

# **VIETNAM**

## **Indicative Cooperation Programme between Vietnam and Belgium Period 2011 - 2015**

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# 1 Introduction

Vietnam is changing very fast: strong economic growth (approx. 7% per year) and poverty reduction over the past 15 years (from 58,1% in 1994 to 10% in 2009) has put the country to become a middle-income country in 2010. While the country is well on track to achieve the MDGs about half of the population can still be classified as poor. A new SEDP 2011-2015 will be approved in June 2011 – the Party Congress in January 2011 approved the 2011 – 2020 Socio-economic Development Strategy - and is focusing on developing a sustainable economy at high growth rate, boosting the industrialization and modernization process, increasing the scientific value and high technology in manufacturing process, improving and enhancing the quality of education, training and human resources, strengthening the protection of environment and natural resources, and actively coping with climate change impacts.

The proposed Indicative Cooperation Programme (ICP) aims at contributing to the enhancement of the capacity of key Government Institutions and Provincial Governments so that resources can be channelled through them, herewith aiming at a balance between investment (pilot programmes) and institutional support. The ultimate objective is laying out the basis for sustainable and gender responsive socio-economic growth that will address the existence of small scattered pockets of poverty in Vietnam.

The proposed ICP is fully aligned with the draft socio-economic development plan (SEDP 2011-2015), and assisting Vietnam in its progress towards meeting the "Vietnam Development Goals" while respecting the commitment of Vietnam's donors expressed in the Hanoi Core Statement.

The ICP is a **multi-annual indicative programme** and will serve as the reference document for:

- The identification and implementation of the bilateral cooperation programme between the Socialist Republic of Vietnam and the Kingdom of Belgium;
- The coordination and harmonisation of development activities with the European Union and other EU member states;
- The consolidation of a strong relationship between equal partners for the cooperation aiming to contribute to the achievement of the MDGs.

The ICP has been established taking into account:

- The draft Vietnamese Socio-economic Development Plan 2011-2015;
- The priorities as defined in the Belgian law regarding International Cooperation;
- The guidelines of the Paris Declaration on "Aid Effectiveness, Harmonisation and Alignment";
- The Hanoi Core Statement (2007);
- The European Consensus for Development (2005);
- The European Code of Conduct (2007);
- The Belgian Plan for Harmonisation & Alignment (2007)
- The Law on gender equality (2006) and the National Strategy for Gender Equality 2011-2020 (Vietnam);
- National Water Resources Strategy and Reviewed Water Law (Vietnam, 2008);
- The Recommendations of the BE-VN Extended Joint Working Team (Dec. 2010)

In view of the alignment with the needs expressed by the Government of Vietnam (GoV), the harmonisation with other development partners, Belgium's experiences, and its policy to concentrate on two sectors, Belgium will focus on the 'Water & Sanitation' and 'Governance'.

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## 2 Priorities for Vietnam

The new **Socio-economic Development Plan (SEDP)** 2011-2015 should be approved by mid-2011. It focuses on turning Vietnam by 2020 into an industrialised country. The SEDP recognises that sustaining Vietnamese growth in the coming decade will require substantial structural change, including a change in the organization of exports to higher value added and more sophisticated goods. This will bring along a transformation in skills of the labour force (at higher level as well as at technical level).

Though Vietnam has achieved MIC-status, the GoV still acknowledges future challenges:

- The need for a strongly developed infrastructural system;
- A modernization improving the effectiveness and competitiveness of the economy;
- A demand for quality human resources for the core sectors of the economy;
- A continued social economic development;
- A sustainable quality of life (environment, food safety, fight against corruption, improved governance).

The GoV has drafted a **Strategic Framework on ODA mobilization**, management and utilization for the period 2011 – 2015. The objective of the Strategic Framework is to orient the use of the financial sources for the implementation of the five-year SEDP 2011 – 2015.

A list of ODA priority sectors has been drafted by the GoV:

<b>Priority sectors and areas for 2011-2015</b>	<b>Modalities</b>
<b>1. Strengthening institutions within a market-economy framework</b>	
1.1 Formulating market-friendly policies, institutions and mechanisms	Technical Assistance (TA)
1.2 Improving the competitiveness capacity at all levels of the public and private sector enterprises and institutions	
1.3 Promote political dialogue and improve awareness of the role of the market economy	
<b>2. Strengthening human capacity</b>	
2.1. Supporting the development of education and training, of which priority is given to nursery education, vocational training and higher education	TA, grants, concessional loans
2.2. Supporting the development of health care with a priority given to public health	TA & grants
2.3 Controlling the population growth, preventing and treating infectious diseases	
<b>3. Developing modern infrastructure</b>	
3.1 Developing a national roads system (highways, interprovincial roads), urban transportation, urban and national railways, and some big ports and airports	Concessional loans and less concessional loans; mixed loans
3.2 Developing national energy resources.	
3.3 Developing infrastructure for manufacturing, improving life of the poor, decreasing the effect of natural disasters (irrigation, river dykes, ocean dykes, planting forestry, rural infrastructure, <b>water supply and drainage, urban and rural sanitation</b> )	Grants, Concessional loans and less concessional loans; mixed loans
<b>4. Supporting the development of some types of production to create new jobs and increase income, contributing to reduce poverty</b>	less concessional loans

## 3 Belgian Development Policies and Objectives

Belgium strives for a peaceful and secure world where poverty and gender inequalities are a 'thing of the past' and where there are development opportunities for all, women and men. Belgian efforts therefore complement those of the international community to achieve sustainable development and a fair world. In 2000, Belgium signed the United Nations Millennium Declaration, which commits the international community to achieving eight Millennium Development Goals by 2015. Those eight goals are the main framework for guiding Belgium's Development Cooperation efforts.

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Since 2001, Belgium introduced reforms and taken measures that help it adapt to the new international context of development co-operation. Positive examples include: a legal framework to the target of allocating 0.7% of gross national income (GNI) to official development assistance (ODA) by 2010; strengthened geographical concentration of aid, a federal strategy adjusted with regard to the Millennium Development Goals (MDGs); and consolidated institutional structures following the 1999 reform.

In 2005, Belgium signed up to the Paris Declaration on Aid Effectiveness. An efficient development policy leading to better results is ultimately the key goal. Consequently, Belgium is focusing less on short- and medium-term results, and more on impact and outcomes in the long term.

Belgium's development co-operation has gained new momentum over the last two years, driven by international commitments and a process of self-reflection. New policies have been issued, and aid management reforms have advanced. All these reforms are driven by a political will to modernise Belgium's development policy and make it more effective in line with relevant international initiatives such as the Paris Declaration on Aid Effectiveness and the Code of Conduct on Complementarity and the Division of Labour of the European Union (EU).

Belgium is committed to modernising its development co-operation to be able to implement the Paris Declaration and the Accra Agenda for Action (AAA). Its 2007 Harmonisation and Alignment Plan responds to the 2005 DAC recommendation that Belgium should develop an aid effectiveness action plan. Belgium has started to put into practice recent policy and strategic decisions, mainly by implementing a "new generation" of four-year indicative co-operation programmes, adapted to the Paris and Accra commitments.

Belgium's intention to stay active in the same sectors for three successive indicative programmes (12 years) is much appreciated. This will facilitate long-term planning for partners and harmonisation with other donors. It also shows that Belgium is taking harmonisation and division of labour seriously, as does its use of delegated co-operation and willingness to lead sector working groups at the country level. Belgium's law on international cooperation (1999) articulates four cross-cutting themes to be addressed through its cooperation programs in specific sectors. Following recommendations of the 2010 DAC Peer review "gender equality and women empowerment" and "environment and climate change" are emphasized as priority themes.

Belgian development cooperation sets out to achieve its objectives by concluding various partnerships: with governments in developing countries and other donors present in the partner countries, with non-governmental actors in Belgium and its partner countries (through NGOs, universities and community-based organisations) and multilateral organisations.

Where there is a healthy, vibrant, thriving and responsible private sector, there are greater possibilities for sustainable development and economic growth that can lead to poverty reduction for women and men. Belgium's Aid for Trade strategy is intended to help developing countries benefit from the markets open to them. At the same time, such aid must allay any negative consequences of trade liberalisation. This was what prompted the Belgian minister for development cooperation to approve **Belgium's Aid for Trade Strategy** in June 2008. Other initiatives (not included in ICP) are:

- In recent years the funding provided by the Belgian Investment Company for Developing Countries (BIO) has risen sharply;
- A dedicated budget line has been established, geared towards boosting companies' capacity in developing countries;
- The Trade for Development Centre was founded in 2009, replacing the former Fair Trade Centre;
- The Belgian platform Enterprise for Development was set up in 2008.

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## 4 The Belgium – Vietnam Cooperation

In the previous years Belgian ODA contributions averaged around 2% of the total disbursed grants<sup>1</sup> to Vietnam. During the last Consultative Group-meeting this represented around 0,2% of the total ODA pledges for 2011.

<b>Belgian ODA to Vietnam 2008-2010</b> (Amount in €)			
<b>Governmental Cooperation</b>	2008	2009	2010
Technical Cooperation & Scholarships	8.697.158	9.820.606	9,270,587
Micro projects	7.058	8.097	6,250
Budget support	1.744.879	96.271	79,970
<b>Sub-total Governmental Cooperation</b>	<b>10.449.095</b>	<b>9.924.974</b>	<b>9,356,807</b>
<b>Non-governmental Cooperation</b>			
NGO's		945.385	869,692
APEFE/WVOB		1.309.291	1,463,935
VLIR University cooperation		220.624	174,245
CIUF/CUD University cooperation		1.419.504	1,396,022
Scientific Institutions		345.534	350,096
<b>Sub-total Non-governmental Cooperation</b>	<b>4.146.356</b>	<b>4.240.337</b>	<b>4,253,990</b>
<b>Multilateral Cooperation</b>	330.995	145.557	123,098
<b>BIO -Support to private sector</b>			615,001
<b>Interest subsidies</b>	1.629.694	1.857.661	1,800,054
<b>Others</b>	5.231	50.751	1,257,306
<b>TOTAL</b>	<b>17.980.330</b>	<b>15.156.282</b>	<b>17,406,256</b>

Besides the governmental cooperation (see next chapter), the Belgian Government also financially contributes to the implementation of programmes of other Belgian actors, called the indirect cooperation. This cooperation consists mainly of three types of actors:

**Non-governmental organisations (NGO):** three NGOs are present in Vietnam: VECO, Oxfam-BE and Handicap. Their interventions are in the following fields: labour conditions, rural development and public health.

The **cooperation between universities and research institutes** is coordinated by University Cooperation for Development, Flemish Interuniversity Council (VLIR-UOS), Commission Universitaire pour le Développement – Conseil interuniversitaire de la Communauté française de Belgique (CIUF/CUD) and the Institute of Tropical Medicine.

Originally established to put French-speaking teachers' 'savoir-faire' at the disposal of disadvantaged countries **APEFE** invests its capacities in partnerships and networks to ensure quality in scientific and technical assistance for the poorest countries. From 2007 onward, it has chosen for a "programme" approach that more and more relies on local expertise, concentrated in education at secondary level, as well as higher and professional levels.

<sup>1</sup> While around 2000 the grant percentage in Vietnam consisted of about 20% this has decreased to 8% in the period 2007-2010.

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The 'Flemish Office for Development Cooperation and Technical Assistance' (**VVOB**) is active in two sectors: education (improvement of quality of lower secondary education) in 5 provinces of North and Central Vietnam and agriculture (strengthening methodological extension skills) in 5 provinces of Southern Vietnam. VVOB works with/through various partners like MPI, MOET, DARD, Women's Union, Farmer's Association PPC, and teacher training institutes. The education programme aims now at three results: improve educational competencies to guide the active teaching and learning (ATL) change process, improve the pre- and in-service teacher training, and strengthen the relation between school, mass organisations and the broader community.

## **5 Overview of the Current Direct Bilateral Programme**

### **5.1 Support for Water and Sanitation, including Waste Management**

In the recent years Vietnam has experienced fast socio-economic development, rapid urbanisation and industrialisation. As a result, the environment, including water resources for rural and urban inhabitants, is under intense pressure. Three projects aim to address these issues:

#### **"Capacity Building in assessing and managing water resources CAPAS – MONRE"**

CAPAS addresses the challenges of water resources such as: the lack of adequate data and capacity to assess water resources related information and conditions, to improve the WR-management, -development and -protection; the intricacy of applying integrated water resources management (IWRM) concepts in practice; the lack of an effectively monitoring of trends and pollution of water bodies and take appropriate actions; enhance communication and public awareness campaigns with impact on the behaviour of the citizens; improve knowledge and skills in water resources planning, managing and monitoring among responsible staff and agencies; support the decentralisation of decision making in the WRM sector.

#### **"Water Supply and Sanitation in Binh Dinh Province"**

The "Water Supply and Sanitation Program in Binh Dinh Province" (WSSP) attempts to contribute to poverty reduction, enhance public health and improve living conditions and quality of life for the people of the province. The Program addresses the population from several communes in 6 districts of Binh Dinh (Phu Cat, Phu My, Tuy Phuoc, Tay Son, An Nhon and Hoai Nhon districts), through the following activities:

- Building the capacity of the agencies in charge of planning, designing, implementing and managing rural water schemes and solid waste management systems;
- Raising the awareness on the use of safe drinking water and on the preservation of water resources as well as on the importance of protecting the environment with proper recycling, disposal and treatment of domestic solid waste;
- Constructing rural water systems;
- Implementing solid waste treatment schemes.

#### **"Capacity Development of Water Management and Services in Ninh Thuan"**

The overall objective of the project is: "to improve living environment and socio-economic development in Ninh Thuan Province". The programme contributes to poverty reduction by (1) enhancing the quality of public service delivery, particularly in the water sector, (2) promoting the economic development including agricultural production and (3), improving of sanitation and the living conditions and quality of life for the local people in the project area.

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## **5.2 Governance, Capacity Building and Institutional Strengthening**

Two projects of ICP 2007 share the objective to promote pro-poor socio-economic development through support to public administration reform at provincial, district and commune levels.

### **"Strengthening the planning reform at the central and decentralised level (SPR) Project"**

Within the framework of the Public Administration Reform program, the project aims to support the reform of the development planning, monitoring and evaluation system. This support consists in reinforcing the capacity of the Ministry of Planning and Investment (MPI) to design and to implement the planning reform at the different territorial levels all over the country (63 Provinces). This reform aims to promote a more effective, efficient and sustainable development in a context where Vietnam has to face some new challenges (globalisation, economic uncertainties, new social and economic needs, ecologic development, market oriented economy) and to manage some key issues (social and territorial balance development, decentralisation, local economy development).

### **"Poverty Reduction through Institutional Strengthening at Quy Chau district and Nghe An provincial level"**

The project is to strengthen the institutional capacities of local governments in decentralised development planning, budgeting, implementation and public service delivery. Capacity development is further strengthened via strong collaboration with other interventions supported by the Belgian government in the same sector: SPR and Public Administration Reform and Roll-out of CPRGS in Hau Giang.

#### **5.2.1 Study and Consultancy Fund**

Since establishment the Fund was used to finance, in full or in part, consultancies for identifications of projects/programmes and implementation of 'appreciation' studies, missions and other services in the Vietnam-Belgium ICP framework.

#### **5.2.2 Scholarship Programme**

The Belgian Bilateral Scholarships program aims to contribute to the long-term growth and stability of Vietnam by enable young professionals from Vietnam to pursue postgraduate studies in Belgium and gain new expertise for the benefit of their country. An assessment indicates that 56% of all scholarships go to women (2010).

Since 2004, Belgium provides annually a quota of 40 scholarships for Mixed PhD<sup>2</sup> and Master training in Belgium. Although not always plotted in the ICP indicative budget, the annual budget for scholarship has gradually increased and by 2009 stays at around € 1million per year.

## **6 Lessons learned**

In the second half of 2010 BTC released its assessment of the ICP 2007-2010. The following recommendations could be distilled:

### **6.1 The Future General Strategy**

- For impact reasons it might be coherent to remain in the same sectors to capitalize the experience build up. Moving more to joint financed programs can facilitate the fading out;
- Opt for a limited and strategic focus, in line with the limited financial possibilities of the program and opt for strategic alliances to increase impact.

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<sup>2</sup> Will be transferred to University Cooperation 2011.

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## 6.2 Strategic Sector Orientation

- Clearly delimit the definitions of the key sectors to avoid that confusion is possible and no real concentration would be made, while defining fading out strategies for other sectors if needed;
- Link the new ICP with the key sectors of the ICP 2007, where Belgian Cooperation starts obtaining some trust and expertise: (1) Governance and (2) Water and Sanitation, but also urban support (linked with urbanisation & climate change);
- Focus on capacity building inclusive institutional strengthening as overall objectives for the program in the key sectors.

## 6.3 Modalities

- Develop a comprehensive strategy for our support per sector, with coordinated activities both at central-institutional level and at provincial level, one feeding the other, allowing maximum use of the technical expertise made available for the program at the different levels;
- Search actively for strategic alliances with other donors, joint financing opportunities, Programme Based Approach, Targeted Budget Support or Sectoral Budget Support;

## 6.4 Increased critical alignment

- A more thorough analysis of the 'willingness' and of national strategies must be made before formulating ambitions for institutional change. This can be done based on readiness assessments and feasibility studies, by supporting IOCA's (Institutional and Organizational Assessment), which are executed with a real involvement of the partner.

# 7 The New ICP 2011-2015

The Global Objective of the ICP is to **"Contribute to the socio-economic development of Vietnam through institutional capacity development to support the implementation of the SEDP 2011-2015"**.

In particular the ICP wants to contribute to the following objectives of the draft SEDP:

- **improving and enhancing the quality of education, training and human resources,**
- **strengthening the protection of environment and natural resources,**
- **actively coping with climate change impacts,**
- and the objectives regarding gender equality as specified in the SEDP.

From the draft strategic ODA framework 2011-2015 the proposed ICP aligns itself with:

- **"Developing infrastructure for manufacturing, improving life of the poor, decreasing the effect of natural disaster (irrigation, river dyke, ocean dyke, planting forestry, rural infrastructure, water supply and drainage, urban and rural sanitation)" (3.3 ODASF, see Chapter 2) through Focal Sector 1;**
- **"Formulating market-friendly policies, institutions and mechanisms" (1.1 ODASF, see chapter 2) through Focal Sector 2;**
- **"Supporting the development of education and training, of which priority is given to nursery education, vocational training and higher education" (2.1 ODASF, see chapter 2) through the Scholarship Programme.**

The ICP will be structured around:

- **A continuation in the sector of Water & Sanitation linked to Urbanisation & Climate Change in 3 provinces;**
- **A consolidation of current programmes in Governance sector;**
- **Legal, technical and financial support to scientific and technology SME's with a preference for green technology;**
- **A Facility for capacity building;**
- **Delegated Cooperation regarding transversal themes, including 'anti-corruption', the Governance consolidation strategy ;**

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- **Cross cutting issues: Environment/Climate Change and Gender Equality/Women's Empowerment.**

## **7.1 Crosscutting themes**

### **7.1.1 Environment and Climate Change**

The official Vietnamese seawater level rise predictions are higher than the worst-case scenario of the International Panel on Climate Change (IPCC) (because the Vietnamese have taken into account some melting of land ice based on scientific data published after the IPCC report of 2007). The estimate of the Ministry of National Resources and Environment (MONRE) - according to a medium global greenhouse gas emissions scenario - is that sea level rise along the Vietnamese coast would be on average 75cm by 2100. Coastal and delta areas containing many big cities as Ho Chi Minh city will be seriously affected by sea level rising. If sea level rises by 1m, 23% of Ho Chi Minh area will be inundated, it will subject 17 million people to flooding with substantial impacts penetrating inland beyond the coastal zone (with worsening saline water intrusion in coastal zones).

Particular groups of people are most vulnerable to impacts of climate change, including women, children, single, female-headed households, and the elderly. These groups tend to be most at risk for poverty and have the most tenuous livelihoods. In addition, living in urban slums can exacerbate vulnerability. Houses and infrastructure are often substandard or non-existent in urban slums, and many are also located in flood plains or low coastal elevation zones where the risks from the impacts of climate change will be the greatest. In addition changes in climate patterns may also have an impact on health issues.

Specifically for Vietnam, there are a number of fundamental concerns regarding climate change and urban planning and design. Consequently urban planning should be considered in a sustainable approach including public transport systems, access to energy, waste management infrastructures. Coastal development, including settlement, tourism and coastal infrastructure, is extremely vulnerable. Predicted sea level rises urge for measures taking into account recognized vulnerable areas. The magnitude of the upcoming environmental issues, require that all actors should be involved in the search for solutions and their implementation (provincial, local authorities, CSO, WU, ...).

**Adaptation to climate change should be integrated in social economic planning** at all scales. It will be ongoing for many decades with distinct, but inter-related needs at the short-, medium- and long-term timescales. Many adaptation measures are needed at the provincial and local level, which requires strong sharing of the best science-based information and good practices. It will include increasing awareness and understanding of climate change risks, and options for mitigation and adaptation; sharing perspectives on policy responses and linkages of climate change adaptation and mitigation to national development goals.

Adaptation will be strongly dominated by **public sector investments**. Public investment decisions must be prioritized over time, geographically and sectorally, with improved planning and strategic international support.

**Sound environmental business investments can contribute to mitigation**, but also depends on public policies in sectors like energy or transport. Public (fiscal) policies must be adjusted (especially energy subsidies and taxes) and smart regulation is needed in order to drive climate change responses while considering national economic growth and job creation.

Provinces and cities need to set emission reduction targets; develop emission inventories of e.g. businesses; identify local emissions reduction actions. In addition they also should increase access to finances beyond centrally allocated budgets (e.g. user fees, local surcharges, and municipal bonds) for strategic investments in both adaptation and mitigation.

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The programme may also promote Research and Development; financial incentives; voluntary agreements (VAs); informational instruments; ambitious targets and feed-in tariffs for renewable energy; enhanced energy efficiency standards for equipment; expanded training of engineers and technicians (higher education and vocational training); and better urban planning for climate resilient and low carbon cities and towns.

**Outputs** of the ICP will aim at:

- Application of national adaptation and mitigation strategies when designing water & sanitation interventions;
- Strengthening capacities of local authorities to integrate gender and environment concerns in local and city wide planning and budgeting for cost-effective and environmental friendly policy responses;
- Strengthening capacities in environment of local government training institutes to provide training for local governments;
- Promote sustainable urban models (ECO2-cities) integrating climate change issues.

### **7.1.2 Gender equality and women's empowerment**

The Belgian Development Cooperation regards gender equality as a cross-cutting issue and is determined to accelerate progress in this domain by supporting its partners' efforts to make tangible headway, in keeping with their international commitments and their gender equality strategies, policies and plans. To this end, the strategy adopted by the Belgian Development Cooperation takes gender equality and women's empowerment into account in its policies, strategies and actions, this being a gradual, long-term approach. It also finances specific actions designed to fight gender-based violence and discrimination against women, guarantee them access to opportunities for development and safeguard their rights.

Compared to other countries in Asia, Vietnam has achieved certain progress in gender. On promoting 'Gender Equality and Empower Women' (MDG3) Vietnam is well on its way achieving its goal of eliminating gender gaps in primary and secondary education, and has already achieved a gender balanced youth literacy rate.

Notwithstanding the fact that gender gaps in enrolment in primary and secondary schooling have been closed, there are still gender gaps in higher and post-graduate education, particularly in remote areas and for minorities. There is also evidence of deterioration of the position of the female child in response to increasing education and health fees. Regarding the labour market, Vietnam has the highest rate of female participation (89% of the total of adult women), but inequalities can still be found in market segregation (for example only 26% of working women in white collar jobs), less access to high income jobs (more women than men in informal economy, small business, domestic and household unpaid work,...), inequalities in capacities to access economic opportunities, pay gaps and for example retirement ages (55 for women and 60 years for men).

At political level, the percentage of women directly elected in the National Parliament is high in the Asia-Pacific region (26%). The Gender Development Index ranking (94 out of 155 countries) is well above other countries at similar level of the economic development (2009).

In order to promote gender equality, development plans as well as sectoral plans should respond to these and other disparities due to gender, ethnicity, age, occupation and location, leading to socially differentiated targets and actions. This means that livelihood opportunities for less affluent men and women working in agriculture, animal husbandry, fisheries and aquaculture, and the forestry sector need to be strengthened. Gendered sensitive approaches are also needed, to ensure that responses to effects of climate change benefit the poor, women and men; do not increase existing inequalities and/or create additional inequalities and/or discriminations and contribute to promote equality

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Women in cities face different livelihood opportunities; have different responsibilities which require specific strategies to strengthen their economic, social and political empowerment. As coastal urban areas in Vietnam experience climate change impacts differently, responses should be demand driven, taking into account needs and interests of women and vulnerable groups.

This ICP will integrate gender equality and women's empowerment in all future interventions<sup>3</sup>. Especially women at the community level need to be made aware of their role as development catalysts. Belgium will promote gender equality and women's empowerment through contributing to the objectives of the National Strategy for Gender Equality for the period 2011-2020:

**Outputs** of the ICP will aim at:

- Strengthened gender fora (for example the Gender Action Partnership);
- Increased capacities of concerned partner institutions to mainstream gender (see the law on gender equality);
- Women's participation promoted in managerial and leaderships positions in order to gradually reduce the gender gap in decision-making structures in the priority sectors;
- Integration of gender related issues and women's participation promoted in all aspects of the implementation of the ICP (sector programs, scholarships, and study and consultancy fund).

## **7.2 Focal sector 1: Support for "Water and Sanitation management in the framework of Urbanisation and Climate Change" (30 million Euro)**

**The Long-term Result is strengthened capacity of GoV to provide effective governance to ensure that threats of rapid urbanisation and climate change are properly mitigated through a multidisciplinary approach in water and sanitation.**

Water is central to the socio-economic well-being of cities, and the sound management of this resource is crucial to ensuring urban food security, potable water supply and sustainable sanitation services. The task is made challenging by the interconnected nature of water systems: it is often rural areas that supply urban communities with water. Therefore, Integrated Water Resources Management (IWRM) and river basin approaches will be continued to be promoted and en-gendered as applicable.

Moreover, water use is linked across various sectors. Without effective management, rapid urban growth is expected to exacerbate existing problems of poverty, slums, pollution, water, and sanitation, some of them especially affecting women. With few exceptions, most municipalities cannot cope with the challenges of rapid urbanization.

The **National Target Program to Respond to Climate Change** (NTP-RCC) provides a broad framework for responding to climate change impacts and reducing the growth of GHG emissions. The next phase of the NTP-RCC will require a balance between adapting to the impacts of climate change and efforts to reduce emissions of greenhouse gases. The NTP-RCC states that sectors and provinces must "mainstream climate change issues into development plans" and the Ministry of Planning and Investment is responsible for developing "a standard framework for mainstreaming climate change issue into development".

<sup>3</sup> The recommendations of the Gender Workshop (March 2011, Hanoi) are attached in annex 11.3

Despite national decentralization programmes and the inclusion of good governance principles in national policies and strategies, many governments do not aptly consider local governments as important partners in the articulation of action plans. Meanwhile, the effects of climate change are mainly experienced at the local level with many households and livelihoods affected. Institutional design and structure can heighten or diminish society's exposure to climate risks, yet, a clear imbalance still exists between demands and the existing administrative and financial capacities in the context of decentralization. It is imperative to ensure gender mainstreaming in planning, management and controlling potential impacts of climate change.

The ICP will put emphasis on institutional support in order to strengthen local authorities, so they can fulfil their role in the field of better management of urban environment and infrastructure to manage potential climate-related impacts. Special attention will be paid to targeted, city-specific solutions that combine infrastructure investments, zoning, and ecosystem-based strategies. **Pilot programmes in the field of climate-proof urban infrastructure investments** will strengthen the institutional support while providing the necessary feedback for improvement of policy.

While the ICP 2007-2010 already focused on water resources management and water & sanitation the **proposed ICP 2001-2015 will narrow the focus in order to make 'urbanisation linked to climate change' central to water resource management policies and practices, as water is critical in adaptation to climate change effects.** Water management and scientific institutions need strengthening because stress increase as a result of climate change and different interests must be balanced.

#### **Criteria for the identification** of future infrastructure interventions:

- Emphasis on institutional support (including capacity building) at district and province level (decentralized planning, urban planning and development) before engaging in specific infrastructure works;
- To approach 'water and sanitation' from an institutional perspective;
- Prioritisation of the poor, in particular women;
- Willingness of local authorities on a transparent implementation and actively combat corruption;
- To approach 'water and sanitation' in a comprehensive and gender sensitive way (water resource management, socio-economic and environmental context, education and awareness raising);
- To be located in a limited number of provinces (max. 3);
- To be provinces where the Belgian Development Cooperation has an added value through its long-term cooperation with the local authorities;
- To consist of a geographical concentration of interventions to maximise impact and lessons-learned around a mid-size town;
- To encourage an interplay and synergies between individual projects/interventions to maximise efficiency of implementation;
- To be consistent with existing and/or future national CC and gender policy plans.
- To fit in the available financial envelope for Water and Sanitation interventions;

The ICP therefore includes the following **portfolio of Interventions**:

- **Strengthening Water Management and Urban Planning Capacity – An Urgent Agenda Responding to Climate Change challenges in Ninh Thuan:** a programme in the **coastal province Ninh Thuan** – where Belgium has a long experience of working with local authorities – to **strengthen its capacities** to integrate climate change concerns in local and city wide planning and budgeting for cost-effective policy responses in the field of water resources management; to **invest in climate-proof urban infrastructure** investments

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that will strengthen the institutional support while providing the necessary feedback for improvement of policy; and to build capacities to support increased attention to gender perspectives in policy making processes and institutions. An identification document is expected to be proposed at the Joint Commission meeting.

- Similar to the above, a programme approach in other **provinces** to **strengthen capacities** to integrate climate change concerns in local and city planning and budgeting for cost-effective policy responses in the field of water resources management; to **invest in climate-proof urban infrastructure** investments that will strengthen the institutional support while providing the necessary feedback for improvement of policy; and build capacities to support increased attention to gender perspectives in policy making processes and institutions. By the time of the Joint Commission another identification document could be finalised.
- Besides the traditional localities, other possible areas could be considered to be included as long as the budget is available and there are good proposals that meet the selection criteria.
- **'GETS' Facility:** MPI plans setting up a **"Green Economy Technical Support (GETS) Facility"** in order to finance strategic actions that should enable Vietnam to embark on a green economic development path. The overall objective of the GETS is *to enable Vietnam to develop capacities, knowledge and experiences for an effective transition towards an equitable vibrant and high level "green" economy.* It would aim for at least US\$ 20 million in grant resources for the period (2011-2015). It will be managed by MPI and governed by a national Steering Committee with representation of other ministries, business and CSO stakeholders, and observer status of international donors. In view of its objectives and management scope Belgium could play a substantial role in the set-up and support to the GETS.
- **Support MoNRE at national level and DoNRE on provincial level** (based on the Mid Term Review) **with the establishment of a Technical Support Unit (TSU)** in coordination with MPI.

There is an evolution towards larger projects especially in the provinces, which cover different fields of competence (institutional development, PAR, planning & budgeting, engineering, hydrology), which cannot easily be given by one individual technical assistant. At the same time the operational management is more and more transferred to the Vietnamese partner institutions, limiting the direct management role of the technical assistants. The different competences for TA's are therefore not necessarily needed full time in each project during its entire lifespan.

A pool of technical assistants could allow the Belgian – Vietnamese cooperation to strengthen its impact, by maximizing technical assistance for the whole focal area of "Water & Sanitation" instead of having one individual technical assistant per project. Therefore:

- A TSU project will be formulated for the purpose of mobilising national & international technical assistance;
- The Terms of Reference for the recruitment of TA will mention their capacities to manage and integrate cross-cutting issues, in particular gender and environment;
- BTC will produce an annual report, which will include activity reports per technical assistant and financial reports. Project or program specific inputs from TA will however be integrated in the project/program specific reporting.

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The result of setting up a TSU will be the more effective and efficient use of technical assistance by the local authorities.

The ICP proposes the following **portfolio of Modalities**:

- **Programme-based approach with infrastructure projects.**
- **A facility for capacity building** – see further 7.4 – that will allow Vietnamese students to obtain master degrees in fields related to this focal sector.
- **A multi donor trust fund:** GETS.

As **Outcome** the following **Results** are envisaged:

- Established management plans for urban environment and water & sanitation infrastructures for Ninh Thuan and other provinces to mitigate and adapt to potential climate change related risks;
- Strengthened the capacity within MONRE and its provincial and district bureaus in order to support the strategic integrated management of regional water resources;
- Increased exchange of know-how between Belgium and Vietnam in the area of climate change mitigation, low carbon development and sustainable urban planning;
- Local strategies that mainstream gender in water & sanitation and climate change related plans and programmes;
- Increased capacities of partner institutions on gender equality and women's empowerment;
- Increased participation of women in decision-making structures in the sector of water and sanitation;
- Increased number of gender-sensitive decision-makers.

### **7.3 Focal sector 2: Support to “Good governance” in areas of Public Administration. (12 million Euro)**

**The Long-term Result is strengthened institutional capacity of GoV at the national, provincial and local level to provide effective governance<sup>(4)</sup> based on a sustained planning reform process.**

Efforts to reform public administration have been ambitious. Launched in the 1990's, the Public Administration Reform (PAR) Master Plan covered decentralisation, defining of functions, modernizing public financial management, e-government, and civil service reforms among others. The objectives of the reforms were many, and there have been some successes, particularly in the simplification of administrative procedures, but there has also been at times slow translation of policies into actions. In the framework of the public administration reform in Vietnam, the GoV has also embarked on a planning reform to improve service delivery through strengthening capacity of the national and sub-national government to plan, finance and monitor/evaluate pro-poor and pro-growth policies and interventions.

The last party Congress of 2011 confirmed the intention of the GoV to pursue the PAR with the 'same vigour'. The Party Congress recognised that internal challenges are generated by Vietnam's fast development and its integration into the internal community. Growing social, territorial and sectoral balances have been acknowledged. It is more and more at the local level that the public policies are implemented (Poverty reduction, MDG) and that the relevance and the efficiency of these policies are evaluated. This requires the State to adapt the planning,

<sup>4</sup> i.e to promote, plan, implement, monitor and evaluate sustainable development

monitoring and evaluation system to a more socialist market oriented economy. The approach is still too sectoral which does not allow managing complex issues in public policies.

Therefore it is important that – among others - a new planning decree is finalised. This decree will bring Vietnam fully into the 21st century and will definitely contribute to realise the objectives set by the Socio-Economic Development Plan for the period 2011-2015 and the annual action plans that will have to be developed in this period. It aims at structurally improving the horizontal and vertical coordination of these plans. Furthermore, considering and planning regional development processes will oblige the Provinces of a Region to respect and to implement some goals and to share some investments which are of regional dimension (to avoid some inefficient competition and duplication between the Provinces).

The **Belgian SPR project is instrumental in preparing this planning decree.** But, the planning reform is a time consuming process. A first draft Decree has been presented to all stakeholders involved in the planning process at central and decentralized level to get comments. This first draft was essentially describing the current planning system with some technical improvements (planning calendar, resources) introducing some new elements in the planning approach. The DNEI at MPI appears convinced of the need for a more spatial (local development) and strategic planning approach with a regional planning level, and a process of alignment of provincial and local plans with sectoral plans (also with a direct linkage between planning and budgeting).

About 13 donors are active in the planning reform; most at provincial level. At this stage it is crucial that Vietnam – while finalising the planning decree – can merge national and international experiences into this endeavour to speed up the process of the decree formulation. The challenge will be partly addressed by the ONE UN that has incorporated the 'governance' as one of its three focal areas for the next One Plan 2012-2016. Together with UN Belgium plays the lead in the policy dialogue with the GoV about the planning reform. Ideally Belgium would play a lead role in assisting MPI in mobilising other donors to step in to this joint funded program. This would strengthen the possibilities to feed back in the policy discussions by the decentralized projects in this sector and could assure a coherent fading out of the ongoing programs.

The ICP therefore includes the following **portfolio of Interventions in this sector:**

- The ongoing SPR project - **Strengthening the planning reform** at the central and decentralised level – has foreseen in its TFF a second phase to roll out a **capacity development strategy and plan** financed initially on Belgian and Vietnamese government funds, but to become a **multi donor trust fund** to encapsulate the donor experiences in the field, and ensure a **roll-out the planning reform to all provinces in Vietnam**. Realising this ambition would be a comprehensive answer to the need for more coherence of donor support to the PAR program and to a more coherent policy dialogue, where lessons learned from the multitude of standalone projects could be capitalized. This would allow Belgium to slowly 'exit' from a sector that relies more and more on the funding of the big donors than the technical assistance from smaller donors as Belgium. Besides the strengthening of the planning capacity development as itself the improvement of the **monitoring & evaluation capacities** will be supported as well as the quality of regulations and the internal coherence between different government reforms (decentralisation, local taxation, budgeting), through support to different departments of the MPI, MoF and MoHA.
- Support to the innovation and development of business incubators policy project with the Ministry of Science & Technology (MoST). Developing a regulatory and/or legal framework for setting-up 'incubators' (centres where viable research findings and spin-offs are tested and finalised for commercialisation). This project would be built on European experiences and the feedback from strengthened information network among Vietnamese

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incubators and lead to a GoV Decree on incentive policies for spin-off SMEs. Management capacity-building to a pilot incubator is envisaged.

The focal sector will benefit from the following **portfolio of Modalities**:

- **Programme-based approach with several donors; Technical assistance;**
- Capacity-building (study tours, trainings);
- **A Facility for capacity building** – see further 7.4 – that will allow Vietnamese scholars to obtain master degrees in fields related to this focal sector 2.
- **Delegated Cooperation** – see further 7.5 – to strengthen the GoV in its fight against corruption in the governance sector;
- **Financial support** to the Incubator Fund.

As **Outcome** the following **results are envisaged**:

- A selected number of provinces benefits from participation in the planning reform process via the establishment of a Multi Donor Trust Fund to support the planning process at all levels and ensure its the roll-out;
- Monitoring & Evaluation and statistic tools are developed for a better follow-up of the implementation of SEDP;
- The planning reform process is promoted and shared from lessons learned from pilot projects supporting the private sector;
- The planning process is en-gendered;
- Increased participation of women in planning reform procedures.
- The governance aspects in the W&S sector are improved.
- An enabling environment to support the development of science and technology enterprises is in place

#### **7.4 Facility for capacity-building (12 million Euro)**

Over the next five years, with the middle-income status, Vietnam's need for new technical knowhow and access to international best practices will be different. The main thrust of the economic perspective is that Vietnam will need to have a high rate of technical change and lively entrepreneurial inputs if it is to maintain the momentum of economic growth.

In preparation for this change, an important scholarship programme will be set-up. The global objective of this programme is to respond to Vietnam's need for quality human resource to achieve sustainable growth, as indicated in Vietnam's socio-economic development program 2010-2015. Priority areas of study will include but are not limited to the focal sectors of the ICP (governance and water/sanitation). Scholarships to enhance for instance capacity of Vietnam in low carbon development and adaptation to climate change, a cross-cutting theme in the national policy will also be included. The Belgian Bilateral scholarship program therefore will adopt both institutional and individual approaches, with different modalities/instruments to respond to both long-term and immediate needs for quality human resources.

The Facility for capacity building will consist of a multi-year bilateral programme, governed by one specific agreement and TFF (Technical and Financial File). The second half of 2011 will be used for identifying and formulating the new programme, including the identification of institutional anchoring.

A **Master Scholarship Programme** will target both key partner institutions and also at excellent Vietnamese individuals who prove to have strong potential to the sustainable development and growth of Vietnam. The scholarship for the target institutions, will be guided by the recommendations of the Institutional and Organisational Capacity Analysis (IOCA) that partner institutions can request.

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Besides the Master scholarship program, scholarships for participation in **short-term training programs** are also envisaged via a "**Training Facility**". This modality aims to respond to demand-driven and immediate needs of Vietnam in the field of professional/vocational training via short-term training courses provided in the country and/or in the region. The fund aims also at assisting 'drivers of change' to learn from and network with innovative practitioners. This approach will be applied for this type of scholarships, i.e. demands will be identified, collected and addressed at institutional level. Specific modalities for operating this Facility will be further identified in the later stage, taking into account experience and lessons learned from the Training Facility project in the last ICP.

Within the scholarship portfolio, an '**Alumni Support Fund**' will be set up to allow Vietnamese alumni to maintain academic linkages with their 'mother' universities in Belgium after completion of their studies in Belgium. Modalities about the duration and eligibility will be defined during the formulation of this programme. The objective is to maintain linkages and if possible stimulate possible partnerships between Vietnamese and Belgian universities through support and exchange of know-ledge on best-practices in research.

Women will be awarded at least 50% of the scholarships. However an appropriate distribution of scholarships for women and men should be considered.

**Promotion/M&E budget:** to ensure the sound organisation of this programme funds need to be available to disseminate information (workshops, press, etc.) and to effectively follow-up the inputs and outputs of the programme.

To effectively monitor and manage the scholarship program, the ICP proposes the set-up of a "**Scholarship Support Unit**" which provides support to the execution of the whole program, (i.e. ranging from administrative and logistics support to strategic action planning, monitoring and follow-up). For the Training Facility activities, this unit will facilitate a permanent liaison with the partner institutions, and together with the relevant partner institutions, identify capacity-building needs that emanate from IOCA and also match with the advantages of the Belgian institutions.

## **7.5 Delegated Cooperation (3 million Euro)**

With the increasing complexity of the many challenges Vietnam faces, comes a need for even greater sophistication in the design of institutions, and enhanced ability to execute their functions. Multi-sectoral, cross-government responses will be required to address these challenges, requiring the Government of Vietnam to act 'as one'. Vietnam needs to seize the opportunity to engage all of its citizens to ensure better, more effective, and more accountable and transparent governance, and address constraints in access to justice and protection of rights, to ensure all Vietnamese people have a voice and are able to realize their capacities and aspirations.

To meet this objective, the **United Nations (UN)** will support the **further modernisation of the public sector** through targeted interventions that will enhance cross-sectoral coordination for the formulation and implementation of policies and plans.

The UN - through its **ONE PLAN (OP) 2012-2016** - will support Vietnam to enhance parliamentary development and oversight, step up the fight against corruption, and increase participation by citizens, media, workers' and employers' organisations, and CSOs in policy making and planning processes at all levels. In addition, the UN will support strengthened access to justice, in particular for those who rely on the law to protect them from discrimination, stigma and disadvantage; and will support the government to strengthen its engagement in human rights dialogue and treaty implementation as well as to continue efforts to reform and modernise Vietnam's policy development processes and institutional frameworks.

The **OP 2012-2016** aims at the following **Outcomes**:

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- By 2016, elected bodies are better able to formulate laws and oversee the performance of state agencies and represent the aspirations of the Vietnamese people, especially women, ethnic minorities and other vulnerable and disadvantaged groups;
- By 2016, enhanced capacity of legal and judicial professionals, and strengthened national legal frameworks for human rights in line with international conventions ratified by Vietnam, enabling all citizens, particularly the most vulnerable and disadvantaged groups, to benefit from strengthened legal and judicial reform, law enforcement and increased access to justice;
- By 2016, improved performance of the public sector institutions at national and sub-national levels, through enhanced coordination, accountability, transparency and anti-corruption efforts, will reduce disparities and ensure access to public services for the most vulnerable and disadvantaged groups
- By 2016, local associations, organisations and other non-state actors participate effectively in policy discussion and decision-making processes for the benefit of the most vulnerable and disadvantaged groups.

Building on the **theme of a 'Strengthened Civil Society'**, Belgium should **support the UN in Vietnam** as this is fully in line with the objective of the second Focal Sector of the proposed ICP – Governance – where Belgium envisages an exit after 2015. In addition, it addresses transversal issues of the Belgian ODA policies and provides a linkage to CSO engagement.

Hence, financial **support is proposed to the ONE PLAN FUND 2012-2016** through delegated cooperation to strengthen the advocacy role of the UN in its 'governance' policy support to the GoV. The delegated cooperation would also allow a faster financial disbursement at the start of the ICP 2011-2015, a phase that is usually typified by low disbursement due to identification and formulation activities. Attention will be given to the importance of environment and gender issues.

## **7.6 Study and Consultancy Fund (3 million Euro)**

The **Study and Consultancy Fund (SCF)** has proven to be an efficient instrument that is perfectly aligned to the priorities of the partner country. The ICP is to broaden the scope of applications for the use of the Study & Consultancy fund.

Criteria for use of SCF:

- Budget should not exceed € 60,000;
- Study and appraisal should be geographically and thematically linked to the priority sectors;
- Study and appraisal should include cross-cutting issues as gender and environment;
- Study and appraisal of actions to further the economic and social development of Vietnam, not necessarily linked to the priority sectors;
- Study and appraisal of actions in support of coordination and harmonization of donor support
- Institutional and Organisational Capacity Analysis (IOCA) of Vietnamese partner institutions;
- Support to identifications (also to speed up the project cycle) as far they enable to clarify submitted proposals by the partner(s).

The budget of the SCF can be replenished as needed.

## **8 Indicative Budget**

The budget made available by Belgium on a grant basis for the implementation of the bilateral programmes in the above-mentioned sectors amounts to **maximum of € sixty (60) million** for the period 2011-2015. A provisional allocation of the indicative budget is given

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under Chapter 10 but the distribution over the sectors and subsectors can be adapted at the annual meeting of the Extended Joint Working Team. In conformity with the Belgian legislation, budgetary commitments for the identified interventions are submitted to the competent Belgian Authorities for approval.

## 9 Implementation Modalities

### 9.1 National Execution

Adhering to the HCS whereby is suggested to exclude all parallel management systems, Belgium decided to apply, under certain conditions, 'national execution' when new programmes would be set up. This implies that the technical and financial responsibilities are entrusted to the partner.

Belgium has built up experience with five projects under national execution under the last ICP. A study has been executed in April 2011 to analyse the lessons-learned and other opportunities for national execution of future projects in Vietnam.

### 9.2 Geographical Concentration

To build on past experiences the ICP will **concentrate its interventions in those geographical areas where the Belgian bilateral cooperation has already built up expertise** and a strong relationship with the local implementing authorities. This should allow a more rapid and efficient implementation of identified interventions.

### 9.3 Extension of projects

An extension of the validity of the Specific Agreement (SA), with or without a budget increase will not be permitted anymore, except in cases of 'force majeure'. Extensions of projects have resulted in a delayed delivery of services to the project beneficiaries, a negative impression of the implementing agencies, lack of legal ground during the extension, and additional administrative work. To avoid project extensions, a one-year 'inception' and a one-year 'closure period' will be added to the actual implementation duration of the project.

Any positive balance of a project after expiration of the SA will be considered and decided for reprogramming into one of the priority sectors based on an unanimous decision by the signatories of the SA. This will be done through a new article to be included in all new SA's of projects presented for approval and, if necessary, to be confirmed at the end of the project through an exchange of letters.

### 9.4 Fight against corruption

Both governments commit to promote good governance to fight against corruption.

Both governments mutually agree to ensure transparency and accountability to avoid incidences of corruption. In line with the existing Vietnamese and Belgian legislation they agree on the fact that no payment, gift, reward or benefit of any nature whatsoever, which may be considered as an illegal act, fraud or corruption will be promised, committed, sought, or accepted, directly or indirectly as an incentives or compensation related to activities implemented within the framework of direct bilateral cooperation between the two Governments including any procedure relating to the launch, the award or execution of contracts.

Irregularities or suspicion of an illegal, fraudulent or corruption act related to the use of funds programmed in the ICP will be reported to the appropriate consultation structures agreed between both Governments which could call for an audit. Both governments will inform each other, mutually and without delay, in respect of discovery of an illegal, fraudulent or corrupt act.

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A meeting of the Joint Working Team which will take place within 60 days from the discovery of illegal, fraudulent or corrupt act will propose corrective actions to be taken, such as full reimbursement of the misappropriated funds and the legal actions to be undertaken. It will also propose upon the continuation of the programme concerned and of the other interventions under the ICP, as well as upon possible preventive measures to be taken in accordance with the national legislation of the State concerned.

In case these requirements are not met, the Government of Belgium may, without affecting the other joint cooperation interventions:

- Suspend/withhold future disbursements until the requirements are met within the defined time frame;
- Renegotiate the ICP

### **9.5 Follow-up programmes and annual review of the ICP**

Both parties reconfirm the important role of the Joint Working Team in the follow-up of the ICP. The JWT consists of the representatives of Vietnam, the attaché/counsellor for international cooperation and a representative of the BTC. The JWT meets in principle every three months and at least every six month. Once a year, the delegation of the Government of Belgium will be headed by a representative from the Directorate General for Development Cooperation, representatives of BTC headquarters are also invited to participate. This Extended JWT will carry out the review and evaluation of the ongoing ICP, will decide on the necessary reorientations and will approve the identification files submitted for the following year in the framework of the ICP.

To ensure the timely implementation of the interventions the following are envisaged:

- An institutional capacity analysis of the partner institutions should allow to identify and remedy possible bottlenecks;
- The Technical Support Unit will allow to inject at short notice required technical know how;
- Extension of projects will not be allowed and should bear sufficient pressure on the intervention implementers;
- The reduction of geographical spread and the long-time experience with implementing authorities in the concerned provinces will avoid loss of implementation time.

All follow-up reports will explicitly mention the progress made in the mainstreaming of gender and environment in all ICP components. This will be made possible through integration of gender and environment in all phases of the cooperation cycle.

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## 10 Indicative Cooperation Programme – Indicative Budget

	Indicative Budget: 60,000,000	Amount in %	Amount (in €)		mid 2011	2012	2013	2014	mid 2015
<b>1</b>	<b>Focal Sector I: 'Water en Sanitation management' in the framework of Urbanisation and Climate Change</b>	<b>50%</b>	<b>30,000,000</b>						
<b>1.1</b>	Strengthening Water Management and Urban Planning Capacity – An Urgent Agenda Responding to Climate Change challenges in three provinces Support MONRE at national level and DONRE at provincial level with a Technical Support Unit (TSU)			25,000,000		25,000,000			
<b>1.2</b>	Green Economy Technical Support Facility (GETS-Facility)			5,000,000			5,000,000		
<b>2</b>	<b>Focal Sector II: Support to 'Good governance' in areas of Public Administration</b>	<b>20%</b>	<b>12,000,000</b>						
<b>2.1</b>	Multi donor Trust Fund to Support Planning Reform			8,000,000				8,000,000	
<b>2.2</b>	Support to Innovation and Development of Business Incubators Policy Project ( MoST)			4,000,000			4,000,000		
<b>3</b>	<b>Facility for capacity-building</b>	<b>20%</b>	<b>12,000,000</b>			12,000,000			
<b>4</b>	<b>Delegated Cooperation</b>	<b>5%</b>	<b>3,000,000</b>				3,000,000		
<b>5</b>	<b>Study and Consultancy Fund</b>	<b>5%</b>	<b>3,000,000</b>		3,000,000				
	<b>Total</b>	<b>100%</b>	<b>60,000,000</b>		<b>3,000,000</b>	<b>37,000,000</b>	<b>12,000,000</b>	<b>8,000,000</b>	

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# 11 Annexes:

## 11.1 List of ongoing Belgian projects/programmes

Sector	VIE	Name of Project	ICP	Date signature SA	Final Date SA	Budget
Governance	0403011	Public administration reform and roll out of the comprehensive poverty reduction and growth strategy (CPRGS) in Hau Giang province, phase 2	ICP 04	18/06/2007	30/06/2012	2.470.499 €
	0703311	Strengthening of Planning Reform at Central and Decentralized Level	ICP 07	21/12/2007	29/10/2012	3.000.000 €
	0803611	Poverty reduction through institutional strengthening at provincial and district level - Quy Chau phase II	ICP 07	19/12/2008	2/09/2014	2.500.000 €
	<b>Total</b>					
Education	0401911	Improving pre-and in-service training of primary and lower secondary teachers in the northern highlands of Vietnam	ICP 04	9/10/2004	30/06/2010	3.989.338 €
	0503211	Targeted Budget Support for National Education for all plan implementation program	ICP 04	24/03/2006	23/03/2011	5.395.000 €
	0402711	Vietnam - Belgium Training facilities	ICP 04 & 07	14/07/2006	13/07/2011	1.000.000 €
		Budget Support to School Education Quality Assurance Programme (SEQAP)				6.000.000 €
	<b>Total</b>					
water & sanitation	0402311	Improve the general living standard in the town of Phu My, Binh Dinh province through the access to running water	ICP 04	25/07/2005	31/12/2009	869.255 €
	0402411	Improvement of sanitation and protection of the environment of Tuy Hoa, Phu Yen province	ICP 04	24/11/2005	31/03/2011	3.436.030 €
	0402611	Sanitation & Protection of the environment of Phan Ri Cua & Lien Huong in Tuy Phong district, Binh Thuan province	ICP 00	4/08/2006	31/03/2011	2.763.053 €
	0703411	Capacity Building in assessing and managing water resources - MONRE	ICP 07	18/12/2007	17/12/2011	4.000.000 €
	0703511	Water Supply and Sanitation in Binh Dinh Province	ICP 07	5/12/2008	1/08/2015	7.500.000 €
	0903711	Capacity Development of Water Management and Services in Ninh Thuan	ICP 07	7/12/2009	6/12/2015	10.000.000 €
	<b>Total</b>					

2007

Sector	VIE	Name of Project	ICP	Date signature SA	Final Date SA	Budget
Health	0402011	Upgrading community health service in Hoa Binh Province	ICP 00	4/02/2005	31/12/2010	2.000.000 €
	Id	Upgrading community health service in Hoa Binh Province phase 2	ICP 07			
	<b>Total</b>					
Social Economy	0402811	Access to coordinated Credit and Enterprise Support Services Phase 3	ICP 04	20/12/2006	17/11/2011	2.987.272 €
	0402911	Entrepreneurship development in the Textile sector (support to the Textile Research Institute)	ICP 04	18/12/2007	30/06/2012	1.000.000 €
	<b>Total</b>					
Agriculture	0401612	Development and extension of the Dairy Farming activities around Hanoi, Phase II	ICP 00	9/10/2004	13/02/2010	2.000.000 €
	0402111	Construction of the Lanh Ra irrigation network in Ninh Phuoc District, Ninh Thuan Province	ICP 00	8/06/2006	30/09/2012	2.564.783 €
	0402211	Increase the agricultural production through the improvement of irrigation system in Phu My district, Binh Dinh province	ICP 04	23/11/2005	31/12/2010	992.300 €
	<b>Total</b>					
Multi-sector	00/013	Study & Consultancy Fund	ICP 00 & 04	8/08/2000	31/12/2010	871.840 €
		Scholarships	ICP 07			3.000.000 €
	<b>Total</b>					
<b>TOTAL</b>						<b>68.339.371 €</b>

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## 11.2 Indicative Cooperation Programme : Vietnam – 2011-2015

Indicative Cooperation Programme : Vietnam – 2011-2015 Country Implementation Framework							
Results by partner country	Results by ICP	Aid modalities – aid instruments	Partners in charge	Programmes and projects of other donors	Assumptions and risks	Resources	
						Human Resources	Financial resources
<p><b>Statement of Impact by Vietnam:</b> <b>Global Development Result :</b> <i>Developing a sustainable economy at high growth rate, boosting the industrialization and modernization process, increasing the scientific value and high technology in manufacture, improving and enhancing the quality of education, training and human resources, strengthening the protection of environment and natural resources and actively coping with climate change impacts.</i></p>	<p><b>Statement of Impact by ICP</b> <b>Global Result of ICP :</b> <i>Contribute to the socio-economic development of Vietnam through institutional capacity development to support the implementation of the SEDP 2011-2015.</i></p>	<p><b>Global Budget Support</b></p>		<p><b>World Bank :</b> <i>PRSC 10</i> US\$ 450 MIO</p> <p><b>(supported by EU:</b> <i>Support for Vietnam's Socioeconomic Development Plan)</i> (€ 144 MIO)</p>	<p><i>Backtracking by the Government of Vietnam in relation to the reform agenda;</i></p> <ul style="list-style-type: none"> <li>• <i>waning (?) support for the harmonisation and co-ordination agenda;</i></li> <li>• <i>the fiduciary context;</i></li> <li>• <i>popular discontent caused by growing inequalities;</i></li> <li>• <i>health pandemics (SARS, avian influenza).</i></li> </ul>		

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**1st Intervention Sector: Water and Sanitation management in the framework of Urbanisation and Climate Change**

<p><b>Sectoral impact by VN:</b> <b>Long-term Results</b> Water &amp; sanitation</p> <p><i>"The rate of rural population provided with hygienic water shall reach 96% and the rate of urban population provided with hygienic water shall reach 98%; 70% of industrialized and export processing zones will have concentrated wastewater treatment plant with environmental standard; 85% of solid waste shall be collected in urban areas."</i></p> <p>Urbanisation: <i>"Reforming policies on urbanisation, improving town and city planning quality and management, creating major changes in urban system"</i></p>	<p><b>Sectoral impact by ICP:</b> <b>Long-term result</b></p> <p><i>Strengthened capacity of Gov to provide effective governance to ensure that threats of rapid urbanisation and climate change are properly mitigated through a multidisciplinary in water and sanitation.</i></p> <p><b>Outcomes :</b></p> <p><b>Result Watsan :</b> « Strengthened capacity within MONRE and its provincial and district bureaus support the strategic integrated management of regional water resources"</p> <p><b>Result Urbanisation:</b> « Established management plans for urban environment and infrastructure of the Provinces of Ninh Thuan and other provinces help to</p>	<p>1. Strengthening Water Management and Urban Planning Capacity – An Urgent Agenda Responding to Climate Change challenges in Ninh Thuan.</p> <p>2. Strengthening Water Management and Urban Planning Capacity – An Urgent Agenda Responding to Climate Change challenges in provinces to be specified.</p> <p>3. GETS Facility (multi donor trust fund)</p> <p>4. Technical Support Unit (TSU)</p> <p>5. Scholarship programme</p>	<p><b>Ministry of Planning and Investment (MPI)</b></p> <p><b>Provincial People's Councils of Ninh Thuan and xyz (to be specified)</b></p> <p><b>Ministry of Natural Resources and Environment (MONRE)</b></p> <p><b>Vietnamese Institute of Architecture &amp; Planning (VIAP)</b></p> <p><b>Research Unit Urbanism &amp; Architecture (OSA) from The Leuven University (KUL)</b></p> <p><b>Ministry of Education and Training (MOET)</b></p> <p><b>Ministry of Labour, Invalid and Social Affairs (MOLISA)</b></p>	<p><b>World Bank :</b> <i>Urban water supply and Waste water</i></p> <p><i>Vietnam – coastal cities environment and sanitation project</i> <i>HCMC environmental sanitation</i></p> <p><i>Red River delta water and sanitation project</i></p> <p><i>Urban Upgrading Project and Community Directed Development : environmental assessment</i></p> <p><b>Japan</b> <i>Project for Enhancing Capacity of Vietnamese Academy of Science and Technology in Water Environment Protection</i></p> <p><i>Hanoi Drainage Project for Environment Improvement</i></p> <p><b>Germany</b> <i>Wastewater and Solid Waste Management for Provincial Centres</i></p>			<p>€ 30,000,000:</p>
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<p>nation-wide.”</p> <p>Technical Support "To strengthen the effective mobilisation and the use of the social resources for the country's development process"</p>	<p>mitigate and adapt to potential climate change related risks »</p> <p><b>Result TSU :</b> "More effective and efficient use of technical assistance by the local authorities."</p> <p><b>Result Gender :</b></p> <p>Increased capacities of concerned partner institutions to mainstream gender;</p> <p>Increased women's participation in managerial and leaderships positions in the sector;</p> <p>Local strategies that mainstream gender in water &amp; sanitation and climate change related plans and programmes.</p> <p>Increased number a gender-sensitive decision-makers.</p>			<p><i>Sustainable Watershed Management in the Lower Mekong Basin</i></p> <p><b>France</b> <i>Project for Urban Environment Upgrading in the Central Region</i></p> <p><i>The National Centre for Water Works and Environment Training</i></p> <p><b>Finland</b> <i>Vinh City Water Supply Project</i></p> <p><i>Water and Sanitation Programme for Small Towns in Vietnam</i></p> <p><b>U.K.</b> <i>World bank-DFID Climate Change Partnership</i></p> <p><b>Gender:</b> <i>ES, NO, CA, AU, ADB, EU</i></p>	<p><b>Risks</b> <i>Lack of set sex-disaggregated data in a range of activities, including capacity building</i></p> <p><i>Lack of awareness on gender and how gender related to W&amp;S</i></p>		
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**2<sup>nd</sup> Intervention Sector: Support to "Good governance" in areas of Public Administration**

<p><b>Sectoral impact by VN: Long-term Results</b></p> <p><i>To improve the organisational</i></p>	<p><b>Sectoral impact by ICP: Long-term result</b></p> <p><i>Strengthened capacity of GoV at the national, provincial and local</i></p>	<p><b>1. Multi-donor Trust Fund to roll out the Planning Reform to other provinces</b></p>	<p><b>Ministry of Planning and Investment (MPI)</b></p>	<p><b>Irish Aid and Oxfam UK</b></p> <p><i>Support Pro-poor Planning in Ninh</i></p>	<p><b>RISKS:</b></p> <p><i>Delays in the planning reform and drafting decree</i></p>		<p>€ 12,000,000</p>
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<p>structure, personnel, regulations of administrative apparatus, guaranteeing the transparent, united and focused operation takes effect from the government to local authorities."</p> <p>To specify the functions and responsibilities of the GoV in the new development period and build a suitable organisation system.</p>	<p>level to provide effective governance based on a sustained planning reform process.</p> <p><b>Outcomes :</b></p> <p><b>Result 1 :</b> "A selected number of provinces benefits from participation in the planning reform process via the establishment of a Multi Donor Trust Fund to support the planning process at all levels and ensure its the roll-out"</p> <p><b>Result 2:</b> "Monitoring &amp; Evaluation and statistic tools are developed for a better follow-up of the implementation of SEDP."</p> <p><b>Result 3:</b> "The planning reform process is promoted and shared from lessons learned from pilot projects"</p> <p><b>Result 4:</b> "An enabling environment to support the development of science and technology enterprises is in place"</p>	<p><b>3. Support to innovation and development of business incubators</b></p> <p><b>3. Technical Assistance</b></p> <p><b>4. Delegated Cooperation</b></p> <p><b>5. Facility for capacity building</b></p>	<p><b><u>Provincial People's Councils of the provinces concerned</u></b></p> <p><b><u>Ministry of Science and Technology (MoST)</u></b></p> <p><b><u>Ministry of Education and Training</u></b></p> <p><b><u>Ministry of Labour, Invalid and Social Affairs (MOLISA)</u></b></p>	<p>Thuan</p> <p><b><u>UNICEF</u></b> Strengthening local Planning in Ninh Thuan, Dien Bien and Dong Thap provinces</p> <p><b><u>UNICEF, UNFPA, UNDP</u></b> Kon Tum – UN project</p> <p><b><u>Norway</u></b> Public Administration Reform in Ninh Binh</p> <p><b><u>UNDP</u></b> SLGP project</p> <p><b><u>ADB</u></b> Planning reform at provincial level</p> <p><b><u>SIDA</u></b> Chia Se Program</p> <p><b><u>JICA</u></b> Hoa Binh Planning Reform Project</p> <p><b><u>SDC</u></b> Supporting Public Administration Reform in Cao Bang</p>	<p>Lack of interest by other donors in the planning reform roll out</p> <p>Lack of progress in property rights legislation</p>		
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	<p><b>Result Gender:</b></p> <p>1. The planning process is en-gendered;</p> <p>2. Increased participation of women in planning reform procedures.</p>						
<b>Other Interventions (scholarship, delegated cooperation, study fund)</b>							
<p><b>Sectoral impact by VN:</b></p> <p><b>Long-term Results</b></p> <p><i>"Making high quality human resources Vietnam's main and long-term competitive advantage"</i></p>	<p><b>Sectoral impact by ICP:</b></p> <p><b>Long-term result</b></p> <p><i>Quality human resources available to spur sustainable growth.</i></p> <p><b>Outcomes :</b></p> <p><b>Result 1 :</b></p> <p><i>"Increased scientific and technological pool of human resources at international standard"</i></p>	<p>1. Facility for capacity building</p> <p>2. Technical Assistance</p>	<p><b>Ministry of Planning and Investment (MPI)</b></p> <p><b>Ministry of Education</b></p> <p><b>Ministry of Labour, Invalid and Social Affairs (MOLISA)</b></p>	<p><u>AU, DE, EU, etc.</u></p>	<p><b>Assumptions:</b></p> <p><i>VN identifies priorities for capacity development</i></p> <p><b>Risks:</b></p> <p><i>Aproprate identification of a qualified partner with the mandate to strengthen HR in Vietnam</i></p>		<p>€ 12,000,000</p>
<p><b>Sectoral impact by VN:</b></p> <p><b>Long-term Results</b></p> <p><i>"To deploy drastically and effectively the fight against corruption and waste, considering it a focused task in Party construction and government construction, a significant requirement of creating an equal business environment and guaranteeing sustainable development."</i></p>	<p><b>Sectoral impact by ICP:</b></p> <p><b>Long-term result</b></p> <p><i>"Increased modernisation of the Vietnamese Public Sector".</i></p> <p><b>Outcomes :</b></p> <p><b>Result 1 :</b></p> <p><i>"Enhanced parliamentary oversight in policy making and planning at all levels"</i></p> <p><b>Result 2:</b></p> <p><i>"Increased</i></p>	<p>1. Delegated cooperation to the ONE UN in Vietnam</p>	<p><b>UN in Vietnam: UN Country Team</b></p> <p><b>Ministry of Planning and Investment (MPI)</b></p>	<p><u>UK, NL, SP, FI, FR, IE, LU, CA, NZ, NO, SE</u></p> <p><u>support to ONE UN Plan</u></p>	<p><b>Assumptions:</b></p> <p><i>UN One Plan has identified 'Governance' as a focal area</i></p> <p><i>Quality interventions included in the One Plan based on comparative advantages of the UN</i></p>		<p>€ 3,000,000</p>

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	participation by citizens, media, workers' and employers' organisations, and CSOs in policy making and planning processes at all levels"						
<b>Sectoral impact by VN:</b> <b>Long-term Results</b> <i>"To strengthen the effective mobilisation and the use of the social resources for the country's development process"</i>	<b>Sectoral impact by ICP:</b> <b>Long-term result</b> <i>"Evidence based ODA policy making and effective project implementation.</i>  <b>Outcomes :</b>  <b>Result 1 :</b> <i>"Belgian development assistance projects undergone quality checks to avoid duplication and to promote synergies with other partners"</i>	<b>1. Study and Consultancy Fund (SCF)</b>	<b>Ministry of Planning and Investment (MPI)</b>  <b>Provincial People's Councils of the provinces concerned</b>		<b>Assumptions:</b> <i>Clear criteria for use of SCF established</i>		<b>€ 3,000,000</b>

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### **11.3 Recommendations according to Gender mainstreaming Workshop (11/03/2011)**

The HANOI workshop on Gender mainstreaming in the ICP (11.03.2011) recommended taking into account following gender concerns/aspects related to the Water & Sanitation sector:

- To increase capacities of concerned partner institutions to mainstream gender (see the law on gender equality);
  - Support of mainstreaming gender in the development of strategies and action plans on water and sanitation, linked to Climate Change and urbanisation;
  - Integrate sex disaggregated data in all preliminary studies, data bases and planning activities,
  - Formulate gender differentiated indicators for measuring progress (monitoring and evaluation) during project/programme implementation
  - Collect and analyse best practices and study cases on gender mainstreaming in water and sanitation
  
- To promote women's participation in managerial and leaderships positions in order to gradually reduce the gender gap in decision-making structures in the priority sectors;
  - Support partner institutions' efforts to promote women's access to technical and managerial bodies (management units, advisory committees, project staff),
  
- To integrate gender related issues in all aspects of the implementation of the ICP components:
  - Promote equal opportunities for women's access to employment and economic activities;
  - Improve of women's access to and control over (clean) water;
  - Integrate women in any type of training (technical training as construction, maintenance, ...)
  - Strengthen women's capacity building in planning designing and implementation of water schemes and waste management systems;
  - Train women on the sustainable use of water and implementation of adapted sanitation measures;
  - Promote men's sharing of responsibilities in sanitation and the sustainable use of water;

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