

**USAID/VIETNAM**  
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## Vietnam Annual Report

### Annual Report Part III: FY 2001 Performance Narrative

#### A. Development Challenges

Vietnam ranks 101 out of 162 countries in terms of the Human Development Index with its current level of GDP per capita of less than US\$400. Since the launching of the *doi moi* policy in 1986, the country has experienced dramatic changes in its transition from a centrally-planned to a market-oriented economy. However, the continued slow pace of reforms deters direct foreign investment and timely implementation of the U.S.-Vietnam Bilateral Trade Agreement (BTA), as well as accession to the World Trade Organization (WTO). The economy's structural deficiencies and the stagnation of reform in the state-owned industrial sector hamper Vietnam's ability to compete regionally and globally.

Vietnam's Socioeconomic Development Strategy (2001-2010) sets forth many development targets, including eradication of hunger and poverty and closing the gaps between disadvantaged and other groups. Although significant gains were made in poverty reduction over the past 10 years, it is still at the forefront of the government's agenda in the coming decade. Nearly 90% of the poor live in rural areas. Most have limited access to land, capital, technology, information, education or other basic social services, and are highly vulnerable to natural disasters, which frequently occur in Vietnam. Equitable access to services by different geographical and income groups, provision of healthcare services and mitigation of natural disasters, therefore, need to be addressed.

#### B. Program Performance:

##### **440-006: Enhanced Environment for Trade and Investment**

Overall, performance under this SO met expectations in FY 2001. A key program goal was achieved: the U.S.-Vietnam Bilateral Trade Agreement (BTA) entered into force in December 2001. The USAID program provided critical assistance to the GVN to develop the BTA, leading to its signing in July 2000 and its ratification by the two Governments. Future assistance under this SO will focus on providing assistance to the GVN to meet their commitments under the BTA.

BTA implementation support. In 2001, the US-Vietnam Trade Forum provided technical assistance to support the GVN's trade liberalization efforts. Assistance concentrated on banking, insurance, intellectual property right protection, customs law regulation and valuation, investment regulations, and competition law. The Forum led the development of a comprehensive BTA implementation roadmap: 1) a compilation of laws, decrees and regulations that affect GVN commitments under the BTA; 2) a compilation of legal and regulatory changes made by the GVN in response to BTA commitments; and 3) a summary of the US-Vietnam Bilateral Trade Agreement. With USAID funding, the Forum also hosted a U.S. study tour related to transparency in government processes for high-ranking government officials. It also hosted several roundtables on customs, insurance, competition law, countervailing duties, antidumping and safeguards. Intensive onsite research and consultations were undertaken at the request of various GVN bodies, providing essential technical assistance for GVN efforts to revise

the Law on Issuance of Legal Documents, formulate the new Competition Law, draft the Decree on Public Gazettes and the implementation decree for the new Insurance Law. This contributed to the improvement of the legal framework and regulatory process for BTA implementation. Continued progress in these areas will facilitate BTA implementation and move Vietnam closer to the WTO.

Building capacity in the Vietnamese private sector. Through Boise State University, USAID is working with National Economics University's (NEU) Business School to strengthen its capacity to support trade and investment reform in Vietnam. Although the project was delayed for one year pending final GVN approval, it has begun to produce some achievements. Research and human resource capacities of NEU have been enhanced with the introduction of a business higher education program for its staff. A Masters program in Management Research Methods for 14 members from NEU and a recognized international standard Ph.D program for 2 NEU staff are underway and will be completed in December 2002. The project sponsored a seminar on trade and investment for 80 senior government and business officers to better understand issues faced by trade officials and businesses in the context of BTA implementation. This seminar served as a basis for follow-on courses and training seminars designed specifically to strengthen the capacity of Vietnamese firms to compete in regional and global markets.

#### **440-007: Improved Access to Services for Selected Vulnerable Groups**

Overall, performance under this SO met expectations in FY 2001. The purpose of this SO is to improve opportunities for selected vulnerable groups to lead more productive lives. Direct provision of services, policy development and reform, as well as social and economic rehabilitation activities were conducted with support of Leahy War Victims Fund (LWVF), Displaced Children and Orphans Fund (DCOF), Office of Foreign Disaster Assistance and ANE Regional HIV/AIDS programs. Key direct beneficiaries are orphaned and disabled children, victims of injuries from war or landmines, victims of the annual floods, and people at risk of contracting HIV/AIDS.

Disabilities: With support from the LWVF, the GVN established a National Coordinating Committee on Disabilities, with participation from multiple government ministries. USAID played a major role in Vietnam's hosting of Campaign 2001, the ninth annual meeting under the Asian and Pacific Decade of Disabled Persons. This event, the first of its kind in Vietnam, brought together more than 1,000 people with disabilities from 37 countries to review progress on an action agenda developed at the first meeting in Beijing in 1992. The meeting enjoyed high level government participation, and was opened by Vietnam's President Tran Duc Luong. USAID's support for children's disabilities programs (DCOF) contributed to the completion of a national baseline study of the prevalence of hearing disabilities ( Pearl S. Buck International in cooperation with the World Health Organization) and a decision by Vietnam's Ministry of Education and Training to expand the model of inclusive education for disabled children that has been successfully developed and tested by Catholic Relief Services. USAID support to the Bach Mai hospital and the National Institute of Pediatrics has provided equipment and staff training strengthen their capacity as the leading institutions for rehabilitation in Vietnam.

Disaster Relief and Mitigation: USAID's Office of Foreign Disaster Assistance (OFDA) provided more than \$100,000 of flood relief assistance to the Mekong Delta in late FY 2000 and

FY 2001. The assistance included two large water filtration units, plastic sheeting, and supplies for emergency child care centers. Assistance continued through four disaster mitigation projects: 1) establishing flood warning systems in the main river basins of Central Vietnam and upgrading national weather broadcasting capabilities; 2) establishing a coastal storm warning system for fishing boats at sea; 3) helping Vietnam predict and plan for extreme climate events such as El Nino and La Nina; and 4) initial planning to identify ways to build flood resistant housing in the Mekong region.

HIV/AIDS: Results under this activity are reported under the regional program.

Maternal and Child Health: With USAID support, UNICEF completed the first national epidemiological study of injuries in Vietnam under the Safe Vietnam Initiative. This initiative also led to the final approval by the Ministry of Health and the Prime Minister's Office of a national injury prevention policy. In the area of safe motherhood, the success of the district level training model developed by USAID grantee, NGO Networks for Health in Thanh Hoa Province, resulted in a request to replicate the model by an adjoining province, Quang Tri. USAID support to NGO Networks has also resulted in the Ministry of Health planning several new national advocacy efforts for safe motherhood.