Japan's ODA in Vietnam

∼Inclusive and Dynamic Development ∼

Japan International Cooperation Agency (JICA)

Vietnam Office



Table of Contents

 Policy on Japan's ODA to Vietnam Schemes of Japan's ODA 		
4. Cooperation Content		
- 1 Economy and Finace	4	
- 2 Transportation	5	
- 3 Electricity	7	
- 4 Industrialization Strategy	8	
- 5 Industrial human resources	9	
- 6 Urban environmental management	10	
 7 Natural resources and environmental conservation 	12	
 8 Disaster prevention 	13	
 9 Climate change responses 	14	
-10 Health	15	
-11 Agriculture and rural development	17	
-12 Governance	18	
-13 Public Private Partnership, Support for SMEs	20	
Reference web page	21	

1. Policy on Japan's ODA to Vietnam

Sustainable growth (National target: Basically Modern-oriented Industrialized Nation by 2020)

PROMOTION OF ECONOMIC GROWTH AND STRENGTHENING INTERNATIONAL COMPETITIVENESS

- OStabilizing macro economy and structural reform (inflation Control, SOE reform)
- OStrengthening industrial competitiveness and human resources capacity
- **ODeveloping Infrastructure**

JICA supports

(Policy support)

- (1)Improving investment environment through Japan-Vietnam Joint Initiative
- 2 Supporting "Industrialization Strategy" Policy
- 3 Supporting SOE and Financial sector reform.

(Infrastructure system)

- (1) Applying Japanese technology, knowhow and systems to Vietnam
- 2 Wide cooperation with private enterprise, organizations, etc

New Socio-economic Development Plan (2011-2015)

New Socio-economic Development Strategy (2011-2020)

<3 break-throughs: Institution;</pre> **Human resources: Infrastructure>**



<GOOD GOVERNANCE>

- **OLegal and judicial reforms** Challenges
 - OStrengthening administrative function and capacity
 - OPromotion of participation of citizens (legislature, etc)

JICA supports

- 1) Cooperation on judicial field (MOJ, etc.)
- 2Strengthening capacity of public officers and civil servants (Institutional reform) (Office of government, HCM National Academy of Politics and Public Administration)
- 3Strengthening function of National Assembly (Office of National assembly)
- 4 Strengthen function of Media (VTV)

<RESPONSE TO FRAGILITY>

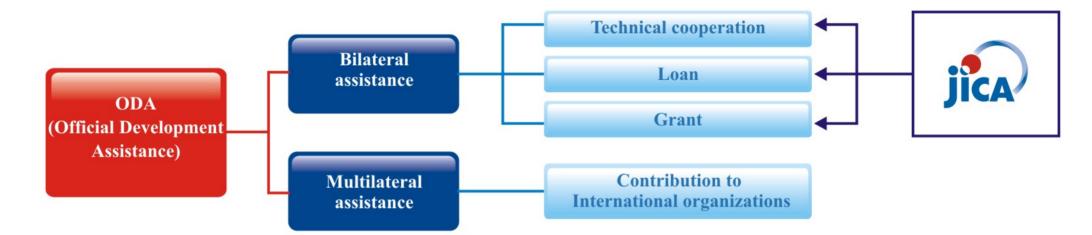
Challenges

- **OPoverty Reduction, Addressing** Disparity
- OImproving basic social services
- OCounter measures against environmental problems and climate change

JICA supports

- 1) Basic infrastructure development (water supply and sewer, local infrastructure)
- 2) Health (local, core hospitals, infectious disease)
- 3 Agriculture and rural development
- (4) Environmental conservation (Environmental management and natural environment conservation)
- (5) Support program on response to climate change (policy dialogue framework, financial aid)
- 6) Human trafficking prevention, etc

2. Schemes of Japan's ODA



Technical cooperation (T/C)

- Policy advice through **Experts**
- Project T/C Technical transfer through projects in areas such as agricultural development, health, etc
- Grass-roots T/C Support for cooperation activities of NGOs, universities municipalities, etc
- Training program Training in Japan and other countries

Japan Overseas **Cooperation Volunteers** (JOCV)

<Areas> Rural development, health, environment, Japanese language, etc

Senior volunteer (SV)

<Areas> Human resource development for supporting Industries, etc

Financial Aid

ODA loans

Provide long-term and low-interest loans to infrastructure development for transportation, energy, water environment, etc

(Standard terms and conditions of loans)

- Repayment period: 30 years

Loan

- Grace period: 10 years Interest rate: 1.4%

Private Sector Investment Finance (PSIF)

Supports for the business of private enterprises in developing countries through the provision of loans and equity

Grant

- General projects for health, education, environment, disaster management climate change, etc
- Grass-roots Human security projects for small-scale projects by NGOs, Municipalities and others

3. Records for Japan's ODA to Vietnam

Financial Aid

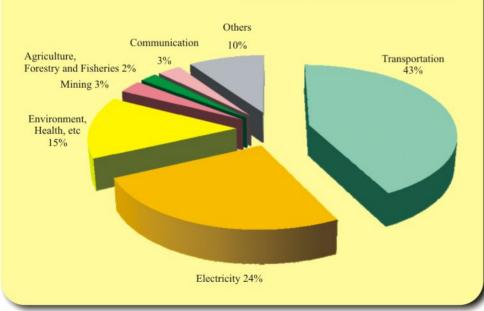
■ Record for financial aid (approved amount)

(Billion Yen)

	Loan	Grant
2010	86.6	3.5
2011	270	5.5
2012	175	1.2

■ Distribution by sector

Cumulative total amount approved 2010 billion Yen from FY 1992 to 2012



Technical Cooperation

Total number of experts: 6,807 people

(from FY 1992 to 2012, includes consultants) dispatched to ministries and universities such as: MPI, MOT, MARD, MOH, MONRE, MOLISA, SBV, MOF, MOJ, HUST, HUI, etc

Areas of cooperation:

Health, Agriculture development, Afforestation, Monetary policy, Investment promotion, Industrial human resources, SMEs, Environment, Climate change, etc

Receiption of trainees: 20,234 people

(from FY 1992 to 2012)

(In Japan: 9,841 people; In other countries: 10,393 people)

Volunteers

Total number of volunteers dispatched: 482 people

(from FY 1992 to 2012)

(JOCV 353 people SV 129 people)

Areas of Cooperation:

Health, Rural development, Environment, Industrial human resources, Supporting industries, Japanese language, etc

4-1 Economy and Finance

Economic institutional development

- Tax administration reform
- Enforcement of competition law
- Consumer protection, intellectual property protection

Project for Tax Administration Reform in Vietnam (Phase 3)

Project for the Improvement of Legal Framework for Competition Law and Policy

Cooperation in Economy and Finance Sectors

- Economic-related law preparation & enforcement capability improvement
- Macro economic stabilization & economic restructuring
- Industrial competitiveness enhancement, Human resources development
- Investment environment improvement

Financial sector and SOEs reform

- SOEs reform
- Banking system reform
- Capacity development for the State Bank of Vietnam

Capacity Strengthening on Corporate Finance Management Contributing to Implementing State-owned Enterprises (SOEs) Restructuring

Vietnam Bank Restructuring Support Project

Industrial competitiveness enhancement, Human resources development

- Industrial human resources development
- Industrialization Strategy Implementation
- SMEs, supporting industry development

Project for strengthening TOT functions at Hanoi University of Industry (HaUI)



Investment environment improvement

- Investment promotion and business environment improvement
- E-customs development (Technical cooperation & Grant Aid)

Project for E-Customs and National Single Window for Customs Modernization

4-2 Transportation

Construction of basic transportation infrastructure

- Construction of the main North-South expressway
- Construction of deep-sea port
- Construction of airports in big cities

Terminal 2 Construction Project at Noi Bai International Airport



Noi Bai International Airport Terminal 2

Support through Technical Assistance

- Establishment of urban railway operation and management company
- Transport safety policy
- Preparation for safe aviation system

Establish Operation and Maintenance of Metropolitan Railway Lines in Hanoi City

Priorities of Transportation sector

- Response to urgent increase in traffic due to economic growth
- Response to fast urbanization and urban transportation problems.
- Transport safety policy, accumulation of facility maintenance management knowhow, strengthening capability

Construction of urban transportation infrastructure

- Construction of urban railway system
- Construction of bridges
- Construction of bypass, ring road

HCM Line 1 urban railway project

Hanoi City Ring Road No.3 Construction Project



Hanoi city Ring road 3



Nhat Tan Bridge (Japan-Vietnam Friendship Bridge)

4-2 Transportation

Typical examples

Financial and technical support for building urban railways ~Apply soft and hard technology from Japan ~

- Promote urban railway construction as a solution for urban transportation as populations increase in Hanoi & HCM cities
- Financial assistance to construct prioritized railways (Line 1 and 2 in Hanoi city, Line 1 in HCM city)
- Technical assistance to establish railway operation and maintenance companies and toll collection system (transferring experiences and knowhow from Tokyo Metro and Osaka municipal subways)

Use Japanese technology and knowhow to optimize "soft" and "hard" cooperation
∼ 「Export infrastructure system」 ~



Hanoi City Urban Railway Line 1 Ngoc Hoi Depot Complex



HCM City Urban Railway Line 1

4-3 Electricity

Development of power sources

- Construction of hydro power, thermal power plant
- Development of power sources in the South
- Increase efficiency of power transmission and distribution

Power transmission and distribution network development project

O Mon thermal power plant Unit 2 construction project



O Mon thermal power plant

Priorities of Electricity sector

- Response to tight supply and demand due to absolute shortage of generation capacity (especially in the South)
- Decrease losses in power transmission
- Promote energy saving policy and decrease energy consumption
- Private fund's participation in power development

Promote energy saving

- Make Master plan
- Establish energy management training center
- Energy saving labeling policy

Establishment of Energy Management Training Center

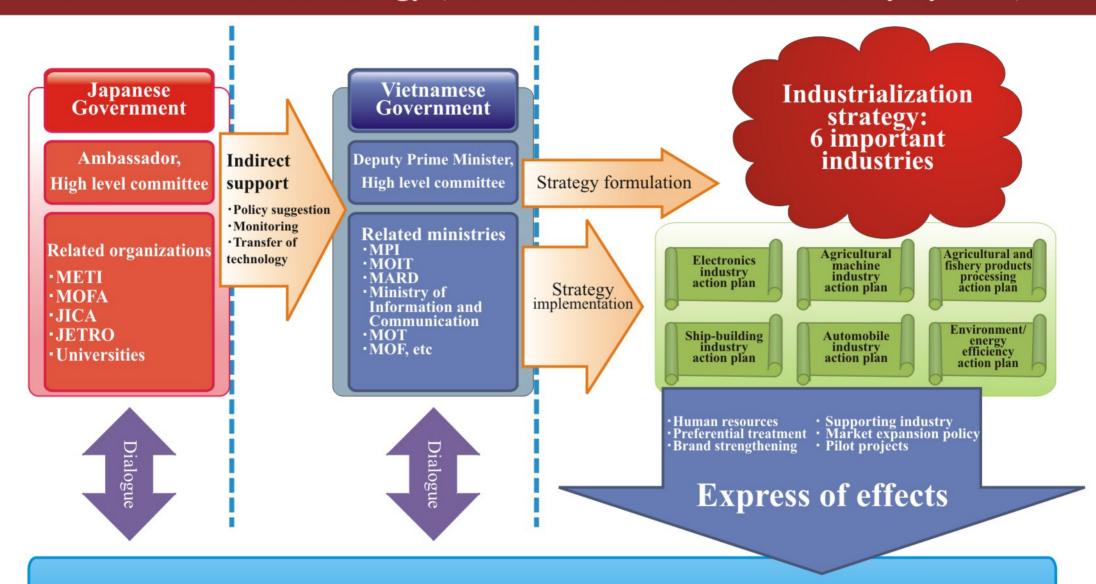
Promote private sector's participation

 To promote power sources development by BOT/IPP method, diversify the investors in power sector through construction of common facilities of power generation complex.

Thai Binh thermal power plant and power transmission construction project

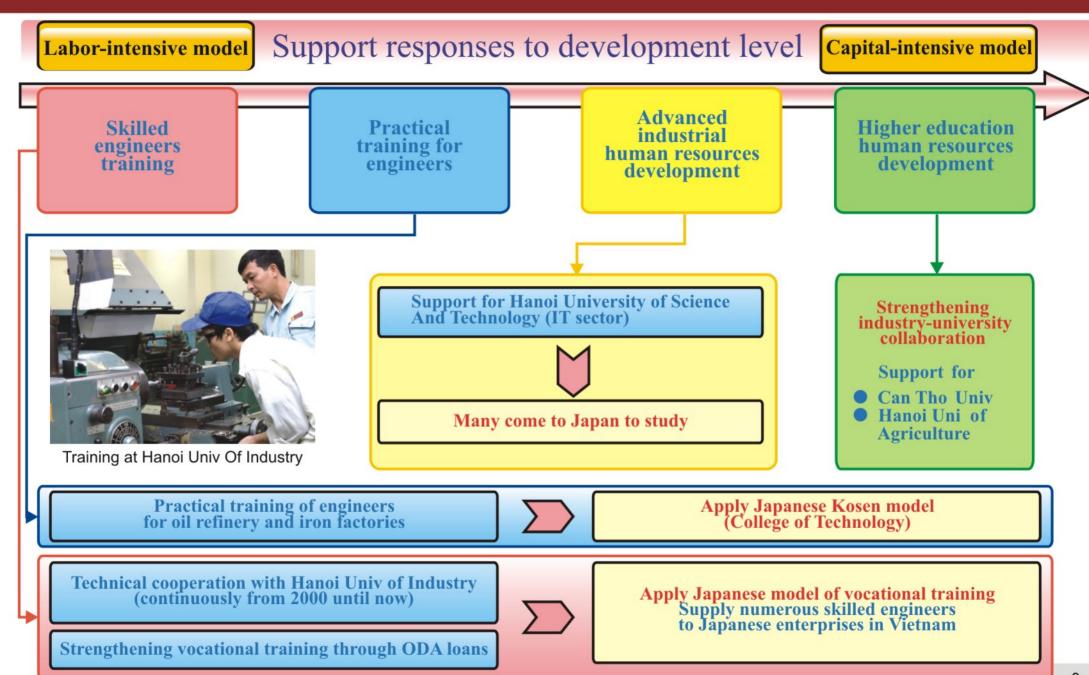
Installed capacity of Japan's ODA supported power plants accounts for 10% of total installed capacity in the whole of Vietnam (in 2012). It is expected to reach 4,650MW when future power plants go into operation.

4-4 Industrialization strategy (become an industrialized country by 2020)



Private sector

4-5 Industrial human resources



4-6 Urban environmental management

Support for the environmental legal frameworks

- Amendments of the Law on **Environmental Protection**
- Review & improvement of legal framework for management of toxic chemicals
- Improvement of the EIA system

Environment policy advisor

Support for capacity development of waste management

- Review & Improvement of legal and institutional frameworks
- Support for integrated waste management planning
- Institutional & human resource capacity development

Hai Phong City Environmental Improvement Project

Challenges of urban environmental management sector

- How to reduce environmental damages/costs caused by economic growth and urbanization: Need to balance both environmental management and economic growth
- Need to develop or improve the environmental institutional frameworks in line with international standards
- Need to strengthen capacity of law enforcement

Support for capacity development for water environment management

Construction of wastewater treatment facilities & human resource development for operation and

maintenance
Review & improvement of the relevant legal system and regulations.
Strengthening of law enforcement

capacity

Project for Institutional Development for green growth implementation and Strengthening of environmental management system towards sustainable conservation of Halong Bay

Support for capacity development for air pollution management

- Review & improvement of legal and institutional frameworks
- Support for air quality management planning

Project for Institutional Development of Air Quality Management in Vietnam

Advisor for hazardous air pollution measures

4-6 Urban environmental management

Typical examples

Toward economic development with environmental conservation ~Supporting the conservation activities in the world heritage site; "Ha Long Bay"~

- Ha Long bay located in Quang Ninh Province, in northern Vietnam, is a popular sightseeing site registered as one of the World Heritage sites. Meanwhile, there is a serious concern about the pollution at the heritage site, caused by tourism and industrial development.
- JICA supported the activities to achieve sustainable development, both by improving transport infrastructure and strengthening water environment management.

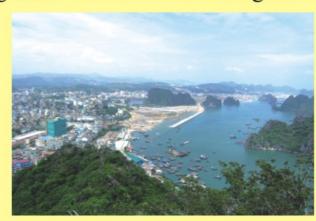
(Activities)

Development for environment monitoring, inspection, and management of the source of pollution

Of land use management in the coastal corridor area for environment Conservation

Development in policy making for sustainable tourism in Ha Long Bay

Of environment education and PR to relevant agencies, and dissemination of project achievements



Reclaimed land in Ha Long bay

Training on water collection and water quality monitoring at Ha Long bay



4-7 Natural resources and environmental conservation

Policy formulation and implementation

- Capacity building for policy formulation and implementation
- Policy formulation and implementation by climate change program loan

Advisor for forest program

Climate change program loan

Enhance biodiversity conservation

- Capacity building for National park management
- Development of biodiversity information

Project for Strengthening Community-based Management Capacity of Bidoup-Nui Ba National Park

Priorities of Natural resources and environmental conservation sector

- Strengthening policy formulation and implementation
- Building policy for sustainable forest management, capacity building, promoting citizen participation
- Conservation of biological diversity through effective management of important natural areas.
- Contribute to measures against global warming by increasing forests' CO2 absorption

(REDD+: Reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forests, and enhancing forest carbon stocks in developing countries forests

Promote sustainable forest management

- Protection of afforestation and forest management
- Forest management with citizen participation
- Capacity building for afforestation plan and coastal afforestation

Protection of Forests Restoration and Sustainable Management Project

Project for Sustainable Forest Management in the Northwest Watershed Area

Climate change measures

- Promote policy and institution of REDD+
- Implement REDD+ pilot project at provinces

Dien Bien province REDD+ pilot project

4-8 Disaster prevention

Capacity building for disaster prevention administration

- Collect, share and utilize timely and accurate hydro-meteorological data
- Integrated flood management plan
- Improve water-level management capacity at dams and rivers

Project for Strengthening Capacity in Weather Forecasting and Flood Early Warning System

Disaster prevention issues

- Reduce wind/flood damage caused by tropical cyclone
- Integrated management of flood risk based on accurate data
- Reduce risk by disaster prevention systems with citizen participation
- Disaster prevention infrastructure building

Community level Preparation for disaster prevention systems

- Build up disaster prevention plan
- Support for disaster prevention training and education
- Urgent response when natural disasters occur.

Project for Building Disaster Resilient Societies in Vietnam (phase 2)

Development and Implementation of Disaster Education Programs in Hue City

Preparation of disaster prevention infrastructure

Support the hard infrastructure building for disaster prevention in tandem with soft infrastructure (disaster prevention system/structure)

Development of Landslide Risk Assessment Technology along Transport Arteries in Viet Nam



Town residents learn about disaster risks

4-9 Climate change responses

Policy and financial support

- Promoting the implementation of policies related to climate change responses
- Implementing related policies by the program loan, Support Program to Respond to Climate Change (SPRCC)

Advisor for climate change support program



Inundated houses in the central Vietnam

Support for adaption measures

- Disaster prevention and risk management of communities in the central Vietnam
- Improvement of the urban drainage system and its technical cooperation
- Natural disaster prevention and risk management through forest conservation activities

Project for the development of human capacity for weather forecasting and data analysis for the establishment of end-to-end early flood warnings

Challenges in climate change response sector

- How to reduce the adverse effects of climate change (e.g. on the Mekong delta, typhoons, etc)
- How to manage increasing energy consumption, and how to mitigate greenhouse gas emissions

Support for mitigation measures

- Formulation and implementation of the Nationally Appropriate Mitigation Actions (NAMA)
- Promotion of implementation of energy saving policy
- Strengthening the institutional management of forestry

Project to support the planning and implementation of NAMAs in a MRV manner

Project on sustainable forest management in the watershed areas in northwestern Vietnam



Drought in the southern Vietnam

4-10 Health

Development of human resources and strengthening the regional medical system

- Disseminate medical techniques and knowhow from core hospitals to regional and provincial hospitals
- Strengthen operation of the training system and referral system at provincial hospitals

Project for Improving the Quality of Human Resources in the Medical Service System

Project for Strengthening Medical Services in Northwest Provinces

health sector

- preventive medicine
- Strengthen health financing to tackle the challenges of an aging society

Priorities of the

- Improve the regional medical system
- Increase the quality and quantity of medical staffs
- Infectious disease control and promote

Improve health facilities

- Improve infrastructure and medical equipment at core hospitals
- Supply medical equipment for regional and provincial hospitals

Regional and Provincial Hospital Development Project (Phase 2)

Infectious disease control

- Establish vaccine production plant
- Transfer technology related to vaccine manufacturing
- Establish bio-safety level 3 laboratory and strengthen examination techniques for highly hazardous pathogens

The Project for Strengthening Capacity for Measles-Rubella Combined Vaccine Production



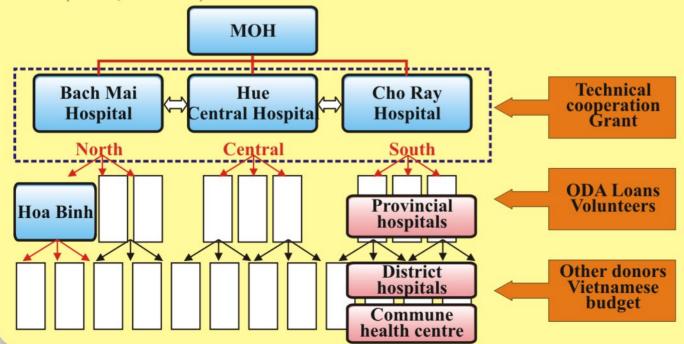
Group work at the training course organized by the Project for Improvement of the Quality of Human Resource in Medical Service System

4-10 Health

Typical examples

Perform from point to board Disseminate cooperation results from core hospitals to provincial hospitals

- ① JICA has supported work to improve infrastructure and medical staffs at 3 core hospitals, namely: Bach Mai Hospital in the North; Hue Central Hospital in the Central region, and Cho Ray Hospital in the South through grant aid and technical cooperation during many years.
- To disseminate accumulated cooperation results at these core hospitals, JICA is supporting core hospitals to train doctors and nurses at provincial hospitals. Moreover, JICA provides ODA Loans to regional and provincial hospitals for procurement of medical equipment as well as dispatches of volunteers (nurses, midwives).





Bach Mai Hospital

- Bach Mai Hospital 1998~
 Construction of hospital ward and provision of medical equipment (grant aid), Support for human resources development and training
- Hue Central Hospital 2004~
 Construction of hospital ward and provision of medical equipment (grant aid), Support for human resources development and training
- Cho Ray Hospital 1970~
 Construction/repair of hospital ward and provision of equipment (grant aid), Support for human resource development and training

4-11 Agriculture and rural development

Increase quality and safety

- Improve crop varieties
- Strengthening Capacity of Inspection and safe crop production

Management of Vietnam Crop Production Sector for improving Productivity and Quality of Crop's Product

Project for the Development of Crop Genotypes for the Midlands and Mountainous Areas of North Vietnam

Basis for agricultural activities

- Development of agricultural infrastructure such as irrigation and rural roads
- Policy for management of water users' association and others
- Strengthening function of agricultural cooperatives

Small-Scale Pro Poor Infrastructure Development Project

Project for Enhancing functions of agricultural cooperatives

Challenges in agriculture and rural development

- Balanced development of urban and rural areas
- Improvement of quality and safety of agriculture, forestry and fisheries products
- Improvement of livelihoods and living environment in rural areas
- Development of agricultural infrastructure
- Additional value for agricultural products

Improve livelihood in rural areas

 Integrated rural development for Central highlands and Northwestern region

Project on Capacity Development of Participatory Agricultural and Rural Development for Poverty Reduction in the Central Highlands

Project on Rural Development in the Northwest Region



Farmers are learning how to plant wild peanuts

4-12 Governance

Improve the administrative system, strengthen training for civil servants

- Enhance capacity of government officers, Party members, civil servants
- Promote civil service reform
- Strengthen capacity of Office of Government in policy formulation

Project for Strengthening Capacity of Ho Chi Minh National Academy of Politics and Public Administration in Training of Public Leaders and Civil Servants

Strengthening Capacity of the Office of the Government

Legal and judicial reforms

Strengthening capacity of institutions and human resources

- Draft and revise Civil laws, ProcedureLaws, etc.
- Improve application and enforcement of legal documents
- Improve national-wide monitoring and guidance capacity of central judicial authority

Technical Assistance for the Legal and Judicial System Reform

Governance Sector Issues

Administration

Strengthening function of 3 powers

Judicial Legislature



Image of Seminar in Hai Phong City People's Procuracy

National assembly, Media

Promoting participation of citizens in politics from point of view on supporting democratization

- Strengthen the National Assembly's legislative and administration surveillance functions
- Enhance public broadcasting programs

Capacity Development Program for Vietnam Television (VTV)

Capacity development of Office of National Assembly

4-12 Governance

Democratization through promoting people's participation in Politics & Society

<Training>
Capacity building for inspectors in managing administrative complaints (2014 -: Government Inspectorate of Vietnam)

< Technical cooperation > Technical Assistance for the Legal and Judicial System Reform (1996-: MOJ, Supreme People's Court, Supreme People's Procuracy, VBF)

To establish both sustainable Economic growth with fair & equitable Social institutions

Technical cooperation >
 Project for Supporting Civil Service
 Reform (2014-: MOHA)

Constitutional reform related support (2012-2013: Committee to Amend the Constitution)

Legal and judicial reforms

Plan only

Strengthening Capacity of Administrative Functions

4-13 Public Private Partnership, Support for SMEs

PPP/BOT infrastructure project

- Supporting F/S proposed by Private Investors to promote infrastructure development
- Focus areas: water supply and sewage, environment, transportation, industrial parks etc.

WIN-WIN relationship between Japan and developing countries

 Promoting worldwide dissemination of Japanese SMEs' products, technology, and knowhow for developing countries



PPP, SME Support

Promoting formulation of PPP
 Supporting overseas business expansion of Japanese SMEs in developing countries.



- Promoting investment by Japanese enterprises in developing countries
- Improving social services and life through Japanese products and technology

Assistance for developing countries utilizing Japanese SMEs' technologies

 Assisting Japanese SMEs' needs survey, demonstration and disseminating information on their activities and technologies to support developing countries

Private Sector Investment Finance (PSIF)

 Supports for the business of private enterprises in developing countries through the provision of loans & equity

Reference web page:

Japan's ODA (Ministry of Foreign Affairs)

- (J) http://www.mofa.go.jp/mofaj/gaiko/oda/index.html
- (E) http://www.mofa.go.jp/policy/global_and_oda.html

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(E) http://www.jica.go.jp/vietnam/english/index.html

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