

Japan's ODA: Rolling Plan for Social Republic of Vietnam

As of August 01, 2010

Diplomatic Consideration, etc.

- Cooperation for large-scale infrastructure development (including three priority projects requested by Prime Minister Nguyen Tan Dung (Hoa Lac High-Tech Park, the North-South Expressway and the North-South High-Speed Railway))
- At the Summit Meeting between Japan and the Mekong region countries in November 2009, it is declared that priority is given to the following areas; i) Comprehensive Development in the Mekong Region, ii) Environment and Climate Change - "A Decade toward the Green Mekong" Initiative and Overcoming Vulnerability, and iii) Expanding Cooperation and Exchanges.
- Project formulation for contributing to steady implementation of anti-corruption measures shown in the report from the Japan-Vietnam Joint Committee for Preventing Japanese ODA-related Corruption
- Cooperation based on the Vietnam-Japan Economic Partnership Agreement
- Addressing world economic crisis

[Priority Area]	Promotion of Economic Growth and Strengthening of International Competitiveness	
[Development Issue]	<p>Background</p> <p><Overview></p> <p>Vietnam's recent high growth has been due mainly to institutional reforms and infrastructure development through the assistance of Japan and other foreign countries and an accompanying year-by-year increase in direct investment by foreign companies. To maintain high growth, Vietnam needs to build the foundations for making the private sector internationally competitive. This requires further improvements in the business environment through the establishment and the strengthening of implementation arrangements for various economic systems necessary for a market economy and the reform of state-owned enterprises and the financial sector. In addition, because most of the direct investments in the manufacturing sector are made in the assembly industry based on the inexpensive labor force, local small and medium enterprises (SMEs), which constitute a form of the supporting industry, are expected to grow. Therefore, it is necessary to develop human resources, such as engineers, technicians and managers, and take effective measures to support SMEs.</p> <p>As a measure for dealing with the above-mentioned challenges, a framework called the "Vietnam-Japan Joint Initiative" started in December 2003. Under this framework, Vietnam and Japan have established a concrete action plan for the improvement of the investment environment on a joint basis between the government and the private sector and are steadily implementing it with due monitoring and assessment. Of the improvement items specified in the action plan, it was assessed that progress had been seen in 85% of Phase I and in 93% of Phase II from 2006. Phase III has been in operation since 2008 to further improve the investment environment. Of all the items, JICA has positively supported those items for which ODA support is effectively utilized, such as the development of systems and human resources, contributing to the investment of not only Japanese companies but also foreign companies.</p> <p><Reform of the state-owned enterprises and the financial sector></p> <p>About 40% of GDP is still produced by state-owned enterprises. In the banking sector, about 50% of loans are made by the state-owned commercial banks (as of the end of 2007). The reform of the state-owned enterprises and the financial sector is important for eliminating inefficiency of the state-owned enterprises and state-owned commercial banks and creating a fair and efficient business environment. Japan has insisted on the importance of this reform at CG meetings, PRSC-related discussions and other opportunities.</p> <p>In particular, with regard to the reform of the financial sector, the Vietnamese government formulated a Banking Sector Development Plan in 2006 that articulated concrete orientations such as the reform of the State Bank of Vietnam (SBV) into a modern central bank. As a part of the plan, the Vietnam Development Bank (VDB), which was reorganized from the Development Assistance Fund in 2006, was clearly positioned as a policy financial institution. The challenges to be solved in the future include steady implementation of the Banking Sector Development Plan, such as the enactment and revision of the Law on the State Bank of Vietnam, the Law on Credit Institutions and other related laws as well as the strengthening of the function of the SBV as the central bank and the strengthening of governance and functions of the VDB as a policy financial institution.</p> <p><Development of SMEs and Supporting Industry></p> <p>The Vietnamese government has declared industrialization and modernization by 2020 as a national vision and promoted the shift to a market economy and economic integration, and the private sector has accounted for 45.9% of GDP and 87.5% of employment rate. In particular, SMEs has accounted for 97% of the number of enterprises in Vietnam, and therefore the development of SMEs is one of the most important matters with a view to maintaining sustainable economic growth.</p> <p>Because of fulfilling the WTO obligations and abolishing customs duty in 2018 under AFTA, it is expected that competition inside ASEAN will become fiercer. It is indispensable to keep up and improve Vietnam's international competitiveness from the viewpoint of the maintenance of sustainable economic growth, and especially, promotion of supporting industry, which can offer high quality parts to foreign-affiliated companies, has been an urgent matter. However, local procurement rate in Vietnam is actually far less than the ones of preceding ASEAN countries such as Thailand, Malaysia and Indonesia, and foreign-affiliated companies have large dissatisfaction at local suppliers' quality and reliability.</p> <p>The Vietnamese government formulated the five-year SME Development Plan and revised the Decree, which is related to the SME promotion policy, and established the supporting industry promotion center in 2009 (Decree No.56). In this way, the Vietnamese government has made efforts to develop SMEs which have international competitiveness. However, there are still many tasks such as reinforcement of organization for policy implementation, capacity development of SMEs in terms of management and skill, human resource development adapted to industrial needs, and improvement of SMEs' access to finance.</p> <p><Development of industrial human resources></p> <p>It has been pointed out for a long time that Vietnam is short of human resources for the industries expected to play an important role in economic development, including the manufacturing industry and the IT industry. This shortage has become a hindrance to the further expansion of direct investment. The development of industrial human resources, such as the training of engineers at higher education levels and the training of managers who have know-how in production control and management control, is an urgent challenge for Vietnam.</p>	<p>Japan's Assistance Policy</p> <p>To maintain strong economic growth under a situation in which international competition has become fiercer since its accession to the WTO, Vietnam needs to establish an institutional framework that enables enterprises to conduct business smoothly, and promote development of the private sector, which should become a driving force for economic development in the future. For this purpose, Japan will provide support under the following four items. In addition, with regard to suggestions concerning policy/institutional issues, including the reform of state-owned enterprises, Japan will cooperate with other donors through the process of Poverty Reduction Support Credit (PRSC).</p> <p>(a) Establishment and operation of economic systems</p> <p>Japan would support the establishment and operation of various economic systems necessary for the shift from a central planning economy to a market economy as well as the promotion of further economic integration and trade facilitation in line with the accession to the WTO and the Japan-Vietnam EPA. Because a wide range of economic systems need improvement and this requires the involvement of various government departments and agencies, Japan will flexibly select the economic systems to be supported by observing the trends in the Vietnamese government's institutional arrangements, the progress of the Vietnam-Japan Joint Initiative, etc. For the time being, Japan will support economic systems including industrial statistics, intellectual property rights, standardization/conformity assessment, competition policies, customs administration, tax administration and investment promotion.</p> <p>(b) Reform of the financial sector</p> <p>To contribute to the realization of the direction shown in the Banking Sector Development Plan, Japan will support those fields where Japan is competitive, paying attention to cooperation with other donors. Japan will especially support the strengthening of functions of the SBV as the central bank and the strengthening of governance and functions of the VDB (including the strengthening of the risk control system).</p> <p>(c) Development of SMEs</p> <p>Although SMEs play an important role in economic growth, the institutional capacity of the EDA is not enough because it has not been long since its establishment. Therefore, Japan will support the strengthening of its functions to plan and implement measures for the promotion of SMEs.</p> <p>For this purpose, Japan will consider supporting the strengthening of the coordination functions of the EDA (strengthening of coordination among government agencies and dialogues with the private sector), taking into account the situation where the EDA and other organizations (government agencies, universities, private economic organizations, etc.) are independently carrying out activities for the development of SMEs.</p> <p>Presuming that EDA intensifies its efforts at the policy level as described above, Japan will also support measures that are directly beneficial to SMEs, paying attention as well to their relationship with the Vietnamese government's Small and Medium Enterprise Development Plan. Specifically, Japan will provide or consider support related to the management and production technologies of local enterprises, support to educational institutions for improving the quality of human resources (such as technicians) for SMEs and support for the improvement of access to funds by SMEs (including two-step loans through loan assistance). When Japan provides cooperation in these fields, it will endeavor to create good practice of excellent SMEs that are able to conduct commercial transactions with foreign-affiliated companies (including Japanese companies), mainly with the urban manufacturing industry in mind. For this purpose, Japan will make efforts to cooperate with Japanese companies that have advanced into Vietnam and effectively mobilize senior volunteers. And Japan will also provide or consider support for the improvement of local enterprises' services in Vietnam, based on own experience of SME development.</p> <p>(d) Development of industrial human resources</p> <p>To produce industrial human resources (engineers and managers) who will play a leading role in the further development of the Vietnamese economy, Japan will provide cooperation in engineering education and the development of human resources in the IT field by effectively using foreign student programs.</p>

	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
					Before JFY 2009	JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014		
Business Environment Improvement and Private Sector Development	Establishing and Operating Economic Systems	Supporting the improvements of various economic institutions that enable the smooth operation of enterprises under the market economy	Poverty Reduction Support Credit	LA								
			Project for Establishment of New Industrial Statistics	TCP	—							
			Support for Establishment of New Industrial Statistics in Vietnam	EXP	—							TARTOL
			Project on Strengthening the Technical Infrastructure and Capabilities on Standards and Conformance	TCP	—						3.6	
			Project for Capacity Building for Enforcement of Competition Law and Implementation of Competition Policy	TCP								
			Project for Building Consumer Protection Law and Strengthening Enforcement of Consumer Regulations	TCP		—						
			Improvement of Customs Administration	EXP	—							
			Project on Strengthening the Training System for Improving Capacity of Frontline Officers of Vietnam Customs	TCP	—							
			Regional Cooperation Project on Risk Management for Customs in Mekong Region	TCP		—						
			The Project for the Reinforcement of Custom Functions at the Tan Cang Cat Lai Port of Ho Chi Minh City	GA		—					8.7	
			The Project for the Reinforcement of Custom Functions at the Haiphong Port	GA	—						8.6	
			Project on Tax Administration Reform Phase II	TCP		—						Also included in [Improvement of Administrative Capacities]
			Advisor for Foreign Direct Investment	EXP		—						
			Advisor for Foreign Direct Investment	EXP		—						
			Strengthening of FDI Promotion	TCP	—							
			Human Resource Development for Improving Business Environments of the Hoa Lac Hi-Tech Park	METI-TA	—							Implemented by JETRO
			Hoa Lac Hi-Tech Park Infrastructure Development Project	LA		—					10.1	Also included in [Urban Planning]
			Vinh Phuc Province Investment Climate Improvement Project	LA							117.2	Also included in [Urban Water Environmental Management][Water supply, Solid waste Management]
			Capacity Development Program for Policy Formulation on the Global Economic Crisis	CTR	—							Also included in [Improvement of Administrative Capacities]
			Capacity Development Program of Communist Party for Policy Formulation	CTR		—						Also included in [Improvement of Administrative Capacities]
			Support for formulating Socio-economic Development Strategy	TCP	—							TARTOL
			Issue-based Training, etc.	TR	—							
Financial Sector Reform		Supporting the restructuring of the Financial Sector and State-Owned Enterprises for the strong and sustainable economic growth of Vietnam	Project for Strengthening Capacities of State Bank of Vietnam	TCP	—							TARTOL
			Project for Strengthening Function of Central Bank	TCP		—	—	—				
			Project for Strengthening Function of Banking Supervision	TCP		—	—	—				
			Project for Institutional Capacity Development for Infrastructure Finance	TCP	—							
			Issue-based Training, etc.	TR	—							
Small and Medium Enterprise and Supporting Industry Development		Supporting SME promotion and private sector development for the strong and sustainable economic growth of Vietnam	Small and Medium Enterprise Policy	EXP	—							
			Policy implementation advisor on SME development	EXP		—	—					
			Project for strengthening public function for supporting SMEs	TCP		—	—	—				TARTOL

Business Environment Improvement and Private Sector Development (cont.)	Small and Medium Enterprise and Supporting Industry Development (cont.)	Promotion of coordination for SME support	TR							
		Vietnam-Japan Human Resources Cooperation Centre (Phase II)	TCP						10.5	
		Project for Human Resource Development in Business at Vietnam-Japan Human Resources Cooperation Center (VJCC)	TCP						6.3	
		Project for Human Resource Development of Technicians at Hanoi University of Industry	TCP							
		Advisor for organizing national skill testing system in Vietnam	EXP							
		Small and Medium-sized Enterprise Finance Project (II)	LA						61.5	
		Small and Medium-sized Enterprise Finance Project (III)	LA						173.8	
		HR development of SME support	EXP							TARTOL
		Production management/ business management	SV							
		Supporting Industry Promotion	SV							
	Human Resource Development for Industries	Issue-based Training, etc.	TR							
		ASEAN University Network/Southeast Asia Engineering Education Development Network Phase 2	TCP							
		Strengthening the Capacity of ITSS Education at Hanoi University of Technology	TCP						4.7	
		Higher Education Development Support Project on ICT	LA						54.2	
		Capacity Building of Ho Chi Minh City University of Technology to Strengthen University-Community Linkage (Phase 2)	TCP						3.5	Also included in [Development of the Mekong Delta Region]
		Project for Human Resource Development Scholarship	GA						3.6	
		Issue-based Training, etc.	TR							

[Development Issue]	<p>Background <Overview></p> <p>In the past decade, electricity consumption and maximum electric power capacity in Vietnam have increased by 13-14% or more per year on average, higher than the economic growth rate. It is expected that the demand for electricity will increase from 46,000 GWh in 2005 to 257,000 GWh by 2020 (5.6 times greater) and that Vietnam will shift to a net energy-importing country around 2015. To maintain economic growth, Vietnam must take measures such as the improvement of the power supply capacity in developing new power sources and power supply networks, the provision of a more stable power supply through the diversification of power sources, the development of primary energy sources, the promotion of energy conservation and so on.</p> <p><Improvement of power supply capacity></p> <p>Based on the Electricity Law, which came into force in July 2005, the Electricity Regulatory Authority of Vietnam (ERA) was founded. ERA has been establishing regulatory frameworks before the single buyer market starts after 2011. Also, Vietnam has promoted the diversification of entities and funds for development.</p> <p>The Electricity Master Plan 6 (approved by the Prime Minister in July 2006), established with the cooperation of JICA, points out that about 30% of the total power supply should be provided by private power generators. However, power source development funded from private sector is actually so limited that in addition to the support of power supply capacity with public funds, it has also been essential to support the promotion of participation of private sector in the field of power generation.</p> <p><Promotion of energy conservation></p> <p>Recently, Vietnam has been rapidly implementing energy conservation measures, such as the establishment of the Energy Conservation Decree (in 2003), the establishment of energy conservation centers and the enactment of the Energy Conservation Law (in 2010). The National Strategic Program on Energy Conservation and Effective Use (2006) aims to reduce energy consumption by 3-5% by 2010 and by 5-8% by 2015. However, there are not a few problems to be solved, in order that these regulatory frameworks may function in a practical manner.</p> <p><Securing of stable primary energy sources></p> <p>Vietnam is a net energy-exporting country. However, due to the increase in energy consumption, it is estimated that Vietnam will shift to a net energy-importing country by 2015. Thus, an important challenge is to ensure a stable supply of primary energy including an import strategy. It is estimated that renewable energy will account for 8% of total electricity consumption by 2025. However, from the viewpoint of energy structure reforms, energy conservation promotion and a response to climate change, it is likely to be necessary to introduce renewable energy throughout the country.</p>	<p>Japan's Assistance Policy</p> <p>Japan would adopt the following four items as the main supportive measures for energy supply to help ensure Vietnam's sustainable economic growth:</p> <ul style="list-style-type: none"> (a) Support for the enactment of comprehensive energy measures • Support for the establishment of the Seventh National Energy Development Master Plan (b) Improvement of power supply capacity <ul style="list-style-type: none"> • Development of power generation facilities and the construction of power transmission and transformation networks by using yen loans (emphasizing the introduction of advanced technology considerate of environment and/or the complement of the government's role for which private power generation entity cannot substitute) • Support for the improvement of the surrounding infrastructure for the promotion of the introduction of private capital (such as the improvement of ports for the construction of imported coal fired power plants) • Formulation and dissemination of technical and safety standards (c) Energy conservation <ul style="list-style-type: none"> • Support for the implementation of energy conservation measures (strengthening of the functions of energy conservation centers and support for individual measures by energy management officers and others) • Introduction of energy conservation facilities and financial support (d) Ensuring a stable supply of primary energy sources <ul style="list-style-type: none"> • Financial support on renewable energy development 										
	Program	Program Summary	Project	Scheme	Before JFY 2009	JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014	Assistance Amount (100 Million Yen)	Note
	Sustainable Resource and Energy Supplies	Sustainable Energy Supply corresponding to the increased energy demand to sustain economic growth	Technical Assistance for Power Development Plan 7 in Vietnam	EXP		—						TARTOL
			Training Program for Power Development Plan 7 in Vietnam	CTR		—						TARTOL
			Project on the Development Plan of Training Center for Electric Power Sector	TCP	—							TARTOL
			Electric Power Technical Standards Promotion Project in Vietnam	TCP		—	—	—			4.3	
			O Mon Thermal Power Plant and Mekong Delta Transmission Network Project	LA		—	—				531.8	
			O Mon Thermal Power Plant Unit No.2 Construction Project	LA		—	—				275.5	
			Nghi Son Thermal Power Plant Construction Project	LA		—	—				209.4	
			Thai Binh Thermal Power Plant and Transmission Line Construction Project	LA		—	—				207.4	
			Thac Mo Hydropower Station Extension Project	LA		—					59.7	
			Dai Ninh Hydropower Project	LA		—					331.7	
			Power Sector Loan	LA	—						31.9	
			Power Transmission and Distribution Network Development Project	LA		—	—				109.1	
			Sustainable Integration of Local Agriculture and Biomass Industries	STC		—	—				3.8	Also included in [Agriculture and Rural Infrastructure]
			Master Plan for Energy Conservation and Effective Use	TCDP		—					2.5	
			Advisor on Energy Conservation	EXP		—	—					
			Energy Efficiency and Renewable Energy Promoting Project	LA		—	—				46.8	
			Issue-based Training, etc.	TR		—						

[Development Issue]	Background Since the resumption of assistance in 1992, Japan has consistently supported Vietnam through the improvement of roads, ports, telecommunications and other main infrastructure that remained underdeveloped due to the long period of war and an economic slump. Improvements in the main infrastructure have contributed to Vietnam's economic growth and a reduction in poverty. However, to sustain this economic growth, Vietnam needs to keep up with the increasing demand for transportation and rapid urbanization by creating traffic network for smooth and safe passenger and freight transport. This requires proper solutions for several issues, including not only improvement in the infrastructure but also the development of human resources for securing the quality of maintenance and the operation of expanded infrastructure stock, the establishment of an institutional framework for encouraging the private sector, the enactment of traffic safety measures and the planning of a sector-development strategy from a long-term viewpoint. Specifically, Vietnam is facing the following problems: (a) although roads are very important for transportation, the maintenance and operation system has not been adequately established; (b) most of the main railway tracks are single-track and un-electrified, with deteriorated bridges and railroads; (c) deep water ports which can handle large vessels have not been adequately constructed; (d) airports cannot keep up with the growing volume of passengers and freight as well as demand for higher quality services; and (e) increasing traffic congestion caused by rapid motorization and lack of traffic safety measures. Although the Vietnamese Government has recognized the importance of economic growth and the further development of large-scale infrastructure, and has positively incorporated the results of Japan's assistance (including development studies) into the development plans, the solution for these issues requires medium- and long-term efforts. Therefore, the need for Japan's ODA is still high in terms of both funds and technologies.			Japan's Assistance Policy Japan would mainly provide support for the following four items: (a) Urban planning To keep up with rapid urbanization, Japan will support Vietnam's urban planning for large- and medium-sized cities and assist with capacity enhancement in formulating and managing urban development plans. Japan will support the implementation of prioritized urban plans through technical cooperation and yen loans. With regard to Hanoi City, Japan will provide technical cooperation for urban development and improvement plans whereby urban planning is integrated with public transportation. In addition, to disseminate know-how in urban planning to other cities, Japan will support the improvement of urban planning and managing capabilities of cities throughout Vietnam. (b) Strengthening arterial traffic networks With regard to main roads, railways, ports (including those requiring deep water berths) and airports (construction of airports for main cities, etc.), also taking into consideration the efficiency of freight transport, Japan will consider prioritizing and making roadmaps for them and provide selective and concentrated support. With regard especially to the North-South High-Speed Railway and the North-South Expressway mentioned in the Japan-Vietnam Joint Statement, Japan will consider concrete support based on the results of the Comprehensive Study on the Sustainable Development of Transport System in Vietnam (VITRANS2). Moreover, from the viewpoint of ASEAN as a whole, Japan will also consider supporting the establishment and improvement of air traffic management systems as well as supporting the activation and facilitation of regional economic corridors, such as the East-West Economic Corridor (facilitation of cross-border transportation), which opened in December 2006. (c) Improvements in urban transportation Japan will support improvements in hard and soft aspects of traffic networks in Hanoi City and Ho Chi Minh City where the population is remarkably concentrated, including urban ring roads, suburban bypasses, and the urban mass transport systems (urban railways). In addition, Japan will attempt to formulate project(s) for Da Nang City and its surrounding areas according to the development plan that will be elaborated in the Technical Cooperation for Development Planning assisted by Japan. (d) Traffic safety Japan will support Vietnam's traffic safety measures, with the focus on road traffic safety. When providing this support, Japan will incorporate the outcome of the technical cooperation provided to Hanoi City into an on-going yen loan project which is to improve the facilities and education for traffic safety, and promote the expansion of the outcome. In addition to these four items, Japan will support establishing the plan to improve transportation infrastructure and developing human resources to construct, maintain and manage the facilities. And in the telecommunication field, Japan will support the improvement of the infrastructure for local telecommunications by existing yen loan projects.							
Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
Urban Development, Transportation and Communications Network Development	Supporting the Vietnamese government in planning and implementing appropriate urban development to accommodate rapid urbanization	Urban Planning Formulation and Management Capacity Development Project	TCP	Before JFY 2009	JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014	3.9	
		Study for Improvement of Living Environment around Industrial Park	EXP		—						TARTOL
		Project on Integrated UMRT and Urban Development for Hanoi City	TCDP	—						2.5	Also included in [Strengthening Urban Transportation]
		The Study on Integrated Development Strategy for Da Nang City and Its Neighboring Area	TCDP	—						2.6	Also included in [Strengthening Urban Transportation]
		Hoa Lac Hi-Tech Park Infrastructure Development Project	LA		—	—				10.1	Also included in [Establishing and Operating Economic Systems]
		Issue-based Training, etc.	TR	—	—						
Urban Development, Transportation and Communications Network Development	Supporting the development of arterial transport networks connecting main cities	Comprehensive Study on the Sustainable Development of Transport System	TCDP	—						6.9	
		The Project for Capacity Enhancement in Construction Quality Assurance	TCP	—	—	—				3.3	TARTOL
		Expert Team for Assistance in Transport and Urban Transport Sector	EXP	—	—						TARTOL
		Expert Team for Reviewing Transport Infrastructure Projects	EXP	—							TARTOL
		North-South Expressway Construction Project (Ho Chi Minh City - Dau Giay Section)	LA	—	—	—				166.4	
		Saigon East-West Highway Construction Project	LA	—	—	—				410.3	
		Advisor for Management, Operation, and Maintenance of Expressway System	EXP	—	—						TARTOL
		Project for Enhancing Capacity of College of Transport	TCP	—	—	—	—	—	—		TARTOL
		Project for Strengthening Operation and Maintenance System for Expressway	TCP	—	—	—					TARTOL

Urban Development, Transportation and Communications Network Development (cont.)	Strengthening Arterial Transport Networks (cont.)	Supporting the development of arterial transport networks connecting main cities (cont.)	National Highway No.1 Bypass Road Construction Project	LA						83.9	
			Third National Highway No.1 Bridge Rehabilitation Project	LA						50.1	
			New National Highway No.3 and Regional Road Network Construction Project (Section Hanoi - Thai Nguyen)	LA						124.7	
			Transport Sector Loan for National Road Network Improvement	LA						274.5	
			Cuu Long (Can Tho) Bridge Construction Project	LA						248.5	
			Project for Capacity Enhancement in Road Maintenance	TCP						TARTOL	
			Hai Phong Port Rehabilitation Project (II)	LA						132.9	
			Grassroots Technical Cooperation on Transport Network (1 project)	JPP							
			Preparatory Study on Lach Huyen Port Infrastructure Construction Project	PS							
			Cai Mep - Thi Vai International Port Construction Project	LA						363.6	
			Technical Assistance related to the Da Nang Port Improvement Project	TCP						TARTOL	
			Advisor on Railway Planning and Management	EXP							
			Hanoi - Ho Chi Minh City Railway Line Bridges Safety Improvement Project	LA						199.6	
			Feasibility Study for 2 sections Ha Noi - Vinh and HCM - Nha Trang of High speed railway	TCDP							
			Master Plan Study on the Development of the New CNS/ATM System	TCDP							Wide-area project including Laos and Cambodia
			Project for Capacity Development for Transition to the New CNS/ATM Systems	TCP							
			Terminal 2 Construction Project in Noi Bai International Airport	LA						126.1	
			North-South Submarine Fiber Optic Cable Link Project	LA						195.0	
			Program on the ASEAN-Japan Transport Logistics Capacity Building	MLIT-TA							
			Transport Policy Officials Training Program	MLIT-TA							
			ASEAN-Japan Aviation Security Project	MLIT-TA							
			ASEAN-Japan Maritime Transport Security Program	MLIT-TA							
			ASEAN-Japan Port Technology Joint Research Project	MLIT-TA							
			Viet Nam-Japan Sea Port Seminar	MLIT-TA							
			Issue-based Training, etc.	TR							
Strengthening Urban Transportation	Strengthening Urban Transportation	Supporting the development of urban transport networks with a focus on three metropolitan areas: Hanoi city, Ho Chi Minh City and Da Nang City	Ho Chi Minh City Urban Railway Construction Project (Ben Thanh - Suoi Tien Section (Line 1))	LA						208.9	
			Support on Set up of Operation and Maintenance Company of Urban Railways in HCMC	TCP						TARTOL	
			Training on urban railway	CTR						TARTOL	
			Hanoi City Urban Railway Construction Project (Line 1)	LA						46.8	
			Hanoi City Urban Railway Construction Project (Nam Thang Long - Tran Hung Dao Section (Line2))	LA						146.9	
			Project on Integrated UMTS and Urban Development for Hanoi City	TCDP						2.5	Also included in [Urban Planning]
			Transport Infrastructure Development Project In Hanoi	LA						125.1	
			Nhat Tan Bridge (Vietnam-Japan Friendship Bridge) Construction Project	LA						137.0	

Urban Development, Transportation and Communications Network Development (cont.)	Strengthening Urban Transportation (cont.)	Supporting the development of urban transport networks with a focus on three metropolitan areas: Hanoi city, Ho Chi Minh City and Da Nang City (cont.)	Noi Bai International Airport to Nhat Tan Bridge Connecting Road Construction Project	LA						65.5	
			Red River Bridge Construction Project	LA						409.9	
			Steel Pipe Sheet Piles Foundation	CTR	—					TARTOL	
			Hanoi City Ring Road No.3 Construction Project	LA						280.7	
			Project for Improving Public Transportation in Hanoi	TCP		-----				TARTOL	
			The Study on Integrated Development Strategy for Da Nang City and Its Neighboring Area	TCDP	—					2.6	Also included in [Urban Planning]
			Issue-based Training, etc.	TR							
	Trafic Safety	Supporting traffic safety measures to tackle the increase in fatal road traffic accidents	Project for Traffic Safety Human Resource Development in Hanoi	TCP	—					3.9	
			Project for Strengthening the Traffic Police Training in Various Police Colleges of Vietnam	TCP		—				TARTOL	
			Northern Vietnam National Roads Traffic Safety Improvement Project	LA						65.6	

			Preparatory Survey on Project for Improvement of Medical Waste Water and Solid Waste Treatment System	PS								Also included in [Urban Water Environmental Management][Water Supply, Solid Waste Management and Others]
			Preparatory Survey on Equipment Supply in National Hospital for Obstetrics and Gynecology	PS								
			The Project for Improvement of Equipment in the National Hospital for Obstetrics and Gynecology	GA							4.6	
			Capacity Building for Dissemination of Community-Based Reproductive Health Promotion Approach	TCP								
			Project for Implementing Maternal and Child Health Handbook for Scaling Up Nationwide	TCP			- - - - -					
			Project for Strengthening Medical Rehabilitation Service in the Southern Area of Vietnam	TCP			— — — — —					
			Grant Aid for Japanese NGO's Projects (2 projects)	JNGA								
			JOCV dispatched to Provincial and District Hospitals (Nurse, Midwife, Public Health Nurse, etc.) (8 persons)	JOCV								
			Grassroots Technical Cooperation on Health and Medical care (1 project)	JPP								
			Issue-based Training, etc.	TR								
Improvements in Basic Social Services (cont.)	Infectious Diseases and others	Supporting the improvement of basic social services targeted on infectious diseases and others which are one of the important problems in the health and medical sector	Technical Cooperation Project for Strengthening Capacity for Measles Vaccine Production	TCP							3.7	
			Technical Cooperation Project for Capacity Development for NIHE to Control Emerging and Re-emerging Infectious Diseases	TCP							2.5	
			Project for Capacity Development for Laboratory Network in Vietnam of Biosafety and Examination of Highly Hazardous Infectious Pathogen	TCP			- - - - -					
			Issue-based Training, etc.	TR								
			Advisor on Anti-trafficking in Persons	EXP	— — — — —							
	Education/Assistance for Socially Vulnerable	Supporting basic social services targeted on the socially vulnerable groups such as people with disabilities	Asia-Pacific Development Center on Disability (APCD) Project Phase2	TCP			— — — — —				4.4	
			JOCV in the Education Field (5 persons)	JOCV								
			JOCV in the Disabilities Welfare Field (4 persons)	JOCV								
			Grassroots Human Security Grant Aid (28 projects)	GHGA								
			Grassroots Technical Cooperation on Assistance for Socially Vulnerable (2 projects)	JPP								
			Issue-based Training, etc.	TR	— — — — —							

Improvements in Rural Development and Livelihood (cont.)	Development of the Central Highland Region	Supporting rural development and livelihood improvements in the Central Highland Region	Preparatory Survey on The Project for Reconstruction of Bridges in the Central District (Phase II)	PS								
			Project on Capacity Development of Participatory Agricultural and Rural Development for Poverty Reduction in the Central Highlands	TCP						3.7		
			The Project for the Groundwater Development in Central Highland Provinces	GA						20.1		
			Afforestation Planning and Implementation Capacity Strengthening Project	TCP							TARTOL, Also included in [Natural Environmental]	
			Project for Strengthening Community-based Management Capacity of Bidoup-Nuiba National Park	TCP							Also included in [Natural Environmental Conservation]	
			Grassroots Technical Cooperation on Development in Central Highlands (2 projects)	JPP								
	Development of the Mekong Delta Region	Supporting rural development and livelihood improvements in the Mekong Delta Region	The Project for Empowerment to the Community Damaged by Forest Fire in Ca Mau Province	GA						9.1		
			Advisor for Rural Development in Ca Mau Province	EXP								
			Grant Assistance for Underprivileged Farmers	GA						3.6		
			Capacity Building of Ho Chi Minh City University of Technology to Strengthen University-Community Linkage (Phase 2)	TCP						3.5	Also included in [Human Resource Development for Industries]	
			Improvement of Extension System for Applying Better Farming System and Cultivation Techniques for Poor Farmers in the Mekong Delta	TCP						3.8		
			Project for Climate Change Adaptation in Mekong Delta Region	TCDP								
			Grassroots Human Security Grant Aid (2 projects)	GHGA								
	Disaster-resilient Regional Development in Central Vietnam	Supporting development of measures against natural disasters in the central region for the purpose of improving livelihoods	JOCV dispatched to the South Area (Rural Development Extension, Agriculture, Nurse, Midwife, Public Health Nurse, etc.) (15 persons)	JOCV								
			Project for Building Disaster Resilient Societies in Central Region in Vietnam	TCP						4.7	TARTOL	
			Hue City Water Environment Improvement Project	LA						208.8	Also included in [Urban Water Environmental Management]	
			Preparatory Survey on Project for Rehabilitation of Small-scale Reservoirs in Quang Ngai Province	PS							Also included in [Agriculture, Rural Infrastructure]	
			Project for Rehabilitation of Small-scale Reservoirs in Quang Ngai Province	GA							Also included in [Agriculture, Rural Infrastructure]	
			Project for Afforestation on the Coastal Sandy Area in Southern Central Vietnam (Phase II)	GA						4.9	Also included in [Natural Environmental Conservation]	
			Environmental Disaster Prevention and Management	CTR								
			Disaster Management and Climate Change	CTR								
			Disaster management and climate change adaptation planning	CTR								
			Programme for the Improvement of Capabilities to Cope with Natural Disasters Caused by Climate Change	GA						20.0		
			Preparatory Survey on Project for Disaster and Climate Change Countermeasures Using Earth Observation Satellite	PS								
			Grassroots Technical Cooperation on Disaster risk management (3 projects)	JPP								
Agriculture, Rural Infrastructure, etc.	Supporting promotion of the extension of agricultural techniques and developing infrastructure in rural areas for rural development and improving livelihoods	Integrated Agriculture and Rural Development	EXP								TARTOL	
		Disaster Management and Climate Change	EXP								TARTOL	
		Small-Scale Pro Poor Infrastructure Development Project (II)	LA							147.9		
		Small-Scale Pro Poor Infrastructure Development Project (III)	LA							179.5		
		Phan Ri-Phan Thiet Irrigation Project	LA							53.1		
		Project for Agriculture Development in Phan Ri - Phan Thiet	TCP								TARTOL	
		Capacity Development of Participatory Irrigation Management System through Vietnam Institute for Water Resources Research for Sustainable Agricultural Development	TCP							6.0		

Improvements in Rural Development and Livelihood (cont.)	Agriculture, Rural Infrastructure, etc. (cont.)	Supporting promotion of the extension of agricultural techniques and developing infrastructure in rural areas for rural development and improving livelihoods (cont.)	Project for Promotion of Participatory Irrigation Management for Sustainable Small-Scale Pro Poor Infrastructure Development	TCP		-	-	-			TARTOL / Also included in [Development of the Northwest Mountainous Region]
			Phytosanitary Regional Training Program	TCP		-	-	-			
			Strengthening the Capacities for the Field of Management of Vietnam's Crop Production Sector for Improving the Productivity and Quality of Crop's Products	TCP		-	-	-		2.9	
			Advisor for Sanitary and Phytosanitary Policy and Planning	EXP		-	-	-			
			Regional Cooperation Project for Animal Disease Control among Cambodia, Lao PDR, Malaysia, Myanmar, Thailand and Vietnam	TCP		-	-	-			
			Animal Disease Control	SV		-	-	-			
			Tourism Development	EXP		-	-	-			
			Grant Aid for Japanese NGO's project (1 project)	JNGA		-	-	-			
			Sustainable Integration of Local Agriculture and Biomass Industries	STC		-	-	-		3.8	Also included in [Sustainable Energy Supply]
			Grassroots Technical Cooperation on Agricultural Technology (3 projects)	JPP		-	-	-			
			Issue-based Training, etc.	TR		-	-	-			

[Priority Area]	Environmental Conservation																
[Development Issue]	<p>Background <Urban Environmental Management></p> <p>Vietnam has faced serious environmental pollution resulting from rapid economic growth and urbanization. Untreated domestic and industrial wastewater has caused serious water pollution in rivers, canals and lakes in urban areas. Since drainage and wastewater treatment facilities have not been developed sufficiently, people are suffering from flood damage every year and the flooding of polluted water during the rainy season has caused hygiene problems such as epidemics of infectious diseases. Air pollution exceeds environmental standards not only in the city center, but also in residential areas. The problems in solid waste management include inadequate measures for rapidly increasing solid waste, untreated hazardous waste including medical waste, and the lack of environmentally-sound treatment facilities. More than a half of the urban population in Vietnam live in four major cities (Hanoi, Ho Chi Minh, Hai Phong, and Da Nang), and thus these cities and their neighboring areas suffer from particularly serious environmental pollution. Further rapid economic growth, population growth (1.2% population growth rate) and advancement of urbanization could aggravate environmental pollution in the urban areas.</p> <p>To address the above environmental issues, the Vietnamese government has strengthened their efforts on environmental management. Basic laws and environmental standards were prepared in the 90s, and the Ministry of Natural Resources and Environment (MONRE) was established in 2002 to strengthen environment management. The National Strategy for Environmental Protection by 2010 and Vision Toward 2020 was prepared in 2003, aiming at control of pollution and improvement of environmental quality. The Environmental Protection Law was revised in 2006, and associated by-laws and penalty provisions have also been prepared, thereby having almost established a legal basis for environmental management. The Vietnamese government also decided to allocate at least 1% of government expenditure to environmental protection, starting in 2006, with a view to securing funds, and established the Environmental Police under the Ministry of Public Security to strengthen enforcement.</p> <p>In spite of these efforts, MONRE and the Department of Natural Resources and Environment (DONRE) of each provincial government face such issues as inadequate quantity and quality of personnel, lack of funding, inappropriate systems and technologies, inadequate efforts to raise environmental awareness form the public and companies, and insufficient collaboration among departments.</p> <p>In addition, facilities to prevent environmental pollution such as drainage and wastewater treatment facilities have not been developed sufficiently. Also, there are issues relevant to the management of facilities including the low level wastewater tariff, not enough to cover operation and maintenance costs, deterioration of facilities due to inadequate design and operation and maintenance, lack of adequate systems and technologies, and the necessity of efficiency improvements through such measures as private sector participation.</p> <p>Moreover, as Vietnam is one of the countries which are expected to largely suffer from influences of climate change, it has become an urgent matter to implement the policies of both mitigation and adaptation. And the government of Vietnam adopted "the National Target Programme to Respond to Climate Change" as decision of the prime minister in December 2008, and has started to implement various action plans.</p>			<p>Japan's Assistance Policy <Urban Environmental Management></p> <p>Japan's ODA would place an emphasis on water environment management and solid waste management, in large-scale and medium-scale cities and industrial areas, which suffer from serious environmental pollution and require considerable infrastructure development. Japan's ODA would provide comprehensive assistance to such matters as policy and institutional improvement, planning, management improvement, human resource development, and infrastructure development, with the integration of technical cooperation and loan assistance. At the central government level, Japan's ODA would address policy and institutional improvement and capacity development of relevant organizations such as MONRE and the Ministry of Construction, through individual projects, active participation in donor meetings, dialogues related to Poverty Reduction Support Credit (PRSC), and other policy dialogues.</p> <p>As for water environment management, Japan's ODA would provide support in line with JICA's "Vietnam Urban Water Environment Management Program", aiming to "reduce the pollution load to public water bodies in Vietnam thereby improving water quality and satisfying various water needs", and assist (a) capacity development of administrative institutions charged with overall water environment management, (b) the capacity development of research institutions, and (c) the development of drainage and wastewater infrastructure and capacity development of management institutions, targeting (i) the four large metropolitan areas — Hanoi, Hai Phong, Da Nang and Ho Chi Minh City — where the majority of the urban population lives with serious environment pollution and (ii) regionally significant cities with serious environment pollution threats including Hue, Halong, and Can Tho.</p> <p>The cooperation component (a) above, targeting MONRE and provincial DONRE, includes technical advancement, the improvement of human resource development and personnel management, the improvement of financial management, the promotion of public participation, and the strengthening of collaborations with other institutions and sections, in a series of water environment management objectives: "monitoring, evaluation, and analysis", "establishment and improvement of policy and plans", and "implementation of measures such as inspection and enforcement."</p> <p>The component (b) above, principally targeting the Institute of Environmental Technology located within the Vietnamese Academy of Science and Technology (VAST/IET), includes the preparation of scientific and technical guidelines and manuals, the establishment of administrative management tools, and examination and recommendation of policy, plans, and measures as technical services to administrative institutions. Achievements in the past and on-going assistance for research institutions and administrative institutions should be made use of in project formulation and implementation.</p> <p>The component (c) above would include capacity development for the operation, management, and monitoring of facilities, establishment of financial sustainability in management institutions through such measures as setting tariffs to cover operation and maintenance costs, the promotion of public participation, enhancement of public awareness, improvement of customer relations, improvement of efficiency and effectiveness of operations through such measures as enhancement of management autonomy, the strengthening of asset management, and the promotion of private sector participation, and the improvement of service provisions to the poor. As for the capacity development of management institutions of drainage and wastewater treatment facilities, Japan will support the improvement of facilities and the strengthening of management institutions, with the balance between them secured.</p> <p>As for water supply and solid waste management, Japan's ODA would provide support to both the development of facilities and the strengthening of management institutions, which includes the same assistance items as (c) "development of drainage and wastewater infrastructure and capacity development of management institutions". And in addition to support for appropriate treatment, the activities associated with the 3Rs (reduce, reuse and recycle) should be ensured, collaborating with other related support implemented by MONRE and the Ministry of Economy, Trade and Industry under the 3R Initiative promoted by the Japanese government.</p> <p>As for air pollution, Japan will support to study the level of pollution and identify necessary measures, and consider if this field are prior to other fields after the fundamental analysis done.</p> <p>As for climate change, with a view to supporting to implement "the National Target Programme to Respond to Climate Change", Japan will do financial support with technical cooperation in the related field and consider providing cooperation that helps the development of fundamental data, which are available for policy making, and the improvement of capacity to plan, implement and assess measures for climate change.</p> <p>As for improvement of urban water supply systems, Japan will continue to make efforts to develop management human resources, while shift the priority to creating an environment for the promotion of utilization of private vitality.</p>													
				Schedule													
Urban Environmental Management	Urban water Environmental Management	Supporting environmental protection focusing on water pollution in urban areas	Project	Scheme	Before JFY 2009	JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014							
					Environmental Management Policy Implementation Support	EXP						Also included in [Natural Environmental Conservation]					
					Advisor for Environmental Policy	EXP						TARTOL, Also included in [Natural Environmental Conservation]					
					Study for Urban Environmental Management	EXP						TARTOL					
					Study for Water Environment Management on River Basins	TCDP						2.4					
					Project for Water Environment Management Plan in the Cau River Basin	TCP						TARTOL					
					Project for Strengthening Capacity of Water Environmental Management	TCP						6.4 TARTOL					

Urban Environmental Management (cont.)	Urban water Environmental Management (cont.)	Supporting environmental protection focusing on water pollution in urban areas (cont.)	Enhancing Capacity of Vietnamese Academy of Science and Technology in Water Environment Protection (Phase II)	TCP						3.9	
			Advisor for Urban Environment (Sewerage) Policy	EXP		—	—				TARTOL
			Country Focused Training for Sewerage Administration	CTR		--					TARTOL
			Experts for Strengthening of the Operation and Maintenance of Sewerage Facilities in Hanoi	EXP		—					TARTOL
			Ho Chi Minh City Water Environment Improvement Project	LA						239.9	
			Second Ho Chi Minh City Water Environment Improvement Project	LA						147.3	
			Project for Capacity Development on Sewerage Management in Ho Chi Minh City	TCP		—					TARTOL
			Second Hanoi Drainage Project for Environmental Improvement	LA						323.3	
			Hai Phong City Environmental Improvement Project	LA				—		228.2	Also included in [Water supply, Solid waste Management and Others]
			Southern Binh Duong Province Water Environment Improvement Project	LA						77.7	
			Preparatory Study for Dong Nai Water Environment Improvement Project Phase 1	PS		—					
			Preparatory Study for Dong Nai Water Environment Improvement Project Phase 2	PS		--					
			Project for Environmental Protection in Halong Bay	TCP		—	—			3.4	TARTOL
			Hue City Water Environment Improvement Project	LA						208.8	Also included in [Disaster-resilient Regional Development in Central Vietnam]
			Vinh Phuc Province Investment Climate Improvement Project	LA						117.2	Also included in [Establishing and Operating Economic Systems][Water Supply, Solid Waste Management and Others]
			Study for the Dong Nai Water Environment Improvement TSL through HIFU	EXP		—					TARTOL
			Preparatory Survey on Project for Improvement of Medical Waste Water and Solid Waste Treatment System	PS		—					Also included in [Improvements in Basic Social Services][Water Supply, Solid Waste Management and Others]
			Grassroots Technical Cooperation on Urban water environmental management (4 projects)	JPP							
			Issue-based Training, etc.	TR							
Water supply, Solid waste Management, Air, Climate Change and others	Water supply, Solid waste Management, Air, Climate Change and others	Supporting capacity and infrastructure development in the sectors of water supply, waste management, etc	Climate Change Policy Expert for Support Program to Respond to Climate Change (Mitigation)	EXP	—						TARTOL
			Climate Change Program Loand PCU Capacity Building	EXP		—	—				TARTOL
			Support Program to Respond to Climate Change	LA			—			100.0	
			Project for Capacity Building for National Greenhouse Gas Inventory in Viet Nam	TCP						2.8	Also included in [Natural Environmental Conservation],[Water Supply, Solid Waste Management and Others]
			SV(Air Quality Monitoring and Analysis) (1 person)	SV		—					
			Hazardous Air Pollutants Management	EXP		--	—				
			Project for Formulating the Master Plans for Air Quality Management in Major Cities (Hanoi and Ho Chi Minh City)	TCDP		--	—				
			Implementation Support for 3R Initiative of Hanoi City for Cyclical Society Development	TCP		—				3.6	
			Project for Nationwide Promotion of 3R Initiative	TCP		--	—				
			JOCV in the Environmental Education Field dispatched to Hoi An (1 person)	JOCV			--	—			
			Hai Phong City Environmental Improvement Project	LA				—		228.2	Also included in [Urban Water Environmental Management]

Urban Environmental Management (cont.)	Water supply, Solid waste Management, Air, Climate Change and others (cont.)	Supporting capacity and infrastructure development in the sectors of water supply, waste management, etc (cont.)	Preparatory Survey on Project for Improvement of Medical Waste Water and Solid Waste Treatment System	PS		—						Also included in [Improvements in Basic Social Services][Urban Water Environmental Management]
			The Project on Capacity Development for Urban Water Supply Utilities in the Central Region	TCP		—	—					TARTOL
			Vinh Phuc Province Investment Climate Improvement Project	LA						117.2	Also included in [Establishing and Operating Economic Systems][Urban Water Environmental Management]	
			Dong Nai and Ba Ria-Vung Tau Provinces Water Supply Project									
			Preparatory Study for Dong Nai Water Environment Improvement Project Phase 1	PS		—						Also included in [Urban Water Environmental Management]
			Preparatory Study for Dong Nai Water Environment Improvement Project Phase 2	PS		---						Also included in [Urban Water Environmental Management]
			Grassroots Technical Cooperation on Water supply and Waste management (6 projects)	JPP								
			Issue-based Training, etc.	TR		—						

<p>[Development Issue]</p> <p>Background <Nature Conservation></p> <p>Forests in Vietnam are used for timber and fuel-wood production, and are essential to public interests such as watershed conservation and ecosystem conservation. Forest coverage declined from 43% in 1945 to 28% in 1995 because of illegal logging and conversion to agricultural lands caused by the population increase and poverty, having adverse effects on environment, economy and people's lives. Subsequent efforts to increase forest coverage lands resulted in recovery of forest coverage to 39.6% by the end of 2008, but still 19.4% (6.41 million ha) of the land remains as bare land or degraded forest. In addition, the forest quality tends to decline continuously. More than two thirds of natural forests, accounting for 80% of the total forest area, are of low quality, and said to be continuously degrading. This situation is one of the significant obstacles to poverty alleviation for about 25 million people who live in and around forests, depend on forests for their livelihoods and also undermine the public interests of forests.</p> <p>In order to respond to the situation, the Vietnamese government formulated the "National Five Million Hectare Reforestation Program" in 1998 under the Law on Forest Protection and Development promulgated in 1991 and amended in 2004, and has been working for the expansion of forest areas and improvement of the people's livelihoods with the cooperation of international donors. Furthermore, the government, addressing the recovery of quality and quantity of forests, revised the above-mentioned strategy, and formulated the "Forestry Development Strategy (2006 to 2020)" in 2007, with more comprehensive and advanced contents than the previous strategy.</p> <p>Despite such efforts, there are various issues surrounding forest management including insufficient capacities of government personnel and State Forest Enterprises (SFEs) personnel (delays in renovation of SFEs, inadequate monitoring of forest resources, and insufficient technology development), delays in participation of local people who should play a key role in forest management (obscure distribution of the right of forest utilization, insufficient support for residents to whom the right was distributed, and lack of economy of scale by subdivision of the right), and insufficient promotion of the forest industry (the timber supply depends on import, and there is a large gap between the potential and the actual supply.)</p> <p>As for biodiversity, Vietnam is one of the richest countries with around 10% of all species existing in the world, in spite of small land area of the country accounting for less than 1% of the world's land. The government established protected areas accounting for 7.6% of the total land area, including 30 national parks, and formulated the "Management Strategy for a Protected Area System in Vietnam by 2010" in 2003, promoting natural resource management, capacity enhancement for biodiversity protection in national park management boards, and the participation of local people. Moreover, the government has introduced systematic legislation including the establishment of the law on biodiversity in 2008. However, the rich biodiversity is being lost drastically, exemplified by the large number of endangered species (700), because of deforestation and the consequent destruction of animal and plant habitats and illegal hunting and collection of wild animals and plants due to the population increase and poverty. Today, the impact of climate change on biodiversity is recognized, and however, investigation and research on this topic and the development of countermeasures are yet insufficient.</p> <p>Responding to the emerging global attention on the role of forest for climate change mitigation, Vietnam is accelerating its initiatives to link climate change countermeasures and forest conservation, with particular highlight on REDD (Reducing Emissions from Deforestation and Forest Degradation). It is especially important for the REDD regime of Vietnam to move in step with the international debate on REDD, to promote national REDD strategy and to develop the capacity necessary for its implementation.</p>	<p>Japan's Assistance Policy <Nature Conservation></p> <p>Japan's ODA aims to improve the quantity of the nature (e.g. total size of forest area, total size of protected areas), and quality of nature (biomass, crown cover, biodiversity) of the natural environment, through sustainable forest management and nature conservation. Particularly, the following 5 target areas are identified:</p> <ol style="list-style-type: none"> (1) Development of capacity to formulate and implement policies <p>Japan's ODA will support development of capacities to formulate and implement policies for the promotion of sustainable forest management and nature conservation through strengthening capacities of both the central and local governments with a view to improvement in the quality of policies and the smooth implementation of the policies. Especially in the central level, wide range of policy development support will be provided to help Vietnam meet the target specified in "Forestry Development Strategy (2006 to 2020)", with reference to experiences at the local government and community level, through policy frameworks such as FSSP, PRSC, SP-RCC and so on.</p> <ol style="list-style-type: none"> (2) Afforestation and sustainable forest management <p>Through promoting investment in production forests, enhancing afforestation of protection forests and improving the management system's efficiency, Japan's ODA will support to improve the forest quality (forest stock) and quantity (coverage).</p> <ol style="list-style-type: none"> (3) Improvement livelihood of local residents through participation in forest management <p>Through establishing a model for sustainable forest management by local residents especially in the northwest region, where there has been a vicious circle of forest degradation and poverty, Japan's ODA will support to establish a model which makes it able to cope with both forest management and livelihood improvement, and improve local residents' benefit from sustainable use of forest resources.</p> <ol style="list-style-type: none"> (4) Promotion of biodiversity conservation <p>Japan's ODA will support to strengthen the system for biodiversity conservation through improvement in the formulation and management of policies and institutions and development of implementation capacity at the field level. Therefore, Japan's ODA will support to properly conserve rare biodiversity in Vietnam, which is in danger of extinction.</p> <ol style="list-style-type: none"> (5) Climate change action <p>As for climate change, Reducing Emissions from Deforestation and forest Degradation plus (REDD+) is drawing global attention as the mitigation measure of forestry sector, and Vietnam is one of the targeted countries of the Forest Carbon Partnership Facility (FCPF) funded by the World Bank and the UN-REDD. Therefore, Japan will provide active contribution such as support on making forest inventory which can contribute the success of REDD+, in order to promote REDD+ in Vietnam. And especially as for the adaptation measures, Japan will implement the afforestation of protection forests in coastal areas continuously and consider supporting mangrove forestation activity.</p> <p>The main target area for above (1) Development of capacity to formulate and implement policies and (5) Climate change will be in the whole country. And, for (2) Afforestation and sustainable forest management, (3) Improvement livelihood of local residents through participation in forest management and (4) Promotion of biodiversity conservation, Japan will provide cooperation, with specifying both the priority areas of regional development (Northern Mountain, Central Highlands and Mekong Delta) and the forms of cooperation which correspond with the forest types (Special Use Forest, Protection Forest and Production Forest).</p>										
<p>Natural Environment Conservation</p> <p>Sustainable Forest Management and nature conservation cooperation program</p>	<p>Supporting sustainable forest management and natural environment management</p>	<p>Project</p>	<p>Scheme</p>	<p>Before JFY 2009</p>	<p>JFY 2010</p>	<p>JFY 2011</p>	<p>JFY 2012</p>	<p>JFY 2013</p>	<p>JFY 2014</p>	<p>Assistance Amount (100 Million Yen)</p>	<p>Note</p>
			Support of Forest Development Policy Implementation	EXP						Cool-Earth project	
			Advisor to Forestry Program	EXP						TARTOL	
			The Project for Afforestation on the Coastal Sandy Area in Southern Central Vietnam (Phase II)	GA						4.9 Also included in [Disaster-resilient Regional Development in Central Vietnam]	
			Forest Preservation Programme	GA						4.0	
			Afforestation Planning and Implementation Capacity Strengthening Project	TCP						TARTOL, Also included in [Development of the Central Highland Region],[Development of the Northwest Mountainous Region]	
			Establishment of carbon-cycle-system with natural rubber	STC						6.3 Also included in [Development of the Northwest Mountainous Region]	
			Project for Sustainable Forest Management in the Northwest Watershed Area	TCP						Also included in [Urban Water Environmental Management]	
			Environmental Management Policy Implementation Support	EXP						TARTOL, Also included in [Urban Water Environmental Management]	
			Advisor for Environmental Policy	EXP						TARTOL, Also included in [Urban Water Environmental Management]	
			Training for Developing Ecotourism by Utilizing Local Natural Resources in Asian Countries	CTR	—						

Natural Environment Conservation (cont.)	Sustainable Forest Management and nature conservation cooperation program (cont.)	Supporting sustainable forest management and natural environment management (cont.)	Project for Strengthening Community-based Management Capacity of Bidoup-Nuiba National Park	TCP						3.1	Also included in [Development of the Central Highland Region]
			Project for Development of the National Biodiversity Database System	TCP							TARTOL
			Support Program to Respond to Climate Change	LA						100.0	
			Project for Capacity Building for National Greenhouse Gas Inventory in Viet Nam	TCP						2.8	Also included in [Urban Water Environmental Management],[Water Supply, Solid Waster Management and Others]
			The Study on Potential Forests and Land related to "Climate Change and Forests" in the Socialist Republic of Viet Nam	TCDP						3.0	
			Project for Capacity Development of Forest Inventory, Monitoring and Assessment in Southeast Asia	TCP							TARTOL
			Project for Capacity Development of Climate Change and Community Forest	TCP							TARTOL
			JOCV in the Rural Development Field (3 persons)	JOCV							
			Grassroots Technical Cooperation on forest management (1 project)	JPP							
			Issue-based Training, etc.	TR							

[Priority Area]	Strengthening of Governance									
[Development Issue]	Background			Japan's Assistance Policy						
	<p>To sustain economic growth, Vietnam needs more transparent policy management that enables it to promote smooth economic activities (strengthening of governance). The following are the main challenges for the strengthening of governance:</p> <p><Development of laws and judicial reforms></p> <p>Japan has provided technical cooperation mainly in the enactment and revision of the Civil Code, the Code of Civil Procedures and other basic laws for economic activities under the market economy system. Although Vietnam has developed such basic laws to a considerable extent, the systems and human resources for properly executing the laws are inadequate. In addition, some ordinances and decrees enacted under various laws are unclear or inconsistent, which has made the legal system complicated and opaque.</p> <p><Improvement of administrative capacities></p> <p>Based on the Public Administrative Reform Master Plan, Vietnam has been carrying out various measures including the improvement of systems for providing administrative services that satisfy the needs of users, such as the introduction of one-stop shops and grievance systems, the reform of the public servant system and the reform of government organizations. However, progress in these reforms has generally been much slower than expected in the Master Plan. In addition, although the establishment of a series of laws concerning the management of ODA is in progress, the system for managing the laws has not been fully established, including the relations among the Ministry of Planning and Investment, which serves as the coordinating agency (Line Agencies), the competent government agencies for ODA projects and the agencies that carry out the projects (PMUs). Moreover, with the progress of decentralization, local governments are expected to play an active part in establishing development plans and annual budgets, and planning and carrying out ODA projects. Thus, improvement of the local governments' administrative capacities has become a challenge.</p> <p><Public financial management></p> <p>To ensure effective and efficient budget management and improve debt management, Vietnam has been proceeding with various reforms, such as the enforcement of the revised Law on the State Budget (2004), the disclosure of financial reports including external debt data, the strengthening of the independence of the State Audit of Vietnam, the introduction of internal and external auditing and the introduction of the Medium-Term Expenditure Framework (MTEF). The reinforcement of public financial management continues to be important for the establishment of a sound governance system. Among others, the following have become challenges: tax reform and the streamlining of tax administration in order to cope with a decline in trade-related tax revenues due to the accession to the WTO in 2007; strengthening of the integrated management of investment and current expenditures (implementation of MTEF) and the strengthening of debt management (such as the reduction of off-budget items and the strengthening of monitoring).</p> <p><Anti-corruption measures></p> <p>Because the problem of corruption has long been recognized as an obstruction to the economic activities of foreign companies in Vietnam, the correction of the problem was one of the action plans listed in the Vietnam-Japan Joint Initiative (Phase I). Vietnam is ranked 120th among the 180 countries in the 2009 Transparency International Corruption Perceptions Index. Because corruption in the Ministry of Transport in 2006 (PMU18 scandal) greatly increased the interest of the public in the issue of corruption, the Vietnamese government has been promoting reforms for the eradication of corruption, including the establishment of a National Anti-Corruption Committee whose chairperson is the Prime Minister. However, it is said that corruption spreading has been deep-rooted in the Vietnamese administration from the top to the end, and the Vietnamese government needs to make medium- and long-term efforts to tackle corruption issues.</p>			<p>Since the strengthening of governance requires medium- and long-term comprehensive support, including support for the improvement of the legal system, the strengthening of organizations and the development of human resources, Japan will cooperate with other donors to support the development of laws and various reforms through the use of the PRSC framework and independently support the development of human resources and the strengthening of organizations. When supporting the development of human resources, Japan will flexibly use its projects for accepting foreign students and trainees from the medium- and long-term viewpoint. The following are approaches to the challenges concerning the strengthening of governance:</p> <p>(a) Development of laws and judicial reforms</p> <p>In accordance with Vietnam's basic policy on legal and judicial reforms, Japan will positively promote cooperation based on the results of the cooperation provided so far, taking into full consideration the discussions of the Overseas Economic Cooperation Council. Concretely, Japan will mainly support the enactment of laws and ordinances, establishment and improvement of systems necessary for their execution, the development of human resources to improve the capacity to execute laws at the local level and improvement in dissemination of information concerning laws and access to justice, among others, coordinating such activities with each other effectively to establish and maintain the "rule of law."</p> <p>(b) Improvement of administrative capacities</p> <p>Japan will provide support to various concerned actors such as the National Assembly and the media, based on Vietnam's Public Administrative Reform Master Plan, and especially in order to improve the Vietnamese government's administrative management capacities, Japan will also support improvements in the capacity to train government employees, which is one of the four pillars of the Master Plan. Japan will especially support Hoa Binh Province to improve its ability to draw up development plans and manage budget planning (this support for Hoa Binh Province constitutes a part of Japan's cooperation in the Northwest Mountainous Region, Japan's priority region for cooperation, and the results of the project are used as support in other provinces of the same region). In addition, based on the results of the Project for Capacity Development of ODA Management, Japan will consider providing cooperation that will help the Vietnamese government use ODA resources effectively.</p> <p>(c) Action for the eradication of corruption</p> <p>After the occurrence of Japanese ODA-related corruption, the anti-corruption measures were agreed by the Japan-Vietnam Joint Committee. Based on this agreement, Japan is to provide support to implement the Vietnamese government's anti-corruption strategy, which includes the anti-corruption law established in 2005 and the anti-corruption strategy formulated in 2008, and this support will include the improvement of transparency in procurement and implementation of public investment, the reinforcement of capacity for the administrative supervision, through support to the national assembly and the media, and so on.</p> <p>Further to contribute to the eradication of corruption, Japan will support the promotion of policy and institutional reforms concerning anti-corruption measures through the PRSC framework, as well as the enhancement of the transparency of administrative services through technical cooperation for the improvement of administrative services in tax, customs and other fields.</p>						
Legal and Judicial Reforms/ Administrative and Financial Reforms	Program	Program Summary	Project	Scheme	Schedule					
	Legal/Judicial System Reforms	Supporting legal and judicial system reforms which serve as the basis for strengthening governance	Technical Assistance for the Legal and Judicial System Reform	TCP	Before JFY 2009	JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014
			Technical Assistance for the Legal and Judicial System Reform (Phase 2)	TCP						
			Issue-based Training, etc.	TR						
	Improvement of Administrative Capacities, and Anti Corruption	Supporting the capacity development of governmental agencies, from the aspect of further decentralization to local government, civil servant training, aid management (including South-South cooperation), as well as public finance management	Socio-Economic Development Planning Reform in Hoa Binh Province	TCP						3.9
			Support to the Training of Trainers at the National Academy of Public Administration	TCP						
			Capacity Development Program for Policy Formulation on the Global Economic Crisis	CTR	—					1.8
			Capacity Development Program to Formulate Socioeconomic Development Policy	CTR						Also included in [Establishing and Operating Economic Systems]
			Project on Tax Administration Reform Phase II	TCP						Also included in [Establishing and Operating Economic Systems]
			Capacity Development of National Assembly of Vietnam	CTR						Also included in [Establishing and Operating Economic Systems]
			Public Governance for Vietnam	TTR	—					
			Public Governance for Vietnam (Anti-Corruption)	TTR		—				

Legal and Judicial Reforms/ Administrative and Financial Reforms (cont.)	Improvement of Administrative Capacities, and Anti Corruption (cont.)	Supporting the capacity development of governmental agencies, from the aspect of further decentralization to local government, civil servant training, aid management (including South-South cooperation), as well as public finance management (cont.)	Seminar on Contract Administration for International Construction Projects in Vietnam	EXP	—						
			Vietnam Television Centre Project	LA							201.5
			Aid Coordination Advisor	EXP	—						
			Aid Coordination Advisor	EXP		—					
			Training on Firefighting command techniques	TR			—				
			The Third Country Training Project on IP (Internet Protocol) & NGN (New Generation Network) Telecommunications Technology	TTR				—			
			Issue-based Training, etc.	TR					—		
			Grassroots Technical Cooperation (1 project)	JPP						—	
			Grassroots Cultural Grant Aid (1 project)	GCGA							—
			Grant Aid for Japanese NGO's project (1 project)	JNGA							

Legend: [PS] = Preparatory Survey, [DD] = Detailed Design by TARTOL, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning (and Development Study), [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [SV] = Senior Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [STC] = Science and Technology Cooperation on Global Issues, [JPP] = JICA Partnership Program, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [GA] = Grant Aid (other than specific grant aid schemes listed below), [NPGA] = Non-Project Grant Aid, [GHGA] = Grassroots Human Security Grant Aid, [JNGA] = Grant Aid for Japanese NGO's Projects, [CGA] = Cultural Grant Aid, [GCGA] = Grassroots Cultural Grant Aid, [LA] = Loan Aid (ODA Loan), [ML] = Multilateral Cooperation, [TARTOL] = Technical Assistance Related To ODA Loan, Solid Line [-----] = Schedule, Dash Line [- - -] = Tentative Schedule