

Viet Nam Australia Development Cooperation Strategy for 2003-2007

(An abstract)

Rural Development

While Viet Nam has made impressive gains in the past decade through rapid economic growth following the doi moi reforms of the late 1980s, there is still significant poverty in Viet Nam. Those who remain poor face circumstances which suggest that both economic growth and more targeted interventions will be necessary to achieve further poverty alleviation. Viet Nam's poorest are predominantly rural, poorly educated and live in remote, inaccessible locations with few services. The vulnerability of the poor is a key challenge to poverty reduction efforts. Viet Nam is heavily affected by natural disasters, especially floods, and increasing environmental stress. Many of the Vietnamese who have moved above the poverty line in the past decade are barely above it, and are vulnerable to shocks which would push them back into poverty.

It is in this context that a significant portion of Australia's development cooperation assistance to Viet Nam is framed. One of the two key strategic objectives of Australia's program to Viet Nam is "to improve productivity and links to markets for the rural poor in the Mekong Delta and Central Coast regions". Australia's aid program aims to achieve this through: increasing rural productivity; improving the efficiency of markets; developing human capital; reducing vulnerability to environmental and economic shocks; and strengthening the accountability of provincial and local governments and the participation of the poor in their governance.

In the past Australia has been well known for its rural infrastructure activities such as the My Thuan Bridge – which was the largest single infrastructure project delivered through Australian development cooperation, with an Australian contribution of AU\$60 million. The bridge now provides a key transport linkage those benefits up to 17 million farmers in the Mekong Delta. Australia also supported the Provincial Water Project - completed in 2000 – and now benefits approximately 400,000 people in five provinces by ensuring they have access to clean water and sanitation.

More recently, under the rural development banner Australia is funding a significant integrated area development activity in central Viet Nam, which is supporting a range of income generation, small-scale infrastructure, agricultural development and capacity building activities for rural development in Quang Ngai Province.

We are also supporting Quang Ngai Province's disaster preparedness and mitigation efforts by implementing an innovative program which combines disaster mitigation infrastructure, community capacity building and enhanced river basin modelling. Australia is also involved in an activity in Hue which is combining the clearance of unexploded ordnance with integrated rural development support.

The successful Australian-funded Capacity-Building for Agriculture and Rural Development (CARD) program, established in 2000 with the aim to increase productivity and competitiveness of Vietnamese smallholder agriculture and related rural enterprises, is now entering a second phase which is due to commence March 2004. Throughout Vietnam, a range of agricultural research projects are also supported by the Australian Centre for International Agricultural Research (ACIAR).

Key rural development and infrastructure programmes

- The Collaboration for Agriculture and Rural Development (CARD) Program which aims to strengthen the capacity in Vietnam to address national priorities and policies for agriculture and rural development.
- The Capital Aid Fund for Employment of the Poor (CEP) - Microfinance Expansion Project which aims to support CEP in its expansion plan to reach more of HCMC's urban and rural poor.
- The Cuu Long Delta Water Supply and Sanitation Project which aims reduce poverty and to improve the overall living standards and health in the Mekong (Cuu Long) Delta for 500,000 rural poor by assisting them to gain sustained access to improved water supply and sanitation (WSS) services.
- The Institutional Strengthening of Da Nang Urban Environment Company (Da Nang URENCO) Project which aims to strengthen URENCO's ability to develop and implement a customer-focussed corporate and business development program.
- The Unexploded Ordinance (UXO) Clearance & Community development in Thua Thien Hue project which aims to build an effective UXO clearance capacity within the province's military authorities and support agricultural-based income generation schemes in the UXO cleared areas.
- The Mekong Delta Poverty Analysis (MDPA) which aims to gather and process existing data on poverty in the Mekong Delta region, in order to inform GOV provincial and central authorities and international donors, and guide potential future interventions.
- The My Thuan Bridge Monitoring Programme which aims to provide a practical approach to monitoring the benefits and impacts of the My Thuan bridge.
- The Quang Ngai Disaster Mitigation Project which aims to put in place measures to mitigate the impact of natural disasters in Quang Ngai through implementation of appropriate management and infrastructure solutions.
- The Quang Ngai Rural Development Program which aims to provide opportunities for poor households in selected communes in Quang Ngai Province to increase incomes through participatory-based income generation and infrastructure programs.
- The North Vam Nao Water Control Project which aims to assist An Giang province establish and operate an effective water management system in Vam Nao which is socially and environmentally sustainable and benefits the local economy by assisting in the alleviation of poverty.
- The Viet Nam Australia Water Resources Management Assistance Project which aims to build capacity in integrated water resources management.

The full Viet Nam Australia Development Cooperation Strategy for 2003-2007 is available on AusAID's internet site: www.ausaid.gov.au