

**USAID/Vietnam**  
**ANNUAL REPORT FY 2003**

3/13/2003

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## **A. Program Level Narrative**

### **Program Performance Summary:**

Background: Viet Nam is a low-income country in transition, from a centrally planned to market-oriented economy. After a decade of renovation Vietnam has achieved remarkable progress in social and economic spheres. Life expectancy has increased to nearly 68 years and adult literacy has been maintained at over 90%. Viet Nam ranks 101 out of 162 countries in terms of the Human Development Index (0.68), which is fairly high with its current level of GDP per capita of less than US\$400. Reforms continue in trade policy, private sector development, banking, state enterprises and public expenditure management as well as public administration and legal system. The Socio-Economic Development Strategy to 2010 sets forth the targets of highest priority for maintaining rapid and stable economic growth, poverty reduction and social equity, improving social security network, and providing opportunities for vulnerable social groups to integrate into community. Vietnam's development goals are closely linked to the Comprehensive Poverty Reduction and Growth Strategy (CPRGS), which is driven by a genuine concern for poverty reduction and improved quality of life for all citizens. The emerging private sector has made a robust growth for the last two years and the Fifth Party Plenum has recognized its role and contribution to sustainable employment creation and poverty reduction. The Legal System Development Strategy to 2010 has been approved that enables Vietnam to be better adapted to undertake the required renovation.

Challenges: Unfortunately, as these "internal drivers" of development have been strengthening, the global context has worsening dramatically, which threatens Vietnam's goal of faster growth and poverty reduction and other development targets. Despite some fairly notable improvements to the Foreign Direct Investment (FDI) legal regime, FDI flows to the country have experienced up and down but on the decline tendency since the Asian Financial Crisis. Poverty reduction is put on the high agenda of the GVN development strategy. The number of poor households in Viet Nam in early 2001 was 2.8 million, accounting for over 17% of the population. Nearly 90% of the poor live in rural areas, who are often farmers with low levels of education, and limited access to land, capital, technology, information and basic social services. The poor are also particularly vulnerable to natural disasters, which frequently occur in Viet Nam. Even though the reforms have led to sharp reductions (33%) in poverty over the last ten years, the possibility of them falling back to poverty is still very high, leading to less sustainability of poverty reduction achievements.

The road to global economic integration, including the accession to the World Trade Organization (WTO) poses numerous challenges for Viet Nam, one of which is the lack of access to U.S market. This constraint was eliminated with the coming into force of the Vietnam-U.S Trade Agreement (BTA). The BTA required both countries to commit to a broad range of trade-related policy, regulatory and judicial obligations (largely in conformance with WTO standards) that will improve the business environment in Viet Nam and further promote trade and investment. The business environment for private sector has been considerably improved, however the sector is still encountering impediments, including access to capital and business information services. High population growth rate, poverty and underemployment and natural disasters are the main barriers to sustainable development. Malnutrition and micro-nutrition deficiencies are serious problems and significant causes of maternal, under-five children and infant mortality, particularly in rural areas in the Central and Northern Highlands. The disparity of living standards between regions and social groups has been on the rise. HIV/AIDS has appeared in all 61 provinces and cities of Vietnam, most seriously in border provinces. More than 50,000 people have been detected to be infected with HIV in the country up to mid 2002.

### **Key achievements:**

Enhanced Environment for Trade and Investment: FY 2002 was the first year of the BTA coming into force. USAID has supported and engaged actively with the STAR and the U.S Vietnam Trade Forum programs and established close working relations with many key Government of Viet Nam (GVN) agencies to implement these programs to advance the implementation of the BTA. Significant achievements were made this year in (i) setting an active agenda for law and policy changes for various GVN agencies to comply with the BTA terms, (ii) raising broad government and public understandings of

the BTA terms and obligations to support for the trade and investment reforms related to the BTA, and (iii) improving of institutional capacities and skills of the GVN agencies to implement and enforce the laws and regulations that support BTA implementation. Remarkable progress was made in expanding the number of GVN counterparts involving in the BTA legal and economic analyses and training, enhancing their understanding of the BTA and capacities to accommodate changes in laws and policies to comply with the BTA obligations. USAID has actively responded in a timely manner to requests from the GVN agencies for technical assistance across the numerous policy issues affected the BTA. These fundamentally contributed to enhancement of business environment in Viet Nam and further promotion of trade and investment between the U.S and Viet Nam in the first ten months of this year. The initial findings from economic assessment of BTA impacts indicated that the first year of the implementation of the U.S - Viet Nam bilateral trade agreement has been very positive, resulting in considerable trade and investment growth between the two countries.

Improved Access to Services for Selected Vulnerable Groups: USAID-funded programs in disabilities and inclusive education have seen substantial success over the last year. Catholic Relief Services has implemented its Expansion of Community Support for Children with Disabilities project in three Northern provinces since 1998. At the national level, in August 2001 the Ministry of Education and Training (MoET) finalized its strategy for making Inclusive Education part of the national education program, and presented the CRS-NIES project as the model for expansion. VVAF-trained orthotic and prosthetic workshops in the two biggest hospitals in Hanoi have provided approximately 1828 assistive devices (as of 30th November 2002) and 100 wheelchairs to people with disabilities in Hanoi and many other provinces with VVAF support. VVAF has also begun the establishment of self-help groups managed by people with disabilities so that they can share their rehabilitation experiences and opportunities (education, employment, health care) to improve their quality of life and assist with integration into society. VNAH has made considerable progress with its Disability Policy and Program Project. One highlight includes the issuance of the Barrier-Free Access Code and Standards by the Ministry of Construction mandating accessibility in all new construction and major renovations. USAID's Office of Foreign Disaster Assistance (OFDA) provided \$100,000 for flood, draught and fire relief assistance to Vietnam in 2002.

FHI-supported peer education projects have effectively reached over 3,000 injecting drug users, about 1,000 sex workers, and more than 148,000 men in the general population with messages about safe behaviors and harm reduction for HIV/AIDS prevention through innovative one-to-one peer education outreach activities using peer educators in the workplace, IDUs and sex workers trained as peer educators, and barbers, shoeshine boys and motorbike taxi drivers trained as volunteer HIV/AIDS educators. Millions of people were reached with HIV/AIDS prevention, care and support messages through FHI-supported TV, radio and newspaper mass media BCC campaigns in FHI/IMPACT's four focal provinces. FHI's support of DKT International's condom promotion work for HIV/AIDS prevention has resulted in the opening of over 1,000 non-traditional outlets for condom distribution in six target provinces and a record number of condoms being sold and distributed throughout Viet Nam (43 million).

**Environmental Compliance:** USAID plans for new Initial Environmental Examinations (IEE) or Environmental Assessments (EA) and Categorical Exclusions (CE) to be done:  
440-006: Enhanced Environment for Trade and Investment  
440-007: Improved Access to Service for Selected Vulnerable Groups

**Country Closeout & Graduation:** None for FY 2002

## **D. Results Framework**

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

**Discussion:**

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

**Discussion:**

## Selected Performance Measures - Vietnam

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance			

Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?

a. How many alliances did you implement in 2002? (list partners)				
b. How many alliances do you plan to implement in FY 2003?				
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?				

Pillar II: Economic Growth, Agriculture and Trade
USAID Objective 1: Critical, private markets expanded and strengthened

Did your program achieve a significant result in the past year that is likely to contribute to this objective?  
440-006 Enhanced Environment for Trade and Investment

	N/A			
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Data quality assessment for this SO has not been done in the last three years.

USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged
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Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable
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Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded
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Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	Male	Female	Total	
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total	

USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,
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Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Hectares under Approved Management Plans (2002 actual)				
b. Hectares under Approved Management Plans (2003 target)				

Pillar III: Global Health
USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%			
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**USAID Objective 2: Reducing infant and child mortality**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total	
Were there any confirmed cases of wild-strain polio transmission in your country?				

**USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of births attended by medically-trained personnel (DHS/RHS)	%			
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**USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Total condom sales (2002 actual)				
b. Total condom sales (2003 target)				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	%			
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)				
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	Male	Female	Total	
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	%			
Number of Clients provided services at STI clinics				
Number of STI clinics with USAID assistance				

Number of orphans and other vulnerable children receiving care/support				
Number of Orphans and Vulnerable Children programs with USAID assistance				
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				
Number of women with known HIV infection among those seen at PMTCT sites within the past year.				
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				
Number of clients seen at Voluntary Counseling and Testing (VCT) centers				
Number of VCT centers with USAID assistance				
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment				
Number of USAID-assisted ARV treatment program				
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?				
b. Will your operating unit start an MTCT program in 2003?				
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	



b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	

**USAID Objective 5: Reducing the threat of infectious diseases of major public health importance**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

**Pillar III: Democracy, Conflict and Humanitarian Assistance**

**USAID Objective 1: Strengthen the rule of law and respect for human rights**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

**USAID Objective 2: Encourage credible and competitive political processes**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

**USAID Objective 3: Promote the development of politically active civil society**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

**USAID Objective 4: Encourage more transparent and accountable government institutions**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

**USAID Objective 5: Mitigate conflict**

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
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**USAID Objective 6: Provide humanitarian relief**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				

Number of beneficiaries (adults age 15 and over)

Number of beneficiaries (children under age 15)

Male	Female	Total	
Male	Female	Total	