

INTRODUCTION

VIETNAM'S POPULATION OF 84 MILLION has experienced a steady increase in average annual income, reaching USD 3300 in 2006 (per capital gross national income or GNI, measured in purchasing power parity terms). This has been accompanied by annual GDP growth rates that exceeded 8% in 2005 and 2006. The country has also made solid progress towards the Millennium Development Goals (MDGs). The MDG on hunger has already been achieved. According to the United Nations (UN), Vietnam is likely to meet at least five of the remaining seven MDGs.

DIMENSIONS	2007	CHALLENGES	PRIORITY ACTIONS
Ownership	Moderate-High	Insufficient policy and planning capacity at lower levels of government	Finalise and implement action plans for strengthening provincial planning capacity
Alignment	Moderate	Lack of consensus regarding international standards Combined inability to accurately record aid flows	Partnership Group on Aid Effectiveness (PGAE) to review use of government systems and make recommendations for their improvement Government and donors improve the Development Assistance Database and make better use of it as an effective validation mechanism
Harmonisation	Moderate-High	Absence of co-ordination mechanisms at sub-national level Large number of missions	Greater consistency in progress made by individual donors Donors to reduce overall number of missions
Managing for results	Moderate	Government capacity, particularly at sub-national level	Implementation of Socio-Economic Development Plan (SEDP) monitoring and evaluation framework at lower levels of government Ensure full implementation of the SEDP monitoring and evaluation framework
Mutual accountability	High	Existing mutual accountability mechanisms not fully utilised	More effective mutual accountability mechanisms to ensure the realisation of the Hanoi Core Statement / Paris Declaration (HCS/PD) commitments Ensure full implementation of the HCS/PD monitoring and evaluation framework

OVERVIEW

Box 53.1:
Challenges and priority actions

Vietnam received USD 1 941 million in official development assistance (ODA) in 2006, representing 3.1% of its GNI. Some 27 of Vietnam's donors, accounting for 94% of ODA, responded to the 2008 Survey. At present, four donors – Japan, the World Bank, France and the Asian Development Bank (ADB) – provide the majority of ODA (67%). In 2005, the government and its development partners produced the Hanoi Core Statement (HCS) on Aid Effectiveness, a localised version of the Paris Declaration. Participants are monitoring the HCS 2010 targets (which are in many cases more ambitious) alongside the Paris Declaration 2010 targets.

OWNERSHIP

OWNERSHIP IS CRITICAL TO ACHIEVING DEVELOPMENT RESULTS and is central to the Paris Declaration on Aid Effectiveness. Aid is most effective when it supports a country-owned approach to development; aid is less effective when countries feel that aid policies and approaches are driven by donors that provide assistance. In the context of the Paris Declaration, ownership specifically concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

Ownership has many dimensions. Indicator 1 – assessed as part of the World Bank's review on *Results-Based National Development Strategies: Assessments and Challenges Ahead* – provides an entry point to the issue. The World Bank assesses the operational value of a country's development strategy and policy against three criteria, all of which are essential features of any serious effort to harness domestic and external resources for development purposes: the existence of an authoritative, country-wide development policy which clearly identifies priorities and is well costed.

The World Bank rates the operational value of a country's development strategy against a five-point scale running from A (highest score) to E (lowest score). The Paris Declaration 2010 target is to raise, to at least 75%, the proportion of partner countries having operational development strategies – *i.e.* meriting a rating of A or B.

For the 2006 Baseline Survey, Vietnam received a B rating on Indicator 1, along with 17% of participating International Development Association countries. This indicates that the country had already taken significant action to establish an operational development strategy but that more was needed to ensure its sustainability – the criteria for moving to an A rating.

Led by the Ministry of Planning and Investment (MPI), Vietnam continues to exercise strong leadership over both its development agenda and co-ordination of its aid resources. The prime minister's decision on a Strategic Framework for ODA Mobilisation and Utilisation 2006-10 provides a clear vision about how ODA should support the goals and targets of Vietnam's 5-year Socio-Economic Development Plan (SEDP) 2006-10. Several forums exist to facilitate collaboration between government and development partners including annual consultative group (CG) meetings and informal mid-year CG meetings, dialogue amongst 23 partnership working groups (PWGs) and among several

INDICATOR 1

Do countries have operational development strategies?

other working groups dedicated to budget support issues. In late 2004, the Partnership Group on Aid Effectiveness (PGAE) was established to champion aid effectiveness and provide a forum for dialogue. These groups, co-chaired by the government and donor representatives, meet regularly with broad participation from donors and, in the case of CG meetings, from private sector and civil society representatives. The government's ability to co-ordinate and manage development assistance has been enhanced by the national ODA monitoring and evaluation, and by the UNDP-supported Development Assistance Database (DAD). Both initiatives have made the aid reporting more transparent and accurate. With UNDP support, the MPI is working to improve the DAD and donors are being urged to use the database.

Vietnam again received a B rating for the 2008 Survey, along with 19% of participating countries, on the basis of its continuing strong record in strategic policy making and co-ordination of aid resources. A series of well-developed and embedded development strategies and plans exist. The 2001-10 Socio-Economic Development Strategy (SEDS) provides the long-term vision. This vision is executed through the medium-term national development plan, the SEDP 2006-10 (which serves as a second-generation poverty-reduction strategy), more detailed five-year sector and provincial plans, and national target programmes. The sector and provincial plans are prepared by all ministries and provinces and include specific targets and indicators to monitor implementation of the SEDP and progress towards the twelve 2010 Vietnam Development Goals (VDGs).

Implementation of the SEDP is being advanced through measures that strengthen its relationship to the national budget. Ministries and provinces were asked to prepare a budget framework for 2006-10, based on the SEDP; these were then consolidated in the annual national budget. Vietnam produced a medium-term expenditure framework (MTEF) for 2006-08 and has piloted MTEFs in some sectors and provinces. Lessons from the pilots have been disseminated and the government has agreed to roll MTEF out to all ministries and provinces. This will be reflected in the revised State Budget Law. These actions enabled the government to take a medium-term perspective during the budget preparation, thereby detailing more realistic and better-prioritised expenditures, and facilitating medium-term aid commitments from donors.

Vietnam has already met the 2010 target for Indicator 1 but should continue to strive for an A rating, which requires the development strategy to be fully operational and sustainable. Both the Comprehensive Capacity Building Program (CCBP) and the Public Administration Reform Master Program should improve the management of public funds, including ODA. As local authorities control the allocation of almost half of their resources, the central government's principal challenge is to address the lack of capacity for strategic policymaking and planning at sub-national level. The facility for Strengthening Provincial Planning Reforms, which is supported by several donors, indicates that the government is rising to this challenge. ■

ALIGNMENT

FOR AID TO BE EFFECTIVE, it must be aligned with national development strategies, institutions and procedures. The Paris Declaration envisions donors basing their support fully on country partner aims and objectives. Indicators 2 through 8 examine several dimensions of aid to assess the degree to which partner countries and donors achieve alignment.

Results of the 2008 Survey suggest that progress in this area is mixed in Vietnam. Country systems are relatively strong and donors are increasingly using them, even though lack of consensus regarding appropriate international standards remains an obstacle to greater use. Steady progress has also been made in untying aid and reducing parallel project implementation units (PIUs). The results are less encouraging with regard to aid predictability and alignment. Deterioration has been noted in these areas since the 2006 Baseline Survey, due primarily to the inability of both government and most donors to accurately record aid flows.

BUILDING RELIABLE COUNTRY SYSTEMS

INDICATOR 2a

How reliable are country public financial management systems?

Indicator 2 covers two aspects of country systems: public financial management (PFM) and procurement. In each case, the focus is on the degree to which these systems adhere to broadly accepted good practices – or to which there is in place a reform programme to promote improved practices. If countries have reliable systems, donors will be encouraged to use such systems for the delivery and management of aid. This helps to align aid more closely with national development strategies and enhances aid effectiveness.

Indicator 2a of the Paris Declaration assesses the degree to which partner countries either have public financial management (PFM) systems that are in line with broadly accepted good practices or have credible reform programmes in place to establish reliable PFM systems. The assessment is based on the World Bank's Country Policy and Institutional Analysis (CPIA) score for the quality of PFM systems, which uses a scale running from 1 (very weak) to 6 (very strong) with half-point increments. To score highly, a country needs to meet all three of the following criteria: a comprehensive and credible budget linked to policy priorities; effective financial management systems to ensure that the budget is implemented as intended in a controlled and predictable way; and, timely and accurate accounting and fiscal reporting, including timely and audited public accounts. The 2010 target is that each country will move up at least one measure (*i.e.* 0.5 points) on the CPIA scale for measuring the quality of PFM systems.

Vietnam received a rating of 4.0 – moderately strong – for its PFM systems in the 2006 Baseline Survey, significantly higher than the average of 3.2 for other low-income countries in the 2005 CPIA index. The 2006 Baseline Survey describes the legal and institutional reforms being implemented to strengthen PFM systems, including measures to improve budget reporting, monitoring and transparency, and to ensure that the audit function is independent.

The global Paris Declaration 2010 target is for 50% of partner countries to register a half-point increase on the CPIA scale, resulting in a target of 4.5 for Vietnam. The 2008 Survey again gives the country PFM systems a rating of 4.0, indicating that no substantial progress has been made but that the 2010 target remains in sight.

At the time of the 2006 Baseline Survey, no mechanism was in place to systematically assess and quantify the quality of procurement systems in partner countries. Thus, it was impossible to set country-level targets on progress towards Indicator 2b.

In the context of the 2008 Survey, the quality of a country's procurement system is assessed through the Methodology for the Assessment of National Procurement Systems, which was developed by the Joint Venture on Procurement. The methodology includes two components: the baseline indicators compare the country's systems to internationally-accepted good practice; and a new set of indicators assess overall performance of the system and compliance with national legislation and standards. The results of the procurement system self-assessment are expressed as grades on a four-point scale running from A (the highest) to D (the lowest).

The reliability of Vietnam's procurement systems was not assessed in the 2006 Baseline Survey. Thus, it is not possible to set country-level targets or report on progress. Since passing a new Procurement Law in 2006, the government has been working to standardise procurement processes. In 2007, common document formats for processes relating to the procurement of goods were issued; a similar exercise is now underway for civil works. Standard procurement monitoring and reporting formats have been developed by the government and the "Six Banks" (Asian Development Bank, Japan, Germany, Korea, the World Bank, and France). Since August 2007, these formats have been integrated into the Aligned Monitoring Format (AMF) and have been applied to all ODA programmes and projects in Vietnam. Other significant progress includes improvements to the government's procurement website and the upgrading of the procurement bulletin included in the procurement newspaper. The Base Line Indicator (BLI) Assessment conducted in 2008 gave Vietnam a C rating. This sets the 2010 target for quality of Vietnam's procurement system at B.

ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Comprehensive and transparent reporting on aid, and how it is used, is an important means of ensuring that donors align aid flows with national development priorities. The degree to which development assistance to the government sector is fully and accurately reflected in the budget provides a useful indication of the degree to which serious effort is made to connect aid programmes with country policies and processes. It also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

Indicator 3 is a proxy for alignment. It measures the percentage of aid disbursed by donors to the government sector that is included in the annual budgets for the same fiscal year. The indicator is a joint measure of two components: the degree to which donors report aid flows comprehensively to partner countries; and the degree to which partner countries accurately record aid.

The final figure highlights any discrepancy between the government's budget estimates and actual disbursements by donors. The discrepancy (or gap) can be in either direction: budget estimates can be higher or lower than disbursements by donors. In order to have a single measure of discrepancy under 100%, the ratio is inverted when budget estimates are higher than donor disbursements. The 2010 target is to halve the proportion of aid flows to the government sector that is not currently reported on government budget(s), ultimately arriving at a point where at least 85% of aid is reported on the budget.

INDICATOR 2b

How reliable are country procurement systems?

INDICATOR 3

In the 2006 Baseline Survey, a credible 81% of aid disbursed to the government sector was reported in Vietnam's national budget. The 2008 Survey reveals a slight decline, with 80% of the USD 2455 million aid disbursed to the government sector currently on budget. The government's estimates relating to its three largest donors have become less comprehensive, which is significant given that they provided 75% of all aid to the government sector in 2007. As with the 2006 Baseline Survey, this discrepancy is attributed to four factors: the use of different financial years; lack of agreement about what should be reported; failure to provide timely or realistic information about planned disbursements; and inaccurate recording of aid.

The government is continuing efforts to optimise the provision and capture of information about aid flows. In addition to the OECD Development Assistance Committee (OECD-DAC), which was used by 42 donors in 2007, the government developed an ODA monitoring and evaluation system that uses a common reporting format for donors and the government (Aligned Monitoring Formats – AMF) to capture ODA and government

TABLE 53.1:
Are government budget estimates comprehensive and realistic?

	Government budget estimates of aid flows for 2007 (USD m) a	Aid disbursed by donors for government sector in 2007 (USD m) b	2005 (for reference)		2007*	
					c = a / b	c = b / a
Asian Dev. Bank	198	241	98%		82%	
Australia	4	21	14%		21%	
Belgium	11	12	14%		91%	
Canada	4	6	82%		67%	
Czech Republic	0	--	59%		--	
Denmark	19	57	28%		34%	
European Commission	24	46	44%		52%	
Finland	11	28	36%		39%	
France	37	73	47%		51%	
GAVI Alliance	0	6	0%		0%	
Germany	95	57	61%			60%
Global Fund	7	10	22%		70%	
Hungary	0	0	0%		37%	
IFAD	0	--	85%		--	
IMF	0	--			--	
Ireland	0	10	--		1%	
Italy	9	6	35%			60%
Japan	655	734	96%		89%	
Korea	1	12	23%		7%	
Luxembourg	1	0	12%			0%
Netherlands	10	32	69%		32%	
New Zealand	1	3	58%		26%	
Norway	9	17	96%		54%	
OPEC Fund	0	--		0%	--	
Spain	4	12	74%		31%	
Sweden	15	44	51%		34%	
Switzerland	7	13	71%		54%	
United Kingdom	40	48	61%		83%	
United Nations	67	40	58%			61%
United States	0	0	29%			0%
World Bank	737	926	94%		80%	
Average donor ratio	--	--	49%		45%	
Total	1 968	2 455	81%		80%	

* Ratio is c=a/b except where government budget estimates are greater than disbursements (c=b/a).

Note: In order to reduce double counting, all co-financing through World Bank trust funds captured for the World Bank and deducted from the contributing donors. Actually, total ODA provided for government sector in 2007 by Australia was USD 29 million, by Denmark – USD 68 million, European Commission – USD 59 million, Ireland – USD 21 million and UK – USD 94 million.

counterpart funds. Such initiatives will undoubtedly contribute to progress towards Vietnam's 2010 target of 90% of all aid to the government sector being on budget, but success will only result from a determined effort. An average donor ratio of just 45% in 2007 indicates the need for improvements on all sides, though improving the realism and accurate recording of aid from the three largest donors will inevitably contribute the most to overall progress. MPI and donors are discussing measures with the Ministry of Finance (MOF) to improve its aid recording systems. Information sharing between donors and government, as well as within government ministries, also needs improving to provide consistent and accurate data on planned and disbursed aid. Double-counting of aid figures reported by donors is another issue; the MPI is working with key multi-lateral donors and OECD-DAC to agree on a solution to this problem.

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints significantly undermine the ability of partner countries to capture, co-ordinate and utilise aid flows more effectively. Under the Paris Declaration, donors committed to providing technical co-operation in a manner that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Likewise, there is greater recognition that successful capacity building is endogenous – *i.e.* is led by the partner country. To this end, the partner country defines clear objectives to ensure that existing capacities are used effectively and that external support is harmonised within this framework.

Indicator 4 focuses on the extent to which donor technical co-operation – an important input into capacity development – is moving towards this country-led model. It measures the degree of alignment between donor technical co-operation and the partner country's capacity development needs and strategies. The Paris Declaration 2010 target is that 50% of technical co-operation flows are implemented through co-ordinated programmes that are consistent with national development strategies.

The 2006 Baseline Survey reported that an impressive 85% of Vietnam's technical assistance was already co-ordinated. A mis-reporting of one of the figures, however, means that this has now been revised downward to 66%. Vietnam has already met the 2010 target, but achieving the more ambitious HCS target of 100% will be a considerable challenge. In 2007, Vietnam reported that 68% of its USD 447 million could be considered to be co-ordinated.

Vietnam has clearly identified capacity building as a key priority. The country's objectives – and how it intends to realise them – are set out in national, sector and provincial development strategies and plans, as well as in the principal documents governing the management of external resources (*e.g.* the Strategic Framework for ODA Mobilisation and Utilisation 2006-10 and the PGAE Action Plan 2008). The government now needs to prioritise and communicate these objectives, ensuring consistency between national and sub-national strategies to facilitate donor alignment with these plans.

INDICATOR 4

For their part, donors are supporting several joint activities, including the Comprehensive Capacity Building Programme (CCBP). Nevertheless, strong government leadership is needed for donors to increase efforts to harmonise and align their technical co-operation. The 2008 Survey indicates that 20 donors provided technical co-operation to Vietnam in 2007, with a great deal of variation both in terms of the amount (ranging from USD 1 million to USD 50 million) and the proportion that is co-ordinated. For those donors providing over USD 35 million each, the level of co-ordination ranged from 1% to 100%. To advance progress in this area, PGAE has set up a new thematic group on capacity development to conduct an in-depth study on capacity needs for programme-based approaches (PBAs). The study will focus on line ministries and provinces, and will be a basis for a future medium-term capacity development strategy.

TABLE 53.2:
How much technical
co-operation is co-ordinated
with country programmes?

	Co-ordinated technical co-operation (USD m)	Total technical co-operation (USD m)	2005 (for reference)	2007
	a	b	c = a / b	
Asian Development Bank	35	35	100%	100%
Australia	11	31	27%	36%
Belgium	0	18	92%	0%
Canada	14	14	21%	94%
Czech Republic	--	--	100%	--
Denmark	4	4	8%	98%
European Commission	10	32	100%	29%
Finland	8	8	43%	100%
France	1	8	40%	16%
GAVI Alliance	0	0	--	--
Germany	17	18	96%	94%
Global Fund	0	0	--	--
Hungary	0	0	75%	100%
IFAD	--	--	--	--
IMF	--	--	--	--
Ireland	0	0	--	--
Italy	2	2	91%	100%
Japan	45	45	100%	100%
Korea	5	5	100%	93%
Luxembourg	0	1	0%	30%
Netherlands	26	41	50%	63%
New Zealand	1	2	21%	65%
Norway	0	0	100%	--
OPEC Fund	--	--	0%	--
Spain	0	0	100%	0%
Sweden	21	21	100%	100%
Switzerland	0	0	13%	--
United Kingdom	26	26	100%	100%
United Nations	38	46	56%	83%
United States	1	50	0%	1%
World Bank	39	39	93%	100%
Total	303	447	85%	68%

USING COUNTRY SYSTEMS

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the partner's long-term capacity to develop, implement and account for its policies – to both its citizens and its parliament. The Paris Declaration encourages donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. In this respect, Indicator 5 is directly linked to Indicator 2 on the quality of PFM and procurement systems, and measures the use of both.

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding to the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting, and auditing) as a percent of total aid disbursed to the government sector. The 2010 target is relative to Indicator 2a on the quality of PFM systems.

INDICATOR 5

TABLE 53.3:
How much aid for
the government sector
uses country systems?

	Aid disbursed by donors for government sector (USD m) a	Public financial management (PFM)					Procurement		
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	2005	2007	Procurement systems (USD m) e	2005	2007
					(for reference)	avg (b,c,d) / a		(for reference)	e / a
Asian Development Bank	241	232	232	50	61%	71%	69	48%	29%
Australia	21	2	4	2	1%	14%	8	9%	40%
Belgium	12	5	5	5	0%	39%	5	7%	39%
Canada	6	6	5	2	51%	69%	6	51%	100%
Czech Republic	--	--	--	--	0%	--	--	0%	--
Denmark	57	23	23	23	2%	41%	25	1%	44%
European Commission	46	27	27	12	40%	48%	27	44%	58%
Finland	28	5	13	11	24%	35%	8	41%	30%
France	73	73	70	0	30%	65%	14	79%	19%
GAVI Alliance	6	0	0	6	33%	33%	0	30%	0%
Germany	57	8	8	8	24%	14%	8	0%	14%
Global Fund	10	0	10	0	33%	33%	10	0%	100%
Hungary	0	0	0	0	0%	0%	0	0%	0%
IFAD	--	--	--	--	67%	--	--	0%	--
IMF	--	--	--	--	--	--	--	--	--
Ireland	10	10	10	10	--	100%	10	--	100%
Italy	6	0	0	0	22%	0%	4	65%	69%
Japan	734	673	673	673	31%	92%	673	31%	92%
Korea	12	2	2	2	0%	17%	2	0%	17%
Luxembourg	0	0	0	0	0%	--	0	0%	--
Netherlands	32	32	14	0	43%	48%	31	100%	97%
New Zealand	3	3	3	2	3%	74%	3	8%	80%
Norway	17	17	17	4	40%	75%	17	56%	100%
OPEC Fund	--	--	--	--	--	--	--	--	--
Spain	12	10	10	10	34%	83%	10	78%	83%
Sweden	44	0	0	0	32%	0%	0	16%	0%
Switzerland	13	0	0	0	--	0%	6	11%	48%
United Kingdom	48	25	25	20	62%	48%	21	62%	44%
United Nations	40	3	3	3	20%	8%	0	15%	1%
United States	0	0	0	0	0%	--	0	0%	--
World Bank	926	498	498	465	23%	53%	498	23%	54%
Total	2 455	1 655	1 651	1 310	32%	63%	1 456	33%	59%

Indicator 5b measures the volume of aid, as a percent of total aid disbursed to the government sector, that uses partner country procurement systems. The 2010 target is relative to Indicator 2b; thus, targets are indicated only for those countries that established scores for Indicator 2b in the context of the 2006 Baseline Survey.

The 2006 Baseline Survey reported that only 32% of aid to the government sector in Vietnam used country PFM systems, resulting in a 2010 target of 55% (based on the baseline rating of 4.0 for Indicator 2a). The 2008 Survey shows that Vietnam has met this target, with 63% of aid to the government sector in 2007 using government PFM systems. As in 2005, however, donors are more prepared to use the country systems for budget execution and reporting than for audit functions.

The 2008 Survey suggests that there has been considerable progress in use of Vietnam's procurement systems; the proportion of aid using these systems rose from 33% in 2005 to 59% in 2007.

All ODA provided through budget support is automatically subjected to Vietnam's financial management and procurement systems, and is liable for audit by government systems. Donors are also beginning to rely on government systems for aid using other PBAs. The progress on Indicators 5a and 5b appears to be mostly accounted for by the equally promising increase in use of PBAs (58% in 2007, Table 6). This is commendable. However, if further progress is to be made of donors using country PFM and procurement systems, government and donors must also increase the use of these systems for non-PBA ODA. To achieve this, government and its development partners must reach consensus on the international standards that Vietnam should work towards; the fact that various thematic groups were established to analyse remaining gaps in the country systems should aid this process. Considerable overall gains can also be made if Vietnam's three largest donors, who together provide 75% of aid to the government sector, surpass the 2010 targets.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

INDICATOR 6

When providing development assistance, some donors establish specific project implementation units (PIUs), *i.e.* dedicated management units designed to support development projects or programmes. A PIU is said to be "parallel" when it is created at the behest of the donor and operates outside existing country institutional and administrative structures.

In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, PIUs often tend to undermine national capacity building efforts, distort salaries and weaken accountability for development.

To make aid more effective, the Paris Declaration encourages donors to "avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes." Indicator 6 is a count of the number of parallel PIUs being used in partner countries. The 2010 target is to reduce by two-thirds the stock of parallel PIUs in each partner country.

The 2008 Survey reports almost a halving of the number of parallel PIUs in Vietnam – from 111 in 2005 to 58 in 2007 – which puts the country on course to meet its 2010 target of 37 or less. This has resulted from concerted efforts by both government and its development partners to undertake specific initiatives including: government-led analyses; new legislation to streamline ODA management; a large-scale training programme to address national and local capacity constraints; and, importantly, attempts to reduce differences in salaries within and outside the government sector. Several donors have now committed to fully use government PIUs for new projects. The survey indicates that a handful of donors account for the greatest proportion of parallel PIUs. Momentum will need to be sustained, or even increased, if Vietnam is to also achieve the more ambitious HCS target of entirely eliminating parallel structures.

	2005 (for reference)	2007 (units)
Asian Dev. Bank	0	0
Australia	16	5
Belgium	8	7
Canada	11	4
Czech Republic	0	--
Denmark	17	4
European Commission	1	1
Finland	4	0
France	11	4
GAVI Alliance	0	0
Germany	0	0
Global Fund	0	0
Hungary	0	0
IFAD	0	--
IMF	0	--
Ireland	--	0
Italy	0	0
Japan	0	0
Korea	0	0
Luxembourg	0	2
Netherlands	0	0
New Zealand	0	0
Norway	0	2
OPEC Fund	0	--
Spain	0	0
Sweden	8	7
Switzerland	--	10
United Kingdom	0	0
United Nations	--	12
United States	35	0
World Bank	--	0
Total	111	58

TABLE 53.4:
How many PIUs are parallel
to country structures?

PROVIDING MORE PREDICTABLE AID

For many countries, development assistance constitutes a vital source of revenue and resources. Being able to predict aid disbursements – in terms of both how much aid will be delivered and when – is as an important factor in the ability of countries to manage public finances and undertake realistic planning for development. It is particularly crucial to enabling partner countries to implement medium- to long-term development plans and to optimise the allocation of resources within and across sectors. In this regard, the Paris Declaration calls on donors to provide reliable, indicative commitments of aid over a multi-year framework, and to disburse aid in a timely and predictable fashion according to agreed schedules.

Indicator 7 examines in-year predictability of aid to the government sector, measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in the national accounting system as actually disbursed. Indicator 7 assesses predictability from two angles. The first angle is the combined ability of donors and government to disburse aid on schedule. The second is the ability of donors and government to record comprehensively disbursements made by donors to the government sector.

INDICATOR 7

Indicator 7 is designed to encourage progress in relation to both angles, with the aim of gradually closing the predictability gap – by one-half – by 2010. The ultimate goal is to improve not only the predictability of actual disbursements, but also the accuracy of how disbursements are recorded in government systems – an important feature of ownership, accountability and transparency.

The 2006 Baseline Survey recorded in-year predictability of aid at 78%, establishing a 2010 target for Vietnam of 89%. The 2008 Survey indicates that the predictability gap has since slightly decreased, with 30% (USD 842 million) of scheduled aid to Vietnam not reported in the national budget in 2007. However, there are two causes for concern. First, the proportion of the predictability gap attributable to planned aid that has not been disbursed is a less serious problem than that arising from the apparent inability of both donors and governments to comprehensively record aid flows. Second, the declining average donor ratio of scheduled aid recorded on the government's budget (just 35% in 2007) signals the bulk of aid from donors is not being recorded in the national budgets as the sound performance of the three of the largest donors is raising the overall score for this indicator.

TABLE 53.5:
Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in 2007 (USD m)	Aid scheduled by donors for disbursement in 2007 (USD m)	Aid disbursed by donors for government sector in 2007 (USD m)	2005 (for reference)	2007*	
	a	b	for reference only		c = a / b	c = b / a
Asian Development Bank	198	273	241	99%	72%	
Australia	4	56	21	14%	8%	
Belgium	10	14	12	9%	69%	
Canada	4	29	6	47%	13%	
Czech Republic	0	--	--	40%	--	
Denmark	19	84	57	28%	22%	
European Commission	24	69	46	43%	35%	
Finland	11	30	28	36%	36%	
France	31	123	73	41%	25%	
GAVI Alliance	0	6	6	0%	0%	
Germany	90	49	57	83%		54%
Global Fund	7	9	10	25%	76%	
Hungary	0	--	0	0%	--	
IFAD	0	--	--	79%	--	
IMF	0	--	--	--	--	
Ireland	0	25	10	--	0%	
Italy	9	--	6	--	--	
Japan	655	760	734	95%	86%	
Korea	1	19	12	22%	5%	
Luxembourg	1	14	0	11%	11%	
Netherlands	8	52	32	69%	16%	
New Zealand	1	5	3	58%	11%	
Norway	9	17	17		98%	51%
OPEC Fund	0	--	--	--	--	
Spain	3	29	12	74%	10%	
Sweden	13	45	44	51%	29%	
Switzerland	2	17	13	71%	12%	
United Kingdom	34	95	48	62%	36%	
United Nations	67	67	40	50%	99%	
United States	0	50	0	29%	0%	
World Bank	737	842	926	85%	87%	
Average donor ratio	--	--	--	49%	35%	
Total	1 938	2 780	2 455	78%	70%	

* Ratio is c=a/b except where disbursements recorded by government are greater than aid scheduled for disbursement (c=b/a).

The 2008 Survey returns identify similar reasons for slow disbursement of aid (particularly for non-budget support, which makes up the majority of ODA) as the 2006 Baseline Survey. The government and donors have been trying to tackle these issues by strengthening the regulatory and policy framework for government aid management, standardising project management tools and training project implementers. The PGAE also provides a forum for dialogue and co-ordination, including issues of predictability. Closing the predictability gap will require commitment on the part of donors to provide timely information on aid disbursements through the DAD system; at the same time, government needs to reduce inaccuracies in reporting.

UNTYING AID

Aid is said to be “tied” when it is provided on the condition that the recipient country will use it to purchase goods and services from suppliers based in the donor country. Experience shows that aid with such conditions attached increases the costs of goods and services provided to partner countries; it also increases the administrative burdens on both donors and partners. By contrast, untied aid helps build a country’s capacity to provide goods and services.

Country figures for untying aid are based on voluntary self-reporting by donors that are members of the OECD-DAC. The 2010 target is to continue progress towards untying aid over time.

On the basis of OECD data covering 89% of 2005 commitments, the 2006 Baseline Survey reported that 67% of aid to Vietnam was untied. The 2008 Survey indicates that Vietnam is living up to the 2010 target of continued progress over time; the most recent data, covering 92% of aid to Vietnam in 2006, indicates that 71% of aid is now untied. ■

INDICATOR 8

How much aid is untied?

HARMONISATION

DECADES OF DEVELOPMENT EXPERIENCE show that poor co-ordination of aid increases the cost for both donors and partner countries, and significantly reduces the value-added of aid. Harmonisation of aid delivery procedures and adoption of common arrangements help reduce duplication of effort and lower the steep transaction costs of managing aid. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and share analysis.

Vietnam's donors have made some serious efforts to harmonise their activities through co-ordination mechanisms such as the Six Banks, One UN and the EU Harmonisation Roadmap. Indicators 9 and 10 suggest that sound progress is being made within all three assessed dimensions of harmonisation. At the same time, there are a large number of active donors in Vietnam and more consistency is needed within this group in relation to their willingness to increase use of PBAs and co-ordinate their activities.

USING COMMON ARRANGEMENTS

INDICATOR 9

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A sound mechanism for aid co-ordination can be described as one that builds on shared objectives and that reconciles, in a constructive manner, the various interests of stakeholders.

Indicator 9 assesses the degree to which donors work together by measuring the proportion of total ODA disbursed within PBAs. In practice, there are many different modalities for implementing PBAs, which operate at various levels. At one level, the partner country is responsible for defining clear, country-owned programmes (*e.g.* sector policy) and establishing a single budget framework that captures all resources (both domestic and external). At the second level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that 66% of aid flows are provided in the context of PBAs.

The 2008 Survey indicates that donors have become more willing to use PBAs to organise their aid to Vietnam. Some 58% of ODA (USD 536 million of a total USD 2 659 million) was delivered through PBAs in 2007, compared to only 34% in 2005. However, the amount of aid delivered through general budget support as a proportion of PBAs has decreased from 51% to 44% over the same period.

This progress is a product of the combined efforts of government and its development partners. The government paved the way for greater use of PBAs in 2006 by passing legislation that recognises PBAs as an ODA delivery modality. To boost awareness of PBAs and their benefits, a New Aid Modalities (NAM) study was completed in 2007 under the aegis of the CCBP, including recommendations for action and a roadmap to promote their use.

For their part, donors have responded to these initiatives by channelling more funding through PBAs, such as the Education for All Programme, which places Vietnam on course to meet the 2010 target of 66% of aid flows provided in the context of PBAs. More resolute action is still needed for Vietnam to achieve the more ambitious HCS target of 75%. There is extreme variation amongst Vietnam's donors regarding use of PBAs. The progress reported is mostly accounted for by an application of a definition of PBA to include all projects provided for government prioritised programmes. All donors, and particularly the three that contribute over 75% of Vietnam's ODA, must strive to make (or sustain) progress in this area over the next three years. The government needs to match these efforts by ensuring that the requisite co-ordination mechanisms – including a comprehensive programme and budget framework – are in place, particularly at sub-national level where donors are looking to increase their support.

TABLE 53.6:
How much aid is
programme based?

	Programme based approaches (PBAs)			Total aid disbursed (USD m) d	2005 (for reference)	2007 e = c / d
	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c = a + b			
Asian Development Bank	49	0	49	241	41%	20%
Australia	2	2	4	45	32%	8%
Belgium	5	0	5	18	100%	26%
Canada	2	5	7	23	48%	30%
Czech Republic	--	--	--	--	--	--
Denmark	13	41	53	77	9%	70%
European Commission	27	1	28	53	46%	52%
Finland	5	10	16	28	3%	56%
France	11	0	11	75	63%	15%
GAVI Alliance	0	5	5	6	30%	90%
Germany	8	0	8	57	18%	14%
Global Fund	0	7	7	10	100%	77%
Hungary	0	0	0	0	--	0%
IFAD	--	--	--	--	--	--
IMF	--	--	--	--	--	--
Ireland	10	0	10	14	--	72%
Italy	0	0	0	6	--	0%
Japan	21	700	722	734	33%	98%
Korea	0	0	0	12	--	0%
Luxembourg	0	0	0	13	--	0%
Netherlands	24	12	36	41	43%	88%
New Zealand	2	2	4	5	--	64%
Norway	13	4	17	17	11%	100%
OPEC Fund	--	--	--	--	--	--
Spain	10	0	10	36	34%	28%
Sweden	0	2	2	52	0%	3%
Switzerland	0	1	1	13	5%	9%
United Kingdom	5	20	25	49	61%	51%
United Nations	0	20	20	57	94%	34%
United States	0	0	0	50	--	0%
World Bank	465	33	498	926	23%	54%
Total	673	863	1 536	2 659	34%	58%

Note: To reduce double counting, all co-financing through WB trust funds captured for WB and deducted from the contributing donors. Actually, total ODA provided for Vietnam in 2007 by AusAID was USD 53 million; by Denmark – USD 87 million; European Commission – USD 66 million; Ireland – USD 25 million; and United Kingdom – USD 94 million.

The One UN Initiative is a highlight of donor harmonisation efforts. This initiative reflects efforts to overcome the challenges of fragmentation, overlap and duplication by various UN agencies. Within the framework of the initiative, the government and representatives of 14 resident UN organisations signed a “One Plan” to support government priorities specified in the SEDP 2006-10. Eleven inter-agency programme co-ordination groups (PCGs) were established to co-ordinate specific skills and advantages of various UN agencies and to deliver results based on joint programming, monitoring and evaluation. The One Budget provides the resource requirements to implement the One UN priorities in a transparent and coherent manner. A One Plan Fund was also established for un-earmarked, multi-year resources so that the UN could address strategic priorities of the government. The future focus is to implement the programmes through the framework of the PCGs. A key priority is to define how the PCGs relate to the broader aid co-ordination architecture and to national aid effectiveness dialogue mechanisms (such as the thematic Partnership Group established as part of the Hanoi Core Statement on Aid Effectiveness).

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

One of the most frequent complaints of partner countries is that donors make too many demands in relation to their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared.

Indicator 10 measures the extent to which donors are merging their missions (Indicator 10a) and analytical work (Indicator 10b) at the country level – either with country partner authorities or amongst the donor community (or both). It calculates the proportion of missions to the country undertaken jointly (*i.e.* by more than one donor) and the share of country-analysis exercises undertaken on a joint or co-ordinated basis. The 2010 target is that 40% of donor missions to the field are conducted jointly and that 66% of country analytical work is carried out jointly.

INDICATOR 10a

The 2008 Survey reports that 20% of missions to Vietnam in 2007 were undertaken jointly, compared to just 10% in 2005, suggesting that sound progress has been made towards the Paris Declaration 2010 target of 40%. Donor harmonisation initiatives (*e.g.* One UN and the EU Harmonisation Roadmap) and greater decentralisation of decision-making (the AER states that 60% of ODA is now managed from Vietnam) have contributed to this trend, as have government-led co-ordination activities (such as the MPI’s joint evaluation initiative and use of the PGAE to share information about country missions). The same increase in the proportion of joint missions will be needed again over the next three years to achieve the Paris Declaration 2010 target – a difficult feat given the large number of donors operating in Vietnam and the lack of co-ordination on the part of some of the larger donors (who report less than 5% of their missions being undertaken jointly). A total of 752 donor missions took place in 2007: an important issue

	Co-ordinated donor missions* (missions) a	Total donor missions (missions) b	2005 (for reference)	2007 c = a / b
Asian Development Bank	3	70	2%	4%
Australia	7	9	0%	78%
Belgium	2	13	0%	15%
Canada	6	30	36%	20%
Czech Republic	--	--	--	--
Denmark	6	17	21%	35%
European Commission	6	20	20%	30%
Finland	3	4	33%	75%
France	12	39	0%	31%
GAVI Alliance	0	0	--	--
Germany	2	53	17%	4%
Global Fund	1	5	0%	20%
Hungary	0	0	--	--
IFAD	--	--	100%	--
IMF	--	--	46%	--
Ireland	0	0	--	--
Italy	0	7	--	0%
Japan	0	58	0%	0%
Korea	0	6	0%	0%
Luxembourg	0	1	0%	0%
Netherlands	5	5	--	100%
New Zealand	2	5	--	40%
Norway	0	0	100%	--
OPEC Fund	--	--	--	--
Spain	2	2	0%	100%
Sweden	0	0	--	--
Switzerland	0	0	--	--
United Kingdom	11	15	100%	73%
United Nations	72	188	53%	38%
United States	0	5	33%	0%
World Bank	62	200	25%	31%
Total	152	752	10%	20%

* The total of co-ordinated missions has been adjusted to avoid double-counting. A discount factor of 35% is applied.

for alleviating the burden on the country is that all donors work harder to reduce their overall number of missions. The number of missions conducted by some donors appears extremely disproportionate to the amount of aid they provide. The large increase in the number of missions undertaken by the UN in 2007 is explained by 12 UN agencies participating in the 2008 Survey compared to only four in 2006.

Country analytical work encompasses the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies in support of sound development assistance. It typically includes country or sector studies and strategies, country evaluations, discussion papers, etc. The Paris Declaration recognises that donors have a responsibility in ensuring that the analytical work they commission is undertaken jointly, as much as possible. Doing country analytical work jointly has a number of benefits. It helps curb transaction costs for partner authorities, avoid unnecessary duplicative work and foster common understanding between donors. Donors need also to draw on partner countries' own analytical work and, where appropriate, work with government and other donors. Indicator 10b measures the proportion of country analytical work that is undertaken jointly.

TABLE 53.7:
How many donor missions
are co-ordinated?

INDICATOR 10b

TABLE 53.8:
How much country analysis
is co-ordinated?

	Co-ordinated donor analytical work* (analyses) a	Total donor analytical work (analyses) b	2005 (for reference)	2007 c = a / b
Asian Development Bank	0	0	0%	--
Australia	7	7	0%	100%
Belgium	0	0	0%	--
Canada	0	1	--	0%
Czech Republic	--	--	--	--
Denmark	1	1	100%	100%
European Commission	4	4	100%	100%
Finland	0	1	0%	0%
France	0	3	0%	0%
GAVI Alliance	0	0	--	--
Germany	5	6	67%	83%
Global Fund	4	6	--	67%
Hungary	0	1	--	0%
IFAD	--	--	--	--
IMF	--	--	--	--
Ireland	1	1	--	100%
Italy	0	0	--	--
Japan	0	3	--	0%
Korea	0	2	--	0%
Luxembourg	3	3	100%	100%
Netherlands	3	4	0%	75%
New Zealand	0	0	100%	--
Norway	0	0	100%	--
OPEC Fund	--	--	--	--
Spain	0	2	0%	0%
Sweden	1	2	63%	50%
Switzerland	0	0	100%	--
United Kingdom	10	10	100%	100%
United Nations	26	27	17%	96%
United States	0	4	15%	0%
World Bank	3	6	88%	50%
Total	51	94	24%	54%

* The total of co-ordinated analytic work has been adjusted to avoid double-counting. A discount factor of 25% is applied.

Impressive progress has been made with respect to the co-ordination of analytical work in Vietnam, both in reducing the overall number of analysis (from 144 in 2005 to 94 in 2007) and increasing the proportion that are co-ordinated (from 24% to 54%). It is difficult to ascertain how much of this gain is attributable to double-counting, but even bearing this in mind, Vietnam is probably on track for the 2010 target of 66% of analytical work being conducted jointly. It also has the HCS target of 75% within sight. The 2008 Survey reports that many donors are now undertaking few, if any, isolated analytical activities. Government capacity to undertake analysis is also being strengthened through participation in joint activities such as the World Bank's annual Vietnam Development Report. As discussed, the PGAE and various thematic PCGs provide focal points for dialogue and joint activities, and also demonstrate how strong country leadership and co-ordination produces dividends for donor harmonisation. Donors have encouraged the MPI to keep the new e-library for common analytical work on the Sector Budget Support website (<https://sbsvietnam.org>) up to date. ■

MANAGING FOR RESULTS

THE PARIS DECLARATION CALLS ON donors and partner countries to make a joint commitment to managing for development results – *i.e.* to manage resources according to desired results. This implies defining desired results and measuring progress toward them, as well as using information on results to improve decision making and performance. It also implies strengthening capacity to undertake such management and helping to increase the demand for a focus on results (*i.e.* adopt a results-based monitoring framework).

Indicator 11 utilises data collected as part of the World Bank’s review on Results-Based National Development Strategies: Assessments and Challenges Ahead. The review focuses on three particular aspects of a robust results-based monitoring framework: the quality of the information generated; stakeholder access to the information; and the extent to which such information is utilised within a country-level monitoring and evaluation system.

The assessments are expressed in scores running from A (high) to E (low), with B representing a “largely developed results-based monitoring framework.” The 2010 target is to reduce by one-third the proportion of countries lacking transparent, results-based monitoring frameworks (*i.e.* reduce by one-third the number of countries not attaining at least a B rating).

Vietnam received a C rating in the 2006 Baseline Survey, along with 59% of other participating IDA countries; the same rating was maintained in the 2008 Survey. The government has taken significant action in this area over the past few years. The General Statistics Office continues to collect SEDP relevant data through regular surveys and a population census is scheduled for 2009. Information about government development plans and progress, including regarding 2010 targets for both the Paris Declaration and the HCS, is publicly available through government websites and consultations and, with significance for extending reach, through the mass media. A monitoring and evaluation framework for the SEDP, structured around a logical results chain, has been developed in consultation with ministries and provinces. Most external partners have agreed to align with this framework when it becomes operational. At the recent mid-year CG meeting, the government was urged to use the SEDP monitoring and evaluation framework for its periodic reviews of Vietnam’s development and for reporting at CG meetings. Providing the government continues to make sound progress in implementing this (including developing mechanisms to ensure review findings can be incorporated into subsequent policy), Vietnam should still be able to meet its Paris Declaration 2010 target of a B rating. ■

MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION RECOGNISES that for aid to be truly effective, stronger and more balanced accountability mechanisms are required at all levels. In particular, aid is more effective when both donors and partner country governments are accountable – to their respective publics and to each other – for the use of resources and management to achieve development results. The Paris Declaration calls for donors and partner countries to jointly assess (through existing country-level mechanisms) mutual progress in implementing agreed commitments on aid effectiveness, including commitments made under the Paris Declaration.

INDICATOR 11

Do countries have results-based monitoring frameworks?

INDICATOR 12

Do countries have reviews of mutual accountability?

Indicator 12 is concerned with the specific question of whether there is a country-level mechanism for mutual assessment of progress on the partnership commitments arising from the Rome or Paris Declarations, or from local harmonisation and alignment plans. The 2010 target is for all partner countries to have in place such mechanisms.

The aid effectiveness agenda enjoys high-level support in Vietnam and mechanisms have been put in place to monitor implementation of both the Paris Declaration and the partnership commitments established by the Hanoi Core Statement on Aid Effectiveness. The PGAE has proved an effective forum for ongoing dialogue between government and donors about aid effectiveness, and also includes civil society representatives. Both the PGAE monitoring and evaluation framework and the PD/HCS Independent Monitoring Mechanism, the reports of which were considered at the 2007 annual CG meeting, advance mutual accountability for aid effectiveness. The PD/HCS monitoring website (<http://ccbp.mpi.gov.vn/HCSTool>), an online portal and monitoring tool that makes survey-related information accessible to the public, is also an important innovation in this respect. ■

PROGRESS SINCE 2005 AND PRIORITIES FOR 2010

VIETNAM HAS ALREADY ACHIEVED seven of the Paris Declaration 2010 targets and is on track to meet at least two more. Ownership and mutual accountability, and to a lesser degree harmonisation, appear relatively robust in Vietnam. However, donors and government need to make a concerted effort over the coming three years to improve alignment and results-based management. Two particular priorities are improving the accuracy of aid reporting and increasing the capacity of local government for strategic planning and implementation. The more ambitious targets established by the Hanoi Core Statement appear less within reach; increased momentum, as well as a more consistent distribution across the donor group, will be required to meet these targets. ■

SUMMARY

TABLE 53.9

INDICATORS		2005 REFERENCE	2007	2010 TARGET
1	Operational development strategies	B	B	A
2a	Reliable public financial management (PFM) systems	4.0	4.0	4.5
2b	Reliable procurement systems	Not available	C	B
3	Aid flows are aligned on national priorities	81%	80%	90%
4	Strengthen capacity by co-ordinated support	85%	68%	50%
5a	Use of country PFM systems	32%	63%	55%
5b	Use of country procurement systems	33%	59%	Not applicable
6	Strengthen capacity by avoiding parallel PIUs	111	58	37
7	Aid is more predictable	78%	70%	89%
8	Aid is untied	67%	71%	More than 67%
9	Use of common arrangements or procedures	34%	58%	66%
10a	Joint missions	10%	20%	40%
10b	Joint country analytical work	24%	54%	66%
11	Results-based monitoring frameworks	C	C	B or A
12	Mutual accountability	Yes	Yes	Yes

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ACRONYMS

ADB	Asian Development Bank
AER	Aid Effectiveness Review
AFD	Agence Française de Développement
AMF	Aligned Monitoring Format
BLI	Base Line Indicator
CGBP	Comprehensive Capacity Building Program
CG	consultative group
CPIA	Country Policy and Institutional Analysis (World Bank)
DAC	Development Assistance Committee (OECD)
DAD	Development Assistance Database (Vietnam)
GNI	gross national income
HCS	Hanoi Core Statement
IDA	International Development Association (World Bank)
JBIC	Japan Bank for International Co-operation
MDGs	Millennium Development Goals
MOF	Ministry of Finance
MPI	Ministry of Planning of Investment
MTEF	medium-term expenditure framework
NAM	New Aid Modalities
NDS	National development strategy
ODA	official development assistance
PBA	programme-based approach
PCG	programme co-ordination groups
PFM	Public financial management
PGAE	Partnership Group on Aid Effectiveness
PIU	project implementation unit
PWG	partnership working group
SEDP	Socio-Economic Development Plan
SEDS	Socio-Economic Development Strategy (10-year NDS)
UN	United Nations
UNDP	United Nations Development Programme
VDGs	Vietnam Development Goals

