

# Country Assistance Program for Viet Nam

The Government of Japan

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## Country Assistance Program for Viet Nam

### **1. Philosophy and Significance of the Assistance**

#### **(1) Diplomatic and Economic Relations**

Balanced economic development of the ASEAN nations, deepening of intra-regional cooperation in East Asia, the maintaining of peace and security within that region, the sharing of basic values and the maintenance and strengthening of close relations with Japan based on such progress is an extremely important goal for Japan and its security and prosperity.

The Socialist Republic of Viet Nam has a population of more than 80 million and possesses high potential for economic growth. In promoting regional economic integration and partnership through the development of the Mekong region, the importance of Viet Nam is rising.

For Viet Nam, which has become a member of the World Trade Organization, the next several years will be an important period with regard to whether or not the nation can establish a full-fledged market economy system, survive global competition in the ongoing international economic integration and make steady progress toward emerging from low-income country status. Whether Viet Nam can surmount such challenges during this period is a major element to impact not only Japan, which is deepening its cooperation with Viet Nam, but also the development of the Asian region as a whole.

With regard to balanced economic development, further strengthening of nation-building assistance to Viet Nam and other countries, Mekong Region development assistance and other efforts have been confirmed at the Overseas Economic Cooperation Council. The Mekong Region is one of the priority assistance regions targeted by Japan, with the policy to continue to expand its aid to that region. As expressed in the Japan-Mekong Regional Partnership Program, this vision will be implemented through three key pillars: ① Promotion of regional economic integration and partnership; ② expansion of trade and investment between Japan and the Mekong Region; and ③ sharing of basic values and tackling common regional issues.

Japan-Viet Nam relations have rapidly developed in recent years, with mutual visits by the countries' top leaders, including prime ministers, becoming ever more frequent and substantive. At the summit meeting of April 2009, the "Japan-Viet Nam Joint Statement on the Strategic Partnership for Peace and Prosperity in

Asia” was issued.

From the perspective of expanded trade and investment between Japan and the Mekong region, Viet Nam is envisioned to play a key role as a manufacturing base, a promising export market and a supply base for resources and energy. Working through the Japan-Viet Nam Economic Partnership Agreement, Japan’s economic ties with Viet Nam will be further strengthened. There are high hopes that Japanese assistance, channeled toward improvements in the investment, trade and business environments and associated industrial collaboration and progress in other areas with Viet Nam, will pave the way for positive economic growth cycles between Japan and Viet Nam, as well as between Japan and ASEAN at large.

## **(2) Development**

Viet Nam is one of the countries in which aid coordination among donors has become the most advanced. Viet Nam is important as a Southeast Asian country where steady progress has been made in development, and possesses the potential to blossom as a model case to be presented to the international community. Furthermore, technical support for South-South cooperation by Viet Nam will be taken into consideration.

However, the national income level in Viet Nam is still low, and impoverished classes still exist, especially among ethnic minorities in rural areas. At the same time, also expanding are negative aspects accompanying industrialization and urbanization, such as income disparities, gaps between urban and rural areas, environmental pollution and so forth. Viet Nam is also strengthening its efforts to achieve the Millennium Development Goals (MDGs), a vision that contains solutions to these problems. Japan is expected to vigorously support these endeavors and contribute to the enhancement of human security.

The Vietnamese government has established a goal of graduating from low-income country status by 2010 and becoming an industrialized nation by 2020. To achieve these aims, it will be vital to sustain economic growth driven by private sector investment, including foreign direct investment. To support such private sector investment-driven economic growth, it is vital to develop basic infrastructures and various economic institutions, areas to be undertaken by the government (as well as areas that are prone to be overlooked when sustaining economic growth and implementing new development projects).

Toward this end, it is necessary to increase the efficiency of investment by developing legal institutions and improving the system and capacity to implement

laws: catalytic investment, environmental conservation, safety, maintenance, upgrading and reinforcement of existing public facilities and so forth.

More specifically, for the development of infrastructures for power, transportation, telecommunications, which are indispensable for industrial development, ODA will be mobilized while strengthening public-private partnership and taking into account the situations of the Vietnamese economy and the needs of Japanese companies. These efforts will be advanced concurrently with the dissemination of outstanding technology and know-how as a shared foundation for the region.

Moreover, compatibility between development and the environment should be the fundamental principle. Starting to implement environment-conscious policies is indispensable for the accomplishment of stable economic development in Viet Nam. In the actual implementation of ODA, taking into account the fact that the Cool Earth Partnership with Viet Nam is in progress, in addition to the contribution to climate change “mitigation” measures, it will also be vital to mainstream measures geared to “adapt” to the negative impact of climate change. The unified cooperation approach (co-benefits approach) to controlling environmental pollution and countering global warming in developing countries will also be taken into consideration. Attention likewise will be paid so as to enable Viet Nam to achieve a low-carbon society.

## **2. Basic Policy and Direction of the Assistance**

### **(1) Overall Goals**

Japanese assistance to Viet Nam will be implemented in accordance with the perspectives presented in section 1 above, as well as the “Socio-Economic Development Strategy for 2001- 2010,” the “Five-Year Socio-Economic Development Plan (SEDP) for 2006 - 2010” and other national development plans drawn up by the Vietnamese government, based on the aforementioned MDGs. Japan will strongly support Viet Nam’s socio-economic development by pursuing the following three development goals:

- Support for the goal to emerge from the status as a low-income country (targeted for 2010) and to become an industrialized nation (targeted for 2020).
- Support for improving the living conditions of the Vietnamese people and realizing a fair and just society.
- Support for sustainable development.

## **(2) Basic Policy**

In striving to achieve the overall goals mentioned in section (1) above, taking into account the humanitarian and social aspects, Japan will continue to deeply respect the ownership of the Vietnamese government, positively evaluate its development policy and its high-level goals, and furnish assistance enabling continuation of the process of “reducing poverty through growth” achieved heretofore by Viet Nam.

Moreover, in view of the fact that within the “Five-Year Socio-Economic Development Plan for 2006 - 2010,” “Environment” has been added to “Economy” and “Society” as a new pillar of the plan, Japan will extend comprehensive assistance, centering on the following four areas:

- Promotion of economic growth and strengthening of international competitiveness.
- Improvements in living and social conditions and corrections of disparities.
- Environmental conservation.
- Strengthening of governance (forming the foundation of the three pillars mentioned above).

In the implementation of Official Development Assistance (ODA), on the basis of the policies and the assistance needs of the Vietnamese side, Japan will coordinate with its key policies and utilize the outstanding technology, know-how, knowledge, human resources and institutions of Japan. Concurrently, taking into account the bribery case by the Pacific Consultants International Co., Ltd. to a senior official of the Vietnamese Government, Japan will note strengthening of governance, including anti-corruption measures.

Furthermore, stressing the importance of the strategic partnership between Japan and Viet Nam, Japan will positively support the efforts of the Vietnamese side from a long-term perspective with regard to large-scale infrastructure contributing to socio-economic development, especially the symbolic projects represented by North-South high-speed railways, North-South expressways and Hoa Lac Hi-Tech Park, taking priorities into account.

## **(3) Concept Concerning Assistance Volume**

In determining the areas and volume of assistance for each year, objective evaluations will be conducted to the extent possible of the conditions and degree of attainment of various issues that demand consideration (bilateral relationships, development needs, institutional and policy environments (including anti-

corruption measures), aid absorptive capacity and consideration with regard to the principles of Japan's ODA Charter). The results of the assessment will be shared with the Vietnamese side through policy dialogues and other fora, and then the direction of assistance volume will be discussed, if necessary.

### **3. Priority Areas**

#### **(1) Priority Areas**

The priority areas of assistance centering on the four pillars of basic policies listed above, as well as the specific directions of assistance for each area, are shown below. However, as it is essential to adopt cross-cutting approaches between the areas in addressing development issues, planning, formulation and implementation of assistance will be carried out with consideration for the close mutual correlation between the four pillars.

#### **i. Promotion of Economic Growth and Strengthening of International Competitiveness**

To sustain and further promote the high economic growth achieved in Viet Nam in recent years, as well as to contribute to the further strengthening of the international competitiveness of Vietnamese companies, based on the studies under the "Japan-Viet Nam Joint Initiative to Improve Business Environment with a view to Strengthen Viet Nam's Competitiveness," Japan will cooperate in the fields of business environment improvement and private-sector development, sustainable resource and energy supplies, and urban development, transportation and communications network development.

#### **● Business Environment Improvement and Private Sector Development**

Japan will provide support for institutional development and human resource development, towards business environment improvement, which sustains the vigorous investment activities by both foreign companies (including those from Japan) and local companies, and enables stable business management, as well as towards the private sector development, including the cultivation of supporting industries, which is expected to become the driving force of economic growth in the future.

In more concrete terms, in order to achieve further economic integration, trade

facilitation and investment promotion, in consideration of Vietnamese accession to the WTO and Viet Nam-Japan EPA signature, support will be furnished for the establishment and operation of economic systems for statistics, intellectual property rights, customs, tax administration and other aspects of the foundation of a market economy, along with reforms in the financial sector and state-owned companies. In addition, assistance will likewise be furnished to support active efforts by the Vietnamese side, targeting private-sector development, from the perspectives of developing small and medium enterprises, including supporting industries (e.g. the strengthening of policy planning, implementation and coordination functions, support for local companies, improvement in the quality of human resources, including technicians, and the improvement of access to capital for small and medium enterprises) and nurturing industrial personnel (engineers, and top managers).

- **Stable Supplies for Resource and Energy**

To address the rising growth in demand for electric power, Japan will continue to support the strengthening of power supply capacity, sustaining stable primary energy and promoting energy conservation. Along with this, assistance will be implemented with a view to securing resources and energy throughout the entire region including Japan, while devoting consideration to the impact of energy development on climate change.

In more specific terms: (a) For hard infrastructure, the assistance targets enhancement of power generation capacity, diversification of power sources, more efficient power supply and securing of resources and energy (development of core power generation facilities, construction and expansion of the power transmission, transformation and distribution networks indispensable for stable power supplies, support for introduction and financing of energy conservation facilities, development of mining related infrastructure, etc.). (b) For soft infrastructure, the support plans target the formulation of sector-specific development plans for resources and energy, operation and management of existing and new facilities, promotion of energy conservation, institutional development for improvements in pertinent technology and human resources development.

- **Urban Development, Network Development for Transportation and Communications**

To cope with rapidly advancing urbanization and the growing demand for

transportation and communications, support will be provided to improve the capacity for urban development-plan formulation and urban planning and management in large and medium-size cities. In addition, support will also be extended from both the hard and soft infrastructures connected to the development of public transportation (urban ring roads, inner-city and surrounding bypass roads and other networks and inner-city mass transit systems, etc.) and communications networks.

With regard to intercity arterial transport networks, assistance will be extended to arterial roads (including North-South expressways), railways (including North-South high-speed railways), ports (including those requiring large deepwater quays, etc.) and airports (building airports in major cities, etc.) from the perspective of achieving more effective logistics, and based on the appropriate order of priority and roadmaps, with attention to selection and concentration. Furthermore, support targeting traffic safety measures, support for strengthening transportation infrastructure development capacity, and quality / safety control capacity, support for strengthening operation and maintenance capacity and support to better facilitate cross-border transportation will be examined. Considering the current weakness of communications networks in Viet Nam, the communications sector will also be strengthened.

## **ii. Improvements in Living and Social Conditions and Corrections of Disparities**

From the perspectives of poverty alleviation and surmounting economic vulnerability of the poor or nearly poor people, correcting the expanding disparities between rural and urban areas and between different ethnic groups due to economic growth, cooperation will be advanced in the following sectors for the purpose of achieving sustainable socio-economic development and the creation of an equitable society. For this sector, special importance will be attached to the northern mountainous region, the central highlands region and the Mekong Delta region.

### **● Improving Basic Social Services**

Building on Japanese cooperation with Viet Nam to date, cooperation will be advanced with the objective of achieving further improvements in the health and medical services in Viet Nam, along with proper access to those services. In more specific terms, cooperation will be carried out by targeting the following priority areas: (a) Policy and institutional improvements and capacity development of human resources that are responsible for the formulation and implementation of

policies based on the Ministry of Health and core medical institutions at the central level. (b) Strengthening health and medical care systems at the provincial level, with an emphasis on dissemination and development of good practices. (c) Improving the facilities and equipment at medical institutions primarily at the central and provincial level. In addition, with regard to the control of infectious diseases, while paying due attention to the important relationship with the National Institute of Hygiene and Epidemiology (NIHE) of Viet Nam, the cooperation partner in this area to date, a new way of cooperation will be considered in view of the epidemic situation of the diseases.

Furthermore, how to cooperate towards the expansion of basic education will be considered within the approaches geared to rural development from the perspective of alleviating poverty. Moreover, mainly through activities at the grassroots level, support will be furnished for the benefits of the socially vulnerable, especially those with disabilities.

#### ● **Rural Development and Improvements in Livelihood**

Comprehensive support will be extended with the objective of improving the livelihoods of residents in rural farming communities, who account for three-fourths of the total population, with the focus on impoverished classes.

Specifically, while taking into account the environmental changes and their impact on the agriculture, forestry and fisheries industries accompanying Viet Nam's entry into the WTO, support will be furnished for policy and institutional improvements considering the needs of the impoverished classes in rural areas, strengthening of the quarantine system and other efforts to secure safety for agricultural and fisheries produce and foods, improvements in technology, strengthening of the plant species protection system and the organizing of farmers. Assistance will likewise be furnished for the diversification of the means of livelihoods in farming communities, through fostering the local industries in the agricultural sector, such as agricultural, forestry and fisheries produce-processing industries and other means, the development of tourism, sustainable use of natural resources and other means. In advancing such support, achieving greater impact is targeted through improvements in the access to and quality of basic social services, systematic coordination with the development of local infrastructure (power distribution, roads, communications, water supply, irrigation, etc.), as well as creating appropriate dissemination systems encompassing the central and local governments and local communities.

In addition, from the perspective of ensuring human security for residents of local farming districts, which typically suffer severe damage from floods, and other disasters, with regard to the strengthening of the disaster prevention response capacity of central and local administration agencies and communities, the establishment of disaster prevention infrastructure and emergency support when disasters strike, active cooperation will be extended for high-priority areas and other regions where such assistance is needed.

### **iii. Environmental Conservation**

In view of the environmental contamination and natural destruction accompanied by rapid economic growth and urbanization, “environmental conservation” for the sake of sustainable development ranks as a vital need. Toward that end, support will be given for the construction and improvement of facilities concerning water quality management, water supply, wastewater and sewage treatment, solid waste management, air-environment control and countering environmental pollution expected effects of co-benefits, as well as urban environment management including improvements in administrative capabilities pertaining to these areas. Meanwhile, in order to address improvements in livelihoods of residents and the forest degradation in forest regions, support will be furnished for natural environment conservation, through forest preservation and sustainable forest management, including countermeasures against illegal deforestation, water resource management, biodiversity preservation and other measures. In addition, through the implementation of ODA projects, registration of Clean Development Mechanism (CDM) projects with co-benefits by the Vietnamese side will be actively promoted; such ODA projects formulation will also be promoted.

### **● Urban Environmental Management**

Targeting large- and medium-scale cities and industrial regions where environmental pollution is serious and urban infrastructure needs are major, support will be implemented with the focus on construction and improvement of facilities related to water quality management, water supply, wastewater and sewage treatment (including domestic, industrial and medical wastewater), solid waste management (including “3Rs”) and air-environment control, as well as urban environment management including improvements in administrative capabilities pertaining to these areas. With regard to air pollution, in view of the demand for cross-sector countermeasures, studies will be conducted with regard to appropriate

methods of cooperation. At the central level, projects will be implemented to make improvements in policy systems and human resource development, mainly targeting the Vietnamese Ministry of Natural Resources and Environment and the Ministry of Construction. At the same time, taking into consideration the situation of decentralization in Viet Nam, support at the local level will be important. Comprehensive support primarily targeting local governments will be carried out, and includes policy institutional improvements, planning, operational improvements, human resource development and infrastructure development, while keeping in mind appropriate improvements in coordination between the central government and local authorities.

#### ● **Natural Environment Conservation**

Working through the medium of sustainable forest management and natural environment conservation, support will be provided for improvements in forests and other natural resources in terms of “quantity” (forest area) and “quality” (carbon stocks, biodiversity). With consideration to the issues surrounding the Vietnamese government system (progress of decentralization) and use of forestland (lack of support for residents granted land-use rights, excessive subdivision of land accompanying such grants, a large number of impoverished people dwelling in forests or in their vicinity) and other problems, support targets a range of areas from central government to the residents. Support will be furnished for comprehensive natural resource management, stressing the importance of resident participation, improvements in livelihoods of residents and biodiversity, in addition to support from a viewpoint of the development of forestry as an industry. Ample consideration will be devoted to the formation of schemes for which the sustainable use of natural resources, including sustainable forest management, is capable of being maintained as systems.

Likewise, along with ongoing support for the promotion of A/R-CDM projects as climate change countermeasures, support for forest resource management, taking into consideration the negotiations on a post-2012 framework and other developments, and possibilities for cooperation pertaining to use of biomass energy will be considered.

#### **iv. Strengthening of Governance**

As the foundation for addressing the respective development issues of the “promotion of economic growth and strengthening of international

competitiveness,” “improvements in living and social aspects and corrections of imbalances” and “environmental conservation,” there is a need to establish a sound governance system that encompasses corruption countermeasures. Toward that end, support will be given for administrative and financial reforms, and development of legal systems and judicial reforms.

Regarding anticorruption, Japan will actively support raising awareness, including at local government level, as well as efforts to prevent corruption in the field. Especially, regarding ODA projects, efforts will be made to realize steady implementation of the anti-corruption measures formulated by the Japan-Viet Nam Joint Committee for Preventing Japanese ODA-related Corruption.

#### ● **Administrative and Public Financial Reforms**

Utilizing the Poverty Reduction Support Credit (PRSC) framework, demarche aimed at institutional improvement will be mounted at the policy level, with cooperation carried out to contribute to institutional development, organizational strengthening and human resource development from a long-term perspective in the fields of public administration, public financial management (including tax administration) and others. The goal is to contribute to realizing highly transparent public administrative and financial systems, and to strengthening responses to decentralization.

#### ● **Development of Legal Systems and Judicial Reforms**

Based on the “Basic Policy in terms of Legal System Improvement Support” approved at the Overseas Economic Cooperation Council in April 2009, cooperation will be vigorously advanced on the foundation of the achievements of cooperation to date, in accordance with the basic policy on the development of legal systems and judicial reforms by Viet Nam itself. Specifically, with an aim to establish the rule of law, the following areas of support, among others, will be provided in a mutually integrated and coordinated manner: Support for enacting and amending laws; support for building and improving systems necessary for the execution of laws; support for human resource development for the purpose of improving the capacity to implement laws at a practical level, including in local areas; and, support for improving dissemination of legal information and access to justice.

## **(2) Regional Issues**

### **i. Promoting Cooperation and Economic Partnership Integration among ASEAN Countries**

Serious consideration will be devoted to promoting economic partnerships, correcting disparities and cooperation in peace-building support fields within ASEAN, with efforts advanced to further enhance the synergistic effects of bilateral cooperation by Japan.

### **ii. Mekong Region Development, Development Triangle**

With regard to the economic development of the Mekong region, in order to make further use of the East-West economic corridor and other facets of this area, cooperation will not be restricted to infrastructure development alone, but will also encompass support of comprehensive development that includes improvements in immigration and customs procedures, thereby forging a foundation for advances by private companies. For the “Development Triangle,” for which particularly strong demands are being voiced by the governments of Cambodia, Laos and Viet Nam, support will be extended stressing poverty reduction. Support will also be furnished for South-South cooperation by Viet Nam, targeting the needs of the developing nations in the Mekong region.

### **iii. Cross-Border Issues**

With regard to international terrorism, drug and human trafficking, infectious diseases, disasters and other cross-border issues, ample sharing of information with neighboring countries and related organizations will be carried out in the drafting and implementation of effective countermeasures.

## **4. Points to be considered**

### **(1) Promotion of Development-Strategy Sharing and Policy Dialogue with the Vietnamese Government**

- Japan’s assistance policy will be consistent with the Vietnamese government’s five-year development plan and sector strategies and other policies. In particular, Japan, as a major donor country, will actively contribute to the formulation of the

next five-year plan, ten-year strategy and other Vietnamese government policies, with dispatches of experts and so forth.

- At the institutional and policy level, dialogue and collaboration with the Vietnamese government will be strengthened. Sector policy dialogues will be held with related organizations for each major sector with appropriate timing, providing arenas for substantial exchanges of opinions. Positive engagement will also be advanced in preparing Poverty Reduction Support Credit (PRSC) action plans, as well as in evaluating the progress in implementing those plans.

- In order to make efficient use of limited resources, deliberations will be conducted with the Vietnamese government from the project-finding stage in striving to formulate more effective projects and further promote project formulation through dialogue.

## **(2) Greater Efficiency and Improvements in Japan's Assistance Methods**

### **● Selection and Concentration**

From the perspective of selection and concentration, aid effectiveness will be raised through the strategic and concentrated support targeting the aforementioned priority areas and regions.

### **● Appropriate Combinations of Aid Modality**

The birth of the new Japan International Cooperation Agency (JICA) in October 2008 resulted in a system for the integrated implementation of grant assistance, technical cooperation and Japanese ODA loan. The effective combination of these diversified assistance modalities to ensure complementarities will pave the way to maximizing development effects. In more specific terms:

- Dissemination and expansion of the pilot effects of technical cooperation at the local level through financial cooperation.
- Utilization of technical cooperation for institutional development and human resource development, linked to planning, quality control, maintenance and operation of infrastructure projects, financed by other schemes (hardware and soft infrastructure alliances).
- Efforts to improve the institutional environment by providing feedback on the effects of technical cooperation at policy dialogue fora through loan assistance (PRSC), etc.

- **Further Utilization of Local Personnel**

The knowledge of local personnel at universities, research institutes, local non-government organizations, local consultants and others well versed with the conditions in Viet Nam will be strategically utilized at the planning, implementation and evaluation and monitoring stages, thus realizing effective and efficient assistance, as well as contributing to raising the capacity of these local personnel.

- **Flexible Responses to Changes in Demand for Aid**

Speedy and flexible approaches will be mounted in response to new assistance demand, in tandem with flexible management of ongoing projects keyed to on-site conditions to address changes in assistance demand with mobility.

### **(3) Promotion of Development Partnerships**

#### **i. Promotion of Aid Coordination Objectives**

Under the ownership of the Vietnamese government, by coordinating with the various donors, NGOs and other development organizations to carry out development assistance with shared development strategies, Japanese assistance will play an important role in generating development effects at the macro level. Therefore, aid coordination will be vigorously promoted.

Showing an effective and efficient approach to aid based on active use of aid coordination in Viet Nam, a country that receives attention concerning the international debate on aid effectiveness, is important for Japan, as it will allow Japan to manifest intellectual leadership within the trend of global assistance, and communicate and mainstream Japan's philosophy on development and assistance in the international community. In that sense, there is a need for Japan to advance approaches on two different fronts: "Communication and engagement with the international community," and "Improvements in the approaches to assistance targeting even more effective and efficient assistance."

In Viet Nam, the fruits of the improved assistance effects and efficiency are being generated, through, for example, being a pilot country for the "One UN" endeavor among United Nations agencies. Donors are cooperating with the government in achieving the indicators of the Hanoi Core Statement, a localized version of the Paris Declaration, with Japan also to positively respond to contributing to effective and efficient use of ODA.

## **Approaches**

(a) From the perspective of respecting Vietnamese ownership, the importance of the dialogue with the Vietnamese side will be stressed while endeavoring to improve the effects and efficiency of assistance, including support for capacity development. In the Japanese ODA loan scheme in particular, harmonization efforts between the Japan Bank for International Cooperation, the World Bank, the Asian Development Bank, the Agency France Development of France and the KfW Bank Group of Germany have earned high marks internationally. With the Export-Import Bank of Korea as a new participant to the Five Banks' coordination, these kinds of efforts will be continued.

(b) The activities of individual partnership groups are important as fora for dialogue between the Vietnamese government and donors, and Japan actively engages in these activities as well. Particularly important issues will include aid effectiveness, transportation, health, legal systems development, public financial management and other areas.

(c) Japan will actively engage in policy dialogue and proposals utilizing the Poverty Reduction Support Credit (PRSC), consultative group (CG) meetings and other multilateral frameworks. Cooperation with other donor organizations will also be promoted in the planning and implementation of bilateral projects. On those occasions, efforts will be made to ensure consistency between the ASEAN-Japan, ASEAN+3 and other approaches and bilateral development assistance.

## **ii. Promotion of Coordination with Various Japanese Entities**

### **● Promotion of Public-Private Sector Alliances**

In implementing assistance, public-private sector alliances will be promoted to take maximum advantage of the technology, knowledge and resources possessed by Japan's private sector, and related information will be disseminated to the private sector. Specifically, in addition to the direct participation of private companies in ODA projects, public-private partnerships (PPP) will be promoted in infrastructure development, along with assistance planning and implementation, based on considerations for the need of Japanese companies for institutional improvements,

through the Viet Nam-Japan Joint Initiative. In addition, systematic cooperation with the corporate social responsibility (CSR) activities of private companies will be considered.

● **Promotion of Coordination with Non-profit Sectors**

In the formulation and implementation of cooperation projects, vigorous opinion exchanges with Japanese NGOs, local governments, universities and other entities will be conducted to actively incorporate the experience and skills of these institutions in the implementation of ODA projects. Along with this, serious considerations will also be given to ensure that the independent activities of these institutions and ODA projects will complement each other in contributing to the sound development of Viet Nam.

**(4) Coordination with the Viet Nam-Japan Economic Partnership Agreement (EPA)**

From the perspective of promoting the effects of trade liberalization and facilitation, which is expected to emerge from the conclusion of the EPA, attention will be devoted to contributing to solutions to the bottlenecks of liberalization, with the focus on support for institutional development, development of human resources in related fields and other areas.

**(5) Climate Change Countermeasures**

In view of the fact that discussions on the climate change issues are becoming more and more vigorous within the international community, consideration will be devoted to climate change countermeasures in implementing cooperation in priority areas. Specifically, attention will be directed to: (a) mitigation of climate change (reductions in greenhouse gas emissions); (b) adaptation to climate change (adaptation to the impact of global warming); (c) contribution to promotion of clean energy use and so forth. On these occasions, maximum use will be made of the public- and private-sector experiences and advanced technology cultivated in Japan over the years, thereby implementing cooperation in consideration of the cross-sector perspective associated with climate change, compatibility between reductions in greenhouse gas emissions, economic development and better livelihoods for residents, and the promotion of research that contributes to the international community.

**(6) Improved Quality / Safety Control Capacity**

From the perspective of realizing effective assistance and so forth, support contributing to institution building and human resource development aimed at improving quality / safety control capacity, will target Vietnamese implementation organizations and other entities.

# Systemic Figure in Terms of Goals of the Country Assistance Program for Viet Nam

