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Issue No. 22 - May 2005

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**Joint GoV-Donor Review of Rural
Water Supply, Sanitation and Health
in Viet Nam**

Hanoi, 11-12 April, 2005 - the Joint GoV-Donor Review of Rural Water Supply, Sanitation and Health in Viet Nam held the second as the last workshop. The workshop attracted participants from various agencies Departments of MARD, related ministries such as Ministry of Health, Ministry of Education and Training, Ministry of Construction, Provincial People's Committee and Centre of Rural Water Supply and Sanitation (CERWASS) of the provinces.

At the workshop, participants focused on giving comments and recommendations on Current situation of rural water supply and sanitation sector report as well as eleven recommendation documents of the Review Team to the sector in the time to come. Establishment of a partnership between Government and donors to support the coordination and management of the rural water supply and sanitation sector were also presented by the Review Team at the workshop.

Documents and progress reports by the Review Team have been updated in English and Vietnamese on the ISG website:
<http://www.isgmard.org.vn/Information%20Service/Report/Report.asp#water>

Source: ISG Sec

**Japan supports sustainable forest
management in Central Highlands**

12 April, 2005 - Within the framework of the Agreement on Technical Cooperation between the Government of Japan and the Government of Vietnam, signed in 1998, the Record of Discussions on Technical Cooperation to implement the project on the villager support for sustainable forest management in Central Highlands signed between Japan International Cooperation Agency (JICA) and authorities concerned of the Government of Vietnam.

The long-term objective of the project is to eradicate pressures on forest resources deriving from forest fire for cultivation of people in Kon-tum province.

The overall objectives of the project is to develop activities on agriculture, forestry, animal and poultry breeding and combined agro-forestry in 5 pilot villages belonging Kon

Plong and Kon Ray districts of Kon-tum province in order to improving living standards of people in the two districts where have villages selected and propagate the success model of pilot villages to others in the two districts.

The project is to be implemented in three years (2005 - 2008), JICA will provide experts and equipments for the project.. The project has been assigned Forestry Department as Implementing Agency to collaborate concerned agencies for project implementation.

Source: ICD-MARD

European Commission will support

Vietnam's poorest villages in the

Northern Uplands with 17 million

Euro

The European Union provides grant funding of € 17 million matched by a € 1,6 million contribution of the Vietnamese government for pro-poor development in the Northern Uplands of Vietnam.

H.E. Mr. Cao Duc Phat, Minister of Agriculture and Rural Development and H.E. Mr. Markus Cornaro, the Ambassador, Head of the European Commission Delegation in Vietnam signed the Financing Agreement during a ceremony in Hanoi on Friday, 8th April. 2005.

"This five-year initiative will improve the living conditions of families in four of the poorest and remotest areas of Cao Bang and Bac Kan Provinces", said Mr. Markus Cornaro: "In order that capacity building and sustainability can be ensured, support will be delivered directly through local Vietnamese Government structures and systems. We are convinced that in this way EC support will have long-term benefits in terms of poverty reduction".

The selected mountainous districts of Pak Nam, Ba Be, Bao Lac and Bao Lam are some of the country's least developed regions. 80 to 90 percent of the population belong to ethnic minorities, most of them living in extreme poverty with so far little perspectives for development.

The initiative will enable local people to upgrade their skills, and therefore revenue

earning capacity, across a range of fields, such as crop and animal husbandry, marketing of agricultural products, and small business development. Construction of basic infrastructure, especially in remote areas will complement these activities.

Special attention will be given to empowering the most disadvantaged, such as poor women. They will receive special support to apply for financial support and to develop their own businesses. Environmental activities will, for example, restore forest cover in critical watersheds, regulate water flow to avoid erosion and contain crop production, thus providing for the region's sustainable development.

The new EC-supported initiative follows on from the Cao Bang Bac Kan Rural Development project which closed in December and supported agricultural extension activities as well as the construction of rural roads, water supply systems, irrigation schemes and schools.

Project activities are expected to start in November this year and will run until 2010.

For further information, please do not hesitate to contact the European Delegation in Vietnam by telephone 934 1300 or fax 934 1938.

Source: EU Mission

National workshop on integrated rural development

Hanoi, 18 August 2004 - Project VIE/01/023 held 'Strengthening Capacity Management of Integrated Rural Development' workshop among some on-going foreign-funded integrated rural development projects.

The objectives of the workshop is to give project managers and related policy makers an opportunity to share experiences on constraints and obstacles encountered at implementing level so as to contribute to fine-tuning policies and creating an enabling legal environment for the effective implementation of integrated rural development projects.

The workshop attracted participants from central agencies such as MPI, MARD, MoF, MOLISA, projects like Northern Mountainous Provinces Poverty Reduction Project (NMPRP), Community-based Rural Infrastructure

Programme (CIBRIP), Central Provinces Poverty Reduction project; other relevant lines and agencies such as DPis, DoFs and rural development projects from 11 representative provinces and international donors.

Through the presentations and discussions sessions at the workshop, recommendations have been made on the following issues: (i) project personnel, (ii) decentralization, and (iii) fund flow and disbursement mechanism.

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Source: VIE/01/023

Applications for Australian

Development Scholarships are Now

Invited

From 25 April 2005 to 3 June 2005 - advertisements appear in national and regional newspapers inviting applications for scholarships in the ADS 2007 Intake. Up to 150 scholarships will be offered for eligible Vietnamese nationals to commence postgraduate studies in Australia in early 2007. A broad range of subject areas are available across the two key development sectors of Governance and Rural Development. Short-listed candidates receive English language and academic skills training at the ADS Centre in Hanoi during 2006 prior to their placement in their university course and departure for Australia.

A feature of the 2007 intake is that up to half of the scholarships are reserved for applicants from targeted government institutions – GOV Ministries (including MARD), Research Institutes and Universities have been invited to participate in the Targeted Public Institution (TPI) program.

The deadline for applications in all categories except the TPI (Priority) category is **Monday 13 June 2005**. Candidates applying in the TPI (Priority) category submit their applications to their ADS Institutional Coordinator on **3 August**.

Full details of the ADS 2007 Intake can be found on the ADS website – see www.ads.edu.vn - or in selected newspapers.

Source: ASD Program

Regulation on Community

Investment Monitoring promulgated

On April 18th 2005 - The Prime Minister Phan Van Khai signed the Decision No. 80/2005/QD-TTg on promulgation of the Regulation on community investment monitoring.

According to this Regulation, community investment monitoring is a voluntary activity of those living in the territory of the commune, ward of townlet. This and other relevant regulations will monitor and evaluate the implementation of regulations on investment management by the authority which decides the investment, the investor, project management unit, contractor and project implementing agency during the investment process. Through investment monitoring, the community can detect and make recommendations to state authorities on violations of regulations on investment management for timely prevention and handling, which otherwise can cause waste and losses of the state capital and assets and injury to the community benefits.

Monitoring scope includes: investment projects and programs which use state capital and do not belong to the state secret and which have direct impacts on the community living in the communal territory; investment projects implemented by community capital and contribution or direct finance from organizations or individuals for the commune; and other investment projects financed from other sources, etc.

This regulation also specifies in detail the monitoring content, scope and authorities as well as implementation organization process and responsibilities of individuals and relevant organizations in implementing community investment monitoring.

Source: VCP Website

Domestic Demand and Exports to Power Viet Nam's Economic Growth at About 7.5% Over Next 3 Years

HANOI, VIET NAM – Supported by increases in domestic demand and exports, Viet Nam is expected to maintain high economic growth of around 7.5% over the next three years, according to a major report of the Asian Development Bank (ADB) released on the 6th April 2005.

The [Asian Development Outlook 2005 \(ADO\)](#), the annual ADB publication that forecasts economic trends in the region, said gross domestic product (GDP) growth reached 7.5% in 2004, fueled by buoyant consumption and investment as well as strong global markets for oil and commodities. This is expected to continue in 2005 and 2006.

Economic growth helped to reduce the number of households in poverty by 300,000 last year, reducing the country's poverty rate from 11.0% in 2003 to 8.3% in 2004 (measured in terms of the national poverty standard). However, ethnic minorities generally have a high incidence of poverty.

Underlying growth in 2005-2007, domestic demand each year is projected to rise in the range 8.0-8.7%, while annual export growth is projected in the 8.6-11.4% range. Inflation will moderate to about 5.7% in 2005 from 7.7% in 2004, the report adds.

The Government continued to pursue an expansionary fiscal policy in 2004 and this stance is expected to continue to cover the cost of reforms and infrastructure. Given the increasing role and potential of the private sector, Viet Nam made further improvements in its business environment. According to a Viet Nam business survey conducted in 2004, more than two thirds of surveyed foreign enterprises plan to expand their businesses over the next three years.

On the external trade front, the Government is pushing ahead in its bid for entry into the World Trade Organization (WTO) and said it will amend or abolish trade and investment-related laws that are inconsistent with WTO rules.

The major public health risk is avian flu, which reappeared late in 2004 in southern

Viet Nam and spread to many provinces. No human-to-human transmission has been confirmed, but concern is growing that this may occur, which would be catastrophic, both on a human scale and economically.

More at adb.org/media

Source: ADB

Preventing Conflicts Among Users

Key to Reliable Clean Water

Washington, DC. - As Ministers from around the world gather at UN headquarters this week to discuss critical water problems, the Global Environment Facility (GEF) said that it has invested more than \$1 billion to help prevent conflicts among and within nations competing for increasingly limited water resources. An important step to ensuring a reliable supply of clean water is to prevent conflicts among different users.

Over the past fourteen years, more than 200 GEF projects have helped to improve the management of shared water systems and conserve the biodiversity that prevents degradation of wetlands, rivers, and lakes—leading causes of water conflicts in developing countries. These GEF grants have catalyzed an additional \$3.5 billion in cofinancing from other international organizations, governments, the private sector, NGOs, and others.

"Water is one of our most basic needs and, historically, has been the cause of numerous conflicts between nations and regions," said Len Good, GEF Chairman and CEO. "Even though the international community has spent nearly \$5 billion on water-related concerns, it will take substantial new commitments to resolve potential conflicts through better management of shared water resources. The GEF stands ready to continue its support for efforts that address water conflicts, competing uses, and degradation."

Agriculture, industry, and urban and rural populations all rely on a steady flow of water. It can be difficult for countries to balance these differing needs, while also striving to retain enough water to ensure long-term availability. The integrated water resources management perspective advocated by the GEF strives to take social, economic, environmental and technical dimensions into account in the management of water resources.

The GEF and its partners have worked to help countries test practical and sensible approaches to integrated water resources management. The GEF's experience shows that focusing on only one aspect of a water problem is often unsustainable. Land use management must be taken into consideration in resolving water conflicts, and integrated land and water resource management is needed in many instances for sustainability to be achieved.

The GEF is the largest funder of projects to improve the global environment while creating livelihoods and opportunities for the world's poor. The GEF has been designated as a financing mechanism for the conventions on biodiversity, climate change, desertification, and persistent organic pollutants. It also supports global agreements to protect international waters and the ozone layer. Visit www.theGEF.org to read GEF's new "Global Action on Water" fact sheets.

Source: WB

Vietnam To Make It Easier For

Foreign Companies To Import

FDI companies will not need to complete customs procedures when importing materials and machinery for their own production.

Foreign Direct Investment (FDI) companies operating in Vietnam will not have to get approval from local authorities when importing materials and equipment for their own production, if the proposal recently submitted by the Trade Ministry is approved by the Prime Minister.

According to the proposal, all FDI companies will not need to complete customs procedures when importing materials and machinery for their own production.

They will however still need to get approval from relevant authorities when importing consumer goods.

Currently, FDI firms must get approval from the industrial park management authorities or from the department of trade of the cities or provinces where they are located when importing materials and machinery.

According to the General Statistics Office, FDI firms in Vietnam spent \$2.69 billion on

imports in the first quarter of this year, up 16.8% against the year-earlier period and accounting for 34.36% of the country's total spending on import in the period.

Source: Danish Embassy Website

New Facilities In Danida's Mixed

Credits Scheme

Better prospects for mixed credits in Vietnam.

From 12-15 April 2005 - During the annual review regarding the Danish Mixed Credits to Vietnam a revision of the Danish Mixed Credit Scheme was presented to the Vietnamese Ministry of Planning and Investment (MPI).

The revision primarily concerns removal of the requirement of 50 % Danish content in the financed commercial contracts. The contract holder must still be a Danish company.

The revision also includes a feasibility study facility, which will make it possible to partly cover the development costs for feasibility studies and other project preparation studies.

To promote the development of small projects (below 2 million SDR) 100%-financing will now be provided under the Danish scheme and the requirement to the creditworthiness of the borrower/guarantor has been eased together with the introduction of simplified procedures.

MPI welcomed the revision of the Danish Mixed Credit Scheme and it was agreed to enter into a new and revised frame agreement for Danish Mixed Credits to Vietnam.

During the review it was agreed that projects - seen from an overall perspective - were being successfully implemented.

Among the pipeline of projects proposed for financing are television station projects in poor provinces and health care equipment.

Source: Danish Embassy Website

ODA Forecast of Member Countries of Development Assistance Committee

Official development assistance (ODA) for developing countries increased to \$78.6 billion in 2004, the highest so far. If inflation and devaluation of the US dollars are taken into account, ODA in 2004 increased by 4.6% in comparison with 2003, which is higher than that of 2003 in comparison with 2002 of 4.3%.

The ratio of ODA and gross national income (GNI) of member countries of Development Assistance Committee (DAC) is 0.25%, which is equal to that of 2003 but an increase in comparison to that of 0.23% and 0.22% in 2002 and 2001 respectively.

ODA of 15 among 22 DAC member countries increased in 2004. The US continues to be the

biggest donor ranked by the absolute value, and is followed by Japan, France, UK and Germany. Those which bypass the ODA target accounting for 0.7% GNI of the United Nations are Denmark, Luxembourg, Netherlands, Norway and Sweden.

Among OECD member countries which do not belong to DAC, the initial data provided by Poland shows that ODA of this country increased to \$124 million in 2004 when Poland became official member of EU.

It is expected that in 2005 - 2006, ODA of DAC countries will increase considerably. If financing countries implement commitments made at Monterrey Development Assistance Conference in 2002, ODA/GNI ratio will increase from 0.25% in 2004 to 0.3% in 2006.

The following is the table of net ODA of DAC countries in 2004:

Country	ODA (million USD)	ODA/GNI Ratio (%)	Comparison between 2004 and 2003 (%)
Australia	1465	0.25	2.3
Austria	691	0.24	22.0
Belgium	1452	0.41	-30.3
Canada	2537	0.26	12.2
Denmark	2025	0.84	3.5
Poland	655	0.35	5.9
France	8475	0.42	4.3
Germany	7497	0.28	-0.4
Greece	464	0.23	13.1
Iceland	586	0.39	2.2
Italy	2484	0.15	-9.7
Japan	8859	0.19	-4.8
Luxembourg	241	0.85	10.5
Netherlands	4235	0.74	-4.0
New Zealand	210	0.23	8.2
Norway	2200	0.87	-2.9
Portugal	1028	0.63	187.5
Spain	2547	0.26	14.5
Sweden	2704	0.77	1.4
Switzerland	1379	0.37	-3.0
UK	7836	0.36	8.8
USA	18999	0.16	14.1
Total	78568	0.25	4.6

Source: MPI (OECD)