




Australian Government
AusAID

Annual program performance report: Vietnam 2008-09

October 2009



© Commonwealth of Australia 2009

This work is copyright. You may download, display, print and reproduce this material in unaltered form only (retaining this notice) for your personal, non-commercial use or use within your organisation. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. Requests and inquiries concerning reproduction and rights should be addressed to Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>

Published by the Australian Agency for International Development (AusAID), Canberra, October 2009.

This document is online at www.ausaid.gov.au/publications

Note: Unless otherwise stated, all dollar amounts are in Australian dollars.

For further information about the Australian Government's international development program, contact:

Communications Section

AusAID

GPO Box 887

Canberra ACT 2601

Phone (02) 6206 4000

Facsimile (02) 6206 4880

Internet www.ausaid.gov.au

Contents

Abbreviations	5
Summary	6
Performance overview	6
Major results	7
Challenges and management consequences	7
Country performance	8
Macro-economic context	8
Progress on socio-economic development plan and MDGs	8
Corruption	8
Aid environment	8
Australia's aid	9
What are the results of our aid program?	10
Objective 1	10
Objective 2	11
Objective 3	11
Objective 4	12
Objective 5	12
Objective 6	13
Economic infrastructure	13
Scholarships	14
Public financial management and anti-corruption	14
What is the quality of our aid activities?	15
What are the management consequences of this assessment?	17
Maintaining a strategic focus	17
Alignment, harmonisation and aid modalities	17
Program resources	17
Appendixes	
A Aid effectiveness progress	18
B Quality reports	21

Abbreviations

ADB	Asian Development Bank
ADS	Australian Development Scholarships
DANIDA	Danish International Development Agency
DFID	UK Department for International Development
GOV	Government of Vietnam
MDG	Millennium Development Goal
NGO	non-government organisation
NTP-2	Rural Water Supply and Sanitation National Target Program
P135-2	Socio-Economic Development Program for Extremely Difficult Communes in Ethnic Minority and Mountainous Areas Phase 2
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
WTO	World Trade Organization

Summary

This report assesses the performance of Australia's aid program to Vietnam in 2008 against objectives agreed with the Government of Vietnam (GOV). This report should be read in conjunction with the 2007 report, which is available on the AusAID website.

Table 1: Ratings of the Vietnam program in achieving strategic objectives in 2007 and 2008

Goals and strategic objectives	Rating for 2008	Rating for 2007
Goal: Continued economic growth will occur without significant unmanaged adverse poverty, social and environmental impacts (MDG 1)		
1. GOV plans and effectively manages the long-term opportunities and risks of international economic integration	(Amber)	(Amber)
Goal: The poverty rate of ethnic minorities households is reduced to 30 per cent by 2010 (MDG 1)		
2. GOV adopts better planning and implementation approaches to assist in alleviating poverty among ethnic minorities	(Amber)	(Amber)
Goal: Human, economic and environmental losses from natural disasters are reduced (MDG 7)		
3. GOV implements integrated disaster mitigation approaches, including to address climate change	(Amber)	(Amber)
Goal: Eighty-five per cent of rural population have access to clean water and 70 per cent of rural households have access to hygienic latrines in 2010 (MDG 7)		
4. GOV adopts better planning and implementation approaches for providing rural water and sanitation	(Green)	(Green)
Goal: Core elements of the Vietnam health system that impact on service delivery are stronger (MDGs 4, 5, 6)		
5. GOV improves management, financing and coordination of the health sector	(Green)	(Green)
Goal: No higher-level outcome applicable		
6. GOV identifies and prepares for the new set of development challenges associated with 2010 middle-income country status	(Amber)	(Amber)

Note:

(Green)	The objective is on track to be fully achieved within the timeframe.
(Amber)	The objective will be partly achieved within the timeframe.
(Red)	The objective is unlikely to be achieved within the timeframe.

Performance overview

During the year, GOV programs, with substantial technical and financial assistance from Australia and other donors, delivered development benefits to approximately seven million people. Australian aid is well aligned with GOV policy, programs and systems. Overall, good progress has been made against all six strategic objectives and the scholarships program continues to strengthen Vietnam's human capital. Progress was also made against emerging

priorities, including consideration of the feasibility of the Cao Lanh Bridge, and new work on disability issues and climate change.

Major results

Australia supports the GOV Rural Water Supply and Sanitation National Target Program (NTP-2). We will provide an estimated 11 per cent of NTP-2's US\$315 million budget over 2006–10. Over the last three years in nine provinces 232 000 rural people have received access to clean water and 44 500 people have improved sanitation facilities due to NTP-2. In these provinces, access to water and sanitation has increased at a rate of up to 4 per cent faster than the national average. In 2008, 150 medium- to large-scale piped water schemes were built or upgraded. Hygienic latrines were provided for 504 schools, 181 health clinics and markets, and 100 000 households.

The key GOV program for addressing ethnic minority poverty (P135-2) is supported by a number of donors including Australia. We provide 4 per cent of P135-2's US\$1.1 billion budget. In the most remote parts of the country inhabited by poor ethnic minorities, 11 765 roads, bridges, schools and irrigation works, benefiting 6.7 million people, were constructed over the last three years. In 2008, 3000 new infrastructure works were completed. For the first time, due in part to donor advocacy, the GOV has set aside funding for infrastructure maintenance. Poverty among ethnic minorities is beginning to fall at a faster rate.

Other key achievements include:

- > endorsement of the World Trade Organization National Action Plan, which aims to maximise opportunities for economic integration and manage social risks
- > implementation of the National Strategy for Natural Disaster Prevention, Response and Mitigation, which aims to reduce the annual economic and human toll of disasters
- > development of a national accreditation system for health professionals and facilities, which aims to increase the safety and quality of health services for all.

Challenges and management consequences

Assessing the impacts of the global recession is a major preoccupation. We conducted a rapid review of how best to respond. Our current focus on infrastructure and social protection is deemed appropriate. However, some programs will need fine tuning to meet Vietnam's immediate needs. At the same time, we will need to accommodate new priorities in 2009. If Australia co-funds the Cao Lanh Bridge project, adjustments to our forward programming will be required.

Delivering aid through national systems requires the prudent use of checks and balances as we inject funds directly into Vietnam's budget. We will act on the recommendations of an independent review of our use of this type of aid. We will advance the Accra Action Agenda.

The Vietnam Country Strategy was expected to be finalised in 2008, but a rapidly changing climate required a re-think of the program's strategic objectives. A new strategy will be completed by late 2009. Laying a new strategic basis for Australia's role in Vietnam is the critical challenge for 2009.

Country performance

Macro-economic context

In response to the global recession, the GOV implemented a US\$1 billion fiscal and monetary stimulus as a counteractive measure. Further phases of stimulus are likely to push stimulus spending to around US\$8 billion in 2009. Growth will likely not exceed 4 to 5 per cent in 2009. Inflation is expected to be 8.7 per cent in 2009, down from 24.5 per cent in 2008. The outlook for the balance of payments is tight. The GOV has based its revenue projections for 2009 on an oil price of more than \$70 a barrel. Income from oil accounts makes up 30 per cent of total government revenue. Dramatic slowing of international trade is hitting Vietnam hard. In January 2009 Vietnam's international trade contracted by 24.1 per cent.

Progress on socio-economic development plan and MDGs

A 2008 GOV review of its Socio-Economic Development Plan 2006–10 identified macro-economic stabilisation with growth as a 2009 priority. The proportion of poor households decreased from 14.8 per cent in 2007 to 13.1 per cent in 2008, but it will be difficult to reach the planned 10 per cent target by 2010. Poverty is worst in rural and ethnic minority areas. Rural poverty will rise further as labourers return to their communities because of rising urban unemployment, and urban poverty will likely increase among those who cannot retreat to rural areas. Vietnam is on track to meet the Millennium Development Goals on poverty and hunger (MDG 1), basic education (MDG 2), gender (MDG 3), and maternal and infant mortality (MDGs 4 and 5). Stopping the spread of HIV/AIDS (MDG 6) and ensuring adequate sanitation and environmental sustainability (MDG 7) are less certain.

Corruption

Media reporting on corruption decreased considerably in 2008 following the arrest of two journalists for alleged false reporting on the PMU-18 corruption case. Japan suspended up to 65.3 billion yen in new official development assistance loans following a bribery scandal in a Japanese project, but resumed lending in early 2009 following agreement with the GOV to reforms to procurement processes under major infrastructure projects.

Aid environment

Donor resources, which make up a small proportion of Vietnam's development financing (around 10 per cent), will continue to be important while international capital remains scarce during the economic crisis. A 2008 World Bank survey of 15 donors suggested donor funding would remain steady out to 2015. Vietnam was active in the Accra High Level Meeting on aid effectiveness. The Prime Minister approved the Accra Action Agenda for implementation in

Vietnam. The results of the 2007 Development Assistance Commission Survey of the Paris Declaration in Vietnam concluded that Vietnam is on track to meet most of the Paris indicators.

Australia's aid

In 2008-09 Australia's official development assistance to Vietnam was estimated at \$105.9 million. Australia provides less than 5 per cent of all development assistance entering the country.

What are the results of our aid program?

A large proportion of Australian aid is delivered using GOV programs. Although this makes it difficult to directly attribute our activities to outcomes, working in this way is justified by its effectiveness. Our performance is assessed against the framework at Appendix C.

Objective 1

Goal: Continued economic growth will occur without significant unmanaged adverse poverty, social and environmental impacts (MDG 1)	
Objective 1	Rating
GOV plans and effectively manages the long-term opportunities and risks of international economic integration to ensure pro-poor growth	(Amber). The objective will be partly achieved within the timeframe

Better coordination across the economic and social sectors of the economy will ensure that the benefits of open markets in Vietnam are more broadly shared. The GOV has made important progress in this critical area. The Prime Minister endorsed a comprehensive WTO National Action Plan outlining priorities and responsibilities across the GOV, with a focus on boosting competitiveness, supporting the transition in the rural economy, and ensuring social protection. Our support contributed significantly to this achievement. The Beyond WTO Program helped formulate the National Action Plan, for example by ensuring that social protection and gender issues were included in the plan—areas that otherwise would not have received sufficient attention. Fifty-three provinces and 21 ministries developed WTO action plans during 2008. But a review of the sub-national plans undertaken by the Beyond WTO Program concluded that many were of mixed quality. And an independent analysis of the Beyond WTO Program found that there was confusion about where central responsibility for economic integration and management resided.

Estimated expenditure: 6 per cent or \$5.9 million of the Vietnam program 2008-09 budget.

Key initiative: Beyond WTO Phase II [GOV, DFID, World Bank], \$12 million (60 per cent of total), 2005–08.

Objective 2

Goal: The poverty rate of ethnic minorities households is reduced to 30 per cent by 2010 (MDG 1)	
Objective 2	Rating
GOV adopts better planning and implementation approaches to assist in alleviating poverty among ethnic minorities	(Amber). The objective will be partly achieved within the timeframe

The GOV's principal program for addressing poverty among ethnic minorities across the country is P135-2. Over the last three years this program has funded 11 765 small-scale infrastructure projects including roads, bridges, schools and irrigation works (3000 new works in 2008). Around 6.7 million people have benefited from improved transportation, schools and access to water. Measures to boost agricultural production have been put in place and 245 500 households have received support, including extension training for 74 000 poor farmers.

In 2008, the GOV allocated 6.3 per cent of P135-2 funding to infrastructure investments for operations and maintenance. Before this, no funding had been allocated for this purpose. The percentage of communities directly responsible for implementing P135-2 increased from 37 per cent in 2007 to 56 per cent in 2008. We played a central role in getting GOV agreement to collect gender-disaggregated data for P135-2.

A mid-term review of P135-2 noted that the level of support for agriculture and for local community capacity building was well below target. There remains little evidence that poor ethnic minority farmers have become involved in new forms of agricultural production. Minimal progress has been made on improving infrastructure procurement practices, although an independent audit undertaken in 2008 found little evidence of improper practice. Measures are now being taken to address weaknesses that have been identified.

Estimated expenditure: 12 per cent or \$12.4 million of the Vietnam program 2008-09 budget.
Key initiative: P135-2 [GOV, World Bank, Finland, Ireland, DFID, UNDP], \$45 million (4 per cent of total), 2006–10.

Objective 3

Goal: Human, economic and environmental losses from natural disasters are reduced (MDG 7)	
Objective 3	Rating
GOV implements integrated disaster mitigation approaches, including to address climate change	(Amber). The objective will be partly achieved within the timeframe

The most significant achievement in 2008 was the implementation of the GOV's National Strategy for Natural Disaster Prevention, Response and Mitigation. By the end of 2008, 54 of Vietnam's 63 provinces and 12 of its 18 ministries had developed action plans that included a focus on disaster risk reduction. We promoted the involvement of communities and schools in this process. We also supported the use of new modelling tools to provide crucial information on expected flooding patterns. But progress has been slow, largely because of capacity constraints. Three NGO projects achieved good local-level disaster mitigation results, including the establishment of an effective typhoon early warning system. These projects have contributed to a reduced loss of life in recent local flooding.

Estimated expenditure: 5 per cent or \$5.6 million of the Vietnam program 2008-09 budget.

Key initiatives: Natural Disaster Mitigation Partnership [GOV, World Bank] and Natural Disaster Risk Management Project [GOV, World Bank], \$5.2 million (3 per cent of total), 2008–10.

Objective 4

Goal: Eighty-five per cent of rural population have access to clean water and 70 per cent of rural households have access to hygienic latrines in 2010 (MDG 7)	
Objective 4	Rating
GOV adopts better planning and implementation approaches for providing water and sanitation	(Amber). The objective is on track to be fully achieved within the timeframe

Progress has been made towards achieving the MDG 7 target for clean water and sanitation, but not at the pace required, particularly with respect to sanitation. By 2008, about 74 per cent of people had access to clean water, but less than 55 per cent had access to hygienic latrines.

The GOV's work in these areas has been done principally through NTP-2. An additional 232 000 people now have access to clean water and 44 500 people have improved sanitation. In 2008, 150 medium- to large-scale piped water schemes were built or upgraded, together with 400 new small-scale schemes. Hygienic latrines (and access to clean water) were provided for 504 schools, 181 health clinics and markets, and 100 000 households.

The GOV decided to increase the national budget allocation for rural water supplies and sanitation by 18 per cent and increase the proportion of funding for sanitation from 30 per cent to 51 per cent. Our advocacy led to a GOV decision to increase from 6 per cent to 15 per cent the funding allocated to promote education on hygiene in the nine NTP-2 pilot provinces.

There is evidence that three NGO projects have helped reduce diarrhoea in the households that received new latrines.

Estimated expenditure: 11 per cent or \$11.4 million of the Vietnam program 2008-09 budget.

Key initiative: Rural Water Supply and Sanitation National Target Program Phase 2 [GOV, DANIDA, Netherlands], \$48 million (11 per cent of total), 2006–10.

Objective 5

Goal: Core elements of the Vietnam health system that impact on service delivery are stronger (MDGs 4, 5, 6)	
Objective 5	Rating
GOV improves management, financing and coordination of the health sector	(Green). The objective is on track to be achieved within the timeframe.

In 2008 the GOV, with Australian assistance, made progress in reforming the health system. Legislation was drafted for a national accreditation system for health professionals and facilities. The GOV piloted a new financing and quality control model to rationalise health services and pave the way to a 'pay-for-performance' approach. Our support led to the standardisation of treatment and related costs for selected common diseases.

GOV coordination in the health sector has improved. The Second Joint Annual Health Review was completed and sets out priorities for the coming year. The GOV and donors agreed on a statement of intent to improve the effectiveness of health assistance.

Our support to the Clinton Foundation increased the number of children receiving HIV treatment from 200 in mid-2006 to over 1400 at the end of 2008. We helped shift policy on harm reduction with a study tour to Australia by the Deputy Prime Minister. A review of our laboratory partnerships program concluded that this assistance had strengthened the response to avian influenza.

Estimated expenditure: 3 per cent or \$2.9 million of the Vietnam program 2008-09 budget.

Key initiative: Vietnam Delivering Better Health Initiative [GOV, ADB], \$13.4 million (15 per cent of total), 2008–10

Objective 6

Objective 6	Rating
GOV identifies and prepares for the new set of development challenges associated with 2010 middle-income country status	(Amber). The objective will be partly achieved within the timeframe

Infrastructure and human resource bottlenecks, persistent pockets of poverty and widespread rent seeking and corruption all retard the country's transition to middle-income status.

Vietnam's socio-economic development plan for 2010–15 will attempt to navigate a course through these challenges; but it remains unclear how donors can help shape the plan. Through the World Bank's Poverty Reduction Support Credit program, we began to focus on issues associated with this transition. Our support through the program in 2008 led the GOV to establish indicators, data sources and monitoring systems on gender. One of our projects helped establish performance reporting systems for a number of GOV programs.

Our progress against aid effectiveness targets is detailed in Appendix A. Australia will continue as co-chair of the Partnership Group on Aid Effectiveness until the end of 2009.

Estimated expenditure: 17 per cent or \$17.38 million of the Vietnam program 2008-09 budget.

Key initiatives: Partnership Group on Aid Effectiveness (co-chair) and Poverty Reduction Support Credits [World Bank and 12 other donors], \$30 million (8 per cent of total), 2007–09.

Economic infrastructure

A key objective of Australia's assistance in the Mekong is to increase trade in the sub-region and improve access to markets for the poor. Investments in transport corridors and rural electrification are at early stages of implementation. During the year we focused on mobilising new partnerships with the World Bank and the Asian Development Bank to support our work in these areas. Vietnam and Australia agreed that the Cao Lanh Bridge is a priority for improving connectivity and access to markets for poor people in the Mekong Delta. Investigating the feasibility of the bridge was a major focus of our work with the ADB in 2008.

Estimated expenditure: 10 per cent or \$10 million of the Vietnam program 2008-09 budget.

Key initiatives: Mekong Transport Infrastructure Development Project [World Bank], Southern Coastal Corridor [ADB], Rural Energy Distribution Project [World Bank] and Central Mekong Delta Connectivity Project [ADB].

Scholarships

We provided 150 scholarships to Vietnamese students in 2008. Our scholarships program has a direct link to the GOV priority to train 20 000 post-doctoral scholars by 2020 as part of Vietnam's plan to become an industrialised country. Australia has agreed to increase the number of Australian Development Scholarships (ADS) places from 150 to 175 per year. We reviewed the ADS program in 2008. A stronger link between the program and Vietnam's needs will be pursued by focusing scholarships on priority public sector institutions.

Estimated expenditure: 15 per cent or \$15.45 million of the Vietnam program 2008-09 budget.

Key initiatives: Australian Development Scholarships and ADS Prep.

Public financial management and anti-corruption

We implemented the commitment made by the Minister for Foreign Affairs, Mr Stephen Smith, to fund training for senior Communist Party of Vietnam Inspectorate officials. The training was conducted at the Australian National University in November 2008. Support was provided to financial management reform across the GOV, particularly in relation to water and sanitation. We helped draft a new law on public asset management, which passed the National Assembly in 2008. The law provided the basis for improving the transparency and efficiency of the use of state assets, cutting waste and generating more state revenue for public investment.

What is the quality of our aid activities?

In 2008, the Vietnam program consisted of 55 initiatives, of which 18 were registered for quality at implementation reporting. This accounted for 31 per cent of total initiatives, or 73.5 per cent of the total 2008-09 program budget. In 2008, quality at implementation reports were produced for all monitorable activities. In 2009 we intend to reduce the number of initiatives from 55 to 32 as part of our ongoing streamlining, and in so doing increase the number of monitorable initiatives to 68 per cent of total initiatives, or 90 per cent of the total Vietnam program annual budget.

Of the assessed initiatives, most are making satisfactory progress in implementation (an increase of 10 per cent compared to 2007) and towards achieving their objectives (an increase of 4 per cent compared to 2007). The number of initiatives having good or very high-quality ratings increased to five (from two in 2007), accounting for 31 per cent of assessed initiatives. Implementation ratings were highest for the activities under strategic objectives 2 and 6. The Australian Development Scholarships program continued to produce excellent results. Although more than half of the initiatives were assessed as needing improvement in monitoring and evaluation, this was a 16 per cent improvement on the previous year. The assessed level of sustainability showed a smaller (9 per cent) improvement compared to 2007.

Economic infrastructure activities in Vietnam delivered through the Asian Development Bank and the World Bank continue to progress slowly. In most cases, the delays are due to the complexity surrounding the implementation of major infrastructure projects in Vietnam, particularly with regard to issues of resettlement, land acquisition, procurement and, in the case of the energy sector, contention associated with the reform of large state-owned enterprises. We are continuing to work with the banks on developing strategies to accelerate implementation.

Six major initiatives under program-based approaches, accounting for 38.4 per cent of the total Vietnam program budget, produced quality at implementation reports covering nearly 94 per cent of the total budget for these approaches. In October 2008 we undertook an independent review of our use of GOV programs and systems. The review found that our use of program-based approaches in Vietnam was largely appropriate and effective. Some weaknesses and inconsistencies were identified, in areas that include monitoring and evaluation, public financial management and gender equality.

At almost \$4.9 million in 2008-09, our support for NGOs in Vietnam was about 5.73 per cent of the Vietnam program budget. Most activities are small, stand-alone and spread across more than 20 implementing NGOs. The implementation quality of the six activities under our flagship VANGOCA program has been generally good. We recognise, however, that VANGOCA has not contributed significantly to meeting our strategic objectives. An independent review of the program in March 2009 came to similar conclusions, recommending that we start thinking about how we should support NGOs and civil society after VANGOCA ends in 2010.

Five completion reports were prepared in 2008. All the initiatives assessed had achieved effective ratings. However, most of the initiatives had low ratings for monitoring and evaluation and sustainability. The low level of sustainability is a reflection of a long-running weakness in stand-alone projects and an important rationale behind our switch to new forms of aid. The quality reporting systems reports for 2008 are at Appendix B.

What are the management consequences of this assessment?

Maintaining a strategic focus

The strategic objectives of our program were discussed at high-level consultations between Australia and Vietnam in mid-2008, and approved by the GOV later in the year. The Vietnam Country Strategy will be completed in third quarter of 2009. Infrastructure, poverty reduction, water and sanitation, scholarships and middle-income challenges remain relevant and do not need to be revisited. Immediate responses to address the impacts of the global recession can readily be accommodated under these strategic objectives. Initiatives such as public financial management will continue, and new programming under the disability strategy will be an important element of our health sector engagement. If construction of the Cao Lanh Bridge proceeds with Australian support, adjustments to our forward programming will be required. Importantly, maintaining a strategic focus will entail winding down small, non-core activities and avoiding entering into new activities.

Alignment, harmonisation and aid modalities

We propose to develop engagement strategies for each program-based approach that articulate key objectives and guide the type and level of interventions needed. This will identify how we add value and the steps required to achieve our goals. Public financial management, monitoring and evaluation, and gender have been identified as key areas for us to take a more active role as part of an effective division of labour among our donor partners. Inconsistencies in the way fiduciary risk has been dealt with across different program-based approaches will be eliminated. We will develop procurement manuals for each of our ongoing programs and for all future programs. We will identify and promote measures that have helped to improve the quality of GOV reporting. Our partnership with UNIFEM will enable better gender analysis in program design and review.

Program resources

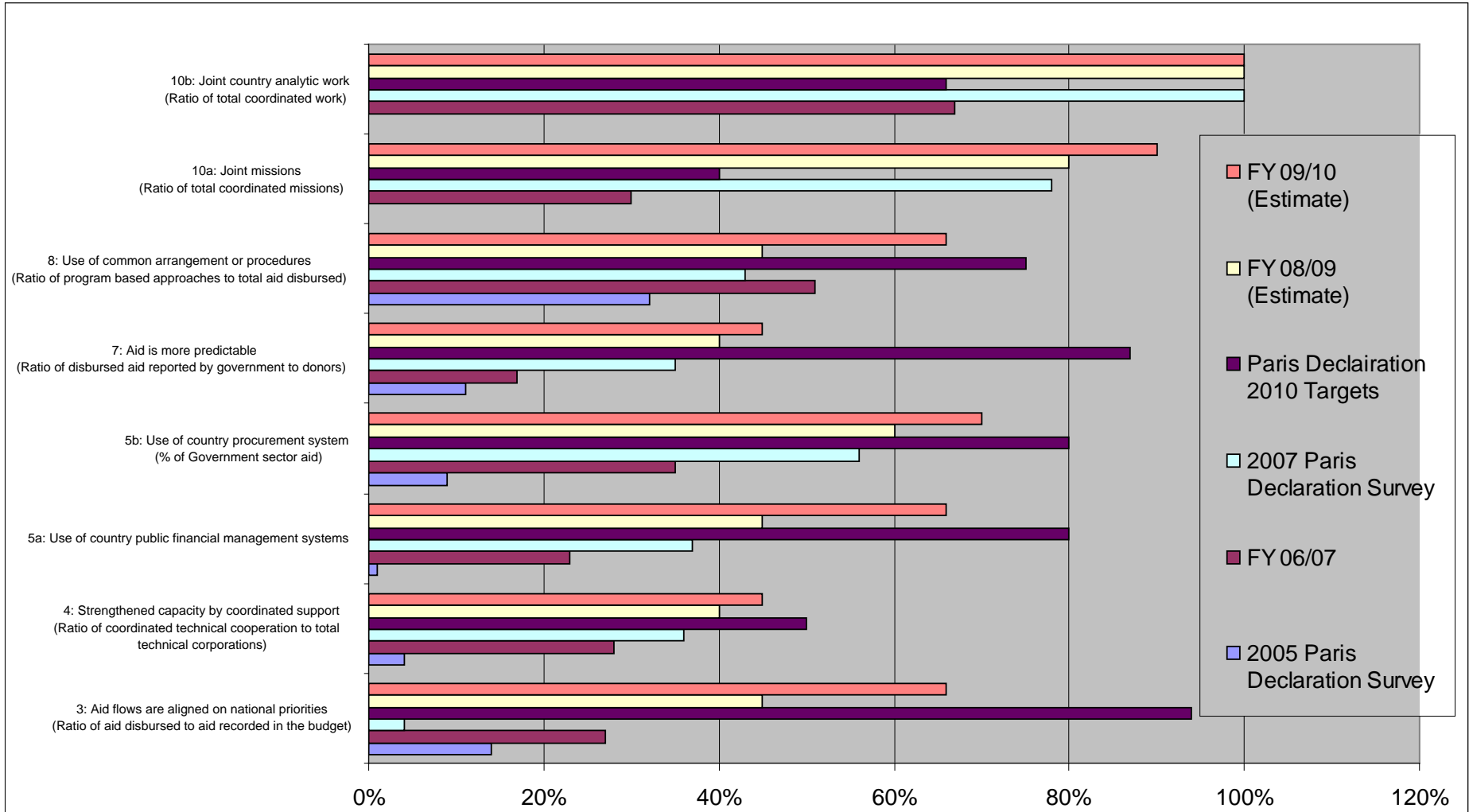
Engagement in program-based approaches continues to place a heavy burden on staff, as discussed in the 2007 report. We will continue to deploy our staff resources to support the key priorities of the Vietnam program. During this process, we will use the lessons we learned from the mid-2008 closure of the AusAID Ho Chi Minh City office and subsequent restructuring of the Hanoi office. We will build on the work of recent years that strengthened our quality assurance O-based team to deliver solid results in strengthening our performance reporting, particularly in terms of quality and reporting processes.

Appendix

A Aid effectiveness progress

Table A2: Progress against aid effectiveness indicators

Indicator	2005 Paris Declaration Survey	FY 06/07	2007 Paris Declaration Survey	FY 08/09 (Estimate)	FY 09/10 (Estimate)	Paris Declaration 2010 Targets
3: Aid flows are aligned on national priorities (Ratio of aid disbursed to aid recorded in the budget)	14%	27%	4%	45%	66%	94%
4: Strengthened capacity by coordinated support (Ratio of coordinated technical cooperation to total technical corporations)	4%	28%	36%	40%	45%	50%
5a: Use of country public financial management systems	1%	23%	37%	45%	66%	80%
5b: Use of country procurement system (% of Government sector aid)	9%	35%	56%	60%	70%	80%
6: Avoid parallel implementation structures (Number of parallel PMU)	16	18	6	4	2	0
7: Aid is more predictable (Ratio of disbursed aid reported by government to donors)	11%	17%	35%	40%	45%	87%
8: Use of common arrangement or procedures (Ratio of program based approaches to total aid disbursed)	32%	51%	43%	45%	66%	75%
10a: Joint missions (Ratio of total coordinated missions)	0%	30%	78%	80%	90%	100%
10b: Join country analytic work (Ratio of total coordinated work)	0%	67%	100%	100%	100%	100%



Appendix

B Quality reports

The tables use the following rating scale:

Satisfactory (4, 5 and 6)

Green. 6	Very high quality
Green. 5	Good quality
Yellow. 4	Adequate quality; needs some work to improve

Less than satisfactory (1, 2 and 3)

Amber. 3	Less than adequate quality; needs significant work
Red. 2	Poor quality; needs major work to improve
Red. 1	Very poor quality; needs major overhaul

Table B1: Quality at implementation

Objective and initiative	Achieving objectives	Implementation progress	Monitoring and evaluation	Sustainability
Objective 1: GOV plans and effectively manages the long term opportunities and risks of international economic integration				
Collaboration for Agriculture and Rural Development	Green.	Green.	Green.	Green.
Objective 2: GOV adopts better planning and implementation approaches to assist in alleviating poverty among ethnic minorities				
Program 135 Phase 2	Green.	Yellow.	Yellow.	Green.
Objective 3: GOV implements integrated disaster mitigation approaches				
World Bank Natural Disaster Risk Management Project	Yellow.	Yellow.	Red.	Yellow.
VANGOCA WV Reduce Flood Vulnerability	Green.	Green.	Green.	Green.
VANGOCA CARE Comm. Resilience to ND	Green.	Green.	Yellow.	Yellow.
VANGOCA OCAA Disaster Management	Yellow.	Green.	Green.	Green.
Objective 4: GOV adopts better planning and implementation approaches for providing rural water and sanitation				
RWSS Joint Donor Review and Assist to NTPH	Green.	Yellow.	Green.	Green.
VANGOCA CARE W&S for Mekong Poor	Amber.	Amber.	Amber.	Amber.
VANGOCA AFAP Dengue Safe WS	Green.	Green.	Yellow.	Yellow.
Objective 5: GOV improves management, financing and coordination of the health sector				
Delivering Better Health Initiative	Green.	Green.	Green.	Green.
Vietnam EID—Phase II Joint UN/GOV AI Prog	Amber.	Yellow.	Yellow.	Yellow.
VN Clinton Foundation—HIV/AIDS Treatment	Green.	Green.	Yellow.	Amber.

Objective and initiative	Achieving objectives	Implementation progress	Monitoring and evaluation	Sustainability
Objective 6: GOV identifies and prepares for the new set of development challenges associated with 2010 middle-income country status				
Poverty Reduction Support Credits: 7	Green.	Yellow.	Yellow.	Green.
Assistance to Public Assets Management Law	Green.	Green.	Green.	Green.
Economic infrastructure				
ADB Southern Coastal Corridor	Amber.	Amber.	Yellow.	Yellow.
World Bank Mekong Delta Transport Infrastructure	Amber.	Amber.	Yellow.	Amber.
World Bank Rural Electrification	Red.	Red.	Amber.	Red.
Scholarships				
Vietnam—ADS	Yellow.	Green.	Yellow.	Yellow.
Vietnam ADS—Prep	Green.	Green.	Green.	Green.

Table B2: Quality at entry

Initiative	Clear objectives	Monitoring framework	Sustainability	Implementation and risk management	Analysis and lessons
Beyond WTO Phase II	Green.	Yellow.	Yellow.	Yellow.	Green.
Implementation Support Program—P135 2 in QN	Green.	Green.	Green.	Green.	Green.
Vietnam – Australian Development Scholarships	Green.	Green.	Green.	Green.	Green.
Vietnam Delivering Better Health	Yellow.	Green.	Yellow.	Yellow.	Green.

Table B3: Quality at completion

Initiative	Analysis and learning	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability
Quang Ngai Rural Development Program—Phase II	Green.	Green.	Amber.	Amber.	Yellow.
Quang Ngai Natural Disaster Mitigation	Green.	Yellow.	Green.	Yellow.	Amber.
Cuu Long Delta RWSS	Amber.	Yellow.	Yellow.	Green.	Yellow.
North Vam Nao Water Control Project II	Green.	Green.	Green.	Yellow.	Green.
Vietnam Australia Monitoring and Evaluation Strengthening Project Phase II	Green.	Green.	Green.	Yellow.	Amber.

Appendix

C Performance against strategy assessment framework

Table C3: Performance strategy assessment framework

Goal	Strategic objective	2008 key milestones	Government of Australia assistance
Continued economic growth will occur without significant unmanaged adverse poverty, social and environmental impacts (MDG 1)	1. GOV plans and effectively manages the long-term opportunities and risks of international economic integration	<ul style="list-style-type: none"> ➤ Credible national, provincial and ministerial WTO Action Plans developed and implementation commenced ➤ Completion of study on social impacts of WTO accession including gender equality analysis ➤ Donors' assistance to implementation of action plans identified by GOV ➤ Multi-donor trust fund established and evidence of donor technical assistance implemented 	<p><i>Key initiatives:</i> Beyond WTO Phase II (with DFID and World Bank)</p> <p><i>Second tier initiatives:</i> Poverty Reduction Support Credits; UNIFEM Strategic Partnership; Collaboration for Agriculture and Rural Development (CARD)</p> <p><i>Other (2008):</i> Sponsored regional meeting on food security; workshop on strategic direction of Ministry of Agriculture and Rural Development key policy institute; facilitated partnership between the policy institute and International Food Policy Research</p>
The poverty rate of ethnic minorities households is reduced to 30 per cent by 2010 (MDG 1)	2. GOV adopts better planning and implementation approaches to assist in alleviating poverty among ethnic minorities	<ul style="list-style-type: none"> ➤ P135-2 provision of infrastructure, agricultural, capacity building and livelihood support on target ➤ Over 60 per cent communes are investment owners for infrastructure and production activities of P135-2 ➤ Over 50 per cent of civil works contracts awarded through open competitive bidding under new regulations for P135-2 ➤ Ensure gender equity in P135-2 and ISP implementation 	<p><i>Key initiatives:</i> P135-2 (with World Bank, Finland, Ireland, UNDP); Implementation Support Program for P135-2 in Quang Ngai Province</p> <p><i>Second tier initiatives:</i> Australian Centre for International Agricultural Research; Collaboration for Agriculture and Rural Development</p>
Human, economic and financial losses from natural disasters are reduced (MDG 7)	3. GOV implements integrated disaster mitigation approaches, including to address climate change	<ul style="list-style-type: none"> ➤ National Action Plan for Disaster Mitigation formulated and implementation begins ➤ Integrated Disaster Risk Management Plans adopted in three pilot provinces ➤ National Target Program to Respond to Climate Change drafted and approved 	<p><i>Key initiatives:</i> Natural Disaster Risk Management Project (with World Bank); Natural Disaster Mitigation Partnership; Quang Ngai Natural Disaster Mitigation Project</p> <p><i>Second tier initiatives:</i> VANGOCA Participatory Disaster Management in Dong Thap and Tien Giang provinces; Community Resilience to Natural Disasters in the Mekong Delta; Reducing Flood and Storm Vulnerability in Quang Ngai Province; Conservation and Development of the Biosphere Reserve of Kien Giang Province (with GTZ)</p> <p><i>Other (2008):</i> Opening of Australia-funded safe harbour in Quang Ngai in June by Australian Ambassador</p>

Goal	Strategic objective	2008 key milestones	Government of Australia assistance
Eighty-five per cent of rural population have access to clean water and 70 per cent of rural households have access to hygienic latrines in 2010 (MDG 7)	4. GOV adopts better planning and implementation approaches for providing water and sanitation	<ul style="list-style-type: none"> ➤ Provision of water and sanitation infrastructure support in nine pilot provinces on target ➤ Introduction of a medium-term expenditure framework to assist multi-year financing decisions ➤ Development of improved planning guidelines to support local authorities and communities to access the NTP-2 ➤ Allocate higher ratio of funds to recurrent financing to enable greater attention to hygiene and IEC 	<p><i>Key initiatives: Rural Water Supply and Sanitation National Target Program, Phase 2 (NTP-2)</i></p> <p><i>Second tier initiatives: VANGOCA Water and Sanitation for Mekong Poor, Dengue Safe Water and Sanitation; Three Delta Towns Water Supply and Sanitation Project (completed July 2008)</i></p>
Core elements of the Vietnamese health system that impact on service delivery are stronger (MDGs 4, 5, 6)	5. GOV improves management, financing and coordination of the health sector	<ul style="list-style-type: none"> ➤ Draft accreditation law on examination and treatment submitted to GOV ➤ Care pathway approaches integrated into GOV and development partners' programs ➤ Health System Strengthening programs agreed by GOV and development partners ➤ Joint health policy matrix agreed by GOV and development partners 	<p><i>Key initiatives: Vietnam Delivering Better Health Initiative; Poverty Reduction Support Credits national policy dialogue</i></p> <p><i>Second tier initiatives: Policy dialogue informed by linkages with bilateral and regional interventions in HIV/AIDS (Clinton Foundation, HIV/AIDS Asia Regional Program), emerging infectious diseases (UN Joint Program on Avian Influenza, Avian Influenza Laboratory Partnership Program) and road safety (Helmet Campaign)</i></p>
No higher-level outcome applicable	6. GOV identifies and prepares for the new set of development challenges associated with 2010 middle-income country status	<ul style="list-style-type: none"> ➤ Support development of GOV Socio-Economic Development Plan 2010–15 ➤ More effective Partnership Group on Aid Effectiveness to better implement Paris Declaration and Accra Action Agenda ➤ Engage relevant AusAID thematic group and Australian GOV expertise relating to countries in transition to middle-income status ➤ Strengthen GOV efforts in efforts in gender, monitoring and evaluation, and public financial management 	<p><i>Key initiatives: Partnership Group on Aid Effectiveness (co-chair); Poverty Reduction Support Credits</i></p> <p><i>Second tier initiatives: Public Sector Linkages Program; Vietnam Australian Monitoring and Evaluation Strengthening Project; One UN; Human Rights Technical Cooperation Program</i></p>