Message from the Chief Representative

**Reviewing Year 2011**

Happy New Year. A new year on the solar calendar has come. Vietnam is also going to welcome another new year on the lunar calendar. Taking this occasion, I would like to review the result of work by the JICA Vietnam Office.

I wish you all the best for this New Year.

1. **Great East Japan Earthquake (March)**
   - 10 months have passed since the earthquake. People are devoting continuous efforts in recovery and reconstruction of the disaster-stricken areas. We have received donations and messages of sympathy from Vietnam since the earthquake struck. I would like to extend my gratitude for all of this. As a Japanese person working in Vietnam, I sincerely appreciate it, and reassure the importance of friendship with Vietnam.

   - JICA has a training center for volunteers in Fukushima Prefecture (Nihonmatsu City), and it was used as an evacuation center for those who suffered from the earthquake and nuclear accident. Messages from Vietnamese authorities were sent to victims through this training center and JICA’s homepage.
   - Signing of ODA Loans Agreement, scheduled to be held in March, was postponed due to the earthquake. However, the Japanese Government decided to continue providing the ODA, and it was signed in June (for two projects on expressways worth a total of 41 billion Yen). Under the agreement on strategic partnership between Vietnam and Japan, I would like to devote myself to ensuring the steady progress of Japanese ODA in Vietnam.

2. **Prime Minister Dung’s Official Visit to Japan (Late October to Early November)**
   - Prime Minister Dung paid an official visit to Japan, in a trip that affirmed and even strengthened the strategic partnership between the two countries. Under the partnership, the expansion of Japanese ODA to Vietnam was also agreed upon.
   - I would like to enhance cooperation on development of infrastructure such as urban transportation in Hanoi City and Ho Chi Minh City, the North-South expressway, and Lac Huyen Port, which is critical for the development of Vietnam. Furthermore, I would like to pay special attention to cooperation on higher education at universities in addition to existing technical cooperation projects in this sector.

Human resource development is indispensable for the development of science and technology as well as industries in Vietnam.

- When the Prime Minister was in Japan, a new agreement for 6 ODA Loans worth a total of 92.7 Billion Yen was signed. The signed projects include construction of Lac Huyen Port, the North-South expressway, building of a power plant, and countermeasures against climate change among other work.

- Now we are preparing for new ODA Loans for the second half of this fiscal year. These loans will be signed by March. This plan includes development of Hoa Lac Hi-Tech Park, construction of second terminal at the Noi Bai International Airport, national highway route No.3, afforestation, and improvement of hospitals in rural areas.

- If these ODA Loans are agreed, the total amount of loans signed during one fiscal year will by far exceed a record amount in the fiscal year of 2009 (a total of 150 billion Yen). This amount realizes the strategic partnership between the two countries which was agreed upon during Prime Minister Dung’s stay in Japan. As Chief Representative of JICA in Vietnam, I am delighted at this amount. The Japanese national budget is limited after the earthquake. Therefore, I will devote my best effort to implementing these ODA projects more effectively and efficiently while cooperating with Vietnamese authorities. I would like to contribute to the development of Vietnam through smoothly implementing Japanese ODA projects.

3. **Support for Vietnam’s New Development Plan**
   - Last year must have been a milestone for Vietnam in its journey into a new era. A National Congress of the Communist Party of Vietnam was held in January, a new Vietnamese Government was established based on the results of elections for National Assembly members, and a new Five-Year Socio-Economic Development Plan (SEDP) and a new Ten-Year Socio-Economic Development Strategy (SEDS) were established.
   - JICA shared our comments on the new SEDP and introduced Japanese experiences to Vietnam during the Vietnamese Government’s work on formulating the plan. This support includes our cooperation with the Vietnam Academy for Social Science (VASS) to organize seminars and provide training in Japan for Communist Party of Vietnam members and staff in the Prime Minister’s Office. I would like to further improve our support for policy-making and developing areas such as development of industrialization strategy and legal reform, a key element to achieve the development of Vietnam.

4. **Progress on Infrastructure Development**
   - Many ODA projects progressed in 2011. I would like to express my appreciation to the Vietnamese Government, implementing agencies, local People’s Committees and the local residents involved in the work.
   - One of the most impressive projects is “the Saigon East-West Highway Construction Project” which was completely finished and opened in November 2011. This highway was complete when the Thu Thiem Tunnel was built to connect the two sides of the Saigon River. I expect that this highway contributed to reducing traffic jams and improving the environment in the City.
5. (Companies, Local Governments) JICA works on involving many Japanese companies in infrastructure development and transfer of technologies and know-how through providing Grand Aid and Government Loans. Japanese ODA aims to involve in a project under the JICA Partnership Program that conducts heart operations for children. In Hanoi City, the "Terminal 2 Construction Project at Noi Bai International Airport" was held in December 2012. Work on "the Nhat Tan Bridge Construction Project" has progressed, and construction of an expressway from Noi Bai International Airport to Nhat Tan Bridge was also started. All these projects will be completed by 2014 creating a new international gateway for Hanoi City.

- An ODA Loan was signed and progress has been made on a detailed plan for the construction of Lac Huyen Port, a sea gateway in Northern Vietnam. This project will be a model project in Public-Private-Partnership (PPP). Japanese ODA Loans are used to construct basic infrastructure such as roads and bridges to access the port as well as land filling operations. Meanwhile, a Japan-Vietnam joint venture company invested in construction of port facilities.

- JICA conducted research to support formulation of PPP projects. In 2011, JICA conducted research for a total of 10 projects, such as the Long Thanh new international airport, Hanoi urban railway No. 5, and a drinking water and drainage system in Hanoi City.

- Preparation for development of subways and urban railways has progressed in Hanoi City and Ho Chi Minh City. In 2012, in addition to transportation projects such as the North-South Expressway Construction Project, I would like to see the construction of several thermal power plants (in the North: two projects to build coal-fired plants, in the South: one project on building a gas-fired plant).

5. Expanding Partnerships

- (Companies, Local Governments) JICA works on involving many Japanese companies in infrastructure development and transfer of techniques on the job. These days, an increasing number of local Japanese governments also contribute to transferring their know-how, technologies and management. Support from local governments includes work on: the Ho Chi Minh City Subway by Osaka Municipal Subway, Hanoi City Subway by the Tokyo Metro, drinking water in Thua Thien Hue and Yokohama City, drinking water in Ho Chi Minh City and Osaka City, drinking water in Hanoi City and the Bureau of Waterworks Tokyo Metropolitan Government, and waste management in Hoi An Town and Naha City in Okinawa Prefecture. In addition to providing Grand Aid and Government Loans, Japanese ODA aims to provide a wide range of technologies and know-how through cooperation with local governments.

- (Long-term Experts) JICA dispatched more than 76 long-term Japanese experts as a part of technical cooperation. They are working with ministries such as the Ministry of Planning and Investment, Ministry of Transportation, Ministry of Construction, and Ministry of Health as well as local governments and other related agencies. These Japanese experts provide advice for policy-making by ministries and various technical assistance for agriculture development, development in the health sector, taxation, customs administration and so on.

- (Volunteers) In total, 68 volunteers are currently working to provide technical assistance and share management know-how for supporting industries and small and medium-sized enterprises. These volunteers also work nation-wide in the Japanese language, nursing, physical therapy and other sectors.

- (Universities) Cooperation among universities is expanding under support from JICA. For example, JICA supports joint-research among Japanese universities and the Hanoi University of Agriculture, Hanoi University of Science and Technology, Ho Chi Minh City University of Science and Technology and others. In addition, a group of Japanese professors is involved in a project under the JICA Partnership Program that conducts heart operations for children.

- (South-South Cooperation) In 2011, Japan and Vietnam started working together to support African countries. Currently 4 Vietnamese officials from the Department of Agriculture and Rural Development of Hanoi City are working together with Japanese experts in a Technical Cooperation Project. This project aims at improving irrigation and production of rice crops. I would like to apply such models of cooperation between Japan and Vietnam to other cooperation in other countries or sectors.

(Chief Representative of JICA in Vietnam, TSUNO Motonori)

Main Topics of the Month

Promotion of Economic Growth and Strengthening of International Competitiveness

1. Fifth Seminar on Consumer Protection (20 and 21 December)

In July 2011, Consumer Protection Law was approved at the National Congress. The Vietnam Competition Authority (VCA) has been assigned to enforce this law. However, an institution to enforce the law, the role of the Consumer-Protection Advocate, and demarcation of roles between central government and local government are still under discussion. The law establishes that the Department of Information and Technology (DOIT) is in charge of consultation services for consumers. However, in reality not all DOITs assign staff to fulfill the role, causing problems in enforcement of the law.

"The Project on Strengthening Capacity of the Consumer Protection Administration" aims to establish the institutional foundation of the VCA for enforcing Consumer Protection Law. With this objective, the
The Vietnam Competition Agency (VCA) and JICA jointly organized a seminar on 6 December in Hanoi City about competition advocacy. Representatives from government authorities, enterprises located in Hanoi City, lawyers and academics participated in the seminar.

The moderator of the seminar was Mr. Nguyen Phuong Nam, Deputy Director of VCA. Speakers were Mr. Igarashi, an expert of JICA. Ms. Trang Phuong Lan, Director of the Department of Competition Policy of VCA, and Ms. Cao Xuan Hien, Director of the Department of Competition Restriction Assessment, VCA. Deputy Director Nam stated in his opening remarks that Vietnam needs to urgently improve the effectiveness and efficiency of regulation on the abuse of dominant and monopolistic positions. In addition, he appealed to participants for deepening understanding on appropriate enforcement of the regulation referring to Japanese practices to enforce the Anti-Monopoly Act.

Ms. Lan, Director of Department of Competition Policy of VCA gave a presentation titled ‘Competition Law and Abuse of Dominant and Monopolistic Positions’. In this presentation, Ms. Lan described the background of regulations against abuse of dominant and monopolistic positions and related part of the Competition Law in comparison to those in other countries, including Japan. She also discussed the creation of a database targeting core industries in Vietnam and a fact-finding survey on the market as part of VCA's activities.

A presentation by a JICA expert, Mr. Igarashi, was titled ‘Regulation for Individual Monopolies in Japan’. In this presentation, he explained the conditions of an individual monopoly in the context of the Japanese Anti-Monopoly Act. He explained that under Japanese legislation and its enforcement, the Competition Law should not be applied to all cases equally. Instead, the responsible authority should decide on cases to apply the Law after the authority comprehensively assesses the influence of every case on competition. He also appealed to the VCA for further cooperation to accomplish reform of the Competition Law.

Ms. Hien, Director of the Department of Competition Restriction Assessment, gave a presentation called ‘Enforcement of Competition Law in Vietnam’. This presentation described the organization of the VCA and the Vietnam Competition Council (VCC), procedures to deal with cases of anti-competition, and progress on the Competition Law and competition policy in Vietnam. A number of activities that restrict competition or are considered as unfair were also discussed in her presentation. Furthermore, she described details in the VINAPCO case, which was considered as an abuse of a monopolistic position.

A question and answer session was also held. Mr. Igarashi raised the following points regarding the independence of the Japan Fair Trade Commission (JFTC): 1. In Vietnam, the VCA assesses cases and the VCC makes decisions. In Japan, the JFTC is in charge of both activities; 2. The VCA is under the Ministry of Industry and Trade, while the JFTC keeps its independence without any supervision from other authorities; 3. The Japanese Anti-Monopoly Act ensures the independence of the Chairman and members of the JFTC with regard to exercising their authority. He stressed the importance of improving the independence of authorities in charge of competition. The seminar successfully ended with appreciation from the participants.

2. **VCA and JICA Jointly Organize the Competition Advocacy Seminar on Abuse of Dominant Market Positions**

The Vietnam Competition Agency (VCA) and JICA jointly organized a seminar on 6 December in Hanoi City about competition...
and representatives from the Ministry of Natural Resources and Environment, Ministry of Agriculture and Rural Development, Ministry of Construction, Vietnam Union of Technology and Science Associations (VUSTA), and 8 provinces along the representatives from the North-South railway line.

In his opening speech, Mr. Nagase, Deputy Representative of JICA in Vietnam said that “demand for transportation in Vietnam is increasing rapidly, resulting in more passengers on the North-South line. To meet the demand, the railway transportation system needs to be developed. I would like to ask all of you for your active involvement in discussions so that work on the issue takes into account as many options as possible”.

Mr. IWATA Shizuo, leader of the JICA mission, explained the process to be undergone based on the findings of the mission. Currently, the number of passengers using the North-South railway is decreasing. He said this reduction relates to poor infrastructure and train cars, an inconvenient train route, and low quality of services. As options to improve the situation, he suggested reform of existing trains, construction of a double track, and construction of new lines.

Vice Minister Duc said he highly valued the result of the JICA mission. He stated, “Research for the development of the North-South railway needs a bottom-up approach to closely examine every possible option such as single track or double track, and passengers’ cars only or combining passengers’ cars and cargo ones. At present, there is no confirmation of a reform plan that the route at the length of 1,435m will be changed into double track running at a train speed of 350km per hour. VNR and MOT should prepare a reasonable decision after hearing from citizens. To do so, I would like to call for active information sharing from provinces along the railway line.”

Participants agreed with the reform of existing trains without cost-underestimation of the reform. Some participants requested technology transfer to Vietnam. Furthermore, Vice General Director of VNR, Mr. Dong called on the involvement of the private sector in railway development.

The mission leader IWATA Shizuo replied that there is a possibility of cooperation, as Japan has rich experiences in hardware maintenance, train development together with urban development, and human resource development for operation and management. This request will be added in the mission report.

The interim report of this mission will be submitted in February 2012.

4. 23rd Transport Partnership Group Meeting

On 25 November, the Transport Partnership Meeting was held and co-chaired by Deputy Director of the Department of Planning and Investment, Ministry of Transportation and Mr. NAGASE Toshio, Deputy Representative of JICA in Vietnam. This meeting is held twice a year. About 30 participants gathered for this round including the Vietnam Expressway Management Office under Ministry of Transport, General Office of Road, World Bank, ADB and JICA experts.

The main themes of this meeting were “Policy and Direction for Sustainable Transportation Network” and “Maintenance and Operation of Sustainable Urban Transportation”. Experts discussed an institution to operate and manage expressways, establishment of financial sources for road maintenance and operation, and unified management of urban railways in Hanoi City.

In specific, an expert from the ADB insisted on imposing a gasoline tax as a financial source for road maintenance and management. The expert also pointed out the necessity of public relations activities to raise understanding from citizens in regards to this tax application. The Ministry of Transportation expected that donors would encourage the Vietnamese Government to establish a fund for it. JICA highlighted the importance of cooperation between the Ministry of Transportation and Ministry of Public Security for effective operation and management of expressways.

With regard to urban railway in Hanoi City, a JICA mission on Special Assistance for Project Implementation (SAPI) is considering an institution and function that unifies several urban railways for its management.

**Improvement in Living and Social Conditions and Corrections of Disparities**

5. First JCC Meeting (Technical Cooperation Project) “Project on Capacity Development of Laboratory Network in Vietnam for Biosafety and Examination of Highly Hazardous Infectious Pathogens”

On 14 December, the first Joint Coordination Committee (JCC) meeting was held for the above-mentioned project. This meeting was chaired by Mr. Nguyen Tran Hien, Director of the National Institute of Hygiene and Epidemiology. Representatives from the Pasteur Institute in Ho Chi Minh City, Pasteur Institute Nha Trang and Tay Nguyen Institute of Hygiene and Epidemiology and the pilot Provincial Center of Preventive Medicine participated.

Chairman Hien said: “Recently, there are increasing risks of emerging and re-emerging infectious diseases entering Vietnam in a short period of time, as more and more people travel across borders. In this situation, the Japanese Government implemented a Technical Cooperation Project ‘Capacity Development for NIHE to Control Emerging and Re-Emerging Infectious Diseases (Phase 1)’. This project supported the establishment of a laboratory at Bio-Safety-Level 3 (BSL 3) to inhibit epidemic of SARS, avian flue and H1N1 flu, which developed in 2003 in Vietnam. The project resulted in a great success”.

In addition, Mr. Hien explained that this project disseminates technologies of NIHE to other institutes and laboratories, and strengthens the network based on the outcome of Phase 1.

Before the JCC meeting started, each institute reported on activities for biosafety, and discussed the future direction of the project. This project started in late February 2011 and will be implemented until mid February 2016.
6. Second JCC Meeting (Science and Technology Research Partnership for Sustainable Development) “Sustainable Integration of Local Agriculture and Biomass Industries”

On 7 December 2011, the above captioned project held a second Joint Coordination Committee (JCC) meeting. This project is under the Science and Technology Research Partnership scheme for Sustainable Development (JICA-JST).

The Ho Chi Minh City University of Science and Technology, Ho Chi Minh City People’s Committee, and Vietnam Academy of Science and Technology cooperate with the Tokyo University and National Agriculture and Food Research Organization in this project. The work aims at developing and demonstrating ‘sustainable integration of local agriculture and biomass industries’. Under this objective, the project takes action to achieve the following: 1. Secure food and energy supplies; 2. Help prevent global warming; 3. Protect and improve the environment; 4. Improve the livelihood of villagers in rural areas and reduce poverty. The project will be implemented for 5 years from 2009.

At the meeting, each group outlined progress on their activities such as preparations on installing a facility to demonstrate biomass application, environmental impact assessment, and obtaining enzymes used for producing bio-ethanol. The presentations also introduced the results of their studies and the schedule to be followed. From the presentations, participants affirmed progress of activities as planned. On the other hand, participants pointed out that development and demonstration of the system need due consideration so that it can be applied in rural areas as well as ensuring its sustainability.

7. Second JCC Meeting (Science and Technology Research Partnership for Sustainable Development) “Project on Development of Crop Genotypes for the Midlands and Mountainous Areas of North Vietnam”

On 9 December 2011, the above captioned project held its second Joint Coordination Committee (JCC) meeting. In this project, the Hanoi University of Agriculture cooperates with Kyushu University and Nagoya University. It aims at strengthening a research institution to develop a rice crop that is applicable to the natural and social environment of the North Midlands and Mountainous areas in Vietnam. This crop is also expected to grow in a short period of time, to realize high productivity, and to be resistant against disease and pests. The project is planned to be implemented for five years from December 2010 under a scheme called Science and Technology Research Partnership for Sustainable Development (JICA-JST).

In the JCC meeting, Kyushu University and Hanoi University of Agriculture reported on the progress of the project, result of inputs, and research progress. The report affirmed that every activity for research and human resource development is progressing as planned. These activities target:

1. Development of rice breeding methods using high-through-put genotyping technology; 2. Development of promising lines with short growth duration, high yields, and disease and insect resistant genes; 3. Characterization of eco-physiological characteristics of such promising lines. With regard to the scheme itself, the participants discussed an evaluation method of the JICA-JST program, which enhances the growth of developing countries and international research cooperation. The participants agreed on issues of this scheme and the necessity to continue the discussion.

8. Second JCC Meeting (Technical Cooperation Project) “Project on Sustainable Forest Management in the Northwest Watershed Area (SUSFORM-NOW)”

This project which started in August 2010 held its second Joint Coordination Committee (JCC) meeting in Dien Bien Province on 22 December. At the meeting, the progress of the project for the year 2011 and the plan for the year 2012 were tabled. In addition, challenges encountered during the implementation and the countermeasures were actively discussed. In this project, JICA cooperates with the Department of Agriculture and Rural Development to target 2 districts and 1 city. From this year, the project will start discussions on the expansion of project sites. It is crucial to further enhance visibility of project benefits, in order to further attract people’s interest.

Environmental Protection


This project started in June 2010 and will be implemented for three years. The midterm review for the project was conducted after inviting experts and professors of JICA’s supporting committee of the project. Although political and judicial institutions are gradually established, these institutions are not perfectly enforceable, and capacity of officers for operation is not always sufficient, causing problems in administration for water environmental management. In order to improve the situation, this project started to support the Ministry of Natural Resources and Environment (MONRE) and 5 Departments of Natural Resources and Environment in Hanoi, Ho Chi Minh, Hue, Hai Phong, and Ba Ria-Vung Tau.

The midterm review concluded that this project has so far progressed as planned though some of the activities are slightly behind schedule. In November 2011, the Prime Minister approved the National Target Program on environmental management. The Vietnamese Government has been reviewing
the Law on Environmental Protection, and it’s going to be revised by 2013. The Vietnamese side highly evaluates this project as it provides timely support to meet crucial needs.

On 22 December, the results of the midterm review were shared in a Joint Coordination Committee (JCC) meeting to discuss future activities of the project. This discussion improved solidarity of the people involved in this project.

Others

10. Plenary Meeting of Volunteers under the Theme of Dialogue

On 15 and 16 February, a plenary meeting of volunteers was held. Under a meeting theme of ‘Dialogue’, volunteers had group discussions on improvement of volunteer activities, dialogue with national staff at the JICA office, and involvement of counterparts to volunteers’ activities. Discussion-groups consisted of young and experienced senior volunteers, hence ages and work experiences were different. However, each group actively exchanged opinions on how to prepare themselves to work well, as well as their actual activities in the fields. At end of the meeting, Mr. Nghiem Vu Khai, Vice Minister of Science and Technology, gave a lecture about the economic and social situation in Vietnam and expectations on volunteers.

Some participants evaluated this round as the best among plenary meetings of volunteers. This meeting was planned and held by the volunteer-activity improvement committee under support from other committees and volunteers. Experts and staff of the JICA Vietnam Office also supported this meeting.

Newly Started Projects

11. (Science and Technology Research Partnership for Sustainable Development) “Project on Development of a Monitoring System at the Food Administration for Multidrug-Drug Resistant Bacteria” (Signed to R/D on 27 December)

Recently, multi-drug resistant bacteria has been on the rise, increasing fears of more outbreaks of intractable infectious diseases. In Vietnam, it is reported that the number of drug-resistant bacteria carriers is drastically increasing. This project, under a scheme called SATREPS: Science and Technology Research Partnership for Sustainable Development, aims at establishing a monitoring system of multidrug-resistant bacteria to analyze its generation mechanism and detect infectious diseases caused by such bacteria. This monitoring system is also expected to clarify work on antibiotics and other related factors that can spread infectious diseases. Director of the Vietnam Food Administration, under the Ministry of Health expected that the results of this project be reflected to policy making so that the policies are based on scientific evidence.

Security Issues

Management of Official Passports during Tet Holidays

Many people must be preparing for travel to other countries or within Vietnam, or coming back to Japan during the coming Tet holidays.

As cautioned before, a number of people related to JICA lost their official passports when their luggage was stolen at airports and restaurants as well as from cars, or when they were the victims of bags snatches on the street. Once an official passport is lost, you will have to remain in Vietnam, spoiling your holiday plans. Please pay due attention to properly managing your passport and passports for your family members.

Social and Economic Issues in Vietnam

Consultative Group Meeting (CG)

On 6 December, the Consultative Group Meeting was held in Hanoi City with the presence of Mr. Nguyen Tan Dung, Prime Minister, ambassadors, international organizations, and bilateral organizations. Economic stagnation in developed countries is anticipated due to the debt crisis in Europe that has enhanced depreciation of the Euro and economic issues in the US. In this situation, participants shared an understanding that the Vietnamese Government needs to ensure macroeconomic management and financial sector reform to improve economic competitiveness.

Prime Minister Dung reviewed developments in 2011. Vietnam enforced Government Resolution 11 to execute policies toward financial and monetary austerity, reduce financial deficit, restrain public investment and inflation, expand social welfare, etc. As a result, Vietnam achieved an inflation rate lower than 18%, reduction of the interest rate by declining CPI, stability of exchange rate, reduction of trade deficit through an increase in exports, recovery of balance between fiscal revenue and expenditure, reduction of public debt, reduction of government bonds, and stability of prices of commodities. The Vietnamese Government committed to continuing to restrain public investment, reform state-owned companies, and reform the monetary system.

Japanese Ambassador TANIZAKI stated that it is crucial to restrain inflation, maintain financial stability, invest in infrastructure to support economic growth, and reduce budget spending. Based on dialogue between the Vietnamese Government and Japanese Government, he would like to cooperate with Vietnam for effective and efficient capital allocation.