



ROUNDTABLE 3: **HARMONISATION**

HARMONISATION OF ENVIRONMENTAL PROTECTION IN VIET NAM

1. COUNTRY CONTEXT: DEVELOPMENT PROCESSES AND CURRENT PRIORITY SECTORS IN VIET NAM

Viet Nam finds itself in a continuous remarkable process of successful poverty reduction. By 2005, the number of households living in poverty had been halved to approximately 22%. **The Government of Viet Nam** is committed to ensuring that the benefits of rapid economic growth go along with adequate sociopolitical measures in order to sustain poverty reduction. Despite ongoing challenges, such as deficiencies in long-term poverty reduction and increasing regional disparities, Viet Nam's record on poverty reduction is among the best in the world.

The current priority sectors health, education, rural development, natural resources / environment, water management and human resources include large-scale social and economic infrastructure and are closely connected to the poverty alleviation strategy of Viet Nam as embedded in Viet Nam's Socio-Economic Development Plans.

While the development agenda has been expanded to include environmental protection as a new challenge, more efforts are still required to implement this through a structured process of support. A **Partnership Group for Aid Effectiveness** set up in early 2004 has become an institutionalised forum to coordinate, discuss and monitor aid effectiveness in Viet Nam. It ultimately acts as a coordinator to implement the **Hanoi Core Statement on Aid**

Effectiveness agreed upon in June 2005 as the localised version of the Paris Declaration. Participation is completely voluntary and decisions are based on mutual acceptance and consensus. Participants at the regular meetings include government officials and representatives of all donor agencies, namely: several banks¹, EU, UN / UNDP, Canada, Denmark, Finland, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, Australia, Germany, Japan and the USA.

There is significant variation across the sectors as regards the extent of alignment. Education represents one of the most ad-

vanced sectors, in which planning includes both national resources and ODA. In general though, considerable scope remains for greater concentration at sector level, as a significant share of ODA to Viet Nam still takes the form of stand-alone project aid. The highest fragmentation can be observed in the health and the economic infrastructure sectors.

¹) World Bank (WB), Asian Development Bank (ADB), Agence Française de Développement (AFD), Kreditanstalt für Wiederaufbau (KfW), Japan International Cooperation Agency (JICA), Korea Eximbank (KEXIM)

2. HARMONISATION OF ENVIRONMENTAL ISSUES IN VIET NAM

PRE-PARIS INITIATIVES: APPLYING ENVIRONMENTAL IMPACT ASSESSMENT

Since 1994, Viet Nam has been using **Environmental Impact Assessments** to assess the environmental impacts of new development projects. Application of this tool showed that, while suitable for investment projects, it was not appropriate with regard to strategic decisions. For this reason, **Strategic Environmental Assessment (SEA)** has been introduced into the new Law on Environmental Protection (LEP) since 2005. This law established a legal requirement to undertake SEA as an integral part of the development of national, regional and provincial strategies and plans in key sectors. This included socio-economic development plans, land use

plans, plans for economic zones, inter-provincial watersheds and a range of sector strategies and plans with national coverage. At that time, the national capacity for the implementation of such a law was however limited, with few government or institutional staff at national ministries, provincial people's committees and departments having experience or knowledge of SEA, while most donors were supporting different programmes.

HARMONISATION AFTER PARIS: IMPLEMENTING THE "SEA" ROAD MAP

Implementation of SEA capacity building in Viet Nam is currently being led by the **Ministry of Natural Resources and Envi-**



ronment (MONRE) and its Department of Environmental Impact Assessment and Appraisal. The ministry initiated the process of focusing on long-term capacity building for SEA implementation after discussions with a number of donor and technical cooperation organisations. German Development Cooperation and the Vietnamese-Swedish Programme for Strengthening Environmental Management and Land Administration (SEMLA) jointly provided support to the Government of Viet Nam to elaborate a draft 'road map' for SEA Capacity Building. The purpose of the road map is two-fold: It is to ensure that the Government's programme is being developed and staged in an efficient manner aligned with and meeting the needs of Vietnamese institutions. And the road map is also to help harmonise donor efforts and identify gaps in donor support. It lists and summarises donor products and programmes, identifies overlaps and provides a timeline with milestones.

Regular coordination meetings between ministry representatives and relevant donors are well attended by donor agencies. Significant achievements of the meetings include the improved coordination of joint activities, a regular update and review of activities, joint efforts in development and implementation of the **National SEA Training Programme** and the agreement on using **MONRE General SEA Technical Guidelines** as the basic reference document for the elaboration of **technical guidelines for sector SEA**. So far this includes guidelines for socioeconomic development plans (ongoing), land use plans

(ongoing), industry (ongoing), construction planning (ongoing), and agriculture and rural development (planned). Donor coordination also resulted in an informal agreement on involving trainees from the

ongoing SEA training-of-trainers Training Programme in other donor-funded sector capacity building activities and in conducting pilot SEAs in various sectors.

3. BENEFITS AND EFFECTS OF HARMONISATION CONCERNING ENVIRONMENTAL ISSUES

Thanks to the enduring efforts, Viet Nam is today seen as a front runner in implementing SEA within the **Framework for SEA Capacity Building**. This might have a positive impact on neighbouring countries.

Broad institutional targeting

In order to support the implementation of the SEA-related laws and regulations, MONRE set up a framework for SEA Capacity Building with technical and financial assistance from various international donors. As part of this programme, a series of SEA training courses for practitioners have been undertaken, targeting provincial Departments of Natural Resources and Environment, line ministries working on development planning, research institutions and consulting firms involved in the environmental sector and/or SEA. While conducting this training for practitioners, MONRE has adapted the International SEA training material of GTZ (based on the OECD SEA Guidance) and used similar training methods.

By July 2008, about 400 people from the above-mentioned organisations had been trained by MONRE. Overall, a pool

of about 90 SEA trainers has been trained and coached in the implementation of SEA pilots in five pilot locations. The success of this training led to the Viet Nam National SEA Training Programme being launched.

Sector-specific adaptation of SEA technical guidelines

The Viet Nam National SEA Training Programme is a result of a joint initiative between the Ministry of Natural Resources and Environment and multiple donor countries. The programme applies a training-of-trainers approach and involves about 40 participants from seven sectors and academia. SEA trainers are working in sector groups on the adaptation of sector training material and the design of seven pilot SEA training courses (industry, transportation, environment and natural resources, agriculture and rural development, planning and investment, tourism and academia).

Mobilising and allocating funds

The programme's achievement is quite significant. Trainees from the programme

have been able to trigger interest in SEA in their own sectors and are being invited to give training to ministerial and provincial officials. The tourism sector mobilised government funds in 2008 to carry out three more SEA training courses in other regions of the country besides the one supported by the SEA Training Programme. Two other sectors, industry & trade and transportation, plan to allocate part of their budget next year for capacity building in SEA. Other sectors receiving external financial support such as agriculture & rural development, construction, planning & investment, are consulting with the SEA Training Programme to plan SEA training-related activities in 2009.

Spreading SEA pilots

To date, more than 20 SEA pilots have been conducted in different sectors and by different donor or implementing organisations.

Since 2003, the **Ministry of Agriculture and Rural Development** and GTZ have been implementing the **Tam Dao National Park and Buffer Zone Management Project (GTZ-TDMP)**. One of the objectives of this project is to support stakeholders in developing and implementing plans and programmes with a focus on sustainable development of the buffer zone and conservation of Tam Dao National Park. To assist in achieving this objective, a Strategic Environmental Assessment (SEA) process has been identified as a suitable tool for assessing the environmental implications of government plans and programmes in the buffer zone. As practical experience in implementing SEAs in Viet Nam is limited, it was decided to first undertake the SEA in a pilot site, Dai Tu District in Thai Nguyen Province in 2005. At that time, SEA had not yet been included in the Law on Environmental Protection (LEP) as a compulsory part of planning at provincial, regional and national level. The SEA process in Dai Tu was intended to provide practical experience and lessons learned as inputs for further elaboration of the LEP and later on, of an SEA Technical Guideline. Two direct outcomes of the SEA process for Dai Tu were key recommendations made to the Socio-Economic Development Plan 2006 of Dai Tu District and the setting up of an **environmental monitoring and evaluation system**.

Two further assessments of **Socio-Economic Development Plans (SEDP)**, one in

the Son Duong District of Tuyen Quang and one in Vinh Phuc Province, started in July 2006. Like the Strategic Environmental Assessment for the SEDP 2005 of Dai Tu District, SEA processes for the SEDP 2006 – 2010 of Son Duong District and Vinh Phuc Province were mainly designed as pilot exercises in capacity building for provincial staff in charge of planning and environmental issues, and to share experience with a wider audience at national level, even though SEA had already been included officially in the Law on Environmental Protection since July 2006.

Since 2005, **Sweden** has been supporting MONRE in conducting a number of SEA pilots in various key sectors, namely the socioeconomic development plan, the land use plan, the industrial development plan and the economic zone plan. In total, 13 SEA pilots have been or are being undertaken at different geographical levels, from national, regional and provincial to district level. The most important pilot SEA supported by Sweden is being conducted for a large-scale **Master Plan of Tonkin Gulf Belt for 2010-2020**. This SEA also thoroughly considers the possible risks of predicted climate change at the proposed developments in six coastal provinces. This assessment involved not only SEA experts but also representatives of the planning team from the Ministry of Investment and Planning who participated in the design and the entire implementation of this pilot SEA.

In 2006, the **World Bank** supported MONRE and Electricity Viet Nam in undertaking an SEA for the **hydropower sub-sector of the National Power Development Plan IV**. This specific SEA focused on the main impacts of planned hydropower projects on biodiversity.

In 2006-2007, the **Asian Development Bank** supported MONRE and Electricity of Viet Nam (EVN) in conducting an SEA pilot for the **Hydropower Development Plan for Vu Gia-Thu Bon Basin** in Quang Nam province. Given its broad focus, this SEA provided a comprehensive overall picture of the strategic impacts of the proposed plan on provincial economic development, poverty in upland areas, integrity of ecosystems and water supply to economic growth areas close to the river delta. Conclusions and recommendations formulated during this participative SEA triggered serious provincial and national discussions about the proposed hydro-

power plan. Subsequently, Quang Nam provincial authorities stopped several planned hydropower plants after consideration of the SEA report.

In 2007, **UNDP** co-sponsored a pilot SEA for **Con Dao Socio-Economic Master Plan to 2010 with a vision to 2020**, and the **Con Dao National Park Tourism Development Plan 2000-2010**. This rapid SEA deployed participatory analyses, but the whole process was considered very robust and provided numerous recommendations for changes in the development orientations and specific planned actions in the Con Dao archipelago. Some of the proposed mitigation and enhancement measures also consider the growing threats posed by climate change, which is particularly important for the coastal ecosystems in the archipelago. The provincial and local authorities have agreed to consider these changes during the next revision of these plans.

4. LESSONS LEARNED

The National SEA Training Programme in Viet Nam is a training-of-trainers programme that can be considered an example of efforts to harmonise good practice. Both the Vietnamese Government and the donor representatives stepped up their efforts to improve implementing capacities based on a road map that aims at linking impact assessment to strengthened national systems. Capacity development involves various stakeholders at different levels around a common exercise of applying an environmental monitoring and evaluation system. Nevertheless, the new legal framework and ongoing SEA activities, such as the development of SEA guidance and SEA pilots, call for individual and institutional capacities, funding and joint efforts by local, regional, national and international stakeholders. Given the wide scope of SEA with respect to sectors, planning levels and geographic locations, the task of coordinating and financing SEA capacity building is and remains huge. The challenges involved in consolidating joint efforts and applying SEA as a tool for implementing / mainstreaming cross-cutting issues like environmental sustainability include rapid economic growth, the interests of different sectors and practical elements of division of labour, in particular channelling of funds.

LESSONS LEARNED BY THE PARTNER COUNTRY

- Country leadership works; donors are increasingly ready to become engaged in government initiatives and welcome the Government's coordination efforts.
- Government-donor coordination on specific issues, such as SEA, does not necessarily require complicated and long-term working plans. Coordination can be flexible, allowing the key actors involved to meet and share ideas periodically.
- It is helpful when donors provide basic secretarial support to the whole process.
- The Partnership Group for Aid Effectiveness provides a forum that makes it possible to flexibly approach various donors to provide complementary support.
- The development agenda has been expanded to include new challenges such as environmental protection, and there is now a results framework based on logical results chains. However, there is still some way to go before the national Socio-Economic Development Plan can become a fully operational strategy. A stronger link between the planning process and the recurrent and capital budgets would improve prioritisation, and create a more solid basis for donor alignment.
- Donors should ensure that their sectoral assistance is helping to build the policies, systems and capacities that Viet Nam will need as it approaches Middle-Income Country (MIC) status.

LESSONS LEARNED BY THE DONOR COMMUNITY

- Government-donor coordination forums on specific issues, such as SEA, are beneficial for optimising the use of local capacities and resources.
- It is good to start with smaller pilot projects and to exchange specific information on lessons learned with other actors involved.
- Government leadership is appreciated and should be further encouraged as it also ensures that the coordination process is not perceived as a mere donor initiative.
- A regular exchange of information and coordination serve as useful starting points. The strongest synergies, however, are obtained through joint funding of individual programmes, which are supported by various donors.
- The Government of Viet Nam has a number of capacity development programmes underway, particularly on ODA management, but donors perceive insufficient guidance on the kind of support the Vietnamese Government needs.
- There is scope for the Vietnamese Government to improve its management of complex reform processes.

5. OUTLOOK: WHAT ARE THE CHANCES OF ENHANCED COORDINATION?

Since the adoption of the **Hanoi Core Statement on Aid Effectiveness** in June 2005, Viet Nam and its development partners have launched an ambitious set of structures and processes to support its implementation under the leadership of the **Partnership Group for Aid Effectiveness (PGAE)**. The strong ownership and alignment policy of the Vietnamese Ministry of Natural Resources and Environment and the process which led to the Road Map for SEA Capacity Building within a Donor Harmonisation Framework have created beneficial circumstances for harmonisation. Country ownership of the

overall development agenda continues to be very strong and is becoming broader beyond government. Nevertheless, there is widespread consensus that the PGAE needs to be revitalised. Donors are generally well coordinated in their preparation of analytical work and policy advice, and there is an increasing volume of joint programming. However, complementary and division-of-labour efforts could gain from a more selective choice of programming areas, and making more use of silent partnerships and lead donor arrangements.