

**FROM PLAN TO ACTION:
ACHIEVING SEDP TARGETS**

Vietnam Partnership Report 2006

**An Informal Report Prepared
for the Consultative Group Meeting for Vietnam
Hanoi, December 14-15, 2006**

ACKNOWLEDGEMENTS

This volume is the product of teamwork and partnerships in Vietnam, and brings together contributions from many of the joint Government-donor-NGO partnership groups, all working together to help Vietnam achieve its development targets, to improve the co-ordination and to make delivery of Official Development Assistance (ODA) more effective. Its production was only possible through the co-operation, contributions and active support of a wide range of development partners, including Government staff, donors and NGOs. Key contacts (though not necessarily leaders) of the groups, most of which have reported in this volume, are currently as detailed below. Non-inclusion in this volume does not imply non-activity on the part of a partnership group.

Poverty Working Group/Poverty Task Force	Cao Viet Sinh (MPI); Martin Rama/Doan Hong Quang (World Bank); Nguyen Tien Phong (UNDP)
Partnership to support National Target Programs Poverty Reduction	Nguyen Hai Huu/Tran Huu Trung/Tran Phi Tuoc (MOLISA); Tran Van Thuat (CEMA); Do Thanh Lam (UNDP)
Partnership to Assist the Poorest Communes	Vuong Xuan Chinh (MPI)
Gender Action Partnership	Tran Mai Huong (NCFAW)
ISG Environment	Nguyen Thi Tho (MoNRE)
People's Participation's Working Group	Nguyen Thi Le Hoa (Oxfam GB)
Partnership on SOE Reform & Equitization	Martin Rama (WB); Nguyen Danh Hao (IMF)
Partnership Group for SME Promotion and Private Sector Development	Nguyen Van Trung (MPI); Kazuhiro Iryu (EOJ); Philippe Scholtes (UNIDO)
Financial Sector Working Group	Dang Anh Mai (SBV)
Trade Reforms Working Group	Martin Rama/Nguyen Minh Duc (World Bank)
Vietnam Business Forum	Sin Foong Wong (IFC)
Education Working Group	Tran Ba Viet Dzung (MoET); Noala Skinner (UNICEF); Anouk Van-Neck (EC)
Health Sector Working Group	Le Thi Thu Ha (MoH); Hans Troedsson (WHO)
HIV/AIDS Technical Working Group	Nancy Fee (UNAIDS)
Forest Sector Support Partnership	Nguyen Tuong Van/Paula Williams (FSSP&P MARD)
Natural Disasters Mitigation Partnership	Nguyen Si Nuoi/ Nguyen Thanh Phuong (MARD)
ISG-MARD	Le Van Minh (MARD-ISG)
Rural Water Supply and Sanitation Partnership	Le Van Minh (MARD-ISG)
Transport Partnership Group	Truong Tan Vien (MoT); Masayuki Karasawa (JBIC)
HCMC ODAP	Trang Trung Son (HCMODAP)
Urban Forum	Pham Khanh Toan (Ministry of Construction)
Legal Reforms Partnership	Luu Tien Dung (UNDP)
Public Administrative Reform Partnership	Pham Van Diem (MoHA); Nguyen Tien Dung (UNDP)
Public Financial Management Partnership	Nguyen Ba Toan (Ministry of Finance)
Partnership group on Aid Effectiveness	Ho Quang Minh (MPI)

Bo Thi Hong Mai (World Bank) managed production of this volume and coordinated the Theme Notes from the Development Partnership Groups. Photo by Trinh Quang Vinh, Simone D. McCourtie

Further copies of this report are available from the Vietnam Development
Information Center, Ground Floor, 63 Ly Thai To, Hanoi, and at:

www.worldbank.org.vn , www.un.org.vn and www.vdic.org.vn

TABLE OF CONTENTS

INTRODUCTION AND OVERVIEW

PARTNERSHIP TO SUPPORT THE NATIONAL TARGET PROGRAMMES

ISG ENVIRONMENT

PEOPLE'S PARTICIPATION WORKING GROUP

SME PARTNERSHIP GROUP

FINANCIAL SECTOR WORKING GROUP

EDUCATION SECTOR GROUP

FOREST SECTOR SUPPORT PARTNERSHIP

ISG - MARD

RURAL WATER SUPPLY AND SANITATION

TRANSPORT PARTNERSHIP GROUP

VIETNAM URBAN FORUM

LEGAL REFORMS PARTNERSHIP

PUBLIC ADMINISTRATIVE REFORM PARTNERSHIP

PUBLIC FINANCIAL MANAGEMENT PARTNERSHIP

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of South East Asian Nations
AFD	Agence Francaise de Developpement
CEPT	Common Effective Preferential Tariff
CIDA	Canadian International Development Agency
CIE	Center for International Economics
CIEM	Central Institute for Economic Management
CPNET	The government information network
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CPLAR	Cooperation Program on Land Administration Reform
DANIDA	Danish International Development Agency
EU	European Union
FSSP	Forest Sector Support Partnership
FAO	Food and Agricultural Organisation
GDP	Gross Domestic Product
ILO	International Labour Organization
ISG	International Support Group
JICA	Japanese International Cooperation Agency
JBIC	The Japan Bank for International Cooperation
KfW	Kreditanstalt fur Wiederaufbau
LPTS	Legal Professional Training School
LMDG	Like-Minded Donor Group
MDG	Millennium Development Goal
MOJ	Ministry of Justice
MOT	Ministry of Trade
NGO	Non-governmental Organization
NORAD	Norway Agency for Development
NSCERD	National Steering Committee for Enterprise Reform and Development
ODA	Official Development Assistance
ONA	Office of National Assembly
OSS	One-Stop Shop
PPA	Participatory Poverty Assessment
RPA	Regional Poverty Assessment
SEDP	Socio-Economic Development Plan
SDC	Swiss Development Cooperation
SIDA	Swedish International Development Agency
SPC	Supreme People's Court
SPP	Supreme People's Procuracy
UNDP	United Nations Development Programme
UNODC	United Nations Office of Drug Control
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNV	United Nations Volunteers
UNHCR	United Nations High Commissioner for Refugee
VDG	Vietnam Development Goal
VHLSS	Vietnam Household Living Standards Survey
VNU	Viet Nam National University
SBV	State Bank of Vietnam
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

INTRODUCTION AND OVERVIEW

Introduction

1. The past year has seen significant progress in achieving a more efficient way of delivering and managing official development assistance (ODA) in Vietnam based on an ever increasing degree of Government ownership of the partnership agenda. The international community is committed to following Vietnam's long-term goals and strategy. Donors have pledged to align their respective ODA strategies to the Vietnam's Socio-Economic Development Plan 2006-2010, monitor the results of their assistance using the Government's results monitoring framework, and jointly conduct progress reviews on the realization of the Hanoi Core Statement targets.

The development partnerships highlighted in this volume have made significant contributions to Vietnam's poverty reduction and growth. The partnership groups are now working to bring the 5 year plan into action.

Challenges in enhancing aid effectiveness, improve coordination, reducing transaction cost, while maintaining strong Government ownership, remain. But overall Vietnam is on track to achieve the ambitious targets it has set for itself.

2. The main part of the report brings together a series of notes, prepared by 14 development partnership groups (see content page), setting out the progress they have made in meeting development outcomes since their last report to the Consultative Group Meeting and in bringing about significant changes in their sector. Groups highlighted this changed behaviour by answering four 'key questions' (Box 1) that form the structure of the notes to be found later in this report; key highlights are presented in Box 2. Most of the groups consist of Government and donor representatives, and many also include both international and local NGOs.

Box 1: The four 'Key Questions'

- 1) What progress has your partnership group made over the past six (or twelve) months ?
- 2) What work has your partnership carried out in supporting the Government, central and provincial agencies to implement the new SEDP for 2006 - 2010 and sectoral strategies and programs ?
- 3) Over the next twelve months, what concrete actions will your group take, including to align donor support to sectoral strategies and SEDP ?
- 4) What are your revised success criteria - or milestones- for 2007 to ensure your partnership group reaches its development outcomes? It may be useful to put this in a matrix format, with Date, Planned Activities, Outcomes, and Key Players as the column headings.

Box 2: Examples of Activities of Partnership Groups in the past six (or twelve) months

National Target Programme

- Support the government agencies preparing for implementation of Programme 135 phase 2
- Support for dialogue on poverty reduction and ethnic minority policies

Environment

- Facilitate dialogue on a wide range of issues on environment and natural resources such as M&E system, capacity building, river basin management, biodiversity, climate change adaptation...

People's Participation

- Provide a forum for exchange of information and networking between international and Vietnamese organizations engaged in promoting people's participation
- Organize thematic meetings on draft Law on Associations, status of civil society in Vietnam, mapping out participatory models

Financial Sector

- Facilitate discussion on banking reform program and other financial sector issues, including capital market development and non-banking financial institutions

SME promotion and Private Sector Development

- Coordinate donor's assistance and activities, provide a forum for information exchange and discussions to facilitate SME development
- Develop a practical handbook for linking value chain analysis to poverty reduction.

Education

- Policy dialogue through the Annual Education Dialogue Meeting
- Multi-donor thematic Initiatives including Inclusive Education Strategy, UN girls Education Initiative, Early Childhood Care and Development, HIV/AIDS & Education

Forestry

- Provide support to a number of important legal decrees and regulations
- Finalise an indicator set for the data base to be used to monitor implementation of the forthcoming National Forest Strategy

Agriculture and Rural Development

- Conduct 3 studies: assessment of agro-products transaction modes, Training Need Assessment for international and regional integration in MARD, Performance analysis for FDI in ARD
- Support formulation of a 5-year plan for MARD international cooperation activities
- Support to other partnership such as Rural Water Supply and Sanitation

Rural Water Supply and Sanitation

- Establish the Coordination Unit, Partnership Steering Committee.
- Contribute to the unified Sanitation Sector Strategy and Action Plan

Transport

- Consolidate information and experience on projects and programs in the sector to encourage alignment of support and improvement of aid effectiveness
- Hold discussions on: road maintenance, traffic safety and PMU reform

Public Finance Management

- Promotion of reforms in finance and budget management
- Implement recommendations of the Public Expenditure Review Report 2004
- Promote the realisation of sustainable development and poverty reduction objectives

Public Administration Reforms

- Strengthen institutional and regulatory framework
- Promote performance efficiency and quality standard
- Strengthen PAR partnership for promoting cross department/provincial learning and replication

The Drive to Partnership - Increasing efficiency

4. Since its official launch in Vietnam in 1998, the Partnership Approach has continuously served as a useful and important instrument to improve coordination, promote open dialogues between government agencies and development partners toward the common objective of increasing aid efficiency. The partnership groups in general have moved to much deeper, broader involvement in the country's Socio-economic Development Plan and other sectoral and regional development strategies.

5. Many of active partnership groups have been moving toward the formal structure (for example: the International Support Groups of MARD, ISG Environment, and the newly established Rural Water Supply and Sanitation), which has proved as useful and effective in promoting coordination, increasing understanding and transparency between Government agencies and international donors. The formal structure also increases the Government ownership of the process and promote better coordination within the government system both among the central level agencies and between central and local levels. This in turn improves the effectiveness of development programs in general and assistance from donor and NGO communities in particular.

On the other hand, some groups and their members have found the format of an information-sharing forum to be an effective mechanism. This format also provides the partnership more flexibility to raise new issues for discussions and adapt new focuses, although it might not always link to any specific policy-making context.

Each format has its own strength and weakness. It is clear that there is no "one size fits all", so members of the groups should choose the model that is best for them to achieve their desired outcomes. The success of a working group also depends on the degree of flexibility in working structures and form as the environment changes.

In the past year, some groups have carried out comprehensive reassessments of their activities, mandate, organization and direction to increase the effectiveness and be more relevant and adaptable to the changes of the new situation.

The degree of Government ownership of partnerships continued to increase in the past year, with 15 groups are now chaired by Government (for example, the Financial Sector Working Group, Health Sector Working Group, Urban Forum), and some (for example, ISG at Ministry of Agriculture and Rural Development, Forest Sector Support Program and Partnership, ISG at Ministry of Natural Resources and Environment) entirely managed and supported from within existing Government structures. Strong Government ownership is desirable and necessary to ensure the success of partnership.

6. Despite progress and success stories in the past year, many issues remain to be solved on the path of building better partnership for development.

Partnership groups are operating at different levels of effectiveness. Different groups face very different and sometimes wide ranging obstacles in improving partnership effectiveness. The issue of possible overlapping work between different working and partnership groups has also been raised.

7. Factors for success: Attitude, Flexibility and adaptability, Ownership, Commitment, Wide, multi-level support, Funding, Technical Knowledge.

Towards 2010 - looking ahead

8. The donors have strongly committed to align their assistance strategies with Vietnam's Socio-Economic Development Plan (SEDP) 2006-2010, which serves as the main coordinator of ODA activities over the period.

Partnership groups have facilitated the support to SEDP formulation. As useful fora for information exchange, policy dialogues and technical discussion between development partners, the partnership groups will continue to be a good mechanism to improve coordination to support the Government's implement SEDP.

9. The experience in Vietnam has shown the benefits of donors and NGOs working in partnership with Government to support all stages of the development process. Ensuring a stronger partnership between all stakeholders is becoming even more crucial to help Vietnam achieve ambitious development goals it has set for itself.

The Theme Notes

10. There was strong support for documenting the work of partnerships throughout 2006, and to lay out the path ahead. Thus it was agreed that Partnership Groups should produce brief theme notes answering the 'key questions', detailed in Box 1. These notes form the body of this report.

Further information and bibliography

Further information on the Partnerships in Vietnam can be obtained from:

www.un.org.vn , www.undp.org.vn , www.vdic.org.vn , www.worldbank.org.vn

The following documents provide more detailed information about the partnership approach and the CPRGS in Vietnam.

Consultative Group Meeting for Vietnam (December 2001). Putting Partnership to Work in Vietnam - Informal report for the Consultative Group Meeting, Hanoi.

Consultative Group Meeting for Vietnam (June 2002). Putting Partnerships to Work in Vietnam: Update. An Informal Report for the Mid-Term Consultative Group Meeting, Ho Chi Minh City.

Socialist Republic of Vietnam (SRV) (2002). Comprehensive Poverty Reduction and Growth Strategy, Hanoi.

World Bank with Asian Development Bank (2003). Poverty - Vietnam Development Report 2004. Hanoi.

Consultative Group Meeting for Vietnam (Dec 2004). Partnership for Development. An Informal Report for the Consultative Group Meeting, Hanoi.

World Bank and others. 2004. Vietnam Development Report 2005 - Government. Hanoi.

Partnership Group on Aid Effectiveness, 2004. Harmonisation and Alignment for Greater Aid Effectiveness in Vietnam - Report 2004. Hanoi

Consultative Group Meeting for Vietnam (December 2004). Moving Towards 2010 - Informal report for the Consultative Group Meeting, Hanoi

Mid-term Consultative Group Meeting for Vietnam (June 2005). Moving Towards 2010, Informal report for the Consultative Group Meeting, Hanoi (Mid-year Update)

PARTNERSHIP TO SUPPORT THE NATIONAL TARGET PROGRAMME ON POVERTY REDUCTION AND PROGRAMME 135

BACKGROUND

This note describes the activities of international organizations and agencies that have contributed to the partnership to support the National Target Programs (NTPs) for poverty reduction in the past year. Perhaps most notably, with the launch of the second phase of Programme 135 (P135-II), there has been a significant increase in the number of donors and their involvement in this programme and the emergence of a more formal partnership around this activity with the formation of a specific Partnership Committee for the purpose of providing joint donor budget support to P135-II. At the time of writing, this joint budget support operation is in the process of formal appraisal, with negotiations with Government and World Bank/ donor agency approval expected to take place within the first quarter of 2007.

Programme 135 phase 2 was approved by the Prime Minister under Decision No. 7/2006/QD-TTg of January 10, 2006, while an official decision on the NTP-PR is still under consideration. Over the past year a group of donor agencies has been working through a collaborative and consultative process to support the government agencies preparing for implementation of Programme 135 phase 2. With technical support from the UNDP funded Technical Assistance project VIE/02/001 and other donors including WB, SIDA, Finland, DFID, AusAid, and IFAD, programme documents for Programme 135 phase 2 and the NTP-PR as well as several implementation guidelines were completed. On the donors' side, World Bank has led the design of the budget support operation to P135-II with participation from other interested donors and agencies including AusAid, Finland, IFAD, Ireland, Sida, and UK DFID. On the government side CEMA has provided strong leadership with an open and consultative approach. There is a positive sense of progress and achievement among the parties to this informal partnership and recognition that P135-II is being strengthened and enhanced through these joint efforts.

1) Support for Programme 135 Phase 2 and the National Targeted Program for Poverty Reduction in the past twelve months

(a) Support to the drafting process of the Inter-ministerial Circular, specific ministerial Circulars on implementation guidelines and the P135-II "Roadmap".

CEMA, as the lead GOVN agency on Programme 135 phase 2 (P135II), worked in close consultation with relevant GOVN agencies (MPI, MOC, MOF and MARD) and donors to prepare and issue the Inter-ministerial Circular that guides provinces on programme implementation. The final draft Inter-ministerial Circular was completed in May and issued by GOVN in August 2006. At the same time, MOC, MARD, MOF, and CEMA have been preparing guidelines for different parts of P135II. The MOC officially issued its Circular 01/2006/TT-BXD on estimating and managing costs for P135II infrastructure investment, while the MOF and MARD have produced a number of draft guidelines on financial management and the production component, respectively, for wide consultation. Notably, CEMA has taken the lead in preparing a "Roadmap" with key targets, indicators and milestones for the implementation of P135II and the Circular on programme component 4 "Improved Livelihoods."

CEMA organized training workshops for all 45 participating provinces of P135II to prepare their own provincial Roadmaps and training plans. There are other guidelines being developed such as commune investment ownership, communications, capacity building, budget allocation and financial reporting, and monitoring and evaluation.

The process of preparing the above documents has been undertaken in a consultative manner with the active participation of government agencies and donors. Some of the specific technical support provided by donors includes: IFAD support to MARD for public consultation on the development of the production guidelines; Finland's support for the development of a sub-national technical assistance fund, commune ownership and monitoring and evaluation; support from SIDA for overall donor coordination; UNICEF's support to the improved living conditions component; and UNDP technical assistance for circular and guideline development and P135-II management. In addition, MPI led the preparation of a number of technical studies that contributed to the design of the joint budget support approach with support from a Government of Japan PHRD Grant administered by the World Bank.

Though technical support provided by donors and UN agencies has been through various channels and mechanisms, CEMA's leadership and ownership has played a key role in ensuring maximum alignment and coordination with GOVN policies and structures. The development of the P135II roadmap is an excellent example of this. The process of preparing the P135II roadmap that lays out the government's own committed policy and institutional actions and results was led by CEMA with active participation by other stakeholders from government, donors and UN agencies. The roadmap that emerged from this process also: (i) helped define the key policy and institutional actions summarized in the Results Framework of the proposed joint budget support operation for P135II; (ii) offers a basis for aligning donor TA support; and (iii) provides a starting point for monitoring and evaluating the results of both government's efforts and donor support in P135II implementation.

To get INGO feedback on the development of P135-II and support greater INGO linkage with poverty related NTPs, UNDP and other donors have initiated different activities with the NGO Resource Centre and its working groups. IFAD supported MARD to organize a separate NGO consultation on the P135II draft production guidelines and UNDP consulted with the Pro-Poor Extension working group. As an input into World Bank and DFID's mapping of donor activities in P135II communes, UNDP coordinated with the NGO RC to consult with NGOs on their activities in P135II communes. UNDP is also working with CEMA and the NGO RC to establish greater INGO and national NGO collaboration. An introduction workshop for CEMA and NGOs was organized on 27 November where the broader issues of collaboration and partnership were discussed.

(b) Support for joint budget support to Programme 135 phase 2

The joint donor partnership group for budget support to P135-II has indicated that it expects to provide an expected total level of support of approximately US\$274 million over 2007-2010, in a combination of concessional loans and grants. These resources will pass directly to the state budget. This direct budget support will be complemented by parallel technical assistance that will target building capacity at all levels to help achieve the programme's strategic results.

Two donor pre-appraisal missions took place over May 8-26 and September 18-October 9 2006 to review Programme 135 Phase 2's readiness for donor budget support. There was significant progress over the course of the two missions on agreement between GOVN and donors on the budget support, including the lending modality, partnership mechanism, and basis for progress review and evaluation.

During the missions, GOVN and donors identified a number of key policy and institutional actions that the budget support to P135II would achieve. These policy and institutional actions as well as the above-mentioned roadmap have also helped define and coordinate the TA support to P135II.

The donor agencies providing budget support to P135-II have agreed with CEM, MPI, MOF, and MARD to establish a Partnership Committee for this purpose with the first meeting planned for early 2007. The Partnership Committee will draw on lessons learned from DFID's program budget support to P135-I and will hold two joint progress review meetings each year. The main purpose of the meetings is to review the results of P135-II implementation including progress towards the agreed policy and institutional actions under the joint budget support operation. The Partnership Committee complements the P135 National Steering Committee, led by the deputy Prime Minister, which is responsible for overseeing P135-II implementation.

(c) Support to guideline development and implementation of the NTP-PR, 2006-2010

As the programme document of NTP-PR is still under the GOVN's appraisal and approval process, only some partnership activities were undertaken relating to this programme.

At a request from MOLISA, donors and NGOs were invited to provide technical assistance and support to seventeen poor provinces in Vietnam in their poverty reduction programmes. A meeting with donors and NGOs was held in March to look for a chance of cooperation with those organizations in specific localities. A general framework for preparing a provincial planning process was disseminated to all members of 17 provincial drafting teams at a training workshop organized on March 23-24. The actual planning exercises were completed in these provinces. This is the first time that the provincial plans for NTP-PR are being prepared with wider participation and consultation with many organizations outside DOLISA and at all provincial, district and commune levels. This consultative process will make the work plan more poverty-focused and feasible. A draft guideline on local planning on poverty reduction and lessons learned from the provincial planning process were shared with central agencies, donors and NGOs in June.

Government agencies, donors and NGOs participated in a consultation workshop organized in June by MOLISA to provide their comments and inputs to the final draft of capacity building framework and curriculum matrix for the NTP-PR, 2006-2010 before its finalization.

(d) Support for dialogue on poverty reduction and ethnic minority policies

CEMA and MPI took the lead, with support from UNDP and World Bank, to organize a "Consultative Forum on Support to Socio-economic Development in Ethnic Minority and Mountainous Areas, 2006-2010" on September 28, 2006. Donors, UN agencies, and INGOs participated in addition to a wide range of GOVN ministries and agencies. The seminar was co-chaired by Minister Ksor Phuoc of CEMA and Vice Minister Cao Viet Sinh of MPI. Deputy Prime Minister Pham Gia Khiem attended and gave opening remarks. The forum provided a unique chance for an open dialogue on ethnic minority policies. One of the key results of the Forum was the agreement to continue such dialogues on a more regular basis.

2) Key activities in the next twelve months

In 2007, key areas of support to P135-II and the NTP-PR will include:

Programme 135, Phase 2:

- Support CEMA and concerned ministries to complete the development of component-specific Circulars and guidelines for implementation of P135-II.
- Support CEMA to develop and implement M&E systems and operational guidelines, including

support to implement the baseline survey.

- Support CEMA to develop and implement capacity building programmes, and support mechanisms to identify and share vertical and horizontal lessons and best practices, communication strategies, and operational guidelines.
- Technical assistance and capacity building for CEMA at all levels and for related technical agencies, particularly at provincial, district and commune levels.
- Support to initiate and operationalize the P135-II Partnership Committee.

National Targeted Programme on Poverty Reduction, Phase 2:

- Support MOLISA, and concerned ministries to complete the development of component-specific Circulars and guidelines for implementation of phase 2 of the NTP-PR.
- Support MOLISA to develop and implement M&E systems and operational guidelines.
- Support MOLISA to develop and implement capacity building programmes, and support mechanisms to identify and share vertical and horizontal lessons and best practices, communication strategies, and operational guidelines.
- Further develop an inclusive partnership mechanism on poverty, including structure, coordination and partnership principles and a wider membership that would include INGOs, VNGOs and other civil society representatives in addition to government and donors.

3) The future of partnership and revised success criteria

The nature of the overall partnership to P135 and the NTP-PR has been evolving, subject to changes in GOVN's agenda for its poverty reduction programmes and interest from donors and NGOs. In line with the Hanoi Core Statement, a group of donors including DFID, SIDA, Finland, AusAid, Ireland, WB and IFAD are adopting P135-II as an important mechanism to provide direct budget support and technical assistance for further improvement of programme implementation. This partnership will become formally established with the Partnership Committee to review P135-II implementation and associated budget support. The PC for P135-II is well defined in an outline terms of reference agreed to by GOVN and donors, which in 2007 will need to be operationalized with greater specification on roles and responsibilities, development of a work plan, and possible consideration of capacity building opportunities for its lead agency CEMA.

A number of INGOs are also interested to become more closely involved in supporting P135-II implementation, consistent with the Hanoi Core Statement, particularly at local levels. Whatever involvement INGOs may have with P135-II, this is likely to differ significantly from the kind of partnership represented by the formal Partnership Committee for P135-II. Therefore, the structure and nature of such a wider collaboration, and its operational mechanism, principles and membership will have to be debated and formalized. Fortunately there is rich experience to draw on, both from previous and ongoing partnerships on poverty reduction such as the PAC, Poverty Working Group and Poverty Task Force as well as partnerships in other sectors such as the ISGs in MARD and MONRE.

Success criteria for the emerging formal partnership for P135-II need to be discussed and developed by its members. Regarding a wider collaboration or partnership for P135-II and the NTP-PRs, it is pre-mature to consider evaluating success in the absence of such a partnership, however factors that may be considered in the formation of an eventual partnership could also later apply to its review. Criteria which were proposed in 2005 can be reconsidered including: Government of Viet Nam's ownership and leadership of the partnership; working mechanisms within governmental organizations across levels, and within donors and NGOs; the development of a partnership network; the level and quality of technical support provided through the partnership; the extent to which national and provincial

level partnerships support to the implementation of P135-II and the NTP-PRs; the roles and functions of the partnership in the monitoring, evaluation and review of progress in programme implementation; the active involvement of government, mass organizations and provincial representatives and other civil society members, donors and NGOs; and increased harmonization of donor support to national poverty reduction programmes.

Contact persons:

1. Dr. Tran Van Thuat, Director, Ethnic Minority Policy Department, CEMA; Deputy National Project Director, SEDEMA component, VIE/02/001 project, # 80 Phan Dinh Phung Street, Hanoi. Telephone: (844) 8230500; email: tranvanthuat@cema.gov.vn;
2. Dr. Tran Huu Trung, Deputy National Project Director, NTP-PR component, VIE/02/001 project, # 2 Dinh Le Street, Hanoi. Telephone: (844) 9362931; email: trantrungvn195@yahoo.com.vn;
3. Mr. Tran Phi Tuoc, Director, International Cooperation Department, MOLISA; # 2 Dinh Le Street, Hanoi. Telephone: 8269533; email: ird-molisa@fpt.vn
4. Mr. Do Thanh Lam, Programme Officer, UNDP. Telephone: 9421495, ext. 212, email: do.thanh.lam@undp.org
5. Dr. Robin Mearns, World Bank (on behalf of the joint World Bank/donor budget support partnership group for P135-II). Telephone: 934 6600, ext. 315; email: rmearns@worldbank.org

List of participating institutions:

	Vietnamese Agencies	Donors
1	MOLISA	UNDP
2	CEMA	UNICEF
3	MPI	DFID
4	MOF	SIDA
5	MOJ	AUSAID
6	OOG	IRELAND
7	MARD	FINLAND
8	MOC	WB
9	MOFA	IFAD
10	SAV	
11	GSO	
12	ILSA	
13	MOHA	

**INTERNATIONAL SUPPORT GROUP ON NATURAL RESOURCES 120****Partnership Report 2006
For Consultative Group Meeting In December 2006**

As a dialogue forum between the donor community and the GoV on natural resources and environment, ISGE has identified some policy priorities and finding logical approaches to facilitate dialogue on these issues. ISGE also seeks for broad participation and constructive contributions of organizations and individuals of all sectors to the following dialogue issues:

Dialogue focus in 2006***1. Monitoring and Evaluation System for Natural Resources and Environment Five Year Plan***

In order to ensure successful implementation of the NRE Five Year Plan, there needs to develop performance indicators for monitoring and reporting purposes. Proposed approach is to develop a result-based monitoring and evaluation Logframe. A concept study to develop a M&E system prepared by ISGE earlier and the "Result-based Monitoring and Evaluation System for implementation of the 2006-2010 Socio-Economic Development Plan" will be basis documents for formulation of monitoring and evaluation system for NRE five year plan.

2. Agenda 21 for Natural Resources and Environment sector

Vietnam Agenda 21 was developed with nine issues that relate to natural resources and environment. These provide the orientation for the development of an Agenda 21 for the natural resources and environment sector. Assigned by the Government to be the focal point in developing an NRE sector Agenda 21, the Ministry of Natural Resources and Environment has already made arrangements and prepared documents to orient this task. Actions are now focused on finalizing the necessary NRE Agenda 21 documents. ISGE has been providing supports and consultation to finalize these documents. Draft documents have been prepared with the support of Poverty and Environment Project and to be complete in the mid of 2007.

3. Strategic Capacity building and institutional development framework for NRE sector

As a sector under the newly formed Ministry of Natural Resources and Environment, NRE is facing many challenges, in particular capacity building and human resource development. Under the framework of Thematic Ad-hoc Group 3 of ISGE, the task to develop a capacity building and institutional development framework for the sector has been set in order to outline a comprehensive framework for sector capacity building oriented with strategic objectives and/or long-term sector plans (for example, 5 year plans). From that point, it is possible to identify focus, gaps and overlaps of capacity building task of the sector.

4. National Policy on River basin management.

Development of a planning process for river basin management is being undertaken by the Ministry of Natural Resources and Environment; and water sharing is considered as a complicated issue and the core of river basin management. Discussion and policy recommendations on water sharing will be undertaken under the framework of Thematic Ad-hoc Group 1 of ISGE.

5. Working Group on Biodiversity

Biodiversity conservation is a key priority of the NRE sector and draws much attention from donors and the Government. However, there are inconsistencies and overlaps in state management and policy dialogue on this issue have been inadequate. Therefore, ISGE proposes to establish a working group on biodiversity to facilitate and coordinate the dialogue with the Ministry of Agriculture and Rural Development and Ministry of Forestry, two members of ISGE on this issue

Other dialogue issues

6. Climate change adaptation.

Climate change adaptation is drawing much concern of Vietnamese government. ISGE intends to establish a working group on climate change adaptation in 2007 to point out a matrix of climate change adaptation activities in Vietnam. In late 2006, current status of international supports will be reviewed and some recommendations on focuses of coastal climate change adaptation to be made.

7. The environmental industry

Orientation to develop the environmental industry and assess the impact of environmental protection policies on enterprises is also a concern of ISGE. This will be a start in establishing dialogue channel between ministries, industries and business community on environmental protection under ISGE framework.

8. Review of legislations on natural resources and environment

Legislation framework on natural resources and environment is of great concern with huge number of documents but showing many shortcomings in practical implementation. ISGE intend to support MONRE in its task to review the overall system of NRE legislation and make findings available for broad consultation among ISGE members and donors in order to improve the legislation framework, ensure that national and sectoral overall objectives are met.

Other activities

Monthly and thematic volumes of ISGE newsletters were issued and sent to related organizations and individuals. News on dialogue process and ODA-related activities have constantly updated on ISGE website.

The ISGE is reviewing its performance in the last 2 years and to streamline its activities to better serve the emerging task of bridging between donor communities and the government on the NRE sector.

International Support Group for Natural Resources and Environment
Room 215, 83 Nguyen Chi Thanh, Hanoi
Tel: 04-7735510; Fax: 04-7735509
Email: isgemonre@fpt.vn; Website: www.isge.monre.gov.vn

PEOPLE'S PARTICIPATION'S WORKING GROUP

Partnership Note *Hanoi, November 2006*

The People's Participation Working Group (PPWG) was established in 1999 as one of the partnership groups, and it provides an informal forum for organisations and professionals - including donors, government employees, NGOs, project managers, consultants, researchers - to meet and exchange information and ideas on issues relating to people's participation, grassroots democracy and civil society. Participants are encouraged to share information relevant and interesting to other members of the network.

The overall goal of the group is *to support the Government of Vietnam in its efforts to enhance people's participation in their own development and the development process in Vietnam including participation in development policy design, implementation and monitoring.*

The immediate objectives of the group are to promote i) an *enabling environment* and *capacity building* for enhanced people's participation and ii) co-ordination of activities for efficient use of resources invested in this area.

Co-ordination of the PPWG

The PPWG is co-ordinated by an elected Chairperson assisted by a voluntary core group. This core group consists currently of about 15 members from UNDP, Embassy of Finland, International NGOs and Vietnamese NGOs, who meet regularly to organise thematic workshops and other events. Ms. Nguyen Thi Le Hoa from Oxfam Great Britain chaired the group up to end of August 2006. The current Chairperson is Ms. Vu Thi Bich Hop, Director of SRD (Center for Sustainable Rural Development). The level of activities in respect of people's participation and civil society development increased during 2006, and the core group met regularly to plan and keep the group updated on activities and events.

The PPWG is open to all those who are interested in participating and contributing to sharing information and carrying out joint objectives.

I. Update on PPWG activities in 2006

In 2006, the PPWG continues to provide a forum for exchange of information and networking between international and Vietnamese organisations engaged in promoting people's participation. During this year the PPWG has attracted more participation from Vietnamese governmental bodies and civil organisations. In particular, the main thematic workshops and other meetings described below provided a forum for dialogue between different stakeholders. Some of the core issues include participation of organisations in the implementation of the SEDP, the Grassroots Democracy Decree and to participate in other forums; to strengthen the organisations; to follow the development of the legal frame for organisations. Furthermore, the PPWG will continue the discussions on working definitions used by the group related to civil society and participation.

II. Thematic meetings organised by PPWG in 2006

Volunteering in Vietnam 17 February.

This meeting was organised by the United Nations Volunteers (UNV) office and hosted by the PPWG with the purpose of promoting discussion on national volunteering including the idea of a National Volunteer Centre in Vietnam.

Law on Association, 15 May.

The draft Law on Associations was reviewed by the National Assembly during spring session 2006 and had drawn a lot of attention from the development community and the mass media in Vietnam.

Considering the importance of the law to Vietnamese NGOs PPWG core group decided to conduct a PPWG meeting on the topic. The meeting was conducted 15 May 2006 with the objective to share information and promote discussion about the draft law. Prof. Giao from LERES gave a thorough presentation of the draft of the Law on Associations and the implications of its contents. MOHA is invited to the meeting but had to send regrets. The meeting was well attended by local NGOs.

The status of Civil society in Vietnam and how to strengthen it, 14 June

The meeting presented the UNDP/SNV supported CIVICUS Civil Society Index Study, an initial assessment of what it describes as 'the emerging civil society' in Vietnam. The national coordinators, Dang Ngoc Dinh from VIDS and Irene Norlund, International consultant for UNDP/SNV, presented the outcome of the one-year long study, and four of the senior researchers involved in the project gave each their comments to the strengths and weaknesses of the study. The meeting was very well attended and the participants were engaged in the discussions.

Link: http://www.undp.org.vn/undpLive/digitalAssets/3202_Civicuc_report__E_.pdf

Mapping out Participatory Models, 16 November

Plan International has commissioned a consultant, Anna Lauridsen, to compare various approaches to participation. Based on the recognition that various organisations carry out 'participation' differently from one project to another, the study was conducted to inform about the different models and facilitate learning about advantages and disadvantages in the various approaches. The study findings were presented during a PPWG meeting on the 16 November 2006.

Two PPWG meetings planned for the autumn 2006 were cancelled due to overlapping with Government workshops and events. One meeting on Vietnam's 5-Year Socio-Economic Development Plan (SEDP) 2006-2010: experiences from Vietnamese and International NGOs on participatory planning in its implementation was cancelled/postponed due to a workshop hosted by Ministry of Planning and Investment with support from SCF UK on 26 September on a very similar subject. Another meeting on Rural Collaborative Groups and Networking amongst Vietnamese NGOs was postponed as the thematic study (led by Department of Cooperatives, MARD with field survey support from IFAD, CARE, OXFAM GB and SRD) to the 7th draft of RCG Decree. This Draft is being circulated among PPWG Core group for feedbacks and comments will be provided to MARD prior National Workshop planned for 13 December 2006. The Decree will be submitted for Government approval.

III. Other activities during 2006

- Update of the PPWG Website at <http://www.un.org.vn/donor/donor.htm>, working group space. The VUFO-NGO Centres has established a new, more active and updated website, and PPWG core group decided to move the PPWG webpage to the website:

http://www.ngocentre.org.vn/Default.asp?page=People_Participation_Working_Group.

The link under the UN Vietnam website under partnerships is maintained. The PPWG server for distributing messages to the full group of interested persons has moreover changed to ppwg@ngocentre.org.vn. The VUFO-INGO website will be launched 10 December 2006.

- Inventory update for organisations involved in PPWG. It will in the future be updated twice a year from 2007.

IV. Related activities/activities of interest in 2006

- Participation in the briefing on the draft Law on Associations at the Ministry of Home Affairs (MOHA) for Ambassadors as well as PPWG members, 3 April.
- Launch of the CIVICUS Civil Society Index Study supported by the Vietnam Institute of Development Studies, SNV and UNDP, on 9 May.

- The Embassy of Finland's study on Measuring Grassroots Democracy, conducted by Mekong Economics, and review of support for GDD. The Finnish Embassy has conducted some consultation with NGOs.
- UNDP/VASS paper on grassroots democracy and participatory governance in Vietnam. It was available at the "20 years of doi moi conference" organised by UNDP and VASS in June.
- Case Study of VNGO Network under the Capable Partners Program (CAP), USAID Office of Private Voluntary Cooperation (USAID/PVC) and the Academy for Educational Development (AED) and its main partner Management Systems International (MSI). This report was expected to be finished by mid-year.
- PPWG members were actively taking part and contributed to the Vietnam Development Report by the World Bank. INGOs and NGOs were for the first time invited to take part, from June to November.
- VUSTA with support from UNDP and SNV and was a major event with participation of more than 140 participants from different stakeholders groups (Vietnamese and international NGOs, government officials and donor community).
- Support for Plan International's project on assessing different participatory models, presented at the PPWG meeting, 16 November.

V. Meetings planned for 2007

Topic 1: Participatory planning and budgeting - role of I/NGOs

This topic is being discussed by various organisations involved in the new type of participatory development, and PPWG would like to ensure involvement and networking on the results from these approaches. Organisations which have gained experiences will present cases to be discussed by the plenary.

Topic 2: Rural Collaborative Groups and Networking amongst Vietnamese NGOs

It is expected that the final draft Decree on Rural Collaborative Groups (RCG) will be formulated by end of the 2006. PPWG have been proactive in pushing for this change in the legal frame for small rural groups that hitherto had no legal frame. The purpose of this PPWG meeting would be to discuss the draft and the report that came out as a result of the meeting in 2005 on the same topic. The RCG topic might be combined with discussion of how to form networks between RCG. Topics to be addressed will include formation of networks, structure and capacity, activities, contributions to the development process, and challenges faced in promoting these networks to follow up on activities from 2005.

Topic 3: Reflections of how to follow-up on the "Capacity building and strengthening of NGOs"

The VUSTA workshop 9 November 2006 was a landmark event with presentations from national and international speakers, government and non-government sector. The afternoon was spent on group discussions on how to support NGOs and their participation in the development process in Vietnam. UNDP, SNV and VUSTA all expressed commitment to contribute to strengthening the NGO sector, for instance through the suggested establishment of a fund for Capacity Development of NGOs. The PPWG meeting would be on follow-up measures from the workshop.

Topic 4: Participation of INGOs and NGOs in implementation and M&E of the SEDP

This PPWG meeting will aim to explore the involvement of Vietnamese and International NGOs in the development and implementation of the SEDP, and what this means for the contribution of these organisations to government policy and the improvement of participatory governance.

Topic 5: Developing an enabling environment for CSOs development

It is clear that CSOs can only develop and contribute if they are facilitated by an enabling environment.

Other than to follow-up the Law on Association (which might not be taken up in the NA again before 2008) PPWG members would seek opportunities to look into the overall CSOs legal framework (including legal documents for other types of CSOs such as funds, foundations, CSOs at grassroots levels...) and other mechanism necessary to facilitate the growth of CSOs. This include assuring sustainable finance for CSOs as tax provision, grants, aids, donation, voluntary work...; assuring actual and effective participation of CSOs in public service delivery, national program 135...; capacity building to enhance CSOs capability, accountability and transparency; enhancing the State-CSOs and State-CSOs-Market dialogues...

Other activities

Of other activities planned for 2007 include:

- Identify means and ways to strengthening the PPWG further and identify strategic directions. This includes reviewing goal, objectives, working definitions, etc.
- Discussions to provide inputs for the Ordinance on Grassroots Democracy
- WTO impacts on the NGO sector.

FINANCIAL SECTOR PARTNERSHIP

The Government-donor financial sector working group was established in late 1999 to discuss the proposed banking reform program developed by State Bank of Vietnam (SBV), to support implementation of that program, and to coordinate donor support on banking reform. Since that time, the working group has expanded beyond just banking reform and now covers a wider range of financial sector issues, including capital market development and non-banking financial institutions (NBFIs), deposit insurance and representatives of the Ministry of Finance (MOF) and State Securities Commission (SSC) are invited to participate in the meetings.

The partnership on financial sector reform is informal but serves as an effective forum in which the Government and its partners can periodically share information on the financial sector reform, provide updates on current financial sector developments and technical assistance, and coordinate various donor assistance activities. In addition, the working group serves as a forum for seeking donor assistance.

Strong Government Ownership

Implementation of the Government's financial sector reform program continues with strong donor support as evidenced by the number of related assistance projects as well as the amount of financial support provided by the Donor Group. The working group is now meeting on a quarterly or semi-annual basis with the third quarter 2006 meeting having been held in September 2006. At this meeting the discussion focused on the objectives and key points in the Roadmap titled "Development objectives and solutions for Vietnam banking sector up to 2010 and orientation to 2020" approved by the Prime Minister in Decision 112/2006/QD-TTg dated May 24, 2006, Capital Markets, Deposit Insurance, NBFIs, leasing and the transformation of the DAF into a Development bank. The September 2006 meeting was hosted by the State Bank of Vietnam (SBV), chaired by a Deputy Governor with participation of representatives from 15 donor organizations and donor-funded projects.

Financial Sector Reform Progress

During the recent donor meeting, the SBV provided an update on the banking reform progress and the measures being taken to address challenging problem areas. The SBV presentation included the following issues: (i) Transformation of the SBV into a modern central bank: The SBV should streamline its organization, and equip itself with resources and capacity in order to successfully carry out market-based monetary policies and apply international standards and best practices in its bank supervision operation, securing its full integration into the international financial community; (ii) Restructuring of the commercial banks and development of non-bank financial institutions: The SBV is determined to enhance the restructuring process of the commercial banks, specifically in their financial standing, corporate governance and competitiveness. The SBV surveillance of the commercial banks and financial institutions would be radically changed in a way that the institutions have full autonomy and are fully responsible for their business performance. In addition, the SBV actively encourages the development of finance and leasing companies, microfinance institutions, people's credit funds, deposit insurance, policy lending institutions and the money and capital markets.

The SBV informed the donors of the TA Roadmap produced under the project Road mapping/ Master Planning to Support the State Bank of Vietnam to Identify and Sequence Technical Assistance in the Implementation of the International Economic Integration of the Banking Sector. The Roadmap is intended for the SBV to coordinate and harmonize the reform activities as laid out in Decision 112. The Roadmap is also a live position paper with an Excel-based TA planning and management tool that aims to assist SBV to optimize the benefit of TAs for the financial sector and

save donors' study time when considering possible TA supports to the banking sector. In order for the donors to visualize the usefulness of the newly-built tool, a consultant in charge of creating the Technical Assistance Management Information System (TAMIS) demonstrated a web portal platform that provides views and status of TA provision and commitments for 2006-2020 with fast-tracking tools.

The Banks and Non-bank Financial Institutions Dept. of the SBV presented the two important areas in the financial sector: leasing and microfinance. There are 10 companies operating in the leasing industry, 7 of which are subsidiaries of commercial banks. As of June 30, 2006, total charter capital of the companies was approximately VND1.1 trillion, mobilized fund was approximately VND7.8 trillion and outstanding was VND8.1 trillion. Leasing activities are quite safe as compared with bank loans and the non-performing assets currently stand at 3.6% of total outstanding, or VND293 billion. Total provision is VND156 billion. However, leasing companies are faced with quite a few obstacles, including the weak legal framework, limited charter capital and mobilized funds, potential credit risks due to second-best customer portfolios, public awareness of leasing as a financing tool, etc. ADB, KfW and AFD have provided supports to these companies but further supports are valuable for this young industry.

In the microfinance area, the official microfinance providers (i.e. Agribank, Vietnam Social Policy Bank, People's Credit Funds, Joint-stock banks) accounting for most of microfinance activities and the semi-official microfinance providers (i.e. NGOs, social-political associations) now have a lot of difficulties and challenges, such as a weak regulatory framework, lack of overall development strategy, etc. ADB is providing TA for the preparation of the guiding documents for Decree 28/2005/ND-CP and surveillance system of microfinance activities. Nonetheless, more donor supports are welcome to create an enabling environment for these activities, as well as to build capacity for SBV supervisors and microfinance providers, especially training in business administration, financial analysis, and internal audit. There is also a need to establish a microfinance association to coordinate and support microfinance activities.

The State Securities Commission of Vietnam (SSC) presented updates on the development of the capital market in Vietnam and the key chapters of the new Securities Law which will take effect as of January 01, 2007. The capital market is witnessed to have remarkable developments recently, e.g. as of the first quarter 2006 there were 63 companies being listed with total market capitalization of over 65 trillion VND (the number of listed companies now has reached 77 with market capitalization of over 70 trillion VND), accounting for 7.8% of GDP (as compared with over 1% of GDP by the end of 2005) and the number of equitized enterprises has reached 3,000, promising much further increases in the future. By 2010, market capitalization is targeted to reach 15% - 25% of GDP and a Stock Exchange shall be established in 2007 (with USD50 million loan from USAID) in Ho Chi Minh City to replace the current trading center while the Hanoi Securities Trading Center will become a hybrid market in 2010. A more developed bond and derivatives markets are also envisioned in the next 5 years.

Until now, USAID – STAR project helped prepare the Securities Law and WB cooperated with the SSC to prepare an “Overview of the Capital Market in Vietnam and Directions for Development” report and conducted a country corporate governance assessment. Capital market development needs a great deal more support from donors, areas of specific need include (i) preparing the guiding regulations and co-ordinating laws for the implementation of the Securities Law; (ii) enhancing a full-functioning central depository body; (iii) restructuring the market; (iv) improving market transparency and corporate governance; (v) enhancing regulatory capacity of the SSC and strengthening market inspection, supervision, and enforcement activities.

The Deposit Insurance of Vietnam (DIV) provided donors with a brief but comprehensive overview of deposit insurance activities in Vietnam. Since its establishment in 1999, DIV has played a positive role in maintaining Vietnam's financial system stability. DIV made timely reimbursement to nearly 3000 depositors of 33 failed People Credit Funds (PCFs) in 2000 shortly after it came into operations. This has contributed to preventing the spread of the problem to other institutions. Currently, this institution has VND2 trillion in its equity and funds, and insures 991 financial institutions nation-wide, including 67 banks, 6 finance companies and 918 PCFs. The senior management of the DIV has a clear vision and strategy on the modernization of the DIV and the institution is in need of well-defined TA supports.

The Vietnam Development Bank (VDB), at the September donors meeting discussed the transformation of Development Assistance Fund into VDB, which took place in June with TA supports under an ASEM grant administered by the WB. As of this time, VDB inherited: (i) 5,800 projects with committed amount of VND83.4 trillion, total outstanding of VND42.1 trillion; (ii) 293 ODA projects with committed amount of USD6.2 billion and outstanding of VND43.9 trillion; (iii) 2,676 post-investment projects with committed amount of VND3.2 trillion; (iv) 720 export credits with contract amount of VND4.2 trillion. VDB is to serve development investment and export credit needs as directed by the Government with a clear set of objectives for the period 2006-2010; the bank is therefore burdened with numerous tasks requiring it to have a sound and transparent financial standing, streamlined organization, market-based and IT-based services. The institution looks forward to further donor support, especially in capacity building and in creating an enabling regulatory and accounting framework.

Aligning Assistance to the Strategic Development Plans

There continues to be good accord between the sections on financial sector reform in the Government's strategic development plans, including the Socio-Economic Development Plan to 2010 and the Comprehensive Poverty Reduction and Growth Strategy, and overall donor supported technical and lending assistance. In addition, the key Government agencies involved in reform implementation, the SBV and SSC, are linking their sector development strategies to their assistance needs and priorities. The Government's strategic plans, both the overall and sector specific, enjoy strong backing by the members of the working group on financial sector reform. This is expected to continue to be the case going forward.

Donor Support for the Reform Agenda

In addition to the supports previously mentioned, many other supports have also been carried out by the donors during the year. Comprehensive information regarding donor activities is provided in Financial Sector Assistance Matrix (as attached) which is periodically updated with inputs from the donors and published through the World Bank's website so that each donor can learn what other donors are doing. Following are the prominent ones:

- The Asian Development Bank (ADB) has an on-going assistance program in such areas as implementation of the anti-money laundering, SME development, capital and financial market development, housing finance, non-bank financial institutions. Currently, ADB is providing advice for the development of a bond market jointly with the World Bank and is going to help enhance capacity building in supervision activities for the SSC.
- The Australian Agency of International Development (AusAID) has provided assistance to SBV with an international integration study that addressed the competitiveness of the banking sector, and the process of international integration.
- The Canadian International Development Agency (CIDA) has started its SBV reform project,

focusing on (i) restructuring and human resource development; (ii) regulatory supports, and (iii) risk management and internal audit procedure.

- The European Commission (EC) has helped the SBV in: (i) Evaluation of off-site surveillance of the commercial banks; (ii) Evaluation of the accuracy and timeliness of data submitted by the commercial banks, and (iii) training of bank supervision staffs.
- The First Initiative is working with the SSC to set up the regulations and guidelines for the operation of investment funds and to prepare a feasibility study for the development of the Central Securities Depository.
- The German Gesellschaft für Technische Zusammenarbeit (GTZ) has provided technical supports in: (i) SBV monetary policy management; (ii) SBV supervision activities and reforms, internal audits in the commercial banks and People's credit funds, and risk management; (iii) bad debt resolution, and (iv) regulatory framework: drafting Securities Law and SBV Law and organizing workshops for the preparation of the two banking laws.
- The International Finance Corporation (IFC) continues to provide supports to the financial sector with regard to the creation of a private credit bureau and modernization of secured transactions law.
- The International Monetary Fund (IMF) is providing assistance in the areas of monetary management, banking supervision, balance of payment statistics, foreign exchange reserve management, banking restructuring and organization of the SBV.
- The Japan International Cooperation Agency (JICA) is working with the SBV to focus on: (i) data management reforms; (ii) payment system improvement; (iii) development of secondary debt management; (iv) banking regulatory framework, and (v) future TA proposals.
- The Japan Ministry of Finance is working with the SSC and the Central Securities Depository to provide their technical assistance.
- The Swiss State Secretariat for Economic Affairs (SECO) is providing supports to the SSC.
- The US Agency for International Development (USAID) worked with the SSC for the preparation of the Securities Law, and capital markets policy/legal reforms. Currently, USAID is also assisting the Ministry of Justice and concerned Agencies in developing a modern legal framework for Secured Transactions. In addition USAID has provided comprehensive technical support to the State Bank and National Assembly in developing the Laws on Credit Institutions and Negotiable Instruments, Decrees on Foreign Banks, and Decision on Prudential Regulations.

The World Bank has been a partner in Vietnam's reform process for the past ten years and will continue to support the next phase of strategic policy and technical changes in the financial sector. The diversification of the financial sector will become increasingly critical as the formal financial sector grows because underdevelopment of the capital markets intensifies banking sector risk and reduces prospects for improved governance due to the lower market presence of institutional investors. Therefore, the focus of the Bank's interventions in the financial sector is evolving and now includes an expanded focus on capital markets development. The current program includes a variety of components. The Bank has supported critical financial sector infrastructure through an initial project (completed) for the establishment of a National Payment System. Currently, a follow up project of \$105 million is underway to further the development of the payment system as well as core banking systems at the largest banks. A new project under preparation focuses on specific needs of the SBV, in particular, comprehensive data management system, including collection, storage, security and analysis.

Over the course of the past several years, the Bank has assisted the Financial Sector by securing a number of Trust Funds, primarily ASEM Trust Funds and A Multi-Donor Trust Fund under the

MOF. In addition, country specific bilateral consultant trust funds have provided support to the WB in data gathering and analysis. All of these have been valuable resources for capacity building, policy dialogue and legal and regulatory changes. Some of the recent activities have included the following (for a more detailed listing of these activities, please see the Donor TA Matrix attached): a) financial support for IAS Audits at several institutions over the course of the past few years, b) a recent Basel Core Principles assisted Self Assessment, c) Discussion and assistance in developing a supervisory rating system (CAMELS), d) Reviewing the current governance structure of the banking system and assisting in the development of a new regulation on Corporate Governance of Commercial Banks, e) Support to the SBV to understand and manage its technical assistance needs, f) supporting the improvement of supervisory capacities and the development of prudential regulations, and g) support for building capacity at the SSC in the area of policy and regulation development. Building upon these will be the focus of the future. Specifically, following up on implementation of work that has begun and assisting in the strategic management of broader technical assistance needs.

Next Steps for the Working Group

The Donor group will meet again in early 2007 to address a broader range of topics in the financial sector. In the meantime, the donors will be asked if they have any specific areas of concern or questions they would like to be addressed related to these subjects for inclusion in the agenda. Additional actions should include:

- Continuing to update the donor matrix by identifying new technical assistance and notifying SBV and the Bank when projects have been completed.
- Continuing to provide for the matrix, greater detail as outlined at a prior donor meeting on future and existing projects.
- Continue transitioning the Matrix to the SBV to revise, update, and disseminate regularly.

The comprehensive matrix covering the technical assistance and lending support provided by all donors on the Government's financial sector reform agenda has been updated and completed projects moved to a separate section of the Matrix, but the Financial Sector Assistance Matrix continues to be organized by financial institution and then by function for ease of navigation, with active links to the appropriate contacts for each project, and it is posted on the World Bank Vietnam Country Office web site (www.worldbank.org.vn).

FINANCIAL SECTOR ASSISTANCE PROJECTS IN VIETNAM
Financial Sector Donor Working Group
As of September, 2006

REFORM AREA	TASK	DONOR / PROVIDER	STATUS	START DATE	CONTACT
	State Owned Commercial Banks (SOCBs)				
	Support for Implementation of ICB Restructuring Plan	AFD	Ongoing	Sept. 2003	Marc Gilbert , AFD gilbertm@groupe-afd.org
	Support for the implementation of the restructuring plan for BIDV - phase 2	World Bank / European Union ASEM Trust Fund	Ongoing	2004	James Seward , World Bank jseward@worldbank.org
	Reform internal audit of commercial banks	GTZ	Ongoing	2003	Andreas Hauskrecht , GTZ hauskrecht@sbcglobal.net
	IT upgrades (core banking data processing systems) of joint stock banks	USAID - VNCI	Ongoing	2004	David Brunell , USAID dbrunell@usaid.gov Bob Webster , VNCI robert@vncl.org
Bank Restructuring	TA on overall strengthening of risk management, assets-liabilities management, conversion to IAS accounting to Asia Commercial Bank (ACB) - US\$ 850,000. Major components: 1. Credit Risk Management (including Gap analysis, recommendation, scoring models for corporate and retail loans): completed 2. IFRS reporting training: completed 3. IT modernization: contract is under negotiation 4. ALM related TA: contract is under negotiation 5. Strategic Planning: consultant selection is under the process 6. Senior resident advisor: consultant selection is under the process	Swiss trust fund			
		Dutch fund	On-going	2002	Lam Bao Quang lquang@ifc.org
		Japanese fund IFC			
	TA on overall strengthening of risk management, assets-liabilities management, conversion to IAS accounting to Saigon Commercial Bank (Sacombank) - US\$ 850,000. Major components: 1. Credit Risk Management: completed 2. IT modernization: completed 3. ALM: completed 4. Senior resident advisor: consultant selection is under the process.	Swiss trust fund Dutch fund Japanese fund IFC	On-going	2002	Lam Bao Quang , IFC lquang@ifc.org
Advisory assistance for the Mekong Housing Bank equitization transaction	IFC	Ongoing	2004	Sin Foong Wong Swong@ifc.org	
Mekong Housing Bank TA for Credit Management, Treasury and Asset Liability Management, HR management, IT, and MIS	Seco / Private Sector	Ongoing	2004	Barbara Jäggin , Swiss Embassy Barbara.jaegglin@han.rep.admin.ch Quondam Partners , Juerg Vontobel quondam@bluewin.ch	

	Workshops in Bank Restructuring	Seco (Swiss Embassy) / Private Sector	Approved	Dec-03	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch Quondam Partners, Juerg Vontobel quondam@bluewin.ch
Payment System	Second Payment System and Bank Modernization Project	World Bank	Ongoing	2005	Xiaofeng Hua, WB xhua@worldbank.org James Seward, World Bank jseward@worldbank.org
	Payment System and Bank Modernization for VBARD (extension of the WB PSBM)	AFD	Ongoing	Sept.2003	Marc Gilbert, AFD gilbertm@groupe-afd.org
Auditing	IAS Audits 2003-2004 for ICB	World Bank / European Union ASEM Trust Fund	Ongoing	2003	James Seward, World Bank jseward@worldbank.org
	Joint Stock Banks (JSBs)				
	Risk Management for Joint Stock Banks	GTZ	Ongoing	2003	Andreas Hauskrecht, GTZ hauskrecht@sbcglobal.net
	TA to the JSBs on credit risk management, asset / liability management and human resource development	Seco (Swiss Embassy) / BTC	Ongoing	Dec 2005	Barbara Jäggin, Swiss Embassy Barbara.jaegglin@han.rep.admin.ch
Risk Management	Credit Risk Management and Loan Portfolio Management	IFC-SME department and IFC-MPDF Netherlands trust fund	On-going	Jul-05	Nguyen Hanh Nam, IFC/MPDF NNam@ifc.org
	<ul style="list-style-type: none"> - Workbook - Training manual - Training of trainers - Training courses US\$ 60,000 Partner: Bank Training Center (BTC)				
	Training and enforcement of capacities, specially in the fields of credit policies, risk management and sectoral analysis for VBARD	AFD	On-going	Sept. 2003	Marc Gilbert, AFD gilbertm@groupe-afd.org
Organizational Change	Support to Bank Training Center (BTC) to provide quality training to commercial banks	IFC-MPDF	On-going	2002	Nguyen Hanh Nam, IFC/MPDF NNam@ifc.org
	Major components: <ul style="list-style-type: none"> - Building the capacity of trainers - Certification program for credit function US\$ 175,000/year Partner: Bank Training Center (BTC)				

State Bank of Vietnam (SBV)					
Organizational Change	SBV restructuring	GTZ	Ongoing	2002	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Long-term training and technical assistance to the SBV on supervisory, regulatory and banking services issues	CIDA	Ongoing	Feb. 2004	Lara Bremmer, CIDA larachristine.bremmer@international.gc.ca Chris Mains, BRP Project Manager crmfc@aol.com
	SBV Capacity Building in Regulation, Supervision, and Development	World Bank / European Union ASEM Trust Fund	Ongoing	2003	James Seward, World Bank jseward@worldbank.org
	Guidance on reforming the SBV to be modern central bank	IMF/MFD/APD	Ongoing	Mar-06	Il Houng Lee, IMF, ilee@imf.org Nga Ha, IMF, nha@imf.org
	SBV Capacity Building	European Union	Proposed	2005	Francisco Fontan, EC Francisco.Fontan@cec.eu.int
	Strengthening banking supervision/auditing	GTZ	Ongoing	2000	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobal.net
	Transition of VAS to IAS for banks and improving financial reporting	World Bank / European Union ASEM Trust Fund	Ongoing	2003	James Seward, World Bank Jseward@worldbank.org
	Anti-money laundering- assessment and assistance for drafting decree, action plan for FIU establishment	ADB	Ongoing	Sept. 2003	VV Subramanian, ADB vsubramanian@adb.org
	Anti-money laundering- assessment and assistance for drafting decree, assisting the FIU operation and training its staff, and providing education to the public on anti-money laundering.	IMF/MFD/LEG	Ongoing	Dec. 03	Il Houng Lee, IMF, ilee@imf.org Nga Ha, IMF, nha@imf.org
	Full Basel Core Principle Assessment of the SBV	World Bank / European Union ASEM Trust Fund	Ongoing	2003	James Seward, World Bank jseward@worldbank.org
Supervision/ Safety-Soundness Standards	Assisted self-assessment of the Basel Core Principles	World Bank/ASEM Trust Fund	Ongoing	2004	James Seward, World Bank Jseward@worldbank.org
	Advisory services for strengthening banking regulation and supervision	IMF/MFD	Ongoing	2004	Il Houng Lee, IMF, ilee@imf.org Nga Ha, IMF, nha@imf.org
	Compliance and Audit of Bank Supervision Information Requirements & Training for SBV bank inspectors in the field of bank supervision	European Union	Ongoing	2005	Hans Farnhammer, EC Hans.Farnhammer@cec.eu.int

	Review of State Bank and Credit Institutions Laws	GTZ	Ongoing	2003	Andreas Hauskrecht, GTZ Hauskrecht@sbcglobe.net
	Technical advice on the State Bank and Credit Institutions Laws	CIDA	Ongoing	Jun-03	Lara Bremmer/CIDA larachristine.bremmer@international.gc.ca Chris Mains/BRP Project Manager cmtfca@aol.com
	Introduction of international standards (Basel Principles)	GTZ	Ongoing		Andreas Hauskrecht, GTZ Hauskrecht@sbcglobe.net
	Workshops, legal analysis and reference materials to support the development by the SBV of the key implementing decrees for the amended Law on Credit Institutions	USAID-STAR Project	Ongoing	Aug. 2004	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
	Support for developing Decree on Foreign Banks	USAID (STAR Project)	Ongoing	Aug-04	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
	Support for developing the Law on Negotiable Instruments	USAID (STAR Project)	Ongoing	Nov-04	Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com
	Assisting the SBV to draft the foreign exchange ordinance	IMF/MFD/LEG	Approved	Feb-Jun 05	Il Houn Lee, IMF, illee@imf.org Nga Ha, IMF, nha@imf.org
	Assisting the SBV to draft various Decisions on strengthening banking supervision legal framework and operation	IMF/MFD/LEG	Ongoing	Nov-04	Houng Lee, IMF, illee@imf.org Nga Ha, IMF, nha@imf.org
	Assisting the SBV to draft Decree on information provision for serving the monetary policy management	IMF/APD	Ongoing	Jun-06	Il Houn Lee, IMF, illee@imf.org Nga Ha, IMF, nha@imf.org
	Assessment of the CIC	World Bank / Spanish CTF	Ongoing	Nov. 2003	James Seward, World Bank jseward@worldbank.org

	<p>Implementation of strategic framework: drafting legal framework and partnership building: support setup of a private sector credit bureau US\$ 110,000</p> <p>Major components:</p> <p>1. Technical Assistance: provide legal TA to SBV. This would include:</p> <ul style="list-style-type: none"> - Developing legal framework - Developing code of conduct - Establishing licensing requirements. - Providing on-going consultation throughout the process and promotion/dissemination activities. <p>2. Partnership building/Sourcing: The project will seek interest from potential international credit bureaus and commitment from banking community and then as the trust broker, facilitate the establishment of a private credit bureau with participation of a reputable foreign investor/sponsor.</p> <p>Partner: State Bank of Vietnam</p>	MPDF	On-going	May-06	<p>Nguyen Hanh Nam, IFC/MPDF NNam@ifc.org</p>
International Agreements	Assessment of and technical workshops on the financial sector implications of the US-Vietnam Bilateral Trade Agreement	USAID-STAR Project	Ongoing	Nov. 2002	<p>Dennis Zvinakis, USAID dzvinakis@usaid.gov Steve Parker, STAR Steve_Parker@DAI.com</p>
	Assistance to SBV in formulating the strategy for international integration for the banking sector	AusAID	Ongoing	Oct. 2004	<p>Graham Alliband, CEG Facility Galliband@ceg.edu.com</p>
	Reserves Management Capacity Building	SIDA/Swedish Central Bank	Ongoing	May-03	<p>Karl-Anders Larsson, SIDA karl-anders.larsson@sida.se</p>
	Safeguards Assessment	IMF/Treasurer's Department	Ongoing	2001	<p>Il Hyoung Lee, IMF, ilee@imf.org Nga Ha, IMF, nha@imf.org</p>
	Assistance to the SBV to accept Article VIII of Article of Agreement of the IMF, allowing Vietnam to liberalise its the current accounts	IMF/LEG	Approved	Feb/June 05	<p>Il Hyoung Lee, IMF, ilee@imf.org Nga Ha, IMF, nha@imf.org</p>

Reserves Management	Assistance in auditing the SBV	IMF/MFD	Ongoing	2004	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
	Assistance in foreign exchange reserve management	IMF/MFD	Ongoing	Mar-06	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
	Financial market/policies Train the trainer, HR management/appraisal, empirical research skills	Seco (Switzerland) / Graduate Institute for International Studies	Ongoing	Phase I: 1997-1999 Phase II: 2000-2002 Phase III: 2003-2005	Barbara Jäggin, Swiss Embassy Barbara.jaeggin@han.rep.admin.ch Graduate Institute of International Studies Geneva, Prof. Camen Camen@hei.unige.ch
	Training in Macroeconomic model-building and forecasting	INSEE/Banque de France/ ADETEF	Ongoing	2002	Alain Fontanel Afontanel@hotmail.com
	Workshops in Macroeconomic Policy Coordination	IMF	Ongoing	2002	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
	Staff exchange	Sida/Swedish Central Bank	Ongoing	2003	Karl-Anders Larsson, SIDA karl-anders.larsson@sida.se
	Guidance on monetary policy instruments and operations	IMF/MFD	Ongoing	2004	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
	Training SBV and Commercial Bankers, Monetary Instruments	GTZ	Ongoing	2002	Andreas Hauskrecht, GTZ Ahauskrecht@aol.com
	Advisor on monetary policy, international reserve management and development of secondary market for debt	JICA	Newly adopted	Sept.2006	Yamada Minoru, JICA Vietnam Yamada.Minoru@jica.go.jp
	Assistance in calculating and forecasting core-inflation as well as constructing monetary framework	IMF/MFD	Ongoing	Sept.2006	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
Monetary Policy	Assistance in development of a database for tracking money market transactions	ADB	Approved	May-03	Alessandro A. Pio, ADB Apio@adb.org
	Assistance on monetary statistic and reporting system	IMF/STA	Ongoing	Apr-05	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
	Assistance on balance of payments statistics	IMF/STA	Ongoing	Apr-06	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
Statistics and database	Assistance on balance of payments statistics	IMF/STA	Ongoing	Apr-06	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
	Assistance on monetary statistic and reporting system	IMF/STA	Ongoing	Apr-05	II Houng Lee, IMF, llee@imf.org Nga Ha, IMF, nha@imf.org
Money Market Development	SME Finance Project (II)	JBIC	On-going	2005	Yasuhisa Ojima, JBIC y-ojima@jbic.go.jp
SME Credit Policies	SME Credit Line (ICBV)	KRW	Approved	2001	Thao Nguyen, KfW, thaonguyen@kfw.de Giang Tran, KfW, giang@kfwvn.com

	SME Development Program Loan (co-financed with ADB and AFD)	KfW	Ongoing	Dec-04	Thao Nguyen, KfW, thao.nguyen@kfw.de Giang Tran, KfW, giang@kfwv.com
	SME Revolving Fund	European Union	Ongoing	Oct. 2004	Hans Farnhammer, EC Hans.Farnhammer@cec.eu.int
	Housing Credit Line through Mekong Housing Bank	AFD	Ongoing	2004	Marc Gilbert gilbertm@groupe-afd.org
	Vietnam Competitiveness Initiative - training and technical assistance to joint stock banks (JSBs) to facilitate access to finance for SMEs	USAID - VNCI	Completed	2004	David Brunell, USAID dbrunell@usaid.gov Bob Webster, VNCI robert@vnici.org
	Provide loan guarantees for Vietnamese joint stock banks to promote (a) credit extended to SMEs and (b) cashflow-based lending practices	USAID	On-going	2003	David Brunell, USAID dbrunell@usaid.gov
	Comprehensive TA for the reform and development of the Bank for Social Policies (VBSP)	World Bank / European Union ASEM Trust Fund	On-going	2003	James Seward, World Bank jseward@worldbank.org
Banking Supervision	Assist the SBV strengthen risk-based bank supervision, including through simplification of database and staff training. Provide comments on off-site banking supervision plan of the SBV, and asset classification, prudential ratio, and internal audit regulations for commercial banks.	IMF/MFD	Ongoing	Apr. 2004	Il Houg Lee, IMF ilee@imf.org Nga Ha, IMF Nha@imf.org
Monetary and Exchange Operations	Assist the SBV strengthen OMO, TB, and money market operations. Introduce indirect monetary policy management tools and methods to SBV staff, including on sterilization and setting policy rates.	IMF/MFD	Ongoing	April-Nov. 2005	Il Houg Lee, IMF ilee@imf.org Nga Ha, IMF Nha@imf.org
Policy Lending Institutions					
Operational Framework	Comprehensive TA for the reform and development of the Bank for Social Policies (VBSP)	World Bank / European Union ASEM Trust Fund	On-going	2003	James Seward, World Bank jseward@worldbank.org
	Comprehensive TA for the reform and development of the Bank for Social Policies (VBSP)	World Bank / European Union ASEM Trust Fund	On-going	2003	James Seward, World Bank jseward@worldbank.org
Banking Training	Training for Vietnamese bankers	Government of Luxembourg/ATTF	Ongoing	2005-2007	amlux@fpt.vn

Microfinance Institutions (MFIs)						
	Implementing the regulatory and supervisory framework for microfinance	ADB	Approved	Jun-06	Brett Coleman Bcoleman@adb.org	
	Modernizing a number of People's Credit Fund and improving the services of the Central People's Credit Fund	Développement International Desjardins (DID)/CIDA	Approved	Feb. 2004	jmcexler@did.qc.ca	
	Loan and technical assistance to support rural enterprise finance through VBARD and People's Credit Funds	ADB	Ongoing	Nov. 2000	Bui Trong Nghia, ADB btnghia@adb.org	
	Support development of People's Credit Funds (External Audit, Internal Audit and PCF supervision)	GTZ	Ongoing	Restart 2004	Andreas Hauskrecht, GTZ hauskrecht@sboglobal.net	
	Loan to support rural enterprise finance through VBARD	AFD	On-going	Sept. 2003	Marc Gilbert gilbertm@groupe-afd.org	
	Study On Rural Finance	JBIC	On-going	Feb. 2003	Takayuki Sato, JBIC ta-sato@bic.go.jp	
	Rural Credit and Saving Program (VBARD)	KfW	Approved	2002	Thao Nguyen, KfW, thao.nguyen@kfw.de Giang Tran, KfW, giang@kfwvn.com	
	Revolving Credit Fund for Poverty Alleviation (VBARD)	KfW	Approved	2001	Thao Nguyen, KfW, thao.nguyen@kfw.de Giang Tran, KfW, giang@kfwvn.com	
	Rural Finance Loan - Micro-finance Loan Fund (MLF) and its implementation agencies (Micro-finance Institutions, MFIs)	World Bank	Ongoing	2003	Liza Valenzuela, World Bank lvalenzuela@worldbank.org	
	Institutional strengthening for the Vietnam Women's Union on providing microfinance and advice on the MFI legal framework	Embassy of Belgium	Approved	2004	Marcus Leroy, Embassy of Belgium badc@hn.vnn.vn	
	Institutional strengthening for the Vietnam Women's Union on providing microfinance and advice on the MFI legal framework	Embassy of Belgium	Approved	2004	Marcus Leroy, Embassy of Belgium badc@hn.vnn.vn	
	Institutional strengthening for the Vietnam Women's Union on providing microfinance and advice on the MFI legal framework	Embassy of Belgium	Approved	2004	Marcus Leroy, Embassy of Belgium badc@hn.vnn.vn	
	Non-Bank Financial Institutions (NBFIs)					
	Second Financial Sector Program Loan to support the development of alternative channels of market-based financial intermediation including insurance sector, leasing sector, money market and capital market, and financial market infrastructure such as secured transactions registration and accounting association	ADB	On-going	Jan. 2003	VV Subramanian, ADB, vsubramanian@adb.org	

	Program Loan, co-financed with ADB and AFD to facilitate diversification of funding sources of financial leasing companies to improve credit access for SMEs	KfW	Ongoing	Dec. 2004	Helmut Schoen, KfW helmut.schoen@kfw.de
	Second Financial Sector Program Loan, cofinanced with ADB, to support the non banking financial sector.	AFD	On-going	2003	Marc Gilbert, AFD gilbertm@groupe-afd.org
	Technical Assistance for Capacity Building for Nonbank Financial Institutions and the Capital Market	ADB	Ongoing	2003	VV Subramanian, ADB vsubramanian@adb.org
	Capital Market Development	GTZ	Ongoing	2004/5	Andreas Hauskrecht Hauskrecht@sbcglobal.net
	TA for the State Securities Commission (SSC) for capacity building, linking the equitization process with market development, and investor education.	World Bank / European Union ASEM Trust Fund	Ongoing	2003	James Seward, World Bank jseward@worldbank.org
	Strengthening Ho Chi Minh & Hanoi Securities Trading Centers	JICA	Newly adopted	2006	Oshikiri Koji, JICA Vietnam Oshikiri.Koji @jica.go.jp
	Assistance to the MOF to develop the corporate bond market	NRI (Japan)	Approved	2004	Kengo Mizuno, NRI k-mizuno@nri.co.jp
	Assistance to the Government (MOF, SBV, MPI, OOG, MOJ) for external debt management	UNDP	Ongoing	2000	Trinh Tien Dung, UNDP Trinh.tien.dung@undp.org
Market-Based Financial Intermediation	Capacity building assistance to the MOF for financial policy analysis	UNDP	Ongoing	2003	Trinh Tien Dung, UNDP Trinh.tien.dung@undp.org
	Comprehensive assessment of municipal bond market issuances and development	USTDA	Approved	2004	Paul Marin, USTDA PMarin@tda.gov
	Support the SSC to develop the legal framework for securities market development and build capacity for SSC and other securities intermediaries; provide public and investor education and training	USAID	Ongoing	Sep-05	David Brunell, USAID dbrunell@usaid.gov
	Capacity building for the National Registration Agency of Secured Transactions	ADB	On-going	Dec. 2002	Armes Achikari, ADB Radhikari@adb.org

	<p>Secured Transactions Legal Framework Review and Improvement of the National Registration Agency of Secured Transactions: i) Data collection, analysis of the current lending environment and assistance in addressing the shortcomings in the legal framework (ii) Assistance in identifying the discrepancies in the institutional set up and operation of the NRAST (secured transactions registry) system (iii) Public awareness and knowledge dissemination activities for the end users of the system</p>	IFC-MPDF and FIAS	Approved	May 2006	<p>Nguyen Hanh Nam, IFC/MPDF, Nham@ifc.org</p>
<p>Sustainable Finance</p>	<p>Supporting the Ministry of Justice to develop the legal framework for secured transactions.</p> <p>Sustainable finance program for financial institutions - based on the business case: manage risks and opportunities that arise from social and environmental issues. Major components: - Awareness raising seminars (completed) - Training of trainers - Sustainable finance training (cost sharing) - Targeted technical assistance to committed banks (based on cost-sharing) US\$ 230,000 Partner: Bank Training Center (BTC) as implementing agency, targets all financial institutions in Vietnam.</p>	<p>IFC-SFMF and IFC-MPDF Luxembourg trust fund</p>	On-going	Aug-05	<p>Nguyen Hanh Nam, IFC/MPDF, Nham@ifc.org</p>

THE PARTNERSHIP GROUP FOR SME PROMOTION AND PRIVATE SECTOR DEVELOPMENT (SMEPG)

Report To The Consultative Group

On the 20th of November 2006, the members of the Partnership Group gathered at the MPI. The meeting was co-chaired by the MPI agency for SME Development (ASMED), ADB and DANIDA.

Participants in the meeting from the Government side were from MPI/ASMED and some Business Associations, Hanoi DPI/SME promotion Centre, VCCI.

On the side of donors and international organizations the meeting was attended by agencies, donors and projects involved in PSD and SME development.

Opening remarks

- Mr. Bui Liem, Deputy Director-General of ASMED welcomed the 50 representatives from the donor community and the Government agencies on behalf of the co-chairs and shortly presented the agenda for the meeting.

ASMED updates

- Mr. Trung, ASMED Director General, welcomed everyone once again and informed the participants of the results achieved by ASMED since the last meeting in May 2006.
 1. Firstly, the Prime Minister improved the first “SME Development Plan” of Vietnam for the period 2006-2010 with Decision 236 on the 23rd of October 2006. The SME Development Council will be monitoring the progress made under the plan on a continuous basis. Mr. Trung invited the donor community to align their interventions according to the priorities indicated in the SME Development Plan.
 2. In order to implement the Enterprise Law, Decree 88 on Business Registration was issued on the 29th of August 2006 and its circular was issued on the 19th of October. ASMED, the General Department of Tax, Ministry of Public Security, the General Statistics Office and representatives from provinces completed the design of the nationwide registration reform program and the technical assistance proposal at the end of October with assistance from UNIDO.
 3. ASMED has been working on clarifying the responsibilities and tasks of each ministry and agency in SOE management and reform in order to create a new regulatory framework to expedite the SOE reform efforts.
 4. In order to achieve results more effectively and in the shortest time possible ASMED has put a lot of effort into coordinating activities among donor-assisted programs.
 5. The Business Portal, which contains information on all business licences, currently in effect, is expected to be launched in December.
 6. ASMED/MPI hosted the 7th Micro Enterprise Sub-Group Meeting, 23rd SME Working Group and the 13th SME Ministerial Meeting within APEC 2006 during 25 to 29 September 2006 in Hanoi with participants from 21 APEC member economies. The Hanoi Declaration on
 7. “Strengthening SMEs competitiveness for trade and investment” was adopted as the main output of the Ministerial Meeting.
 8. SME promotion programs implemented by ASMED and other counterparts with the financial support from ADB, DANIDA, EU, GTZ, UNIDO, IFC, ILO, JICA, USAID and others have been assisting provincial authorities in improving the competitiveness of SMEs at local level.

- **Mr. Nguyen Trong Hieu Manager, SME Promotion Division, ASMED, MPI** shortly introduced the 5 year SME development plan for 2006-2010 approved by the Prime Minister according to the Decision No. 236/2006/QD-TTg on October 23rd 2006.

The 5 year plan contents 5 overall subjects:

SME Development Viewpoints

- Realize consistently the policy of building a multi-sectoral economy.
- The State creates a sound policy, a legal and institutional environment that ensures fair and healthy competition for SMEs and service providers of all economic sectors. Develop SMEs in an active and sustainable way, enhance the quality and the quantity of the sector to attain economic efficiency and realize the goal of contribution to employment generation, poverty reduction, and ensure social safety and security
- State support will gradually be shifted from direct support to indirect support to enhance the capacity of SMEs
- The State will link business activities with environmental protection and assurance of social security and safety
- Raise awareness of governments of all levels about the role played by SMEs in socio economic development

Goals of SME development

- Boost the progress rate of SME development, create an environment for healthy competition, strengthen the national competitiveness so that
- SMEs are to contribute more and more to the national economy
- The number of newly established SMEs will be 320,000 (annual growth rate of 22%);
- The number of newly established SMEs in disadvantaged provinces will have increased by 15% by 2010;
- The ratio of SMEs having direct export is 3-6%;
- SMEs will create about 2.7 million new jobs in the period 2006-2010;
- There will be additionally 165,000 technical workers in SMEs

Main Tasks

- To improve and ensure the stability of the legal framework and reform the administrative procedures and financial policies for SME development
- To assess new policies' impacts on SMEs, organize periodical dialogues between public authorities and SMEs
- To adjust the tax system to encourage start-ups, conduct the reform of the accounting system, and reporting requirements
- Improve the access to land and work premise, and enhance the environment protection o Develop market (both supply and demand) for business development services
- Revise regulations to boost the establishment of SME credit guarantee funds at the local level
- Boost the implementation of support programs to disseminate and apply modern technologies and advanced techniques for SMEs
- Accelerate the development of the business information system
- Conduct general information and awareness raising activities to disseminate entrepreneur spirit and the awareness of legal wealth creation to all
- Improve the effectiveness in coordinating SME development support activities

- Main Actions

- Group of Measures 1: Simplifying regulations to facilitate business registration, market entry and business activities of enterprises;
- Group of Measures 2: Creating access to land and work premise for SMEs;
- Group of Measures 3: Facilitating SMEs access to finance, with priorities for enterprises having export products and high value added products;
- Group of Measures 4: Support programs for increasing capacity and improving competitiveness of SMEs;
- Group of Measures 5: Developing skilled labor force to meet the requirements of SME development plan for the period 2006-2010;
- Group of Measures 6: Creating a social attitude towards the SME sector;
- Group of Measures 7: Management of the implementation of the SME Development Plan 2006-2010

- Guidelines for the Plan Implementation

At central level

- The SME Promotion Council will exercise overall co-ordination of the Plan implementation.
- MOF is responsible for consolidating and developing the budget plan under the State Budget to ensure the implementation of the SME Development Plan in coordination with MPI
- Ministries and agencies are responsible for preparing and carry out specific tasks as per assignment and schedule defined in the Plan.

At local level

- Provincial People's Committees are responsible for formulating of their own provincial SME Development Plans and detailed Action Plan and the implementation roadmaps
- Provincial/municipal "Coordination Unit for SME Development Plan implementation" shall be established directly under the People's Committees
- Annually, a report on implementation of provincial/municipal SME development plans is prepared and submitted to MPI for the consolidation and reporting to the Prime Minister

The presentation was followed by a question session

- **A representative from the Finnish embassy** asked about the government budget allocated to the 5 year plan

Mr. Hieu responded that this is the master plan and the budget will be allocated based on specific approved activities at the next stages.

- **Mr. Thomas Finkel, GTZ** asked whether the provincial governments could come up with their own SME plan and seek support from the government budget.

Mr. Hieu responded they should try to estimate their need and seek approval.

- **Ms. Mona Lien**, Embassy of Sweden asked whether Mr. Hieu envisaged support would need to be phased out in some areas and strengthened in other areas according to the plan.

Mr. Hieu responded that the plan has a number of action areas and it would be important for the Government to have donor's support in these areas.

- **Mr. Jrn Srensen, DANIDA** adviser, was interested in how the number of new SMEs and the number of technical workers were calculated.

Mr. Hieu answered the number of tech workers is not directly related to the number of newly established enterprises.

- **Mr. Henrik Vistisen**, Embassy of Denmark (DANIDA), asked Mr. Hieu to expand on how coordination of SME development will improve. Furthermore he raised the question whether the coordination includes donor-government coordination at central/local level.

Mr Hieu stressed the importance of coordinating SME development activities. From the survey it is recognised that many support SME development, but coordination is not optimal. In order to increase effectiveness at both central and local levels, overall coordination should be improved.

- **Mr. Liem** summed up the answers and stressed coordination has high priority in ASMED's work and said it is one of ASMED's major tasks the coming years. Maintaining the SMEs Partnership Group meeting is a key tool for coordination.
- **Mr. Le Quang Manh, ASMED, MPI** continued to inform about ASMED's activities.

ASMED has been busy drafting a guideline in order to effectively implement the new law on Enterprise, Enterprise Law 2005. 6 new decrees have been drafted. ASMED is in the process of creating a new legal framework for business registration nationwide in order to facilitate registration for emerging businesses. A Task Force for implementation of the new Enterprise Law and Investment Law was established within MPI. A secretariat was put in place to study and address policy constraints and problems. The Secretariat meets every Friday.

From the report "Doing Business", ASMED noticed Vietnams' position is not optimal so they will study the top of the field regarding business registration in order to learn more on how to improve. One important difference between the top field and Vietnam is that these countries have the necessary IT- and information management systems in place.

MPI has reached an agreement with Ministry of Finance (MOF) and Ministry of Public Security (MPS) on the modality of one location, one form and one ID code for registration of business, tax code and seals. To do this there are a number laws and regulations that need to be revised since the tax code registration is governed by the Tax and Accounting Law, while seal registration is covered by other laws. There is a need to synchronize such laws. In the initial period, exchange of dossiers between various agencies would be done manually or electronically, depending on the IT condition and infrastructure in the locality.

The first goal is to reduce time for registration; a related goal will be to increase collaboration between the institutions involved in the registration. A draft inter-ministerial circular on business registration is available on VCCI's website.

- **Ms. Nilgun Tas, UNIDO** elaborated on the registration reform. MPI completed the technical assistance proposal and it has been submitted to UNIDO and other donors. An appraisal is expected to go through this year.
- **Ms. Nguyen Hong Lien**, the Business Information Centre of ASMED continued with the ASMED updates. She announced the Business Portal is expected to be launched in December. The contents of the website were completed and are subject to final review. It includes three components (i) business advice, (ii) licensing information, (iii) SMEs support institutions. There are 500 web-pages on business advice, 7000 web-pages covering 296 business licenses issued by 90 ministries and agencies and 300 pages on SMEs support institutions.

Ms. Bui Thu Thuy, ASMED informed the meeting on the results of the 7th Micro-Enterprise Sub-Group (MESG), the 23rd SME Working Group Meeting (SMEWG) and the 13th SME

Ministerial Meeting (SMEEMM) within the framework of APEC 2006 during 25 to 29 September 2006 in Hanoi. The said meetings were successfully hosted by MPI with the “Hanoi Declaration on SME competitiveness for trade and investment” to be adopted as the major deliverable of the SMEEMM. The Hanoi Declaration emphasises the following issues:

- Capacity building for SME to take advantage of trade liberalisation
- Undertaking domestic reform, improving labour condition and fighting corruption
- Encouraging collaboration between business and government agencies
- Incorporation business incubation, innovation and entrepreneurship development as integral parts of the development strategies of APEC economies (<http://www.apec.org>)

- **Mr. Liem** added that the joint statement of the APEC ministers also was an important outcome of the meeting. Then Mr. Liem handed over the chairmanship to Mr. Henrik Vistisen, Embassy of Denmark (DANIDA), who asked the SME-PG technical Working Group (WG) chairmen to begin their presentations.

Working Groups under the SME-PG presentation

WG on Sector Approaches:

- **Mr. Dominic Smith, ADB, M4P**, briefed about the group’s activities since the last meeting. The group has met 3 times since last year. The group members are developing a practical handbook for linking value chain analysis to poverty reduction. The book is called “Making Value Chains Work Better for the Poor” and a draft is to be released next week at the M4P week. Furthermore the group contributed to the preparation of a Value Chain handbook by MesoPartner/GTZ. Mr. Smith concluded that the sector approaches/value chains is a topic that attracts a wide range of interest from NGOs, the private sector, donors and government agencies as the participants of the group come from various backgrounds and projects with different partners. However, due to time constrains the group meets less often than what initially was planned. Lastly, Mr. Smith announced the group was looking for a new chair to take his place and asked if anyone would be interested.
- **Nilgun F. Tas, UNIDO** asked if there were two handbooks, one from GTZ and one from ADB and was interested in how much coordination is achieved.

Mr. Smith replied that indeed there were two books, ADB’ value chain handbook provides a practical tool to provincial level people to do value chain analysis

Mr. Thomas Finkel, GTZ added that they are complimentary handbooks. The one published by GTZ is a worldwide effort of GTZ to support value chain analysis by practitioners. It also covers how GTZ supports such initiatives. There are different topics in the two handbooks.

- **Ms. Mona Lien**, Embassy of Sweden, asked to the purpose and objective of the WG focusing on sector approaches.
- **Mr. Smith** explained that the main idea is to avoid overlap and to ensure activities are complimentary to each other.
- **Mr. Thomas Finkel** elaborated further and explained that the sector approach group is looking at products (as apposed to the group on Local Economic Governance)

WG on economic reforms:

- **Mr. Thomas Finkel, GTZ**, explained that the group is a merger of the former “Business Research and Monitoring group” and the “Business Regulation Reform group”. The members of the group besides ASMED consists of many different donors and projects; ADB, EU, USAID, DANIDA, GTZ, JAICA, JBIC. The group is considering inviting members from Vietnamese organisations involved to participate and contribute. The group is very happy that the SME Development Plan

2006-2010 is approved and acknowledges the UNIDO-MPI project's important role in the development of this plan. The new ADB SME Development Program – Subprogram II will provide a monitoring and evaluation framework for the group's work.

The group and the different projects involved are focusing their work on:

- Research and policy advice at the national and local level
- Introducing new tools and ways for improving the business and investment climate.

The meetings and close networking have resulted in a series of successful donor activities:

- EU-MPDF-GTZ cooperation on one stop shops and simplification of procedures at the provincial level (ongoing)
- VNCI and others on the rolling out of the PCI results and advising the provinces on how to improve
- MPDF-GTZ joint work on EL and IL (finished)
- GTZ-ADB on business licensing reform (to be continued)
- **Ms. Helle Weeke, Project director of VNCI**, explained the focus in VNCI PCI is on how the provinces can improve economic governance, and not how they can improve their ranking in the index.
- **Mr. Liem**, said that so far the SME-PG is not well known to the business community in Vietnam – he believed it is time to make the group better known. By doing so, the group can connect to the business groups in Vietnam and ensure stronger coordination.

Working Group on Local Economic Governance (LEG)

- **Mr. Kees van der Ree, ILO/PRISED** informed the group has met 3 times in the last six months and the membership is expanding. At the moment it consists of 10 programmes/donors, but is still missing ASMED. The chair has moved from VNCI to ILO/PRISED. Some of the key issues discussed during the meetings are:
 - Follow up on the results of PCI 2006
 - Regulatory constrains / costs of time and financial cost of registration and information access.
 - New tools: PEGA, Interactive provincial diagnostic (PCI website), inter-department One Stop Service (OSS)
 - Capacity building for (other) policy reforms and implementation at provincial level (MoHa, MPI, UNDP)

Mr. Van der Ree then went on to the group's findings, which were:

- Many programmes make use of the PCI by building local dialogues around it
- Many are addressing cost of registration and access to regulatory information in different ways
- It is still difficult to engage the private sector (SMEs) in meaningful dialogues/reforms
- Programmes seem unaware of broader local Governance strengthening programmes and the need to mainstream with and support decentralization policies.

Furthermore there seems to be a large scope for sharing and using each other's tools and technical resources and there is an increasing need for better, user-friendly and accessible "Good Provincial Practices" exchange. Mr. Van der Ree also acknowledged the importance of the SME Development Plan 2006-2010 as an important step towards more unified and aligned approaches

Working Group on Business Development Services (BDS)

- **Mr. Jrn Srensen, DANIDA adviser**, briefly gave an overview of the donors represented in the working group, in which provinces the donors work and what the scope of their programmes are. The key task is to coordinate activities between donors; there is very little overlap in terms of provinces. The different donor-programs have different aims. Furthermore he introduced the other members of the group.

He explained the group was inactive for some time due to the late arrival of the new chairman. The group was recently revived and is planning a BDS training course for staff of donor institutions working in BDS. The aim is to improve the donor staffs' ability to design good BDS interventions and it is planned that an ILO consultant plus other international and national consultants with strong BDS knowledge will give lectures. So far GTZ, REEP, SADU, PRISED, VPSSP, IDE, GCF (DANIDA), are all committed to sending representatives and the total amounts to 23-27 participants.

In the future the group will discuss methodologies and best practices. The hope is to attract more members from the private sector and work more on the idea of a training course for BDS providers.

- **Mr. Allan Johnson, M4P, ADB**, asked what the objective on some of these groups are and how the progress is to be assessed. He found that the groups function as information exchange, which seems to be the lowest partnership level. He questioned why everyone is not in every group. And added himself that - since there is an opportunity cost to attending the meetings - there has to be some kind of output for one to attend.

Working Group on SME finance

A representative from the group, presented the participants of the group which include EC, ADB, financial adviser for the WB, ASMED. The last meeting was held in May. Mr. Kohata, the current chair of the group, could not be present and update on the group's activities, due to a health problem. Everyone has been very busy with the APEC meetings the last couple of months. Therefore, the activity level has been very low. Planned activities include a study tour to Japan to study experiences on SME finance (with participation of ASMED representatives). He also mentioned the possibility of rotating the chair within the group in the next meeting.

- **A representative from USAID**, took the opportunity to comment on the BDS report. He asked about the demand side and a sustainable market for BDS. In his opinion the theme needed elaboration and sharpening. According to him, the missing piece is the client/market – the willingness to have to pay for BDS. He welcomed the group's emphasize on the private sector and inclusion of private sector actors.
- **Mr. Henrik Vistisen, Embassy of Denmark (DANIDA)**, found it very encouraging that the BDS WG has tried to incorporate the private sector, private BDS providers and business associations in the group. He asked to the immediate plans of the different working groups and how the level of ambition could be raised.
- **Mr. Jrn Srensen, DANIDA** adviser, answered that the group has all the measures that are needed to reach the targets within the different programmes.
- **Mr. Thomas Finkel, GTZ** stressed that the outcome of the groups' work is greater than time input. He believed the groups have gone far beyond information sharing; and said it was also knowledge management and best practice development. Furthermore the benefit is the personal contact and the network created by the working groups. He underlined that the clear indicator of the groups' successfulness and that people were benefiting, was the fact that people showed up for the meetings.
- **Mr. Henrik Vistisen, Embassy of Denmark (DANIDA)**, explained that the working groups were established in March 2005; before that there was only the SME-PG, which was established in 1999. The groups were established by a step-by-step approach and while most groups are used for information sharing and to some extent coordination, some of the groups are moving towards joint activities and potentially joint programming. The groups are a step in the right direction. The need to set up the working groups was indicated and requested by the Government of Vietnam with the view to reduce transactions cost on the Vietnamese side.

- **Ms. Nilgun Tas, UNIDO**, added that the SME-PG working groups have been internationally appreciated in the OCED best practise report for donor coordination; "Promoting Private Investment for Development: The Role of ODA".
- **Ms. Mona Lien, Embassy of Sweden**, asked to the long-term ambitions of the groups and asked to ASMED's assessment of the groups.
- **Mr. Liem, ASMED**, expressed his gratitude towards all the WGs for their comprehensive work and appreciated everyone taking the time to participate. He thanked the 5 presenters of the working groups.

He answered ASMED regards the WGs as important assets to the work of ASMED. The WGs work on a voluntary basis; the main purpose is coordination of support and assistance to the Government of Vietnam in facilitating SME development. Through the WGs, ASMED can get information of new ideas on how to assist the SME development in Vietnam. Mr. Liem expressed the wish to improve the forum and make the SME-PG more known to the business community and the foreign and domestic investors. He proposed to enlarge the scope of the forum by inviting the business associations and the foreign investors. The Vietnamese does not intend only to develop the business climate for Vietnamese SMEs, but for SMEs in general.

He stressed that ASMED does not intend to evaluate the 6 working groups – the principle for participation is voluntary.

- **Mr. Ayumi Konishi, ADB**, was handed the chairmanship.

Mr. Konishi acknowledged the work of the WGs and raised the issue of the SME-PG working even closer with the private sector in order to move forward and make the SME-PG and the WGs even more relevant. He stated it is a process of evolution – the PG does not have to maintain its present shape.

Just before the CG meeting in December, the Vietnam Business Forum will take place.

He wanted to open the discussion of whether a possible corporation with the Vietnam Business Forum (IFC-MPI) would be the way to go. He explained the Business Forum would make a presentation, and that the SME-PG likewise had been asked to make a presentation at the Vietnam Business Forum. He then introduced the IFC representative, Ms. Pham Lien Anh working for the Business Forum secretariat. Mr Konishi asked the participants four questions:

1. Should the PG try to develop closer relationship with the business forum?
 2. If the answer to the first is yes, should we accept the invitation to make a presentation on the 13th of December?
 3. What should we present? Who should present it?
 4. In the intermediate term - what kind of relationship would we like to develop with the VBF?
- **Mr. Thomas Finkel, GTZ**, stated his positive attitude towards corporation as the working groups of the SME-PG and the Vietnam Business Forum are working on the same issues in some areas. Both forums are into public – private dialogue.
 - **The representative from USAID**, suggested that the presentation held by SME-PG representatives should be no longer than 3-4 minutes presentation and 2 people from the SME-PG should do the presentation. With the extensive knowledge of the working groups the chairmen hold, he suggested they should meet and work out the presentation on behalf of the SME-PG.

Lastly he added that the deadline for the presentations for the business forum is in fact today, hence the presentation needed to be produced very soon.

- **Mr. Liem, ASMED**, agreed with Mr. Konishi on the need to develop the relations with the Business Forum. Over the last 8 years it has mostly been a forum for big business – there was no place for SMEs. He took the opportunity to suggest ADB to do the presentation. The draft should be circulated and be commented. Everyone agreed to the nomination of ADB.
- **Ms. Pham Lien Anh, the Vietnam Business Forum Secretariat**, gave a presentation about the work of the Vietnam Business Forum. The Vietnam Business Forum (VBF) was established in 1997 as a result of the Vietnam Consultative Group (CG) meeting in Tokyo. The main objectives are:

- To improve the investment and business environment in Vietnam
- To strengthen the role and voice of the private sector in Vietnam

The method is to promote ongoing, structured policy dialogue between the business community and the Government.

The VBF participants are domestic and foreign businesses, the government and donors. IFC and MPI is the organiser. The VBF has 8 working groups dealing with different aspects of the VBF's work.

The VBF operates through meetings and dialogue between the public and the private sector. The issues raised are of generic interest to the private sector and presented in a constructive, solution-oriented manner. The key areas/themes are:

- To improve the tax regime
- To streamline registration/licensing procedures
- To facilitate more equitable access to land and land user rights
- To improve the banking system and develop the capital market
- To streamline the legislative regime in infrastructure development
- Labour regulations
- WTO related issues
- IPR & technology transfer

The annual VBF focus for 2006 is:

- All sectors: WTO, Transparency, Corruption and bureaucracy. Legal issues: CIL/UEL implementing Decrees, draft of law on technology transfer, law on Notary
- Banking: Forex issues, Decree 22, WTO standards (UCP principles)
- Infrastructures: Port issues, power and telecom
- Tourism: Tourism Master Plan and PPP in development of tourism.
- Tax: removal of tax incentives, tax on securities, claim of tax exemption, deductible expenses.
- Labour: Amendment of Labour code, work permit, internal labour rules.
- Land and property: co-ordination between related ministries in formulation of laws and regulations, draft the implementing Decree of the law on property transaction

Regarding possible cooperation with the SME-PG the VBF envisaged the following issues would be of joint interest for the two groups

- Provide inputs to design appropriate support programmes
- Instrument to monitor the impact of various reforms
- Cooperations in specific areas: Labour, tax, tourism, banking, infrastructures
- Capacity building of local business associations in advocacy

Lastly, Ms Lien Anh asked the SME-PG to confirm participation in the VBF as soon as possible.

- **Ms. Nilgun Tas, UNIDO**, said it would be appropriate to strengthen the relationship with the business forum since the donor platform has agreed to use the SME Development Plan 2006-2010 as a guideline. She suggested the SME Development Plan should be distributed along with the draft of the presentation for the Vietnam Business Forum in order for everyone to benefit from the information in the plan.

- **Mr. Konishi**, concluded the answer to the questions he raised was yes and accepted the nomination to do the presentation on behalf of the SME-PG at the Vietnam Business Forum in December.

ADB wanted to do two presentations, but due to the limited time Mr. Konishi chose to announce that the M4P book was being launched at this very meeting and everyone was free to take a copy of the Vietnamese version.

- **Mr. Liem** Once again thanked everyone for taking on the workload of the SME-PG. Knowing that all partners are very busy with their daily work rotating co-chairmanship has been established (alphabetic order according to the list of participants). This arrangement is in order to spread the burden of co-chairmanship. Except for ASMED the other co-chairs are donors. Since it is ADB's second SME-PG meeting as co-chair, ASMED has already contacted the next possible co-chair. ASMED has asked Germany to co-chair the next meeting. Everyone agreed Germany would co-chair the next meeting.

ASMED and MPI thanked ADB for its' extensive support to ASMED and hoped ADB would co-chair on a later occasion.

- **Mr. Konishi**, summed up the results of the meeting. He thanked everyone for participating in the meeting and concluded it had been a successful step towards closer cooperation with the VBF. The future work of the SME-PG will try to seek closer collaboration with the business forum especially concerning working groups. ADB will prepare a draft presentation introducing the PG and the results.

EDUCATION SECTOR GROUP

November 2006

Coordination

The Education Sector Group (ESG) is a partnership between the Ministry of Education and Training (MOET) and international donor agencies, whose aim is to coordinate international support for educational development in Vietnam and to promote more effective assistance for the achievement of Government objectives in education. The ESG comprises a Secretariat formed by MOET, its invitees, and representatives of UN, multilateral and bilateral agencies having substantial program interests and support in the education sector. Three international non-governmental organizations, selected by the VUFO-NGO Resource Center, also participate in the ESG. The full ESG aims to meet every other month and on an ad hoc basis as required. The ESG International Partners (ESG-IP) meet in the intervening months to discuss education issues of interest to the donor community, and in 2006 created task forces to address specific issues.

ESG Secretariat & Budget. Beginning in 2006, the ESG strengthened and formalized its coordination mechanism through a Joint Funding Agreement between MOET and the Like-Minded Donor Group (LMDG)¹. This agreement, signed in late 2005, establishes common purposes, principles and working arrangements for the ESG. MOET's International Cooperation Department, through the ESG Secretariat, has leadership and management responsibility for the Group, including preparation of an annual work plan. The LMDG agreed to appoint the United Kingdom/ DFID as the lead agency on behalf of the ESG-IP to work with MOET, and has provided almost 100,000 USD for the ESG's activities over the 18-month period 01/06 – 06/07. This budget includes the salary of a full-time secretary, annual meetings and retreat, policy and research studies on key issues, and support of a website and library.

Website and Library. The ESG website – <http://esg.moet.gov.vn/index.php> – went online in mid-2006. The library – designed as a collection of documents and materials on education in Vietnam – is housed in MOET, and to date it consists primarily of Government documents and studies in Vietnamese. International partners will also contribute materials to the library.

Donors Activities Map. The ESG has prepared a database of basic information on ODA-, NGO- and Government-financed education projects/programs in Vietnam in a user-friendly format. The database is now online as part of the Development Assistance Database Viet Nam (<http://dad.mpi.gov.vn>).

Retreat. The ESG will organize its annual members' retreat in December 2006. Topics to be discussed include progress made during 2006, lessons learned, and formation of the 2007 work plan.

Harmonization

ESG is organized to reflect partnership, with a MOET Co-Chair² and two Donor Co-Chairs. ESG members engage in policy dialogue together through the Annual Education Dialogue Meeting. ESG has in addition made progress towards the Hanoi Core Statement on Harmonization, through a number of joint activities, including drafting the VDR 2007, designing and financing a series of PRSCs, supporting the Government's application of FSQs, and financing the Government's EFA Action Plan through a national targeted program.

Vietnam Development Report 2007. The ESG-IP is contributing to the drafting of the Education chapter of the VDR 2007, which takes a look at Vietnam's achievements over the period of the

¹ The LMDG consists of Australia, Canada, Denmark, Finland, Germany, Ireland, Netherlands, New Zealand, Norway, Sweden, Switzerland and the United Kingdom.

² Current donor co-chairs are European Commission and UNICEF.

Comprehensive Poverty Reduction and Growth Strategy 2000-2005 and considers the key challenges over the period of the Socio-Economic Development Plan 2006-2010.

Poverty Reduction Support Credits. Education featured prominently in the first cycle of PRSCs (2000-2005), and will likely feature strongly in the new cycle. The ESG-IP, in conjunction with MOET, worked together to propose appropriate triggers and actions for the Education “strand” of the first PRSC cycle, and is mobilizing again to propose a new strand of triggers and actions for the upcoming cycle, linked to the themes of the VDR 2007.

Fundamental School Quality Levels Review. The ESG-IP, at MOET’s invitation, provided comments on an early draft of the revised FSQL regulation, setting minimum input standards for primary schools (in the areas of infrastructure, teacher qualifications, textbooks, etc.) that aim to ensure that all students have access to an education of adequate quality. The FSQL regulation is an important tool in allocating resources in an objective way to schools with the greatest needs and in evaluating progress in reducing the educational deficit found in schools in the most disadvantaged areas of the country. Given this importance, the ESG-IP have, in a second round of comments, have raised two key points: first, that the “fundamental” nature of the regulation be maintained and that the standards not be set at an unattainable level, as this may divert resources from schools with the greatest need to those with less need; and second, that greater attention be paid to the qualitative aspects of education.

Education-for-All Targeted Budget Support Program. Eight of the ESG-IP donor agencies³ are providing resources and technical assistance to support the implementation of the Government’s Education National Targeted Program (ENTP), which, broadly speaking, aims to achieve a more equitable distribution of basic education outcomes in Vietnam and builds capacity within the Government (especially MOET and Ministry of Finance at central and local levels) in ENTP management. During the period under review, the donor agencies joined the MOET in reviewing progress in ENTP implementation, which relies on Government systems for financial management, procurement and reporting in a highly harmonized approach.

Multi-Donor Thematic Initiatives

ESG members have mobilized effectively around a number of themes that draw in many agencies. These initiatives involve different ways of working, including workshops and analytic work, as the following examples show.

Inclusive Education Strategy. With a view to providing all children with equal opportunities to access quality education in typical primary school classrooms, the MoET⁴ in 2006 began to adapt “Inclusive Learning Friendly Environments” for use within the Vietnamese education system. The resulting materials are being piloted as part of the Primary Education for Disadvantaged Children (PEDC) Project⁵. In parallel, a National Conference disseminated draft inclusive education policy and strategy recommendations to all provincial leaders, national experts and other education actors. The workshop agreed on the next steps of the policy process, to be led by MOET, to commence in January 2007. The objectives of both initiatives are to extend the focus of inclusive education to all children facing barriers to learning, including disabled children, as well as those not perceived to be at risk.

In addition, for a specific target group – children living with a disability (CWD) –, MOET’s the National Institute of Educational Strategy and Curriculum (NIESAC)⁶ prepared a draft Strategy for Education for Children with Disabilities 2006-2010 and Vision to 2015. The objective of the Strategy is to develop a sustainable and synchronized approach to education for children with disabilities,

³ Seven donors (European Commission, Belgium, CIDA, DFID, NZAID, AECI-Spain and the World Bank) through one operation and an eighth donor (Norway) through a separate but similar operation.

⁴ With the support of UNESCO, UNICEF East Asia Regional Office and Save the Children Sweden.

⁵ With financing from World Bank, AusAid, CIDA, DFID and Norway.

⁶ With the support of Catholic Relief Services and the United States Agency for International

identify societal resources to support the plan, and link education for CWD to the overall EFA plan. MOET will present a final draft of the strategy to the Government in December 2006. ESG members contributed comments on the previous draft in a March 2006 meeting, as well as through individual member agencies. Some of the content of the strategy is also reflected in the MOET Guidelines on Inclusive Education, signed by the Vice-Minister in charge in May 2006.

United Nations Girls Education Initiative. Under the umbrella of the United Nations Girls' Education Initiative (UNGEI), UNICEF and UNESCO, in collaboration with MOET, carried out a study on the "Transition of Ethnic Minority Girls from Primary to Secondary Education". This study, conducted in three provinces, investigated the reasons behind low transition rates of ethnic minority girls and makes recommendations that would enable ethnic minority girls to complete primary education and make the transition to the lower secondary level. The study is a major step forward in understanding the context of gender inequality in education in Vietnam and will serve as critical basis to inform future policy initiatives by MOET.

Early Childhood Care and Development. In May 2006, an Education Forum⁷ focused on promoting efforts to build a stronger national ECCD system, with emphasis on issues related to policy, language and quality of ECCD. The core members of the ECCD Interagency Working Group⁸ also coordinated technical contribution to various project initiatives of international organization in the area of ECCD, and efforts are under way to strengthen partnerships in activities such as materials development, workshops and capacity building.

HIV/AIDS & Education. Until recently, education projects concerned with HIV/AIDS, such as life skills and reproductive health education, have been largely uncoordinated. Given its principle function to promote effective coordination of various efforts in the education sector, the ESG formed a Taskforce on HIV/AIDS and Education, as a forum to forge partnerships and harmonization for maximum effectiveness. Discussions facilitated by the Taskforce include coordination of the National Action Plan for HIV/AIDS and Reproductive Health Education, school health and nutrition and general discussions around future collaboration. The Taskforce will continue to promote a comprehensive and coordinated sector-wide strategy for HIV/AIDS and school health within the education sector.

United Nations Decade of Education for Sustainable Development. Following the establishment of the Vietnam National DESD Committee in 2005, the DESD was launched in Hanoi in February 2006 with the participation of representatives of Government departments, academia, international organizations and the media. The National DESD Committee, with representation from MOET, the Ministry of Science and Technology, the Ministry of Natural Resources and Environment and the Ministry of Culture and Information, has drafted a detailed Plan of Action, which will likely receive Prime Ministerial approval shortly. By the end of 2006, a DESD Advocacy Workshop will be organized for participants from national and provincial levels to promote greater understanding of the DESD framework.

⁷ The Education Forum is organized by MOET, UNICEF, Oxfam GB, Save the Children UK and the World Bank.

⁸ Including UNICEF, UNESCO, Save the Children UK, Oxfam GB and Plan International.



FOREST SECTOR SUPPORT PARTNERSHIP (FSSP)

The Forest Sector Support Partnership⁹ is a broad framework for collaboration between the Government of Vietnam and now 25 international development partners working in the forestry sector. The FSSP Memorandum of Agreement (MOA) was signed in November 2001, and runs through 2010. Thus, the FSSP has been operating now for five years, and is now halfway through its initially-agreed duration.

Prior to the FSSP establishment, it was preceded by another partnership, the 5 Million Hectare Reforestation Partnership, which operated from 1998 through 2001.

The FSSP MOA includes 15 basic principles of collaboration agreed amongst the partners. The FSSP MOA also included a Program Framework, which specified indicative performance standards for the broad goal, focused objective, or purpose, and specific activities under 9 Result Areas. In June 2006, the Partnership agreed that the FSSP Program Framework, with its nine Result Areas, will be replaced by the forthcoming National Forest Strategy (NFS, 2006-2020), as the key document for collaborative support and implementation by both national and international partners. The basic principles for collaboration remain unchanged, and support the same basic principles of collaboration and harmonization more recently endorsed by Government and international partners through the Hanoi Core Statement.

This report has been prepared by the FSSP Coordination Office, which serves as the secretariat for the Forestry Partnership. The report provides an update on major Forest Sector Support Partnership implemented activities during the past 6 months and planned actions for 2007. The report also highlights activities receiving support from the multi-donor Trust Fund for Forests (TFF), which is supported by several FSSP partners.

Main activities implemented in the last 6 months of 2006

1. Legal framework for Forest Protection and Development

In August 2006, the Prime Minister promulgated a Decision No 186/2006/QĐ-Tg, dated 14/8/2006, on Regulation of Forest Management, which updates the old regulation No. 08/2001/QĐ-TTg, dating from 2001. The new regulation updates issues relating to forest management, which promotes more decentralization to the local level, and to decrease administrative procedures in forest protection, management, and utilization. In early November 2006, MARD issued a Circular No. 99/2006/TT-BNN, dated 06/11/2006, on guiding implementation of some articles of this Decision. In addition, In October, the Government promulgated a Decree No. 119/2006/NĐ-CP, dated 16/10/2006, on Organization and Functions of Forest Protection, to more clearly identify the role of the forest protection force.

Regarding to implementation of the Decree No.200/2004/NĐ-CP, dated on 03/12/2004, so far 29 State Forest Enterprises Renovation and Rearrangement Projects (28 projects have been prepared by the Provincial People's Committees, and one project has been prepared by MARD) have been approved by the Prime Minister.

⁹ The Partnership was previously known as the "Forest Sector Support Program and Partnership, FSSP&P." As it has been agreed to replace the FSSP Program with the forthcoming National Forest Strategy, the Partnership will henceforth be known as the "Forest Sector Support Partnership, FSSP" (or more simply, the "Forestry Partnership").

The FSSP and TFF are providing support to a number of important legal decrees and regulations that are to be prepared in 2005-06 by the Forest Department, Forest Protection Department, and MARD's Legal Department. The Legal Department has finalized the draft Decree for the proposed new Forest Protection and Development Fund, and the draft Decree on Principles and Methodologies of Forest Valuation. These draft decrees have been submitted to the Ministry of Justice in November 2006 for appraisal and comments. Then, MARD expects to submit the decree documents to the Prime Minister for approval in December 2006. This legal work is part of the overall efforts to develop an updated and more coherent legal framework, which is important for Vietnam's development and also for global economic integration after WTO accession.

2. Formulation of National Forestry Strategy (2006-2020)

Over the past six months, MARD has finalized the new National Forest Strategy (2006-2020). Work has been ongoing since 2004, with the involvement of a 30-person inter-ministerial Strategy Team and a team of international and national consultants. Support for the strategy development has been provided by MARD, related Ministries, the FSSP CO Trust Fund, the Trust Fund for Forests (TFF), the Asian Development Bank, the World Bank, the FAO-Netherlands Partnership Programme (FNPP) and a wide range of key stakeholders. It is hoped that the National Forest Strategy can soon be approved by the Prime Minister.

MARD is implementing the Government's SEDP. In addition to the economic development targets, the 5-year plans for the Ministry of Agriculture and Rural Development, as well as for the forest sector, however, have three other major goals - promotion of environmental sustainability, improvement of rural livelihoods and poverty reduction, and improved sectoral management.

In October 2006, MARD established five working groups (WGs), to develop action plans for implementation of the NFS and forest sector 5-year plans during the period 2007-2010. FSSP CO assisted these WGs in organizing meetings to draft an action plan, and to specify potential resources needed to implement this action plan. After group meetings in October 2006 and a plenary meeting in early November 2006, the draft action plans are under finalization. The initial action plan, and other supporting documentation, will provide a basis for MARD to work with international donors and other partners to mobilize resources to support implementation of the National Forest Strategy.

3. 5 Million Hectare Reforestation / 661 Programme

The Five Million Hectare Reforestation Programme (5MHRP), implemented by Decision 661, is government's major forestry programme for the period 1998-2010. It is a major government programme intended contributed towards the achievement of the CPRGS.

The 5MHRP aims not only to reforest Vietnam, but also to address issues of rural poverty and national socio-economic development.

According to MARD reports, as of 2005, the 5MHRP has created jobs and improved income for 470,000 households, which are mainly ethnic minority people. This increased income has contributed to poverty reduction for many households living near the forest. By participating in implementation of the 5MHRP through forest plantation and protection activities, each household could earn VND 5.55 million per year, and an additional VND 463,000 per month, on average, from participation in other activities of the programme.

The overall impact of 5MHRP on poverty elimination, however, has still been limited. Most households' income is still very low (mainly generated from the forest allocation contract agreement and afforestation activities).

MARD has prepared and submitted to the National Assembly a report on 5MHRP implementation during 1998-2005 and proposed main responsibilities and implementation solution for 2006-2010. This report will be among the topics discussed during the 10th session of the XI National Assembly in November 2006.

Regarding to the 5MHRP forest protection component, MARD proposed to intensify forest allocation to households and communities, and allocation and lease of forest for organizations and individuals. It is proposed that forest protection contracts for special use and protection forests protection will henceforth be only applied in the areas where the forest is highly vulnerable, and where the local people are unable to derive economic benefits from the forest. The remaining forest areas will be protected based upon creating favorable conditions for the local people to benefit from forest, i.e., using benefit-sharing schemes rather than forest protection contracts. This change is part of Government efforts to “socialize” forestry and encourage local people to be able to manage and utilize forests sustainably.

With regard to the 5MHRP afforestation component, MARD has proposed to revise some specific objectives. The proposed afforestation target for 2006-2010 is now 1,400,000 ha, of which one million ha are to be afforested, and 400,000 ha are to be zoned for regeneration, instead of the 3,172,000 ha as previously planned. The rationale for this proposed readjustment is based upon the results of the forest and forest land general inventory in 1999-2000, and the 5MHRP achievements gained from 1998 to 2005. According to the inventory, the current estimate of forest land area, 7.7 million ha, is lower than that estimated in the pre-1997 inventory, which was 9.3 million ha. Moreover, the financial resources to implement the 5MHRP are limited. The previous production afforestation target was 2.5 times higher than what was achieved during the 7 past years, so now needs to be revised to a more realistic target.

Proposed revised objectives to complete implementation of the 5MHRP by 2010 are included within the forthcoming National Forest Strategy, as part of the NFS initial 5-year action plan (2006-2010).

4. Forest Sector Monitoring and Information System (FOMIS)

Efforts are being undertaken to finalize an indicator set for the data base, so that it can be used to monitor implementation of the forthcoming National Forest Strategy and forest (sub-) sector 5-year plan, as well as provide information needed for Vietnam to report on its implementation of forestry-related multilateral environmental agreements (MEAs) and processes to which Vietnam is a signatory, such as the UN Convention on Biological Diversity, the UN Framework Convention on Climate Change (UNFCCC), and the UN Convention to Combat Desertification (UNCCD). These efforts will be integrated into overall MARD efforts to improve monitoring and information systems. Plans are underway to gradually transfer the elements of the FOMIS system out of the FSSP CO to one or more other units within MARD.

5. Trust Fund for Forests (TFF)

Vietnam’s Trust Fund for Forests (TFF) is a grant facility to support pro-poor and sustainable approaches to forest management, and a transition towards a comprehensive sector-wide approach for development and cooperation in the forest sector. By pooling resources from several donors into one fund, the TFF aims to provide a more effective means for supporting key sectoral priorities. The TFF was established in June 2004. Two technical advisors have been working with the FSSP Coordination Office and relevant ministries since November 2004, to assist in developing the TFF Regulation, operational procedures for the TFF, launch operations, and build capacity to manage the fund.

In June 2006, the FSSP Partnership Steering Meeting (PSC) endorsed co-financing of ₪12,475,420 for the forthcoming ADB-assisted Forests for Livelihood Improvement in the Central Highlands (FLITCH) Project.

In September and October 2006, two grant agreements were signed to support the project, Community Forestry Pilot Programme, and to co-finance the project, Preparation of Programme Partnership for Sustainable Forest Land Management. Total amount for these two grants is ₪1,840,000. In addition, the TFF also supported four small grants, worth a total value of ₪161,539.

In September 2006, appraisal commenced for another four large grant applications with a combined value of ₪4,801,501.

6. Other Ongoing Partnership Activities for 2006

During 2006, the overall institutional structures of the FSSP Partnership and the management of the Trust Fund for Forests have been reviewed and is undergoing revision. A Major Joint Review Mission was conducted in March 2006, which recommended numerous changes. Subsequently, the FSSP CO held meetings with stakeholders to discuss institutional changes needed in the Partnership, and to prepare new Terms of Reference for the Partnership institutions, to make them more effective.

Henceforth, the Partnership will hold broad Partnership Meetings, to be open to all interested stakeholders (not just international ODA partners and Government, but also domestic and foreign private sector, local associations, or other interested parties). The Partnership Steering Committee (PSC) consists of a group of international signatories of the Partnership Memorandum of Agreement, or designated Vietnamese representatives, who are committed to supporting the sector, the Partnership and 15 major partnership principles for cooperation. The Technical/ Executive Committee (TEC), which functions as the “standing committee” of the Partnership, will serve to guide the activities of the Partnership, in support of the forest sector and National Forest Strategy. The future roles of the FSSP Coordination Office (CO), and six Forestry Regional Networks have also been clarified.

Efforts are also underway to develop improved and streamlined mechanisms for decision-making and management of the TFF. In the future, a TFF Board of Directors will make decisions on allocation of TFF grants. Therefore, the management of the TFF is being separated from the FSSP Partnership institutions, notably the PSC and TEC.

The intention is to reorient both the Partnership and the TFF around support to strategic priorities in the forthcoming National Forest Strategy. All these activities aim to improve the communications, transparency and governance among FSSP partners, and to support forestry’s contributions towards improving rural livelihoods and poverty reduction. The FSSP Partnership continues to work towards a gradual adoption of various elements of sector-wide approach (SWAP), and improved aid coordination, harmonisation, and aid effectiveness, in line with the agreements between Government and international partners as expressed in the Hanoi Core Statement of June 2005.

Some Possible Success Indicators for 2007

- Approved National Forest Strategy (2006-2020) under implementation
- The FSSP work plan will be more closely aligned with work plans of national partners, and in support of the new NFS
- Five working groups, or Coordination Committees, i.e., one for each of the five programmes for the National Forest Strategy, will mobilize support for implementation of the NFS action plans
- Greater FSSP support to decentralization of activities

- The Forest Sector fiscal and financial study will provide forest sector inputs into MARD's Medium-Term Expenditure Framework (MTEF)
- The Forest Law Enforcement and Governance (FLEG) study will, in collaboration with other FLEG initiatives in Vietnam, will contribute to improved forest protection
- Information dissemination on key sector and partnership activities will be enhanced
- The Trust Fund for Forests management will be revised and strengthened, and the TFF will support key forest sector strategic priorities (as identified in the National Forest Strategy, forest sector 5-year plan, and forest sector 2007 annual work plans)
- The Forest Sector Monitoring and Information Systems (FOMIS) will be further developed at national level, i.e., for monitoring implementation of NFS and 5-year plan, reporting on international environmental agreements, etc., and also piloted at provincial level

For further information, contact the FSSP Coordination Office

No. 6 Lane 42 Lieu Giai Street, Hanoi, Vietnam.

Telephone: (84-4) 762 9412 Email: fssp@hn.vnn.vn Website: www.vietnamforestry.org.vn

