

Development Issues in Vietnam

Current situation in Vietnam

Experienced the fierce wars in the years from 1950-70 and the low economic development in years 1970- mid 80, Vietnam has applied the “Doi Moi” policy since 1986 and built a country based on a market economy. Thanks to these efforts, in the recent years, Vietnam had reached an annual growth rate of 7.5%, ranking second in Asia after China only. The economy has developed strongly with the poverty rate reduced from 58% in 1993 to 37% in 1998 and 16% in 2006.

The Five Year Socio-Economic Development Plan 2006-2010 sets the goals to become a modern industrialized country by 2020 and a middle income country by 2010 with GDP per capita of 1,050 USD.

On the other hand, there are many issues needed to be solved to obtain the above mentioned targets. In January 2007, the expected WTO membership has been approved, and thus, Vietnam’s integration into the global economy is speeding up. Therefore, it is necessary to establish institutional frameworks and infrastructure to attract foreign investment and increase competitiveness of domestic production. Also, the gap between the rich and poor appears as the other side of a medal of quick economic development. Environmental degradation caused by urbanization and industrialization becomes more serious.



Development Criteria		
	Vietnam	Japan
Total size (Thousand km ²)	332	378
Population (Million people)	84,1	127,9
Population growth rate (%/year)	1,9	0,5
GDP per capita (US\$)	631	35,484
GDP annual growth rate (%)	5,9	0,8
Adult Literacy rate (%)	90,3	-
Net primary enrolment rate (%)	88	100
Maternal mortality ratio, reported (per 100,000 live births)	170	8
Under-five mortality rate (per 1,000 live births)	19	4
Life expectancy at birth, annual estimates (years)	73.7	82.3
Percentage of people having access to clean water (%)	85	100
CO ₂ emissions (% of world total)	0.3	4.3
CO ₂ emissions per capita (tones)	1.2	9.9

(Source: UNDP “Human Development Report 2007/2008” and Vietnam’s Statistical Year Book 2006)

JICA's Prioritized Areas

The Japan International Cooperation Agency (JICA) started its cooperation with Vietnam in 1992, one year after the Cambodia Peace Agreement was signed. At the beginning, JICA contributed to the nation building in Vietnam in 5 sectors, namely, (1) Human Resources and Institution Building; (2) Economic Infrastructure; (3) Agriculture and Rural Development; (4) Education, Health and Medical Services; and (5) Environment. In 2004, the "Country Assistance Program" was improved and focused on three main pillars in extending ODA to Vietnam: (1) Promotion of Growth; (2) Improvement of Living and Social Conditions; and (3) Institutional Improvement.

At present, in order to contribute further to Vietnam's socio-economic development and help solve many other issues arising from economic development, such as the gap between the rich and poor, and environmental problems, ... JICA will continuously implement its schemes and expand its cooperation areas including: (1) Promotion of Growth and Competitiveness; (2) Livelihood Improvement and Narrowing Disparities; (3) Environmental Protection; and (4) Governance Strengthening. Especially, JICA will concentrate on the cooperation with 3 prioritized areas which are the Northern Mountainous Region, the Central Highlands, and Mekong Delta.



JICA's Activities in Vietnam (1)

Some Projects for Promotion of Growth and Competitiveness



Project for Tax Administration Reform

While Vietnamese economy is shifting to market-based economy, General Department of Taxation (GDT) has made its strategy titled “Strategic Plan for Tax Administration Reform to 2010” and is proceeding with reform activities including introducing self assessment system. When introducing self assessment system, it is inevitable to encourage taxpayers to keep books and to make accurate tax payment, and to establish proper mechanism for monitoring declared tax. However, it is new challenge for GDT and it is necessary to enhance its capacity. With this background, JICA supports GDT to proceed with the reform on tax administration through such activities as improvement of taxpayer service, enhancing capacity of tax audit and improving staff training mechanism.



The Project for Traffic Safety Human Resource Development in Hanoi

In the capital of Hanoi, together with economic development, the volume of motorbikes and automobiles is increasing rapidly. The crowded flow of these vehicles without proper traffic safety measures increases the number of traffic accidents and is a serious social problem. Targeted at “improvement of traffic safety measures for Hanoi”, the Project implements and examines models which apply traffic organization experience of international standards through a combination of 3 comprehensive countermeasures: Engineering, Education and Enforcement. In addition, we design training courses based on the achievements of the above mentioned models, and conduct training for traffic safety personnel in Hanoi such as traffic police, traffic inspectors, and engineers, to enhance their capacity.



Vietnam - Japan Human Resources Cooperation Center in Hanoi and Ho Chi Minh City (Phase 2)

In order to promote the transition towards the market economy, through developing human resources with practical business knowledge, and strengthening the cooperation between Japan and Vietnam, we built 2 Vietnam - Japan Human Resource Cooperation Centers (VJCC) in Hanoi and HCMC, where business courses, Japanese language classes, and other cultural exchange activities are organized. In addition, VJCCs in Vietnam are expected to accomplish the role as a locomotive in association with those in other ASEAN countries.

Some Projects for Livelihood Improvement and Narrowing Disparities



Project for Improvement of Productive Technology in Small and Medium Scale Dairy Farms

In Vietnam, dairy farming techniques are disseminated partly through Departments of Agriculture and Rural Development, husbandry cooperatives, companies which provide breeding animals... and these techniques themselves have problems. Small and medium sized dairy farming households (5.3 cows/household), therefore, have low milk production (6.4l/cow/day). Due to instable income from milk production, it is difficult to develop sustainable dairy farming. Being implemented in provinces of Vinh Phuc, Hung Yen, Son La and Thanh Hoa, through the improvement of technique dissemination, the Project aims to stabilize milk production of small and medium sized dairy farming households.



The Project for Capacity Development for National Institute of Hygiene and Epidemiology (NIHE) to Control Emerging and Re-emerging Infectious Diseases

In recent years, Vietnam has been faced with a threat of new infectious diseases such as SARS and avian flu but has yet to establish a proper prevention and treatment system. By using Grant Aid, the Government of Japan helped the NIHE equip the first ever Bio-Safety Level 3 laboratory that meets international standards in Vietnam. The on-going JICA Project at NIHE is to provide technical assistance to the treatment capacity of highly hazardous transmissible pathogens properly in the above mentioned laboratory, and thereby enhance the capacity of examination and thus, the capacity to response to new diseases.



The Project for Improvement of Rural Living Conditions in North Western Mountainous Region

The Northwestern Mountainous region is the poorest area in Vietnam, with the poverty rate of 46.1% according to Vietnam Household Living Standard Survey 2004. The local people have yet to be benefited from the rapid economic development of this country. Also, as the region consists of various ethnic minority groups, it is important to refer to their different ways of living, customs, etc., in considering the development of the region. Given this context, JICA has been conducting the Master Plan Study on agriculture and rural development of the whole region in general and of 4 provinces: Lai Chau, Dien Bien, Son La and Hoa Binh in particularly, in order to delineate a picture of the development future

Some Projects for Environmental Protection



The Project for Implementation Support for 3R Initiative for a Sound Material-cycle Society in Hanoi

In line with the “*National Strategy for Environmental Protection and Vision until 2020*” which aims to re-use 30% waste by 2020, Hanoi City has been conducting campaigns on re-use of material. Building a sound material-cycle society on the basis of 3R Initiative (Reduce - Reuse - Recycle) is, therefore, essential for sustainable development in Hanoi City. Having the purpose of supporting the implementation of 3R activities through waste separation and collection, JICA is implementing a pilot project on waste separation at source in which organic, inorganic and recycled are separated by households in some pilot areas and making an action plan to expand to the whole city. Besides, as implementation of 3R Initiative strongly needs the participation of local people, we are conducting educational and informational activities through various channels such as, citizen’s group meetings, schools and the mass media,...



The Project for Rehabilitation of Natural Forest in Degraded Watershed Area in the North of Vietnam

The forest cover in Vietnam has been decreased and the quality of the forest has been deteriorated due to the damages directly caused by the war and the development of agricultural land. To address the issue, the Vietnam government launched “*Five Million Hectares Reforestation Program*” to protect and to recover forests. JICA is supporting this national program by developing sets of measures to rehabilitate natural forest in degraded watershed area of Northern Vietnam for forest management organizations and local people through conducting studies on establishment of sets of techniques for rehabilitation of natural forest and on demonstration of livelihood improvement activities with utilization of forest resources.



The Project on the Villager Support for Sustainable Forest Management in Central Highland

Being implemented in Kon Tum Province of the Central Highland, the Project’s purpose is to lessen the reliance of local people on burning forests for cultivation, thereby reducing the pressure on the forests and achieving sustainable forest management. To obtain this target, JICA selected 5 model villages in Kon Plong and Kon Rei of Kon Tum province, and provides the villagers with technical guidance on agriculture, forestry, animal husbandry and agro-forestry activities. At the same time, JICA supports the villagers and government to enhance their capacity for doing activities to improve living standards. Thereby, agriculture, forestry, animal husbandry and agro-forestry activities are improved in the model villages.