21</td>
<td>4.21</td>
<td>4.36</td>
</tr>
</tbody>
</table>

Australia’s policy is to encourage a consolidation of Australian aid with fewer larger initiatives, as fragmentation can impose significant transaction costs on both the Australian and partner governments. The Vietnam program has consolidated the majority of its funding under the four strategic priorities reported in the APPR, however, there are still a relatively high number of initiatives with 40 active in 2011. Progress in consolidating these is expected in 2012 as 15 initiatives are due to end by June 2012. Pipeline planning is in good shape with the majority of the program’s high value initiatives not due for completion until after January 2015. The value of these represents 85 per cent of the program’s total approval value. The program has maintained a multi-year program fund plan which extends to 2015–16.

Australia’s aid program strengthened partnerships with other key donors in 2011, in particular the World Bank. A country level strategic partnership was designed between AusAID and the World Bank in 2011 to enable closer collaboration in areas of mutual priority and to achieve greater impact and leverage for the respective programs.

The program has continued to make progress with integration of gender equality. A gender action plan was developed in 2011 to articulate how and what we will do to promote gender equality through the aid program in Vietnam. It will also provide a mechanism for measuring the performance of our interventions. In the area of disability, we have incorporated strategies into our Australian Development Scholarships program to encourage applications from people with disability. In 2011, the program also developed a climate change, disaster risk reduction and environment integration action plan. Entry points for this are the scholarships program, the Cao Lanh bridge project, Rural Water and Sanitation and the Centre for Climate Change Economics and Policy program with GIZ. Progress in environmental sustainability was discussed in the QAI reports of all three infrastructure initiatives.

Aid effectiveness

The aid effectiveness agenda in Vietnam is evolving rapidly towards partnership based development effectiveness. We have actively participated and provided quality inputs into policy discussions in the Aid Effectiveness Forum, which is a joint Vietnam-donor effort to manage and monitor aid effectiveness in Vietnam. AusAID is also supporting development of a Hanoi Partnership for Development...
(the local version of the Busan Partnership for Development) and its monitoring framework. In addition to maintaining an effective partnership with Vietnam, we are promoting better donor harmonisation in areas of common interest through our position in 2012 as Chair of the Like Minded Donor Group.

**Multilateral performance assessment**

During the year, the World Bank organised consultations with Vietnam and development partners on its draft Vietnam Country Partnership Strategy 2012–2016, which was finalised in December 2011. An important issue for the World Bank and Asian Development Bank (which is preparing its new country partnership strategy in 2012) is demonstrating selectivity of investments based on comparative advantage and division of labour with other leading donors.

The World Bank office in Hanoi is one of the most decentralised offices across the organisation. We believe this is very positive and contributes to the effectiveness of the bank’s program and engagement with development partners. In contrast, the majority of the Asian Development Bank's task team leaders for Vietnam are based in Manila, reflecting the general lack of decentralisation of its operations. In our experience, a lack of decentralisation can contribute to less efficient program development, implementation and monitoring. Both the World Bank and Asian Development Bank have good economic expertise in their country offices and both organisations actively participate in key economic discussions with government and donors.

The World Bank has made progress in improving gender mainstreaming in projects but it could be more consistent across sectors. In 2011, the Asian Development Bank resident mission recruited an additional national social development (gender) officer, increasing the number of national gender officers from one to two. Its project gender categorisation system has improved the bank’s gender mainstreaming although this could still be more consistent across all projects. More practical ways of tracking gender results are expected in 2012 as the ADB develops a database for evidence-based reporting on the implementation of project level gender action plans.

**Management consequences**

The main management actions identified in the 2010 APPR related to program development, greater clarity on future funding levels, development of delivery strategies, and human resources. These actions have been addressed during 2011 as follows:

- Program development has progressed well. The next phase of Australia’s support to the National Target Program on Water Supply and Sanitation has been finalised, design of the Cao Lanh bridge is on schedule, and a country level partnership with the World Bank has been designed
future funding levels have been determined through the comprehensive aid policy framework four year budget planning process. Allocations for the Vietnam program are now available through to 2015–16

a delivery strategy for climate change has been drafted and appraised

in human resources, an additional position for the climate change sector was approved in late 2011. Management of staffing in this area has been flexible as the new climate change portfolio developed and previous initiatives were finalised.

The following general management consequences have been identified during 2011:

- a number of corporate changes have occurred in AusAID following the Australian Government’s response to the aid effectiveness review. Further effort is required so that staff can understand this changing AusAID context and help shape the corporate reform agenda

- access to technical support will be a particular challenge with the completion of the Climate Change Expert Panel at the end of 2011. This panel has been instrumental in developing the new climate change delivery strategy and there will be a number of appraisal tasks in early 2012 that will require specialist climate change expertise

- preparation for and participation in supervision missions for co-financed activities with the multilateral development banks

- professional development of staff to strengthen evidence-based performance management and assessment of initiatives.

The release in December 2010 of Australia’s strategic approach to aid to Vietnam 2010–2015 provides a sound strategic basis for the program. The program’s strategic priorities are consistent with the Comprehensive Aid Policy Framework. From 2012, the number of strategic objectives will be reduced from five to four with the removal of ‘developing more sustainable and resilient systems in agriculture, forestry and fisheries’. This reflects the completion of related initiatives with ongoing activities limited to programs implemented by the Australian Centre for International Agricultural Research.

Strategic priorities in 2012 are:

- finalising the delivery strategy for climate change. Sound progress has been made in developing the new climate change portfolio with finalisation of the delivery strategy to occur once climate change funding levels beyond the fast start period (2011–12 to 2012–13) have been confirmed

- drafting the human resource development delivery strategy, which will begin once the new second secretary position is filled in July 2012.
Options to strengthen our support for human resource development in key sectors and agencies relevant to the Vietnam-Australia country strategy will be assessed at this time

- implementing the AusAID-World Bank strategic partnership, which will enable AusAID and the World Bank to advance policy and undertake analytical work in sectors of mutual interest
- completing the assessment of national systems, which will identify any further actions needed to support our continued use of Vietnam systems.
- The 2012 milestones for each strategic objective are presented in the performance assessment framework at Attachment B. Key milestones include:

Strategic objective one – human resource development:

- undertake a study on the impact of the scholarship program on the State Bank of Vietnam and the Ministry of Planning and Investment, which together have received more than 100 scholarships since 1992.

Strategic objective two – economic integration:

- undertake a mid-term review of the Beyond WTO program which will help restructure the program to support Vietnam’s new economic integration and reform program
- complete the detailed design for the Cao Lanh Bridge which will allow funding commitments to be finalised from individual project partners including Vietnam and AusAID.

Strategic objective three – water supply and sanitation:

- update the rural water supply and sanitation procurement manual
- work with the Ministry of Health and Vietnam Women’s Union to scale up output-based sanitation approaches.

Strategic objective four – climate change:

- mobilise six new non-government organisation partnerships for community-based climate change action
- establish a technical assistance facility to provide targeted support for the achievement of climate change policy actions and strengthen the Ministry of Natural Resources and Environment’s coordination across line ministries through a focal point network.

The major program management risks relate to managing partnerships and fiduciary risks, and these have been identified in the Vietnam program’s risk and
fraud management plan. Fiduciary risks through the use of partner government systems are addressed at the initiative level – through expenditure tracking studies and program audits – and at the country level – through our co-financing with the World Bank and other donors of the public financial management reform program.

The majority of Vietnam program initiatives are delivered through partnerships with Vietnam’s government, other donors including the multilateral development banks, and with non-government organisations. Building effective partnerships was identified as a challenge under strategic objective four – advance climate change adaptation and mitigation. This will be achieved through jointly agreeing key decision points, identifying how we will work together to assess progress, and communicating the results of activities.

The 2011 APPR has rated strategic objective 2 – better transport infrastructure and policy to support economic integration – as amber. The main reasons for this are performance issues relating to the Beyond WTO program. A mid-term review of the program will be held in 2012 to review options for its restructuring.
### Annex A: Performance assessment framework 2011

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<tbody>
<tr>
<td>To meet human resources needs associated with progression to industrialised country by 2020</td>
<td>Improvement in the quality of Vietnam’s human resources</td>
<td>1380 scholarships and 300 fellowships delivered</td>
<td>Australian Development Scholarships (ADS) (225)</td>
<td>Achieved</td>
<td>225</td>
<td>ADS</td>
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<td></td>
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<td>Australian Leadership Awards (20) scholarships (ALAS)</td>
<td>Achieved</td>
<td>18 ALAS</td>
<td>ALA scholarships</td>
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<td></td>
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<td></td>
<td>Australian Leadership Awards (50–60) fellowships</td>
<td>Achieved</td>
<td>50 to 60 ALA fellowships</td>
<td>ALA fellowships</td>
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<td></td>
<td></td>
<td></td>
<td>Undertake Australian Development Scholarships mid-term review</td>
<td>Achieved</td>
<td></td>
<td>Public Sector Linkages Program</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Finalise delivery strategy</td>
<td>Deferred to 2012</td>
<td>Commence delivery strategy</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Begin Public Sector Linkages Program</td>
<td>Achieved</td>
<td></td>
<td>Update monitoring and evaluation framework</td>
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<tr>
<td>Increased capacity of targeted institutions</td>
<td></td>
<td></td>
<td>Complete tracer study</td>
<td>Achieved</td>
<td></td>
<td>Provide comprehensive reintegration support for alumni</td>
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<td>Increased number and strength of institutional links between public sector institutions</td>
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<td>Complete an institutional impact assessment of scholarships program on key central government agencies</td>
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<td>Increased contribution of scholarship alumni and institutional links to meeting strategy objectives</td>
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<tr>
<td>Increase in economic activity (national and cross-border) in targeted regions</td>
<td>Better transport infrastructure and policy to support economic integration</td>
<td>Total kilometres of road and bridge works connecting Mekong communities to markets</td>
<td>Cao Lanh detailed design and supervision contract signed and implementation started</td>
<td>Achieved. Cao Lanh detailed design and supervision contract signed and project started</td>
<td>Detailed design finalised</td>
<td>Cao Lanh Bridge</td>
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<td></td>
<td></td>
<td>Higher traffic volume, lower operating costs and travel time on targeted transport corridors</td>
<td>An additional 48km to be completed</td>
<td>Exceeded – additional 96km of road completed</td>
<td>Total of 415km of rural road will be completed by end June 2013 (additional 179km)</td>
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<td></td>
<td></td>
<td>30% of civil works completed (Southern Coastal Corridor)</td>
<td></td>
<td>Almost achieved – 27% against the 2011 milestone of 30% of civil works completed</td>
<td>50% of civil work will be completed by end June 2013</td>
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<tr>
<td></td>
<td></td>
<td>Social safeguards applied consistently</td>
<td>Achieved - social safeguards applied consistently</td>
<td></td>
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<td></td>
<td></td>
<td>Evidence of greater HIV/trafficking awareness</td>
<td>Achieved – evidence of greater HIV/trafficking awareness on Mekong Delta Transport Infrastructure Development and Southern Coastal Corridor projects</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Evidence-based policy approaches enhance opportunities and address challenges associated with economic integration</td>
<td>Evidence based approaches (land law, urban-rural migration)</td>
<td>Achieved – evidence based approaches to drafting the land law in the area of independent land valuation</td>
<td>Evidence of the recommendations of the three and five year reviews of economic integration funded under the program being reflected in the new government resolution on economic integration</td>
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<tr>
<td>Reduced incidence of waterborne diseases</td>
<td>Increase rural access to clean water &amp; hygienic sanitation</td>
<td>85% rural water access target</td>
<td>Water and sanitation targets (available March)</td>
<td>Partially achieved</td>
<td>Water and sanitation targets: 80% of rural population has access to hygienic water, 57% to hygienic latrines, 88% of rural primary schools, 92% of commune clinics have access to hygienic water and hygienic latrine</td>
<td>National Target Program Phase 3 ($65 million 2012–2015)</td>
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<td></td>
<td></td>
<td>70% rural sanitation access target</td>
<td>Finalised/approved NTP3 and donor support</td>
<td>Achieved</td>
<td>Collection of waterborne disease data in selected provinces to measure health impact of rural water supply and sanitation</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Medium term expenditure framework for the water and sanitation sector developed (drawing on provincial expenditure frameworks)</td>
<td>Partially achieved (will be completed in 2012)</td>
<td>Issuance of standard procedure for monitoring and supervision of NTP3 by Ministry of Agriculture and Rural Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Operations and maintenance tariff review</td>
<td>Partially achieved (will be completed in 2012)</td>
<td>Update and revise the Rural Water Supply and Sanitation procurement manual (including standard bidding documents)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Collection process for water-borne disease data in 10 provinces</td>
<td>Deferred to 2012</td>
<td>Working with Ministry of Health and Women’s Union to scale up output-based sanitation approaches</td>
<td></td>
</tr>
</tbody>
</table>
|--------------------------|------------------|------------------------------------------|-----------------------|---------------------------------|-------------------|---------------------------------
| Reduced human, economic and environmental losses associated with climate change, including natural disasters | Advance climate change adaptation and mitigation | 750,000 people assisted to build their resilience to climate change and weather-based disasters | Approval of a delivery strategy to guide Australia’s climate change engagement in Vietnam | Partially achieved: delivery strategy appraised for approval in 2012 following budget release | Climate Change and Coastal Ecosystems Program baseline established and implementation plans agreed with each province | Climate Change and Coastal Ecosystems Program 2010–2015 ($23m) |
| Increase in the incidence and quality of sea-dykes and mangrove belts in the southwest Mekong Delta (GIZ, NGO partnerships) | Agreement on a five year coastal management plan for Kien Giang | 4.5km of protective fences installed to support mangrove regeneration in Kien Giang | Achieved: 4.5km of protective fences installed to improve the survival and growth of over 42 hectares mangroves in Kien Giang | Establishment of national mechanism to enhance disaster risk reduction/climate change action coordination | Support Program to Respond to Climate Change ($8m) |
| Mitigation target met (emission reduction through improved energy efficiency, adoption of clean technologies and agricultural production) | Support to An Giang and Ca Mau mobilised under an expanded climate change program | 30 primary schools in Kien Giang using climate change awareness materials in the classroom | Achieved: materials now being used by 8000 teachers across 283 schools across Kien Giang on completion of the pilot | Completion of ADB Climate Change Impact Study in the Mekong Delta | CSIRO down-scale projections commence in partnership with the Ministry of Natural Resources and Environment’s science institute | CSIRO down-scale projections 2012–2014 ($2m) |
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Annex B: Top results for 2011 and Planned Results for 2012–13

Top five results for 2011

HUMAN RESOURCE DEVELOPMENT
Vietnam development goal – To meet human resources needs associated with progression to industrialised country by 2020.

<table>
<thead>
<tr>
<th>Strategy Objective: Improvement in the quality of Vietnam’s human resources.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver around 240 long-term scholarships under a consolidated selection process and around 100 short-term fellowships to Vietnam, and provide evidence of the impact of scholarships on individuals and their organisations through a biannual tracer study.</td>
<td>Achieved</td>
</tr>
</tbody>
</table>

INFRASTRUCTURE FOR DEVELOPMENT
Vietnam development goal – To increase economic activity in targeted regions (national and cross-border).

<table>
<thead>
<tr>
<th>Strategy Objective: Better transport infrastructure and policy to support economic integration.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional 48 kilometres of rural feeder roads upgraded and one third of civil works for Southern Coastal Corridor completed.</td>
<td>Partially achieved</td>
</tr>
</tbody>
</table>

ENVIRONMENTAL SUSTAINABILITY
Vietnam development goal – To reduce incidence of waterborne diseases.

<table>
<thead>
<tr>
<th>Strategy Objective: Increase rural access to clean water and hygienic sanitation.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium term expenditure framework for the Rural Water Supply and Sanitation sector developed for the first time. This framework will be the foundation for improving budget allocation for investments in upgrades, operations and maintenance of water supply and sanitation assets building improvements and sustainability into government services. Increase rural access to clean water to 83 per cent and sanitation (hygienic latrines) to 58 per cent.</td>
<td>Partially achieved</td>
</tr>
</tbody>
</table>
### CROSS-CUTTING

| Gender Action Plan for the Vietnam program completed to facilitate effective integration and monitoring of gender equality across the program. | Partially achieved |
Planned results for 2012–13

HUMAN RESOURCE DEVELOPMENT

Vietnam development goal – To meet human resources needs associated with progression to industrialised country by 2020.

**Strategy Objective:** Improvement in the quality of Vietnam’s human resources.

Deliver around 240 long-term development scholarships to Vietnam and undertake assessment of institutional impacts of the scholarship program on selected central government agencies.

INFRASTRUCTURE FOR DEVELOPMENT

Vietnam development goal – To increase economic activity in targeted regions (national and cross-border).

**Strategy Objective:** Better transport infrastructure and policy to support economic integration.

Detailed design for Cao Lanh bridge completed.
ENVIRONMENTAL SUSTAINABILITY

Vietnam development goal – To reduce incidence of waterborne diseases.

**Strategy Objective: Increase rural access to clean water and hygienic sanitation.**
Update and revise the Rural Water Supply and Sanitation procurement manual.

Vietnam development goal – To reduce human, economic and environmental losses associated with climate change, including natural disasters.

**Strategy Objective: Advance climate change adaptation and mitigation (focusing on Mekong Delta).**
Six new partnerships with non-government organisations mobilised for community-based climate change action.

CROSS-CUTTING

Gender Action Plan for the Vietnam program completed to facilitate effective integration and monitoring of gender equality across the program.
## Annex C: Program performance data

<table>
<thead>
<tr>
<th>Initiative No.</th>
<th>Initiative name</th>
<th>Start date</th>
<th>End date</th>
<th>Amount</th>
<th>Relevance</th>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>M &amp; E</th>
<th>Sustainability</th>
<th>Gender equality</th>
<th>Relevance</th>
<th>Effectiveness</th>
<th>Efficiency</th>
<th>M &amp; E</th>
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<th>Gender equality</th>
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Vietnam Annual Program Performance Report 2011
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Chart 1: Average quality rating 2011 compared with 2010

<table>
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<th>AusAID quality criteria</th>
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</table>
Chart 2: Percentage of initiatives with adequate and better rating

AusAID quality criteria

- % of less than adequate in 2010
- % of adequate and more in 2010
Chart 3: Average rating against key implementing partners

Rating scale

- Relevant
- Efficiency
- M&E
- Sustainability
- Gender equality