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FY 2009 FOREIGN ASSISTANCE GOALS

United States Government (USG) influence in Vietnam has grown considerably during this time of rapid economic transformation. The impact of this assistance can be seen in Vietnam's continued trade liberalization and improved social outcomes for its citizens. Despite this progress, Vietnam's reforms are far from complete, and USG assistance is critical to ensure the successful implementation of these reforms. The USG's ability to bring about positive changes in areas of political reform, including human rights and political governance, remains severely limited. In FY 2009, the USG continued to assist Vietnam in its transformation into an integrated and well-governed market economy. In order to support these efforts, USG technical assistance targeted Vietnam's judicial, legislative, and education systems, which will serve as a foundation for sustained economic growth. In all areas of assistance, the USG stressed the need for responsive, transparent, and accountable governance as essential elements of equitable development.

In the security sector, USG assistance continued to strengthen bilateral military relations. The USG provided English language and technical training courses to build the capacity of the Vietnamese military forces, and provided training and equipment to the border guards under the Export Control and Related Border Security program to strengthen Vietnam's capabilities to combat the proliferation of weapons of mass destruction (WMD). In response to transnational crime, USG anti-trafficking assistance contributed to safe migration programs by providing poor women and girls with essential services, and assisting with their reintegration into society. In the governance sector, USG assistance supported efforts to strengthen judicial reform, improve the rule of law, and simplify administrative procedures to improve transparency and oversight. The USG also promoted effective industrial relations at the enterprise level and provided assistance to encourage Vietnam to comply with international labor standards. In the health sector, USG assistance provided social and economic services for poor minorities in the Central Highlands, and people with disabilities in the dioxin-affected areas near Danang. The USG assisted the Government of Vietnam (GVN) in implementing an effective response to avian and pandemic influenza, and improved the delivery of social services for people living with AIDS.

In economic growth, the USG assisted in improving economic governance and regulatory reforms through increasing transparency, citizen and private enterprise participation, and legislative accountability. USG also improved access to broadband communication in rural, underserved areas through technical assistance to the Vietnam Public Utility and Telecommunications Service Fund, and developed a new initiative for private sector financing of infrastructure. All these activities continue to drive broader social and economic changes, setting a path for Vietnam to become a critical strategic partner in the region.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Peace and Security

USG assistance continued to strengthen bilateral military relations with the goal of increasing the professionalization of the Vietnamese military. USG efforts focus on enhancing English-language capabilities, training and cooperation in regional maritime security, search and rescue, humanitarian assistance/disaster relief (HA/DR), and peacekeeping operations (PKO), and handling Explosive Remnants of War (ERW) to mitigate the impact of past conflicts. In FY 2009, USG assistance:

- Strengthened the Vietnam People's Army's (VPA) English-language capability. Three Vietnamese officers attended specialized English language training, with two attending electronics training and one attending weather forecast training. Another three Vietnamese officers attended English language and instructor training. These courses exposed officers to the U.S. military system and enhanced the VPA's capability to react to future HA/DR and PKO situations. While successful, inadequate funding continues to limit the scale of these programs.
- Provided assistance to address ERW. The USG assisted in destroying 17,000 items of unexploded ordinance and landmines, conducted site clearance activities, provided mine risk-education programs, and assisted ERW accident victims.
- Provided training and equipment to several Vietnamese Government agencies to strengthen their capability to combat WMD.

Governing Justly & Democratically

The USG considers it a major priority to support efforts to improve governance and strengthen the rule-of-law. However, the USG's ability to influence the GVN in these areas remained limited, as Vietnam's one-party state continued to crack down on political dissent and imposed further restrictions on freedom of expression and association. In FY 2009, USG assistance:

- Supported the GVN's implementation of the Law on Laws. The decree fundamentally changed the process by which laws and regulations are drafted. For the first time, new laws and regulations are subject to a mandatory 60-day public comment period and a regulatory impact analysis that measures the costs and benefits of the proposed legislation. Policymakers are now better equipped to assess the potential economic, social, and environmental impacts of new and revised laws and regulations.
- Provided comments and consultations to the draft Law on Access to Information that would serve as the legal basis for citizens to access information from State agencies, and obligate the supply of such information by State agencies unless the information is classified or private. Shortcomings in the current draft have been registered with the GVN.

Nevertheless, the draft is a significant improvement over the current situation, in which citizens must beg for information and the Government decides whether to provide it. There is potential for this freedom of information legislation to make government more transparent, and enable citizens and civil society to participate more effectively in public affairs.

- Introduced the concept of an internet-based Official Gazette to make laws and regulations readily available to anyone with internet access. Pilot programs were launched in four provinces and a national level e-Official Gazette will be launched in 2010. As of October 24, 2009, the websites have received more than 3.3 million hits, and plans are being developed to extend the program to all 63 provinces. This added measure of legal transparency helps reduce discretionary and rent-seeking behavior.
- Provided critical support to the GVN in launching the first National Database of Administrative Procedures for public access. The database contains more than 5,700 procedures, nearly 9,000 legal documents, and over 100,000 templates for administrative procedures. The database is an important tool to enhance transparency, consistency, and credibility of the legal and regulatory systems.
- Provided critical support to the GVN in preparing for the establishment of regional courts to enhance the operational independence and effectiveness of the judicial sector. USAID provides technical assistance to the courts, the prosecutors, and the National Assembly.
- Developed the Supreme People's Court web portal, which became operational this fiscal year. The portal provides public access to selected court decisions and procedures, as well as basic information of the court system for citizens. The web-based system is facilitating citizen participation and understanding of the legal system.
- At the start of FY 2010, the USG launched a new project to support the process of transforming the system of industrial relations to align with and advance Vietnam's economic aspirations, while also staying attuned to the ongoing changes in the legal environment for industrial relations and economic conditions affecting labor market dynamics. Through the Trade and Investment Framework Agreement and human rights dialogues, the USG, including the United States Trade Representative, raise labor issues and have emphasized that progress on human rights, including labor rights, will affect the ability of the USG to make progress on the bilateral trade agenda.

Investing in People

Under the Investing in People objective, the USG's priorities are focused on addressing avian and pandemic influenza preparedness and response, and improving the delivery of essential social services, particularly to vulnerable populations, including people living with HIV/AIDS disabilities (PWDs), ethnic minorities in the Central Highlands, and victims of trafficking. FY 2009 funds will also initiate higher education activities in the following year. In FY 2009, USG assistance:

- Supported activities that scaled-up access to community outreach and drop-in center-based prevention interventions for Most-At-Risk Populations, volunteer counseling and testing and prevention of mother-to-child transmission services, palliative care and support for people living with HIV and their families, and HIV care, treatment, and support for orphans and vulnerable children.

- Addressed avian influenza policy preparedness, animal and human surveillance and response, and communication activities at the national level as well as in high-risk provinces in the Red River and Mekong River deltas. The U.S. Agency for International Development (USAID) has worked closely with the GVN and other donors in avian influenza program design, implementation, and management in order to use resources strategically and effectively. In recognition of Vietnam's success in responding to avian influenza and H1N1 pandemic threats, Vietnam hosted the global Inter-Ministerial Conference on Animal and Pandemic Influenza (IMCAPI) in April 2010. In support of the recently established Lower Mekong Initiative, breakaway sessions on issues common to the Lower Mekong countries were held at the IMCAPI conference. A USAID-funded United States Pacific Command workshop scheduled for late spring 2010 will further help integrate province officials with military and other civilian groups as they plan for a pandemic response.
- Expanded social and economic opportunities for poor, ethnic minorities in the Central Highlands through the Kon Ray Ethnic Minority Lower Secondary Boarding School project included a new activity in Child Care and Early Childhood Education.
- Expanded social and economic opportunities for people with disabilities in Danang province in order to assist with their inclusion in society, and continued providing assistance for the development of disabilities policies at the national level. In Danang, the program completed a comprehensive disability survey in two districts and conducted a health needs assessment for the remaining five districts. About a thousand PWDs received rehabilitation services, prosthetic devices, and corrective surgeries. Three hundred PWDs received scholarships and education materials. Nationwide, more than 800 PWDs and caregivers were assisted to find jobs and stabilize their incomes. Forty local and international private companies joined the Blue Ribbon Employment Council to provide jobs for PWDs. The program also trained hundreds of community-based rehabilitation workers who will work as front-line service providers for PWDs while providing PWDs with health care, counseling, and job training.
- Enhanced trafficking in persons (TIP) prevention efforts through public education and information campaigns, training of community and local officials on TIP and its dangers, and increasing education opportunities for girls. USAID support also improved services for TIP victims including safe shelters, medical, psychological, social, and legal assistance, and supported the reintegration of trafficked victims.

Economic Growth

Vietnam was among the very few countries in the world that experienced positive growth during the financial crisis. The GVN implemented effective measures to stimulate the economy during the crisis.

In order to help sustain economic growth, the USG continued to assist the GVN in improving the business environment, increasing competitiveness, and implementing reform efforts. In FY 2009, USG assistance:

- Sponsored workshops that facilitated the approval of 15 laws and regulations, and trained more than 3,000 GVN officials on international economics and trade remedies. USG legal reform assistance efforts also targeted laws that have a direct impact on U.S. products, such as the Law on Telecommunications, Law on Animal Health, Law on Food Safety, and Plant Protection Law.

- Played an instrumental role in the passage of a revised Criminal Code that increased the ability of the courts to prosecute willful intellectual property rights violators, although questions remain about the scope of criminal remedies, particularly for copyright infringement.
- Provided technical assistance to encourage further development of sound competition and consumer protection policies and enforcement. Through coordination with the Federal Trade Commission (FTC) and the Department of Justice, USAID assisted in drafting Consumer Protection and Competition Laws and regulations, trained enforcement authorities, and helped sustain a region-wide network forum for competition investigators. In addition, an FTC resident advisor worked with the Vietnam Competition Authority for four months to help with the investigations of cartels, abuses of dominance, and drafting laws on consumer protection and deceptive advertising.
- Assisted in the development of the first comprehensive online national database of all administrative procedures, which holds over 5,700 administrative procedures, 9,000 legal documents, and over 100,000 dossiers. The database enhances transparency, consistency, and credibility of the legal system while significantly reducing transaction time and costs for regulators, citizens, and businesses.
- Strengthened the capacity of Vietnam's State Securities Commission. A mission was conducted jointly with the U.S. Securities and Exchange Commission (SEC) to assess the current capacity and the need for future training. USAID continued to support the Vietnamese participants in SEC training on capital market regulation and development.
- Measured and assessed the standards of economic governance in all 63 provinces of Vietnam through the Provincial Competitiveness Index (PCI). The PCI measures the provincial capacity and willingness to develop business-friendly regulatory environments from the perspective of the private sector. Four provinces have sought follow-up USAID assistance to design economic reform interventions with the issuance of People's Committee Resolutions. Another 10 provinces released action plans for improving their PCI scores.
- Assisted the GVN in exploring options for an infrastructure development facility and finance fund to seek private sector participation and partnership. USAID also helped the GVN to develop revisions to government circulars on public-private partnerships for infrastructure projects.
- Building on the success of the initial work of the Last Mile Initiative, USG engaged public and private entities to explore viability of wireless broadband models for both urban and rural settings, and will continue to provide technical assistance to the Vietnam Public Utility and Telecommunications Service Fund to help build its capacity and systems for effective operation of this Fund for rural areas.
- Improved the livelihoods of marginalized groups in the Central Highlands through a partnership with Mars, Inc. and the World Cocoa Foundation. The public-private partnership has introduced cocoa production to low-income, smallholder farmers in the Central Highlands, and is proving to be an economically viable, environmentally sustainable means of poverty alleviation. Achievements to date show a potential to establish a world-class cocoa production industry in the Central Highlands.

- Launched an environmental remediation program in Danang airfield to support removal of dioxin from the environment and continual improvement of the health of communities near contaminated “hotspots.” This effort supports Vietnam in addressing persistent organic chemicals under the United Nations Stockholm Convention.
- Sponsored workshops to improve enforcement of intellectual property rights and encourage GVN adoption of favorable laws and regulations regarding biotechnology.
- Launched a new project to support the process of reforming the Vietnamese industrial labor relations system and provide workers with internationally recognized worker rights.