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**Vietnam's largest project on forestry
development inked**

Hanoi, 4 April, 2005 - the State Bank of Vietnam Governor, H.E. Le Thuy Duc and World Bank Country Director fro Vietnam Klaus Rohland signed agreements for the US\$ 39.5 million Credit and grants of nearly US\$ 20 million in total for the Vietnam Forest Sector Development Project.

The main objective of this project is to achieve sustainable management of plantation forests and the conservation of biodiversity in special use forests in Vietnam.

The project has been designed to be implemented in 6 years (2004 - 2011) with the 4 main components as Institutional Development; Plantation forest under household scope; Special use forest and Project management and monitoring and evaluation.

Total project cost is US\$ 74.5 million in which the Government contributes US\$ 5 million, local communities contribute over US\$ 11 million. In support for the project, the World Bank Group's IDA credit of US\$ 39.5 million

in supplemented by a grant of US\$ 9 million from the Global Environment Fund and over US\$ 10 million from Finland and the Netherlands.

Source: ICD- MARD

**Agreement signed for grant to
Develop rural infrastructure in
Vietnam's deprived central region**

Hanoi, 25th March 2005 - at the State Bank of Vietnam, Representative of Asian Development Bank, Mr. Bradford Philips, Country Director, Vietnam Resident Mission and Mr. Pham Hong Giang, Vice Minister of Agriculture and Rural Development (MARD) signed the Agreement for grant to develop rural infrastructure in Vietnam's deprived Central region with total value of 800.000 USD.

The main objective of this grant to help the Government prepare a large project on rural infrastructure in Central region of Vietnam to reduce rural poverty through improvements in rural infrustruture within six project provinces, namely Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri and Quang Nam.

Some detail activities conducted under the Grant including:

- Review the Government's sector plans, assess past infrastructure investments analyze how such factors are reflected in the commitments
- Analyze capacity of national and local government agencies to finance and implement rural infrastructure programs.
- Prepare criteria for selection of practical subprojects and medium-term development plan for each participating provinces, to be developed based on consultations with all relevant stakeholder group.
- Prepare a detailed pre-feasibility study for the whole project and studies for three or four sample subprojects as well as sector development project proposal.

The grant is expected to last about 11 months.

Source: ICD- MARD

Australia funds new agriculture

research projects in Vietnam

Hanoi, 17th March, 2005 - Twelve new agricultural research projects have recently been approved under the first funding round of the new Collaboration for Agriculture and Rural Development (CARD) Program. CARD is funded by the Australian Government and is part of Australia's overall aid program to Vietnam.

The projects have a combined value of AUD\$5.5m (about VND 69 billion), of which AUD\$3.5m (about VND44 billion) will be provided by CARD and the remaining funds supplied by the collaborating organisations in Australia and Vietnam. The projects will last from two to three years.

The projects comprise a range of research activities which will help improve fruit and vegetable production, fish farming, irrigation, marketing and agribusiness services, forest plantation, control of cattle diseases, and after harvest methods.

The research activities will be undertaken by the Vietnamese research institutions/universities and their Australian research and development partners.

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Source: AusAID

Australia and the Netherlands jointly support community-based initiatives in Vietnam

Hanoi, 30th March 2005 - The Australian Embassy and the Royal Netherlands Embassy have jointly committed to provide an amount of AUD1.33 million (more than VND16.5 billion) to support community-based small scale activities in Vietnam over the coming year through the Australian Small Activities Scheme (ASAS).

Earlier, the Royal Netherlands Ambassador to Vietnam, Mr Gerben S. De Jong, signed a Memorandum of Understanding with the Australian Agency for International Development (AusAID), Australian Embassy, to contribute to the ASAS program. The Scheme is a component of Australia's aid program in Vietnam that supports small-scale innovative community-based poverty reduction activities.

This year, the activities supported under ASAS will focus on development of environment-friendly income generation models for the poor; creation of sustainable jobs for the disabled; water supply for cultivation in drought-affected areas; increasing children's access to secondary education; and building planning capacity for women and children anti-trafficking activities.

Information on ASAS can be found at http://www.ausaid.gov.au/vietnam/ngo_community.cfm

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Source: AusAID

Vietnam will increase its poverty line by two times

Hanoi, 29th March 2005 - the seminar "Cooperation between donors and non-governmental organizations in poverty reduction in Vietnam" was organized in Hanoi under the initiative of Vietnam Union of Science and Technology Associations (VUSTA) to increase the understanding between Vietnam non-governmental organizations and international organizations and donors in Vietnam and to make recommendations to state management agencies on suitable policies and mechanism to create favorable conditions for development and cooperation between Vietnam non-governmental and international organizations.

The seminar attracted participation of more than 200 participants, who are managers, policy-makers and scientists from scientific research units under VUSTA, provincial and municipal unions of science and technology associations nationwide and nearly 50 representatives from international donors such as UNDP, WB, bilateral donors such as Netherlands Government, Finland and Canada as well as international non-governmental organization (Care and Oxfam, etc).

The Minister Nguyen Thi Hang reaffirmed the commitment to speed up poverty reduction in Vietnam and declared the poverty reduction target to 2010 to reduce 37% of nationwide poor households (reducing poverty rate from 26% to around 15%) in an orientation of "to be more comprehensive, sustainable, equitable and integrated with the international standards". Under this orientation, Vietnam will lift its poverty standard to a level as high as twice of the previous, which are estimated at VND 180,000-200,000 in rural areas and VND 250,000-260,000 in urban areas. With this poverty standard, Vietnam will have about 4.6 million poor households accounting for 26% of total nationwide households, in which rural mountainous areas account for around 45.9%, and the rural plain areas account for 23.2%.

Source: Labor Newspaper

District-level Coordination Forum

Nghe An, 7 to 8 April 2005 - Quy Chau District People's Committee, Nghe An Province

organized a coordination seminar for projects and programs which are implemented in the district territory.

This seminar is a coordination forum for projects, programs and partners at the district level. With the objective of discussion, sharing experience and coordinating development activities taking place in the district territory, the forum will not only help projects avoid overlap and duplication but also help projects closely coordinate with each other in rural development activities.

It is expected that the coordination forum will clearly define the role and responsibilities of concerned parties and at the same time highlight weakness as well as working fields and localities which are still open and need to be invested. Therefore, the forum will support district leaders in formulating socio-economic development strategies and especially appealing for investment projects to the district.

For more information please contact Mr. Nguyen Viet Hung, Coordinator of the Multisectoral rural development project (MSRD) in Quy Chau district, Nghe An
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Source: MSRD project

Vietnam forms forum to share information on local transport issues

Hue, from 4th to 5th March, 2005 - Senior rural transport policy makers and practitioners from 61 provinces, ministries including the Ministry of Transport (MOT), the Ministry of Planning and Investment (MPI), the Ministry of Rural and Agricultural Development (MARD), the Office of the Government, The State Bank of Vietnam, and donors active in this sector including the World Bank (WB), DFID, ADB and JBIC gathered in Hue to discuss critical issues for rural transport development.

Particularly, this biggest ever conference of its kind reviewed and drew lessons learnt from the donor funded projects in Rural and Provincial Transport. These will inform further donor and government transport programs in Vietnam, and set up a national rural transport forum where rural transport developers at different levels can exchange information in Vietnam's decentralized context. The

conference was organized by the Ministry of Transport and funded by DFID. Special guests from international rural transport fora including the International Focus Group on Rural Road Engineering also attended to share their international experience.

The conference ended with a set up of a Steering Committee for Rural Transport in order to coordinate activities relating to the update of the Rural Transport Strategy and its implementation. The steering committee consists of key players from MOT, representatives of provinces and donors.

Main issues to be addressed include (i) most of rural roads (over two third) are of low quality and thereby preventing all year access of the poor to services and markets, (ii) imbalance between funding for investment and maintenance and insufficient funding for rural transport especially for poorest provinces, (iii) inefficiency in the use of scarce resources including waste and corruption and (iv) an urgent need for capacity building for local levels in investment and maintenance planning and management.

Source: WB

Vietnam: A Success Story Of Aid And Development

Hanoi, 25th March, 2005 – Parliamentarians from thirteen different countries around the world reviewed the World Bank's activities in Vietnam during a recent visit.

Members of parliament from countries as diverse as Italy, Belgium, India, Jordan, Kenya, France, Philippines, Morocco, Nigeria, Pakistan, Australia, Germany and Korea toured Vietnam from 21-24 March as part of the "Parliamentarians in the Field" program of the independent Parliamentary Network on the World Bank.

For all delegates, it was clear that the economic growth in Vietnam is contributing to poverty reduction. Senator Patricia Crossin from Australia said, "We have been very impressed by the focus on poverty reduction of the Vietnamese Government at the central level and by the people at the local level, which the World Bank supports in many of its projects."

Others commented that in some countries, aid is a "business" which in turn has a

distortionary impact on the development of the country. By contrast, Vietnam does not seem to be wholly reliant on aid but rather uses it as a supplement to achieving its own poverty reduction strategy.

During their four days in Vietnam, the delegates visited three World Bank projects: the Hon Mun Marine Protection Area Project in Nha Trang; the Community Based Rural Infrastructure Project in Ninh Thuan province; and the Urban Upgrading Project in Ho Chi Minh City.

Across these three projects, the delegates were pleased to learn that community consultations had been carried out and in some cases efforts were made to enhance both physical infrastructure and develop human capital. As Dr Myoung-Ock Ahn from Korea said, "human resource development, education, health and women's livelihoods, is vitally important for sustainable poverty reduction."

The delegation intends to provide a report to the World Bank, member countries and NGOs to increase policy dialogue on development issues identified from the visit.

Source: WB

Circular to guide the implementation of sustainable development Strategy

9th March, 2005 - Minister of Planning and Investment (MPI) issued the Circular No. 01/2005/TT-BKH guiding the implementation of the strategic sustainable development orientation in Vietnam (Agenda 21 of Vietnam). This is an important legal document to promote sustainable development process of each sector and locality.

For detail please click here

Source: MPI

G20 will focus on agricultural subsidies

From 18th to 19th March, 2005 a Summit of Ministers of Trade from developing countries took place in New Delhi, India. The main theme to be discussed was agricultural subsidies of wealthy countries.

At the eve of the summit on March 18, India, a country which plays an important role in G20, called for developing countries to combine forces in the struggle to wipe off agricultural subsidies. According to the Indian Minister of Trade Kamal Nath, wealthy countries should understand that in such countries as India, the agriculture plays a very important role, which has close links with food security and affects the lives of millions of people.

"India farmers can compete with the US farmers but they cannot "compete" with the US Government. The US farmers receive great financial supports from the Government thus as a natural result, their products will be sold at a lower price" Mr. Nath said. The summit in New Delhi also touches upon strategies and position of G20 with insurance of multilateral trade negotiation in the framework of the WTO Ministers meeting taking place in HongKong at the end of this year and solutions to promote free trade negotiations of WTO.

G20 includes the following members: Argentina, Brazil, China, India, Pakistan, Bolivia, Chile, Cuba, Egypt, Guatemala, Indonesia, Mexico, Nigeria, Paraguay, Philippines, South Africa, Tanzania, Thailand, Venezuela and Zimbabwe.

Source: VNexpress

Poor countries get losses in agricultural product trade

Food and Agriculture Organization of the United Nations (FAO) has just announced in the report on "the current status of the world agricultural product market" that the price of the world agricultural products reduced by 2% annually during the last 4 decades. In the period 2001-2003, the average trade deficit of agricultural products of developing countries was US\$ 6 billion/year and this number will increase to US\$ 15 billion in 2015 and US\$ 35 in 2030.

In the agricultural product trade competition, developing countries are always in the inferior position and cannot catch up with developed countries when those countries annually provide an agricultural subsidy of US\$ 230 billion with an aim of selling their agricultural products at a price lower than the production costs. Developing countries get losses due to reduced price of agricultural products and

increased unemployment. The General Director of FAO Jacques Diouf says that the struggle for equality in the global agricultural product trade still faces with so many difficulties and complexity.

FAO appeals to WTO for approaches to impulse countries to reduce agricultural taxes and support producers and open domestic agricultural product market as well as abolish export subsidies in developed countries to create conditions for developing countries making use of the potential of trade liberalization. The Deputy General Director of FAO, Mr. Hartwig De Haen says there will be separate solutions for developing countries to protect them from negative fluctuation of agricultural product price. FAO recommends that WTO free trade negotiation round this year needs to handle injustice issues between developed and developing countries in agricultural product trade.

Developing countries oppose the application of "double standards" in trading by wealthy countries. After the 2-day negotiation in Nairobi, Kenya on global trade ends, international development organizations criticize wealthy countries for finding way to apply double standards, which benefit them. Oxfam says developing countries accept the proposal by developed countries reducing import tax on agricultural products from 30% in 1990 to 18% in 2000 in exchange for reduced agricultural subsidies of wealthy countries.

In recent global trade negotiation, however, developed countries required the interlinkage between agricultural subsidy reduction program and open of service sector of poor countries. Developed countries argue that their agreement on agricultural subsidy reduction must be processed in parallel with their access to a series of services in developing countries including finance and education. Wealthy countries also force developing countries to reduce taxes levied on industrial products which are imported by developing countries.

Source: VNeconomy

Vietnam: World Bank Calls For

Innovative Actions In Environment

Hanoi, 10th March, 2005 – The World Bank in Vietnam announced this year's funding for

innovators in communities throughout Vietnam. Focusing on the issue of environment, the Vietnam Innovation Day 2005 competition will provide direct funding to implement initiatives that support environment protection and improvements.

The theme of "Environmental Action" was chosen to support the Government of Vietnam to combat the accelerating environment pollution as well as habitat of Vietnam in particular and of the world in general. At least \$100,000 will be shared among 10 or more winning projects, which will be chosen through an open competition culminating in the Vietnam Innovation Day celebration in mid-June, 2005.

The competition is open to Vietnamese non-governmental organizations, local governments, and public and private development agencies across the country: anyone who has a good idea for a new service or a new way of communicating and doing something that would raise public awareness toward environment protection and improvement is eligible to apply for the funding to make their idea become reality. Detailed information of the procedures to follow is available from the World Bank Office at 63 Ly Thai To, Hanoi or from www.worldbank.org.vn

Finalists in the competition will be invited to present their ideas to a panel of judges at the Vietnam Innovation Day in Hanoi in June 2005, which will also provide organizations with a platform on which to test their ideas and seek opportunities to expand and scale-up their innovations. Innovators will have the opportunity to meet, share ideas and exchange information, while raising public awareness for the issues of environment protection and improvement. A Knowledge Forum will be held in association with the Vietnam Innovation Day, where leaders and innovators will be invited to share experience of environment protection and improvement.

Source: WB

Monitoring and Evaluation activities

carried out by VAMESP

Case Study: Impact Evaluation in the Irrigation Rehabilitation Project

As part of its M&E Proposal to VAMESP II, MARD proposed that a pilot evaluation be

implemented to assess the impact of the World Bank financed Irrigation Rehabilitation Project in two provinces. Following intermediate-level training in evaluation practice during January 2005, the core team from MARD and CPO prepared an evaluation logframe and developed a detailed evaluation plan in February 2005, before organising local logistics with DARD in Nghe An and Danang Provinces.

The purpose of the pilot evaluation was to build capacity of MARD/CPO participants in impact evaluation and identify lessons learned to support continuous improvement of investments in the irrigation and water resource management sector. The criteria used for the pilot evaluation were Impact, Effectiveness and Sustainability. Methods used for the evaluation included direct observation, document review, semi-structured interviews, focus groups and goal attainment scaling. Simple field tools relating to each of these methods were used by the core team implementing the evaluation. Field work over 2 weeks in March 2005 included interviews and focus group meetings with 400 project beneficiaries. As shown in the following chart, the preliminary results include evidence that project beneficiaries perceive that the project contributed to poverty reduction. However, beneficiary perceptions of the impact on irrigation infrastructure were mixed and this needs further analysis of the data to understand the different perceptions.

Working on the VAMESP II Pilot Evaluation, core team members from MARD/CPO gained valuable experience in the planning and implementation of field work as well as the design and reporting of impact evaluations. Their work will be produced as two case studies for broad communication to other VAMESP II stakeholders as well as participants in the evaluation and other interested stakeholders.

M&E Manual Update

During the last 3 months, VAMESP II has completed revision of the English version of the M&E Manual. The translation and conversion to CD-ROM is underway and it is anticipated that the revised M&E Manual will be launched in May 2005 in 8 modules:

Module I:	Executive Summary: M&E for ODA Investments in Vietnam
Module II:	Introduction to monitoring and evaluation
Module III:	Monitoring practice
Module IV:	Evaluation practice
Module V:	Glossary of M&E terms used in Vietnam
Module VI:	Training resources for M&E in Vietnam
Module VII:	Methods for M&E in Vietnam
Module VIII:	Tools for M&E in Vietnam

Harmonised Quarterly Progress Monitoring Tools

The 5 Banks and LMDG have worked with MPI with the support of VAMESP II to develop and trial harmonised quarterly progress monitoring tools. These tools are designed to meet the needs of government agencies and donors, so that PMUs need to prepare only one quarterly progress report for their projects.

Using international best practice, the tools are developed in Excel and designed to enable data extraction for portfolio monitoring in line agencies such as MARD and national ODA management agencies such as MPI. Seven VAMESP II stakeholder projects recently started using the harmonised quarterly progress monitoring tools to report progress for Q1 2005, with another 25 new or recently started projects financed by the 5 Banks about to do the same in Q2. VAMESP II is providing capacity building and on-the-job support for the regular monitoring activities that provide data for the quarterly progress reports. In addition, MPI has recently established an M&E Resource Centre and Help Desk that will help projects and line agencies with their M&E needs. Selected projects and line agencies are developing organisational and functional arrangements to provide an interim institutional framework for operation of pilot monitoring systems. Lessons learned from these pilot systems will be used to inform the process of regulatory review for ODA monitoring and evaluation in Vietnam during Q3 2005.

Source: VAMESP

Integration of energy and rural development policies and programmes in Vietnam

National Institute of Agricultural Planning and Projection (NIAPP), Ministry of Agriculture and Rural Development (MARD) joins with Institute of Energy, Ministry of Industry (MoI) and line agencies of Vietnam in preparing a draft on strategy on integration on energy and rural development policies and programmes in Vietnam.

This effort is aim to raise awareness of necessity and impotence among stakeholders in linking up aspects of 2 sector of energy and rural development towards a national target of poverty reduction and comprehensive growth. It is also looking for potential of assistance and cooperation from the international organizations those have ever been interesting and working in such fields in order to contribute to the ultimate goal of economic development and environment protection in Vietnam. Please read the attached herewith the draft outline of the strategy.

Comments and recommendations are highly welcome and appreciated, and can be reached to the address as follow:

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Source: NIAAP

STRATEGY ON INTEGRATION ON ENERGY AND RURAL DEVELOPMENT POLICIES AND PROGRAMMES IN VIETNAM

(Draft only)

1. General introduction

Regional Forum on Sustainable Development for Asia and the Pacific had determined some initiatives, including a) Capacity building for sustainable development, b) Poverty reduction for sustainable development, and c) Clean production and sustainable energy.

Vietnam is one of 8 country members (Cambodia, Laos PDR, Vietnam, Nepal, Bangladesh, Sri Lanka, Myanmar, Pakistan) joins a general programme initiated by UNESCAP in the integration of energy and rural development policies and programmes.

In Vietnam, NIAPP and Insitute of Energy (IE) – Ministry of Industry, are focal points in conjunction with line agencies in organizing domestic workshop, expert meeting and preparing a draft of a national strategy on integration of energy and rural development policies and programmes, accordingly.

1.1. The need of integration of energy into rural area development programmes

- National energy programmes all have activities to provide power and fuels to meet basic demands of the rural people.
- The success in the supply of energy to rural development depends on the appropriate integration of development activities. Energy services are needed to create better opportunities for education, provision of medicines, and creation of incomes, especially for women in the rural areas.
- It is recognized the importance of energy as a basic input to rural development programmes as well as a priority to reach the target for creating jobs, incomes, food security, rural industry and comprehensive poverty reduction in the rural areas.
- The Government of Vietnam implements various policies and programmes/projects in regard of rural development and poverty reduction. The linkage between energy and rural development is, however, not addressed appropriately yet.

1.2. Integration of policies and programmes and planning process

The development of rural area for poverty reduction should include the development of energy in rural areas, as an important component in every development efforts. It requires the decentralized energy planning to supplement planning methods and mechanisms used in the rural development. The decentralization of energy planning to each region will facilitate the efficient integration of energy into rural development programmes.

2. Existing situation of rural energy

- 2.1. Existing situation of energy utilization in rural areas of Vietnam*
- 2.2. Sources of supply and energy potential in rural areas of Vietnam*
- 2.3. Current policies related to energy development in rural areas*
- 2.4. Advantages, barriers in the widening and development of rural energy*

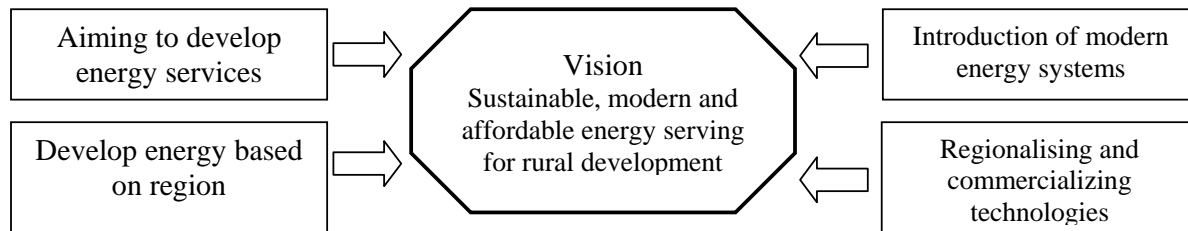
Advantages and barriers are presented and analysed in terms of a) sources and service system supplying energy for trading, b) Institutions and policies, c) Finance, d) Technology, e) Human sources, f) People perception, etc.

3. VISION on development of rural energy

3.1. Vision

"Supplying sustainable energy services to meet general objective of rural development, widening gap between rural and urban, the development of energy and agriculture sectors when Vietnam enters World Trade Organization"

Considerations in the setting up a Vision



3.2. *Modernization of rural energy system integrating with agriculture and rural industrialization and modernization and environmental protection*

3.3. *Responding to basic demands on energy for production and livelihood in rural areas for enhancing people's living conditions*

3.4. *Sustainable energy supply*

4. Energy programmes for rural development

4.1 *Rural electrification*

4.2 *Regional energy programmes support to rural development programmes (bio-energy, hydropower, solar energy, energy efficiency, etc.)*

4.3 *Establishment of rural energy market (distribution system, services and financial policies, community participation in energy market, etc.)*

5. Organization for the implementation

The following ministries of Agriculture and Rural Development, Industry, Planning and Investment, Finance, Natural Resources and Environment, Science and Technology are expected to participate into the strategy with the fully involvement of banks, Vietnam Women's Association, NGOs, research agencies, universities and enterprises, rural communities.

The implementation will be separated into a) national level, b) provincial level, c) Town/district level and d) grassroots level.

6. Gender issues and the encouragement of women to rural energy development

7. Monitoring and evaluation

7.1. *Monitoring and evaluation*

7.2. *Feedback*

7.3. *Adoption*