



Development Cooperation Report 2010: Vietnam

November 2011

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This report summarises the aid program's progress in 2010 towards the objectives of the new Vietnam country strategy—**Australia's strategic approach to aid in Vietnam 2010–15**—publicly released in December 2010. The country strategy focuses on three core areas: human resource development; economic integration; and environmental sustainability (water and sanitation, climate change and agricultural research). These areas are highlighted as key breakthroughs in Vietnam's Socio-Economic Development Plan 2011–15 to achieve sustainable development.

This is the first report against the country strategy. Previous years reports on the program's performance are available on the Australian Agency for International Development's (AusAID's) website.

Context

Vietnam has experienced two decades of strong economic growth and the country reached lower-middle-income status when the 2009 income indicators were finalised.

Vietnam's economy has recovered quickly from the global crisis, expanding 6.8 per cent in 2010—the fastest pace in three years. However, despite this robust recovery, withdrawal of fiscal and monetary stimulus measures were delayed leading to macroeconomic instability in 2010. By early 2011 inflation had reached a two-year high of 12 per cent, the currency was under pressure and Vinashin, a large state-owned enterprise, had defaulted on its first payment of \$60 million on a syndicated loan of \$600 million. Following the Party Congress, the government moved to address macroeconomic instability through measures under Resolution 11. The World Bank assesses that while stabilisation policies will slow down economic growth rates in the near-term, if successfully implemented they will help Vietnam to regain its pre-crisis growth potential in the medium-term.

Vietnam continues to make good progress against the Millennium Development Goals (MDG) and poverty reduction. Rapid progress has been made on almost all MDG indicators. The two remaining indicators of concern are HIV/AIDS (MDG 6) and sanitation (MDG 7). The poverty rate was 12.3 per cent in 2009, down from 14 per cent in 2008. A widening income disparity, the persistence of poverty in rural and remote ethnic communities, and continued gender disparities are all relevant to further poverty reduction and broader social inclusion. Choosing a growth path that is more environmentally sustainable and recognises the challenges posed by climate change is a further dimension to Vietnam's future development.

Vietnam continues to aspire towards a higher-income, industrial economy and reducing poverty rates to a single-digit level in the next decade. Preparation of the 10-year National Development Strategy 2011–20 and the five-year Social and Economic Development Strategy 2011–15 continued in 2010 and these important planning documents will be approved by Vietnam's National Assembly in November 2011.

Vietnam's development partners pledged US\$7.9 billion for 2011 at the 2010 Vietnam – World Bank Consultative Group meeting. In 2010–11 Australia's official development assistance (ODA) to Vietnam was estimated at \$120 million. We provide less than 1 per cent of all ODA, ranking sixth on volume among bilateral donors and tenth among bilateral and multilateral. A number of donors have announced plans to phase-out traditional ODA support to Vietnam while others, including Australia, will stay for some years. Against the backdrop of achieving middle-income country status, discussions continued in 2011 among donors about more effective ways to engage with the Government of Vietnam (GoV) on economic, social and environmental issues. Greater involvement of private sector partners in the aid arena is likely to be an interesting area of change in the coming period.



Program objectives

The 2010 Vietnam Development Cooperation Report is the first annual report for the new Vietnam country strategy. The country strategy focuses on three core areas: human resource development; economic integration; and environmental sustainability (water and sanitation, climate change, and agricultural research). These areas are highlighted as key breakthroughs in Vietnam's Socio-Economic Development Plan 2011–15 to achieve sustainable development. Support to help the GoV modernise its institutions so they can support the next phase of Vietnam's development underpin engagement. The expenditure of the aid program for Vietnam in 2010, against objectives, is in Table 1.

Expenditure

Table 1: Expenditure in 2010

Objective	\$ million	% of bilateral program
1. Improve the quality of Vietnam's human resources	27 076 837	25.7
2. Develop better transport infrastructure and policy to support economic integration	28 785 424	27.3
3. Increase rural access to clean water and sanitation	15 651 806	14.9
4. Advance climate change adaptation and mitigation	2 294 345	2.9
5. Develop more sustainable and resilient systems in agriculture, forestry and fisheries (Vietnam Program)	3 294 939	3.1
Australian Centre for International Agricultural Research (ACIAR)	3 643 240	
6. Other engagement	26 553 153	25.2

Progress against objectives

Vietnam has moved rapidly towards middle-income status. The Australian aid program and the environment in which it operates have changed significantly in Vietnam. A large proportion of our aid is now used to promote GoV reforms and delivered using GoV programs, increasingly in cooperation with other development partners. The annual benchmarks for determining progress for each country strategy objective are established in the Performance Assessment Framework found at Annex 1.

Table 2: Ratings of the program's progress in 2010 towards the objectives of Vietnam's country strategy

Objective	Rating in 2010	Relative to previous rating
Goal 1: Meet human resources needs associated with progression to an industrialised country by 2020	■	Not applicable
Objective 1: Improve the quality of Vietnam's human resources		
Goal 2: Increase economic activity in targeted regions (including cross-border)	■	Not applicable
Objective 2: Develop better transport infrastructure and policy to support economic integration		
Goal 3: Reduce incidence of water-borne diseases	■	Not applicable
Objective 3: Increase rural access to clean water and sanitation		



Objective	Rating in 2010	Relative to previous rating
Goal 4: Reduce human, economic and environmental losses associated with climate change, including natural disasters Objective 4: Advance climate change adaptation and mitigation	■	Not applicable
Goal 5: Increase in smallholder incomes. Objective 5: Develop more sustainable and resilient systems in agriculture, forestry and fisheries	■	Not applicable

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.

Goal 1: Meet human resources needs associated with progression to industrialised country by 2020.

Objective 1: Improve the quality of Vietnam's human resources

Vietnam has considerable human resource development needs. One key constraint to meeting these needs relates to quality of education, particularly at the tertiary level which remains low. Only about 12 per cent of tertiary-level academic staff have doctorates. Foreign investors report a serious lack of graduates with skills matching market demands. The country strategy supports improvements in the quality of Vietnam's human resources in three broad and interconnected ways—improving individuals' skills and impact; strengthening public institutions; promoting Australian – Vietnam linkages.

Improving individuals' skills and impact

We are on track to meet our 2015 target to provide 1380 postgraduate scholarships with around 20 per cent (275) for PhD degrees. The scholarship program contributes to Vietnam's ambitious tertiary education target to have 20 000 more doctorates by 2020, with half from overseas.

In 2010 a total of 255 long-term postgraduate scholarships were awarded for studies starting in Australia in 2011–12. This included 239 Australian Development Scholarships (ADS) and 16 Australian Leadership Awards Scholarships (ALAS). The most common fields of study for the 228 Masters and 27 PhD awardees are commerce, education, public policy and law. This year 60 per cent of awards went to women, continuing the trend of the past few years.

Vietnam ranked second of all ADS and ALAS recipient countries in 2010. In the Vietnam market, ADS and ALAS remain the most prominent, large-scale scholarship programs but face stiff competition for top candidates from the small scholarship programs of Chevening (United Kingdom), Endeavour (Australia) and Fulbright (United States).

Analysis conducted in 2010 indicates that more than 3000 AusAID-funded alumni have returned to Vietnam since 1977 with around 24 per cent now in 'senior, influential positions' (for example, director-generals or vice ministers in government, university rectors or research institute heads).

AusAID continued to support alumni with regular networking and professional development events. In 2010 the alumni strategy saw increasing levels of self-management, more use of online tools, and more interaction between AusAID alumni, self-funded alumni and the Australian community in Vietnam.



Strengthening public institutions

Strong public institutions are needed if Vietnam's ambition of becoming an industrialised country by 2020 is to be realised. As such the strategy focuses on strengthening the quality of human resources in key public institutions.

More than 50 per cent of ADS alumni are from targeted public institutions with large concentrations of alumni in the Ministry of Agriculture and Rural Development (60), Ministry of Planning and Investment (44), Ministry of Finance (38) and the State Bank of Vietnam (35). To ensure a coordinated and effective approach ADS awardees are endorsed by their institutions and selected in line with their institutions' human resource priorities.

To date it has been difficult to link ADS alumni's impact to institutional change. However, in 2010, work started on analysing the impact of 'alumni clusters' in certain sectors (English language teaching, banking and finance) and regional institutions (Can Tho University and Hue University).

Promoting Australian – Vietnam linkages

As Vietnam transitions from a traditional aid recipient, close people-to-people and institutional links with Australia will become increasingly important.

Institutional links are principally strengthened through the Australian Leadership Award Fellowships (ALAF) program. We are on track to provide 300 short-term fellowships by 2015. In 2010 a total of 98 Vietnamese were awarded fellowships to undertake training and work attachments in Australia in 2010–11 under 14 ALAF proposals. Vietnam continued to perform strongly in the regional Australian Leadership Award (ALA) competition ranking third of all ALAF recipient countries in 2010.

Despite concerns that the ALAF is too supply-driven, we engaged the full range of whole-of-government actors at overseas offices in promoting and assessing proposals, and the mechanism continues to strengthen important institutional links in line with country and regional priorities.

A stocktake of the database of current and past institutional linkages between Australian and Vietnamese institutions was completed in 2010. It indicates there are currently more than 40 AusAID-funded linkages (through the ALAF, Australian Development Research Awards and the Public Sector Linkages Program) and more than 60 linkages between Australian and Vietnamese education institutions. The database has been distributed to inform AusAID and whole-of-government partners' of Australia's engagement with Vietnam.

Australian volunteers make a valuable contribution to building the capacity of individuals, organisations and communities through skills and knowledge exchange. In 2010, 60 volunteers were placed in Vietnam under four programs (Australian Business Volunteers, Australian Volunteers International, Volunteering for International Development from Australia and Australian Youth Ambassadors for Development). The agriculture sector accounts for 23 per cent of placements, environment and climate change 22 per cent, vocational training 13 per cent, health sector 12 per cent, governance and economics 8 per cent, and water and sanitation 5 per cent.



Goal 2: Increase economic activity in targeted regions (including cross-border).

Objective 2: Develop better transport infrastructure and policy to support economic integration

While Vietnam continues to grow at an impressive rate, maintaining growth that brings benefits to all will depend on how well the country takes advantage of the opportunities presented by economic integration at local, national, subregional and global levels.

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

This situation is compounded by weaknesses in Vietnam's policy framework and institutions essential to the proper functioning of a globally integrated economy.

Infrastructure

The GoV currently invests 8 per cent of gross domestic product into the infrastructure sector with 22.6 per cent of the 2010 national budget spent on transport infrastructure. Donors are providing strong support for transport infrastructure in Vietnam (US\$488 million in 2010—about 18 per cent of ODA commitments). Australia contribution of A\$28.7 million in 2010 was through strategic infrastructure interventions in the Mekong Delta.

Australia invests in the infrastructure sector based on the following criteria: i) large economic benefits that include a wider Greater Mekong Subregion integration rationale; ii) focus on the rural poor by improving connections to markets through rural feeder roads; iii) potential to become model projects in terms of approach to climate change, environment, gender, HIV and financing arrangements.

Our investments in the sector progressed reasonably well in 2010.

Australia's commitment of \$160 million and the signing of the Statement of Principles on the Cao Lanh Bridge between the Australian and Vietnam governments during the Australian Prime Minister's visit to Vietnam in October 2010 were important milestones for the project.

The construction of 70 km of highway—part of the Greater Mekong Subregion Southern Coastal Corridor—is about to begin with civil work contracts awarded. Although the project is six months behind schedule it is still expected it will finish on time in 2013.

During 2010 Australian funding contributed to the building of 37 km of rural roads in the Mekong Delta across nine provinces, providing better access to markets and essential services for 11 900 people across 17 poor communes. Although progress was less than expected (61 per cent of target), it is anticipated that the full 110 km of feeder roads will be completed on time in 2013.

The promotion of social safeguards is an important element of our infrastructure engagement. We are working to achieve application of consistent social safeguards across all partners to our infrastructure investments. We have been the driving force behind establishing an HIV/AIDS mitigation component as part of our rural road investments. Proper implementation of resettlement policies in our rural roads investments was an issue in 2010. While these problems were identified early and rectified, they point to an issue that requires ongoing attention, particularly as we move forward on our major new investment in the Cao Lanh Bridge project.



Last year's Annual Program Performance Report flagged the possibility of AusAID providing a dedicated technical expert on infrastructure, to support our investment in the Cao Lanh Bridge project but also to provide broad support across the region. The position has been approved and will be staffed in the third quarter of 2011. We have determined that there is no need to reopen an office in Ho Chi Minh City.

Policy

International competitiveness is needed for further reform in Vietnam. More work is required in the areas of institutional reform, state-owned enterprises and land reform. In 2010 the Vinashin scandal and macro instability (for example, rising inflation and currency instability) put more pressure on the GoV to quicken the pace of reform.

Vietnam is making some progress on reforming policies to progress economic integration with the government preparing a new resolution on integration reform (2011–15). This will replace the resolution forming part of the National Action Plan for the World Trade Organization (WTO) and should provide a more detailed road map for further integration. Institutional coordination issues in GoV remain challenging. Vietnam is progressing important policy reform work on land reform with a revised land law, scheduled to go to the National Assembly in 2013.

Our support in policy in 2010 made good progress. Activities under our Beyond WTO Program to tackle issues identified in Vietnam's National Action Plan for WTO were completed and achieved influence over high-level policy makers. For example, work completed on competitiveness is helping the GoV build its case for overcoming the significant issues resulting from the 'non-market economy' branding that allows WTO countries to restrict imports from Vietnam, which undermines the livelihoods of poor farmers and workers in Vietnam's export manufacturing sector. An example of the impact of this is the losses incurred as a result of recent anti-dumping measures taken by major trade 'partners' against Vietnamese bicycle products. This industry's export revenue fell sharply after the measures—from more than US\$100 million in 2005 to US\$1.4 million in 2009.

An activity which assessed the impact of Vietnam's three years as a member of the WTO was submitted to the Prime Minister of Vietnam who then presented it to the Politburo and it has become a key input to planning for Vietnam's ongoing integration into the global economy.

The Beyond WTO program has become a conduit of influence for highly respected Vietnamese experts who understand the constraints, challenges and reform opportunities in Vietnam. However, the institutional structure of Beyond WTO (BWTO) has become unwieldy creating log-jams in decision making. In late 2010 we commissioned an institutional review of these issues, which recommended how to move forward. A key task for the 2011 reporting period will be how recommendations were implemented to improve program efficiency.

Goal 3: Reduce incidence of water borne diseases

Objective 3: Increase rural access to clean water and sanitation

Water-borne diseases resulting from polluted water and insufficient sanitation conditions continue to have a major economic and health impact on rural populations in Vietnam. The Ministry of Health concludes that the major contributing factor to the extent of water-borne diseases is lack of access to clean water and sanitation.

The GoV, with donor support, has made significant progress in improving access figures over the last five years. In 2010, 75 per cent of the rural population had access to 'hygienic' water and



52 per cent of rural households access to hygienic latrines. The MDG target on access to clean water is likely to be achieved in 2015. However, the MDG target on access to sanitation is more problematic. Key constraints are behavioural change and affordability. The next phase of the GoV's National Targeted Program of assistance to this sector (NTP phase III)—drafted during the year—will strengthen focus on sanitation.

The second phase of the GoV's assistance to the sector (Water and Sanitation NTP II 2006–10) has been the main driving force behind much progress made. Under NTP II, Australia (with Denmark, the Netherlands and the United Kingdom) provided targeted budget support, technical assistance and policy engagement (total five-year additional donor budget is about US\$140 million of which Australia has provided \$34 million to date).

Under the program in 2010, an additional 2.5 million people (an increase of 4 per cent from 2009) had access to clean water, and 756 000 households access to latrines (an increase of 6 per cent from 2009). In 2010, 5701 schools, 1676 clinics, 1961 commune centres and 785 rural market places were equipped with water supply and sanitation facilities. This has increased percentages with access to these facilities to 81 per cent of schools, 80 per cent of clinics, 70 per cent of commune-based places and 47 per cent of rural market places.

In 2010 important reforms by the GoV, supported by technical assistance from donors, were undertaken. For example, in October 2010, a Master Plan for Water Quality Management was launched with provinces now preparing implementation plans. A good example of Australian support is provision of a water quality testing laboratory to Lai Chau province and Australia is considering similar support to Soc Trang and Ca Mau provinces.

The water tariff circular the GoV issued in 2008 has been enforced in all provinces, which means revenue is now being collected for operation and maintenance. The 2010 Joint Donor – GoV Annual Review confirmed that operation and maintenance activities are well undertaken in visited provinces, which continues to sustain constructed water and sanitation schemes.

A new monitoring and evaluation (M&E) framework for Rural Water Supply and Sanitation Project (RWSS) was rolled out in all provinces¹ with support from donors (AusAID, Danish International Development Assistance, United Nations Children's Fund). Data collection is on track and will be consolidated before October 2011. The results will be used to update the statistics on water supply and sanitation coverage and provide a baseline and revised targets for the next phase of GoV-donor support.

Training courses on planning, prioritisation, budgeting and financial management were delivered to all provinces by the Ministry of Planning and Investment, Ministry of Finance, Ministry of Agriculture and Rural Development and State Audit of Vietnam, with Australian assistance, to enhance the capacity of implementing agencies at all levels.

In 2010 the design of a new phase of NTP3 (2012–15) was drafted by partners, including Australia, and this has contributed significantly to sector process. The draft NTP3 program is of 'good standard' (as assessed by the Joint Annual Review). The program will be formally approved by the National Assembly in August 2011.

¹ The results have also been used and incorporated in the National Household Survey in Vietnam in 2009



More broadly, AusAID continues to be a strong advocate for promoting the RWSS Partnership encouraging other donors and non-government organisation (NGOs) to work together towards a program-based approach, increasing harmonisation and alignment with GoV systems.

Goal 4: Reduce human, economic and environmental losses associated with climate change, including natural disasters

Objective 4: Advance climate change adaptation and mitigation

According to Vietnam's Ministry of Natural Resources and Environment's 2009 climate change assessments, Vietnam is already experiencing the effects of climate change. Over the last 50 years the annual average surface temperature has increased by approximately 0.5 to 0.7° C; the sea level along Vietnam's coastline has risen by approximately 20 cm; the frequency of cold fronts has decreased by 2.45 events; and the tropical cyclone frequency has increased by 2.15 events. Weather-related disasters continue to be a major concern. Vietnam loses at least 3 per cent of gross domestic product a year as a result of natural disasters. In 2009 alone, more than US\$1.3 billion was lost to natural disasters in Vietnam, with 454 recorded deaths.

To help reduce the extent of future losses, AusAID is focusing on strengthening climate change adaptation (focusing on the Mekong Delta where matters are pressing) and on mitigation. In 2010, we concentrated our efforts on developing a program of climate change assistance building on previous success in disaster risk reduction and we continued to work in partnership with Germany to preserve biodiversity and help communities adapt to the impacts of climate change in the Mekong Delta.

Climate change adaptation

AusAID's delegated cooperation program with Germany's aid agency, *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), has proven to be effective. It draws on GIZ's extensive experience with natural resource management and provides an entry point to advance AusAID's climate change engagement in Vietnam's Mekong Delta. The pilot project in Kien Giang is one of the first demonstrations of how to integrate responses to climate change into the provincial planning process. The project led to the provincial government adopting and funding new technologies to respond to the impacts of climate change, such as innovative fences for areas in which to grow mangroves and new mangrove planting techniques in areas of high erosion. More than five hectares of mangroves were planted and 650 metres of fence installed to improve the survival and growth rates of mangroves in Kien Giang's vulnerable coastal areas.

Building on the experience in Kien Giang, AusAID finalised the design for an expanded climate change adaptation program in the Mekong Delta in partnership with GIZ, which will start in mid-2011. The Climate Change Adaptation and Coastal Ecosystems Program has been welcomed by the GoV for its ability to offer practical responses to climate change impacts in the country's most vulnerable region.

Improving community resilience to climate-related disasters continued to be a focus in 2010, including support to the GoV's mobilisation of a national Community Based Disaster Risk Management (CBDRM) program. AusAID's three disaster management NGO partners (Care, Oxfam and World Vision) shared lessons from their experience in participatory planning under the CBDRM approach. Good practice models were documented and published by the GoV's Disaster Management Centre for distribution at national and provincial levels and to mass organisations. Integrated Disaster Risk Management plans were adopted in 12 provinces based on



an assessment of risk and identification of appropriate measures to prevent, prepare for, mitigate and recover from natural disasters. Lessons learned from the planning process were shared in the National Forum on Natural Disaster Risk Management (May 2010).

Climate change mitigation

Vietnam offers the most potential for reduced greenhouse gas emissions in the Mekon region. While Vietnam's greenhouse gas emissions are relatively small in global terms (around 0.5 per cent of the total), it is anticipated that they will grow significantly as Vietnam moves towards its target of becoming an industrialised country in 2020. The GoV is aware of the challenge of balancing economic growth with environmental sustainability and is in the early stages of developing a low-carbon development strategy and identifying appropriate mitigation options.

AusAID is identifying areas where we can support the GoV in its mitigation efforts. Low carbon growth and energy efficiency are two possible areas that will be explored more fully in 2011 as we develop our Climate Change Delivery Strategy.

Goal 5: Increase smallholder income

Objective 5: Develop more sustainable and resilient system in agriculture forestry and fisheries

Although towards the end of 2010 saw strong prices for agricultural products, small holders still remain vulnerable to higher inputs and transport, and find it challenging to improve their share of increased prices. Challenges remain for sustainable production. An improved understanding of the longer-term impacts of current practices and alternatives is critical for maintaining or increasing yields, particularly in the face of more variable weather patterns.

Australian Centre for International Agriculture Research program

The ACIAR research program targets a number of major areas where Australian expertise has the ability to impact positively on smallholder livelihoods, including:

- > management of constraints to soil
- > water and livestock systems for improved incomes in south-central coastal Vietnam
- > development of high-value agricultural products from highland north-western Vietnam.

In late 2010 a \$4 million investment in climate change research was finalised and this project started in March 2011 with a launch in the Can Tho University. The project office is now being established and by mid 2011 project activities are expected to be up and running.

An annual review of Australian funded research in the South Central Coast was conducted in March. A wide selection of research tasks in soils, legume crops, fodder grass and husbandry practices and market studies were completed or being implemented with strong capacity building in partner institutes demonstrated.

Delays occurred in the GoV's final approval for new research on using Acacia plantations for veneer. The design is complete and the project is expected to start mid-2011. Australia will collaborate with GIZ on the project.

Fisheries research continues to show good progress. The second regional aquaculture nutrition workshop held in 2010 was well attended with increasing private industry participation. The feed extrusion workshops that ran concurrently involved a broad range of participants and demonstrated improved technologies suitable for application in Vietnam.



Oyster hatchery production from Cat Ba Island, supported by ACIAR, continued to grow exponentially. Training workshops delivered techniques to smaller private hatcheries and a small number are now operating as satellite hatcheries. Concerns about environmental management of a rapidly increased sector are still not well quantified. Discussions have been held for a follow-on project to address environment and disease management issues.

Key results from the Collaboration for Agriculture and Rural Development Program which finished in 2010.

Australia contributed to the development of more sustainable and resilient systems through the Collaboration for Agriculture and Rural Development (CARD) program which strengthened human and institutional capacity across public and private stakeholders to develop and apply research findings.

Box 1: How smallholders benefitted from Collaboration for Agriculture and Rural Development

Several CARD projects benefited smallholder farmers, enabling them to act differently. Examples included:

1. Dragon fruit growers and packers, having adopted certified good agricultural practice (GAP), accessed higher priced and stable markets in Europe and super-markets. This helped the dragon fruit industry achieve a ten-fold increase in four years (US\$70 million exports in 2010).
2. The introduced VietGAP standard certification helped vegetable growers in Quynh Luong commune in Nghe An province—after the project, 13 smallholders formed a joint stock company to consolidate the production and supply of VietGAP-certified watermelon, tomatoes and crucifers to supermarkets, which has resulted in an increase in net revenue up to 40 per cent.
3. The productivity of clam spat in pond nurseries resulted in increased spat survival from 40 per cent with wild spat to >90 per cent with nursery spat and reduced costs from VND40/spat to VND16/spat. A total of 500 smallholder farmers benefited from the project and more are expected to do so as medium-sized enterprises and producer associations promote the new techniques in six provinces.
4. The pig improvement project helped achieve a shorter time to reach slaughter rates, higher feed conversion rates and lower death rates. The respective with and without-project per sow gross margin per year was \$689 and \$155 respectively.

Other engagements

This section presents results for cross-sectoral engagements like gender, anti-corruption, public financial management; and sectoral engagements that complement the core strategy focal areas or engagements that began under the previous strategy and are yet to be completed.

Gender

In 2010 Vietnam took an important step forward with gender equality by approving a national strategy to 2020. The objectives of the National Strategy on Gender Equality are specific enough to make implementation practical. While at the policy level this is very encouraging, it is yet to be seen to what extent real progress will be made on gender equality in Vietnam as a result.

Australia's primary mechanism for policy engagement on gender equality in Vietnam is our partnership with the United Nations Development Fund for Women. Through this partnership, we have achieved influence at the policy level in Vietnam by: strengthening the integration of



gender into the GoV's key development planning document—the Socio-Economic Development Plan 2011–15, and co-funding a study in Vietnam looking at economic choices for men and women which was a key input to the World Bank's 2012 World Development Report, which focuses on gender issues.

The partnership with the United Nations Development Fund for Women has also helped integrate gender into Australia's broader aid program in Vietnam by:

- > conducting a gender analysis looking at the intersection between gender and climate change impacts of an Australian – German climate change project in the Mekong Delta
- > implementing a gender equality and social inclusion strategy for ADS that includes gender briefing for all ADS awardees
- > ensuring that specific impacts on women are addressed in the design of three Beyond WTO activities.

Anti-corruption

Vietnam has for the first time begun the self-assessment process against the United Nations Convention on Anti Corruption. The GoV is increasingly open to discussing anti-corruption with donors. The biannual Anti-corruption Dialogue between donors and the GoV served as the focal point for policy-level discussions but also for discussing practical ways to tackle corruption in Vietnam. However, Vietnam's rating on the Transparency International Corruption Perceptions Index remains relatively poor at 2.7, sitting below China and Indonesia and above Cambodia, Laos and the Philippines.

Australia was an active partner in the 2010 biannual discussions, sharing experience and tools from AusAID's work in helping to address corruption in the education sector in countries like Indonesia and the Philippines. Australia's participation, along with the participation of other donors, was timely—the GoV subsequently used the input to inform the development of an anti-corruption strategy for the education sector.

AusAID built on its work in delivering two anti-corruption training programs, in 2008 and 2009, for high-level officials in the Communist Party Inspectorate (Vietnam's highest level anti-corruption body). These programs brought anti-corruption policy makers and practitioners from Australia and Vietnam together to strengthen Vietnam's fight against corruption. Australia is the only Western donor working with the Inspectorate through this type of program and the success of the first two years led to the development of a more ambitious three-year program (2010–13). The new program will institute alumni mechanisms and build ongoing links with Australian institutions. One objective of the training program is to support implementation of the Communist Party's own anti-corruption strategy.

Public financial management

An important step taken in 2010 year by the GoV towards improving financial management was its initiation of a Public Expenditure and Financial Accountability Assessment process. This critical tool will enable the GoV to identify weaknesses in its public financial management systems based on international best practice and will serve an important analytical basis for donor engagement with GoV financial management systems. The GoV held consultations on, and drafted, its Public Financial Management Strategy which has been submitted to Minister of Finance for clearance and submission to the Prime Minister. It is expected that the strategy will be adopted in mid-2011.



Australia has been a strong advocate for improving public financial management in Vietnam for many years. Our engagement in the water and sanitation sector through the NTP is where we are most engaged. From early successes in influencing the NTP to bring the State Audit of Vietnam in to conduct regular audits of the program from 2007, the audit engagement has deepened each year. In 2008–09 a value for money audit approach was adopted and in 2010, for the first time, a performance audit of the program was undertaken.

HIV/AIDS

HIV/AIDS is one MDG target Vietnam may not be able to achieve. Our Regional HIV/AIDS Asia Regional Program, aiming to reduce the spread of HIV/AIDS among injecting drug users, made a slow but steady start. Through the program, we helped procure 835 000 condoms and 1 330 000 needles and syringes for distribution in program provinces. With the Clinton Foundation, we helped nearly 2000 children gain access to life-saving, anti-retroviral drugs in 2010, and it is expected that 2400 children will receive treatment by the end of the project.

Human Rights Technical Cooperation Program

In November 2010 we commissioned an independent review of our Human Rights Technical Cooperation Program in Vietnam. The review noted that Australian Government expertise had contributed significantly to the practical process of learning and sharing experience with key human rights bodies in Vietnam on human rights treaty obligations; access to justice; human rights in criminal and civil procedures; dissemination of legal information, provision of legal advice and assistance; and women's rights.

Concrete outcomes included improved access to:

- > legal and health insurance services for women in 5 targeted provinces by educating them on their rights to access these services
- > justice for ethnic minority communities in 6 provinces by educating village heads on citizens' legal rights
- > justice for vulnerable and disadvantaged groups, focusing on ethnic minorities and people with disability. This was achieved by educating provincial and district level judges and court staff on relevant legal procedures to accommodate the needs of these groups, including access to interpreters and other services to ensure full participation in, and access to, judicial processes.

Avoidable Blindness Initiative

In 2010 the \$3 million Avoidable Blindness Initiative in six provinces delivered impressive results. The program conducted professional training for 89 nurses and technicians and 2856 commune health staff and village health workers on primary eye care and health education skills. The initiative successfully advocated for the importance of community eye care and blindness prevention with provincial authorities. A total of 62 354 primary and secondary school students were screened for refract errors. Nine eye care district facilities were renovated and an eye hospital in Hue City is due to complete construction in early May 2011.

Ethnic minority poverty reduction

AusAID disengaged from providing budget support to Program 135- Phase II (P135 II) for reducing poverty among ethnic minorities (as foreshadowed in the 2009 APPR). Other donors



have come forward to support the next phase, which is to start in 2011. AusAID actively participated in the 2010 joint donor – GoV progress review to share our experience with the program and inform the development of the next phase.

In 2010, P135 II provided support for 5122 of the poorest communes and villages in Vietnam. Support included more than 12 646 small-scale infrastructure projects to improve access to services for remote communities through the construction of roads, schools, health clinics, irrigation, electricity and water supply schemes. Funding was provided to more than 926 000 poor students and training provided to 280 000 farmers in techniques to improve production.

The Implementation Support Program for P135 in Quang Ngai will continue in 2011 to allow sufficient time for the provincial government to consolidate its ethnic poverty reduction approach and to transition to the next phase of GoV support. The program has helped Quang Ngai to rank among the 28 top provinces that succeeded in promoting commune ownership in planning, investment and project management.

Commune-led development has resulted in: the construction of 12 unsealed roads for the benefit of 4800 poor people; increased irrigation of 64 hectares of paddy rice to produce two rice crops a year for 2600 poor households; and increased access to clean water for 478 poor households. A continuing challenge under P135 has been in planning and implementing allocated resources for regular operation and maintenance of infrastructure under the program. AusAID will continue to advocate for stronger GoV attention to operation and maintenance under the next phase, drawing on the good practices demonstrated by the Implementation Support Program in Quang Ngai.

Health systems

Reform of the health system and delivery of health services did not improve significantly in 2010. An important health policy milestone, the Law on Examination and Treatment, failed to take into account the centralised system for registering health professionals. In 2010, along with other development partners, we successfully advocated for the Law on Examination and Treatment shortcomings to be addressed through GoV circulars and decrees.

In early 2010 Australia decided to continue to engage in the health sector in Vietnam through co-financing a \$12-million Health Human Resources Program with the Asian Development Bank (ADB). While this new country strategy does not specifically include the health sector, much of the work being done through this program aligns with the strategy's human resources development priority. As a direct result of medical profession bureaucracy, the progress of the Program has been slow. A number of issues need to be resolved between ADB and the GoV before program implementation including updates of the M&E indicators, feasibility study revision and negotiation of the technical assistance requirements.

Program quality

In 2010 the program had 40 initiatives (43 in 2009 and 55 in 2008), of which 19 had quality-at-implementation reporting (19 in 2009 and 18 in 2008). Quality-at-implementation initiatives were 47.5 per cent of all initiatives (43 per cent in 2009 and 31 per cent in 2008), equal to 93.2 per cent of the total 2010–11 budget (90 per cent in 2009). Table 3 presents average quality rating of monitored initiatives in 2009 and 2010.

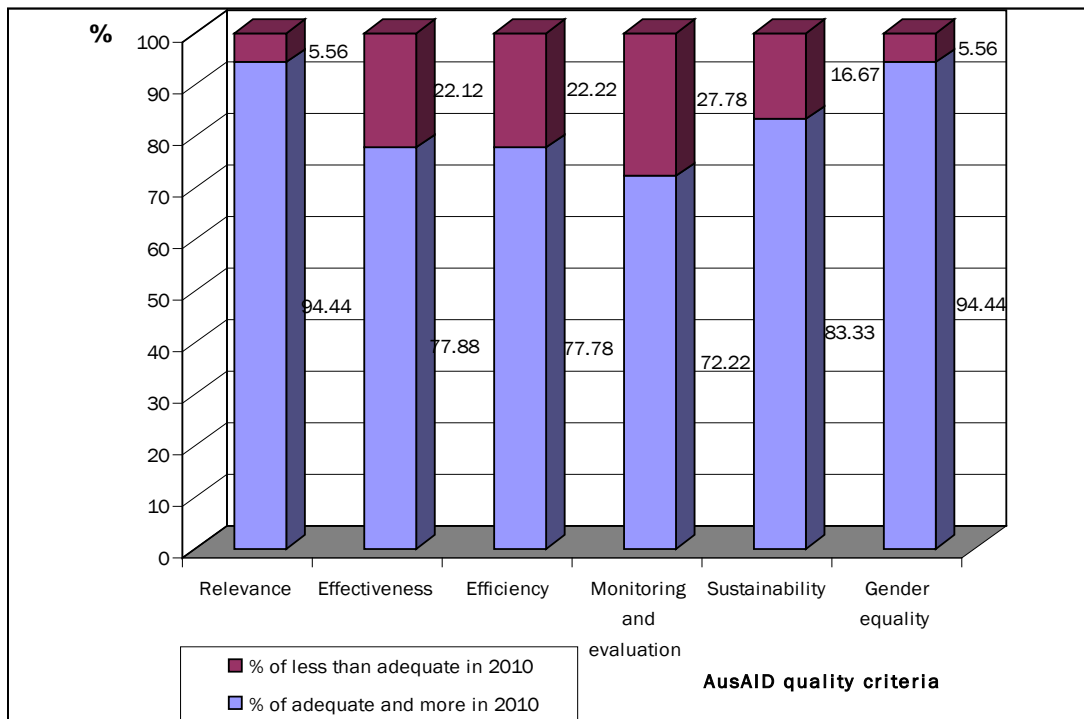


Table 3: Average quality rating 2009 and 2010

Name	Relevance	Effectiveness	Efficiency	M&E	Sustainability	Gender equality
Average rating 2009	4.94	4.33	4.11	4.00	4.17	4.56
Average rating 2010	5.00	4.21	4.11	4.05	4.21	4.32

While there was some increase in the proportion of initiatives with adequate or better ratings, ensuring adequate M&E for initiatives remains an ongoing quality challenge. With some programs, delivered through multilateral partners or government systems, either the GoV or our partners did not place enough priority on M&E, focusing more on the amount of funds disbursed rather than the quality of outcomes achieved. In some cases, this reflects a lack of capacity by GoV partners, particularly at the commune level where local government capacity is low. Chart 1 presents percentages of initiatives with adequate and better rating against all the monitored initiatives.

Chart 1: Percentage of initiatives with adequate and better rating



The overall proportion of initiatives with adequate or better ratings for effectiveness and efficiency decreased in 2010. In three cases (Rural Energy Distribution; Vietnam – Australia NGO Cooperation Agreement Program [VANGOCA] CARE Water and Sanitation; Vietnam Delivering Better Health), low ratings for effectiveness and efficiency reflect delays in implementation due to restructuring of counterpart agencies, delays in program mobilisation; and suspension of project activities due to possible fraud. The Beyond WTO Program received a less than adequate efficiency rating reflecting a need to review institutional management arrangements—this review was undertaken in early 2011.

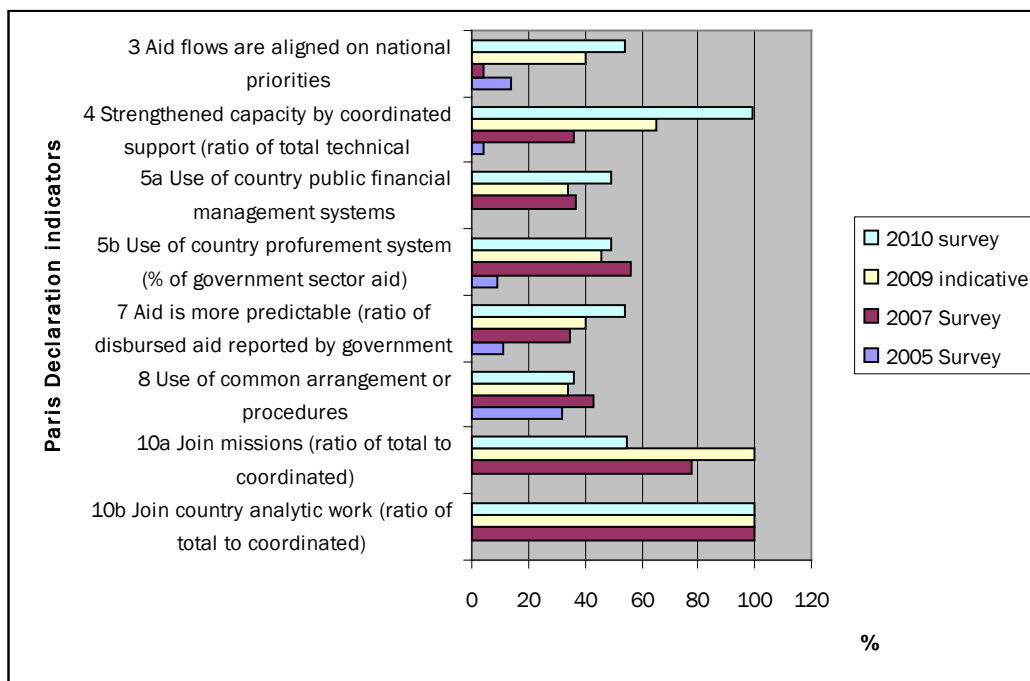
In 2010 the Vietnam program has the same level of initiative risk as in 2009 (more than 75 per cent of monitored initiatives have amber risks). For policy advocacy activities, the risk lies with partner government’s capacity and commitment to implement policy recommendations and



institutional changes. Other identified risks are associated with weak capacity and systems of government or other development partners.

Overall, the program has made good progress in implementing the Paris Declaration on Aid Effectiveness. Significant efforts were spent in aligning activities with Vietnam’s national development priorities and working in harmonisation with other donors to maximise ODA benefits (Chart 4, annex b). The program has used GoV systems (indicators 5a and 5b) and worked with other donors to improve systems and human capacity. Though a number of joint missions with other donors was low compared to 2009, all Australian missions were well coordinated with government partners. Chart 2 presents the progress toward achieving Paris Declaration indicators of the Vietnam Program from 2005.

Chart 2: Progress against Paris Declaration indicators



Major quality successes, issues and challenges

Annex 3 summarises the program’s achievements against the Top 4 results set for the program in 2010 and identifies a set of Top 5 results for 2011.

Australia’s commitment of \$160 million and the signing of the Statement of Principles on the Cao Lanh Bridge between the Governments of Australia and Vietnam during the Australian Prime Minister’s visit in October 2010 were important milestones for the program.

Australia’s support for Vietnam’s National Target Program on Rural Water Supply and Sanitation Phase 2 (NTP2: 2006–10) helped the NTP achieve significant results over its five-year implementation. The program increased access to hygienic water from an estimated 62 per cent in 2006 to 75 per cent in 2010. Access to hygienic latrines (sanitation) increased from an estimated 50 per cent in 2006 to 52 per cent in 2010. Part of the comparatively small increase in sanitation coverage is explained by inadequate and/or inaccurate baseline data at the start of NTP2 in 2006. Under the program in 2010, an additional 2.5 million people (an increase of 4 per cent compared



to 2009) had access to hygienic water and 756 000 households had access to latrines (an increase of 6 per cent compared to 2009).

In 2010, Program 135 provided support for 5122 poor communes and villages in Vietnam. Support included more than 12 646 small-scale infrastructure projects to improve access to services for remote communities through the construction of roads, schools, health clinics, irrigation, electricity and water supply schemes. Funding was provided to more than 926 000 poor students and training provided to 280 000 farmers in techniques to improve production.

The Implementation Support Program for P135 in Quang Ngai helped promote commune ownership in planning, investment and project management. Commune-led development resulted in: the construction of 12 unsealed roads for the benefit of 4800 poor people; increased irrigation of 64 hectares of paddy rice to produce two rice crops a year for 2600 poor households; and increased access to clean water for 478 poor households.

Ensuring adequate M&E frameworks are in place for initiatives remains an ongoing quality challenge. In some programs, delivered through multilateral partners or government systems, either the GoV or our partners have not placed a high enough priority on M&E, focusing more on the amount of funds disbursed rather than the quality of outcomes achieved. In some cases, this reflects a lack of capacity by GoV partners, particularly at the commune level where local government capacity is low.

Management consequences

Australia's strategic approach to aid in Vietnam 2010–15 was publicly released in December 2010. The focus areas of the country strategy are closely aligned with the priority areas of the GoV's draft socio-economic development strategy 2010–15, which will be formally adopted by the National Assembly in November 2011.

Program development

The portfolio of activities supporting the country strategy is generally appropriate. HIV/AIDS remains an important priority because it is a lagging MDG goal for Vietnam and an important element of our transport infrastructure portfolio.

The country program is well placed to support scaling-up to a projected annual budget of around \$200 million by 2015. Work includes:

- > a major infrastructure program, with the Cao Lanh Bridge project as a centrepiece
- > a large-scale rural water supply and sanitation investment program, building on our achievements under the previous country strategy
- > significant climate change adaptation, mitigation and disaster risk reduction programs
- > a bilateral scholarships program with 225 new scholarships a year
- > working with the World Bank to develop and jointly fund a program of analytical work to support economic and financial sector reform.

However, clarity of country program funding levels in future financial years is needed so supporting programs can be designed appropriately. Sound progress has been made in identifying pipeline funding needs for infrastructure and water supply and sanitation programs, but it will be difficult to finalise designs and funding agreements until future funding levels are confirmed.



Climate change funding is budgeted and administered centrally. The Vietnam program has benefited from the strong cooperation of Australia's Department of Climate Change and Energy Efficiency and AusAID's United Nations Climate Change and Environment Branch. However, as budgets increase, it is important that consultations continue and that AusAID be centrally resourced to respond to policy and programing pressures.

Delivery strategy preparation will continue in 2011 which will help further design and align the activities supporting each sector of the country strategy.

Main management actions are: (i) greater clarity on future funding levels for the period 2012–13 to 2015–16; and (ii) development of delivery strategies for the climate change and human resource development sectors.

Human resources

Additional human resources will be required as the program scales-up. Design and implementation of activities in new areas such as climate change adaptation and mitigation and infrastructure policy and financing will require access to specialist expertise, either in the Hanoi office on contract or through Canberra-based advisory services. Existing human resources will need further training as well as greater initiative to support our engagement in new areas of work and meet higher expectations of policy analysis, effective writing and performance assessment of activities.

Our flagship infrastructure investment, the Cao Lanh Bridge, will require extra resourcing attention. We will need to work with the ADB to ensure sufficient and timely resourcing, particularly to support coordination between the four project partners and oversee safeguards implementation.

The transition to a climate change portfolio will also need attention including a high degree of flexibility in the management of staff resources as initiatives under the previous country strategy are completed and the new climate change portfolio developed.

Progress towards strategic objectives for the next 12 months

Strategy objective 1—Human resource development

Significant management actions include:

- > strengthening the strategic basis for our engagement
- > developing a delivery strategy in the second half of 2011.

Strategy objective 2—Economic integration

Significant management actions include:

- > working with the GoV and United Kingdom Department for International Development to restructure the institutional arrangements for the BWTO program to facilitate more efficient decision making and implementation
- > ensuring the Project Coordinating Committee for the Cao Lanh Bridge project is established in a way that gives the project an effective mechanism for dealing with the complex coordination issues that will inevitably arise throughout project implementation.



Strategy objective 3—Water supply and sanitation

Significant management actions include:

- > expediting the design and peer review process of Australian support to NTP3.

Strategy objective 4—Climate change

Significant management actions include:

- > strengthening the strategic basis for our engagement
- > completing a delivery strategy in the second half of 2011.

Gender

Significant management actions include:

- > developing a gender action plan, setting out concrete steps for how gender will be advanced under the program

Public financial management

Significant management actions include:

- > undertaking fiduciary risk assessments and audits of programs delivered using partner systems, consistent with the new AusAID guidance on the use of partner government public financial management systems

Measuring performance

More work is required to complete the program's Performance Assessment Framework. Data tables will be completed for each strategic objective to show progression. The draft Performance Assessment Framework is at Annex 1 and includes an assessment of progress against 2010 milestones and 2011 milestones. The Top 5 results for 2011 are set out in Annex 3.

Annex 1: Vietnam Program Performance assessment framework

Table 4: Performance assessment framework 2010 – Improvement in the quality of Vietnam’s human resources

Vietnam development goal	Strategy objective	Strategy objective indicators /targets 2015	Annual milestones 2010	Progress against 2010 milestones	2011 milestones	Government of Australia assistance
To meet human resources needs associated with progression to an industrialised country by 2020.	Improve the quality of Vietnam's human resources	Deliver 1380 scholarships and 300 fellowships	225 ADS scholarships	Achieved (239)	225 ADS	ADS
		Increase capacity of targeted institutions	16 ALAS	Achieved (16)	20 ALA scholarships	ALA scholarships and fellowships
			30 to 50 ALAF	Achieved (98)	50 to 60 ALA fellowships	
		Increase number and strength of institutional links between public sector institutions	Stocktake of current public institutional linkages between Australia and Vietnam	Achieved	Undertake ADS mid-term review	Public Sector Linkages Program
Increase contribution of scholarship alumni and institutional links to meeting strategy objectives	Identify role of Public Sector Linkages Program and take steps to establish larger program if required	Achieved	Finalise delivery strategy	Adventist Development Relief Agency		
					Begin Public Sector Linkages Program	
					Complete tracer study	

Table 5: Performance assessment framework 2010 – Better transport infrastructure and policy to support economic integration

Vietnam development goal	Strategy objective	Strategy objective indicators /targets 2015	Annual milestones 2010	Progress against 2010 milestone	Annual milestones 2011	Government of Australia assistance
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Vietnam development goal	Strategy objective	Strategy objective indicators /targets 2015	Annual milestones 2010	Progress against 2010 milestone	Annual milestones 2011	Government of Australia assistance
Increase in economic activity (national and cross-border) in targeted regions	Better transport infrastructure and policy to support economic integration	Total km of roads and bridge works connecting Mekong communities to markets	Signing of statement of principles for Cao Lanh Bridge	Achieved (October)	Cao Lanh Bridge detailed design and supervision contract signed and implementation started	Cao Lanh Bridge
		Higher traffic volume, lower operating costs and reduced travel time on targeted transport corridors	Start Southern Coastal Corridor construction mid-year	Not achieved (six-month delay)	30% of civil works completed (Southern Coastal Corridor)	Southern Coastal Corridor
		Evidence-based policy approaches enhance opportunities and address challenges associated with economic integration	Construct 60 km of rural roads under Medium-term regional investment plan)	Not fully achieved (37 km roads built)	85 km road finished (additional 48 kms)	Mekong Transport Infrastructure
			Develop evidence-based approaches to market reform under BWTO program	Achieved (market-economy analysis)	Social safeguards applied consistently	BWTO
					Evidence of greater HIV/AIDs/trafficking awareness	Cross-Border Transport Agreement
					Evidence-based approaches (land law, urban-rural migration)	



Table 6: Performance assessment framework 2010 – Increase rural access to clean water and hygienic sanitation

Vietnam development goal	Strategy objective	Strategy objective indicators/targets 2015	Annual milestones 2010	Progress against annual milestones 2010	Annual milestones 2011	Government of Australia assistance
Reduced incidence of water-borne diseases.	Increase rural access to clean water and hygienic sanitation	85% rural water access target 70% rural sanitation access target	Clean water access (83%)	Achieved (83%)	Water and sanitation targets (available March)	NTP II 2010–mid 2011 (\$20 million)
			Hygienic sanitation access (65%)	Not achieved (60%)	Finalised/approved NTP 3 and donor support	NTP III (1.2 billion) 2011–15 (\$45 million)
			Pipe scheme target 2010 (NTP II)	Need to confirm		
			Pipe water quality issue addressed (NTP II)	Addressed	Medium-term expenditure framework for the water and sanitation sector developed (drawing on provincial expenditure frameworks)	VANGOCA (end 2010)
			Operation and maintenance funded effectively (water tariff)	Addressed		
			M&E timely and consistent	Addressed (new M&E system in March)		
			GoV/donor agree on NTP II design document (GoV submission to Assembly September)	Achieved	Operation and maintenance tariff review	
VANGOCA lessons learned and fed into NTP III design	Need to confirm	Collection process for water-borne disease data in 10 provinces				



Table 7: Performance assessment framework 2010 – Advance climate change adaptation and mitigation

Vietnam development goal	Strategy objective	Strategy objective indicators/targets 2015	Annual milestones 2010	Progress against annual milestones 2010	Annual milestones 2011	Government of Australia assistance
Reduced human, economic and environmental losses associated with climate change, including natural disasters.	Advance climate change adaptation and mitigation	2500 communes nationwide implementing CBDRM plans [NGO] Increase in incidence and quality of sea-dykes and mangrove belts in the southwest Mekong Delta (GTZ, NGO) Mitigation target met (VEEP, GTZ, NGO)	Decision made and progress towards CBDRM support VANGOCA NGOs transfer lessons learned in pilot CDRM communes into final CDRM design Increase incidence of dykes and mangroves (demonstration sites) Evidence of Kien Giang (KG) emissions mitigation—reducing emissions from deforestation and forest degradation in developing countries (REDD) Influence legislation in KG on mangroves and dykes Design and approval of phase II of GTZ cooperation (for implementation start 2011) Decision made and progress towards mitigation support Ensure all new Australian ODA in Vietnam is 'climate proofed'	Future CBDRM programing will be considered under the new climate change delivery strategy VANGOCA NGOs shared lessons with the GoV to facilitate roll-out of new CBDRM program 5.4 ha of mangroves planted and 650 m of fences installed to improve survival and growth in KG REDD feasibility study conducted to demonstrate carbon storage potential of KG's mangrove forests—further progress will depend on the adoption of REDD at national level KG strengthened coastal forest management through its decision to maintain 70% of mangrove forest and only use 30% for production Expanded Climate Change Adaptation and Coastal Ecosystems Program designed and approved Future mitigation support and an approach for 'climate proofing' ODA will be considered under the new climate change delivery strategy	Approval of a delivery strategy to guide Australia's Climate Change Engagement in Vietnam Coordination mechanism established to support donor engagement in CBDRM 4.5 km of protective fences installed to support mangrove regeneration in KG Agreement on a 5-year coastal management plan for KG 30 primary schools in KG using climate change awareness materials in the classroom Support to An Giang and Ca Mau has been mobilised under an expanded climate change program	GTZ delegated cooperation program 2010–15 (\$23 million) Future funding allocations to be determined under delivery strategy



Table 8: Performance assessment framework 2010 – Development of more sustainable and resilient systems in agriculture and forestry and fisheries (ACIAR):

Vietnam development goal	Strategy objective	Strategy objective indicators/targets 2015	Annual milestones 2010–11	Government of Australia assistance ACIAR
Increase smallholder income	Development of more sustainable and resilient systems in agriculture, forestry and fisheries.	Model of improved farming practices specific to climate change adaptation in rice cropping in the Mekong Delta adopted	Initiate a new project on climate change adaptation in rice-based cropping systems in the Mekong Delta Field surveys evaluated and field trials established to identify profitable crop and livestock systems for south central coastal Vietnam	Subprogram 1: Securing rice-based farming systems in the Mekong Delta through resilience to the impacts of climate change Subprogram 2: Optimising resource management for profitable and sustainable agricultural production in south-central coastal Vietnam Subprogram 3: Poverty reduction through market engagement for smallholders in the northern and north-western highlands Subprogram 4: Development of high-value aquaculture industries Subprogram 5: Towards higher value plantation forestry products
		Model of improved farming practices specific to profitable and sustainable agriculture systems in the south central coast region adopted	Participatory research trials established in two provinces of south central Vietnam to evaluate the biophysical and socioeconomic impacts of cattle management interventions on smallholder farms	
		Model of improved farming practices specific to temperate crop and livestock systems in ethnic minority areas of the North West Highlands adopted	Implementation of a project to support counter seasonal supply into the Hanoi market as a part of ACIAR continued support to poverty reduction through market engagement for smallholders in the north western highlands of Vietnam	
		Technology and pathways demonstrated to produce high-value solid wood products from small-holder acacia plantations	New project started on production of high-quality veneers from plantation eucalypts and acacias	
		Fish farmers using more sustainable feeds and improved nutrition for high-value aquaculture	Increased knowledge and capability on nutritional requirements, ingredient use and diet processing technology for high-value aquaculture species Hatchery and nursery production techniques adapted to enable more than 10 million single-seed oysters to be distributed to farmers	



Annex 2: Program performance data

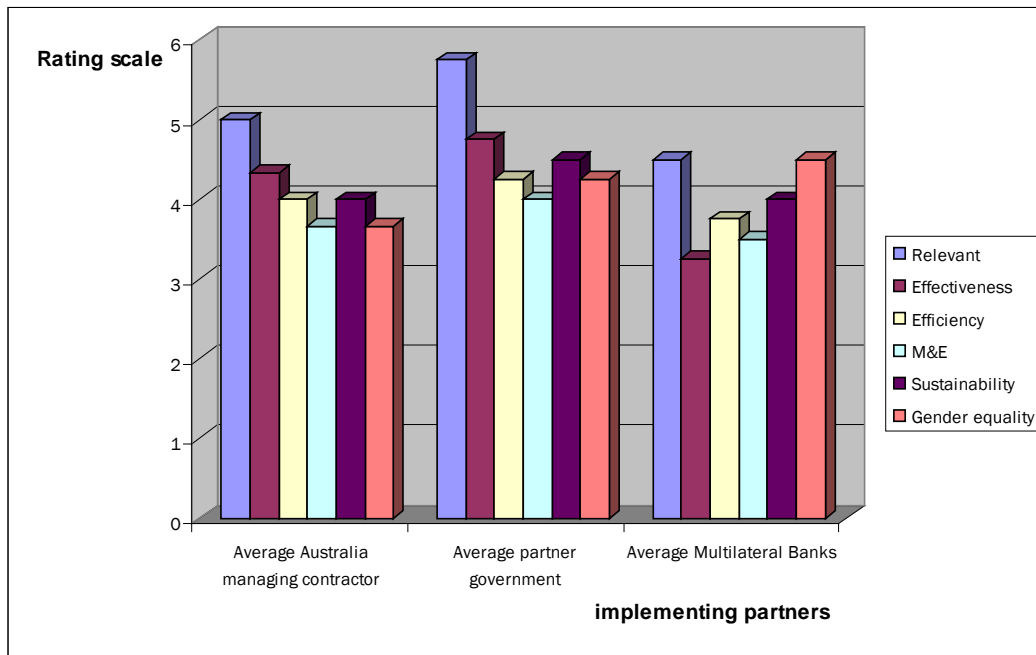
Table 9 provides quality ratings for 19 monitored initiatives under Vietnam Program in 2010.

Table 9: Data quality rating 2010

Initiative NO	Initiative name	Approved Financial Management Accountability Act, Regulation 9 All Time (A\$)	Quality Rating					
			Relevant	Effectiveness	Efficiency	M&E	Sustainability	Gender equality
INF523	Viet Nam ADS—Preparation program	28 400 000.00	■	■	■	■	■	■
INJ260	Scholarships Vietnam ADS—Initial	41 998 418.00	■	■	■	■	■	■
INH551	Mekong Transport Infrastructure Development Project	34 000 000.00	■	■	■	■	■	■
INH651	Southern Coastal Corridor Vietnam	33 117 000.00	■	■	■	■	■	■
INH716	Vietnam Rural Energy Distribution	3 500 000.00	■	■	■	■	■	■
INI491	BWTO Phase II	12 300 000.00	■	■	■	■	■	■
INF870	VANGOCA CARE water and sanitation for rural poor in Mekong Delta	4 880 632.50	■	■	■	■	■	■
INI519	Joint Donors' Support Phase 2 for NTPII on water supply and sanitation	39 905 768.16	■	■	■	■	■	■
INF869	VANGOCA CARE Community Resilience to Natural Disaster	5 537 648.00	■	■	■	■	■	■
INF897	VANGOCA World Vision Reduce Flood Vulnerability Funds 2005–06	3 171 118.00	■	■	■	■	■	■
ING929	World Bank natural disasters risk management project	4 505 998.99	■	■	■	■	■	■
INH911	Conservation and Development of Reserves in Kien Giang	3 208 334.00	■	■	■	■	■	■
INF626	Collaboration for Agriculture and Rural Development (CARD)	20 250 000.28	■	■	■	■	■	■
INH507	Vietnam Delivering Better Health	14 898 292.41	■	■	■	■	■	■
INI819	Vietnam Clinton Foundation Initiative—Phase 2	3 200 000.00	■	■	■	■	■	■
ING949	Join United Nation and Government Avian Influenza	3942048.78	■	■	■	■	■	■
INI426	Supporting the United Nations Reform in Vietnam	4 500 000.00	■	■	■	■	■	■
ING967	ISP—P135–2 in Quang Ngai	10 150 000.00	■	■	■	■	■	■
INH167	Support to the P135–2	45 000 000.00	■	■	■	■	■	■

Chart 3 provides the average rating in six AusAID quality criteria of the three groups of implementing partners including: Australia managing contractor, partner government and Multilateral Banks.

Chart 3: Average performance rating of key implementing partners



Annex 3: Top results for 2010 and 2011

Box 2: Top four results for 2010

Meet human resources needs associated with progression to an industrialised country by 2020

Vietnam development goal—Meet human resources needs associated with progression to an industrialised country by 2020

Strategy objective—Improve the quality of Vietnam's human resources

Result

1. Deliver 225 ADS bilateral scholarships a year in line with the Australian Prime Minister's commitment to scale up, and provide 15 scholarships and 40 short-term fellowships to Vietnam under ALA regional schemes, to enhance Vietnam's human resource capacity.

Increase economic activity in targeted regions (including cross-border)

Vietnam development goal—Increase economic activity (national and cross-border) in targeted regions (including cross border)

Strategy objective—Develop better transport infrastructure and policy to support economic integration

Result

2. 60 km of new rural roads built in seven Mekong Delta provinces that will increase access to markets and basic services for 11 900 people living in 17 poor communes in these provinces.
3. Strengthened evidence-based approaches to market economy reforms in key areas such as competition, pricing policy and state enterprise restructuring, with evidence of social protection and gender issues being addressed.

Reduce incidence of water-borne diseases

Vietnam development goal—Reduced incidence of water borne diseases

Strategy objective—Increase rural access to clean water and hygienic sanitation

Result

4. 83 per cent of rural people receiving access to clean water and 65 per cent to improved sanitation facilities with evidence of prioritised pro poor targeting.

* 2009 is the last year of the transition period from 2007–10 when we operated without a formal strategy. The draft country strategy 2010–15 has been finalised in close consultation with relevant stakeholders including other government departments and NGOs. The draft strategy aligns with the draft Vietnam Socio-Economic Development Strategy 2010–15.

Box 3: Top five results for 2011

Meet human resources needs associated with progression to an industrialised country by 2020

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

Result

1. 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.

Increase economic activity in targeted regions (including cross-border)

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

Result

2. Additional 48 km of rural feeder roads upgraded and one-third of civil works for Southern Coastal Corridor completed.

Reduce incidence of water-borne diseases

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)

Result

3. Increase of rural access to clean water to 83 per cent and sanitation (hygienic latrines) to 58 per cent.

Reduce human, economic and environmental losses associated with climate change, including natural disasters

Vietnam development goal—To reduce incidence of water borne diseases

Strategy objective—Increase rural access to clean water and hygienic sanitation

Result

4. 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.

Crosscutting

Result

5. Gender Action Plan for the Vietnam program completed to facilitate effective integration and monitoring of gender equality across the program.

Annex 4: Annual Program Performance Report—summary of actions taken to address management consequences identified in 2009

Table 10: Summary of actions taken to address management consequences identified in 2009

Management consequences	Actions
Strengthening program focus by getting programming right and using our investments to exact greater influence on GoV policy.	The Country Strategy 2010–15 focuses on three core areas: human resource development; economic integration; and environmental sustainability. These areas are also high priorities for Vietnam’s Socio-Economic Development Strategy 2011–15 which should facilitate policy engagement and high-level discussion.
Identifying appropriate mechanisms to work with multilateral banks to ensure the effectiveness and efficiency of the co-financed programs in infrastructure.	<p>We are working to achieve application of consistent social safeguards across all partners to our infrastructure investments.</p> <p>We have been the driving force behind establishing an HIV/AIDS mitigation component as part of our rural road investments.</p> <p>Proper implementation of resettlement policies in our rural roads investments will get our closer attention in 2011.</p> <p>As we move forward on our major new investment in the Cao Lanh Bridge project, we will work closely with ADB to have rigorous M&E frameworks in place.</p>
Playing an active role in influencing GoV policy and strengthening its systems in working through the GoV systems on water supply and sanitation as well as disaster management.	The program supports targeted technical assistance, pilots new approaches and advocates for appropriate change.
Balancing current programming for adapting to climate change with a new, strong mitigation element and a renewed program for disaster risk management.	While maintaining a strong engagement in disaster risk management, we are identifying areas where we can support GoV in its mitigation efforts.
Identifying options for new NGO programming.	A discussion paper on NGO Partnership Options in the Mekong Region was been provided to the Australian Council for International Development for consultation. NGO engagement is also being considered under the Climate Change Delivery Strategy process.
Disengaging from health, ethnic poverty and other programs that are no longer central to our partnership with Vietnam.	<p>Though the program support to P135 on ethnic poverty ended in December 2010, we have actively shared our experience in the 2010 joint donor-GoV progress review. We will also participate in the end of program evaluation in 2011 to inform our ongoing ISP to P135 in Quang Ngai province that will conclude in early 2012.</p> <p>In the health sector, an agreement for co-financing was signed with the ADB on a \$12 million Human Resource Program in 2010. We are looking at how best to integrate this initiative, which has a human resource development focus, in the country program as we will need to remain engaged in monitoring progress for several more years.</p>
Getting our human resources right for this ambitious scaled-up agenda. Staffing levels should meet the needs of not only the bilateral program, but also sub-regional and regional programming which require significant country-level engagement.	<p>Program staff involved in and adapted well to strategic and programing developments in 2010.</p> <p>A learning and development plan is being developed focusing on policy skills for staff.</p>