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Field visits

Report on the field visit to Viet Nam*

Introduction

1. The Bureaux of the Executive Boards of UNDP/UNFPA and the United Nations Children's Fund (UNICEF) visited Viet Nam from 16 to 25 April 2002. The presence of both Boards during the same period created an opportunity to organize joint segments in both programmes. That enabled the Boards to meet jointly with high-ranking officials from Viet Nam and other counterparts, such as the representatives of multilateral institutions, bilateral donors and the non-governmental organization (NGO) community. The joint segments underscored the focus of both missions on the functioning and effectiveness of the United Nations system in Viet Nam as such. It expressed the vision of the Boards that the United Nations should be seen as one corporate identity, instead of a multitude of semi-independent non-related entities. That signal had been clearly received and appreciated not only by the Vietnamese counterparts but also by the United Nations community in Viet Nam and the bilateral donors.

2. As recommended in the terms of reference, a joint segment took place for two days at the start of the visit. On the final two days of the visit, a second joint segment was included in the programme. The Presidents of the Boards led the missions of the Executive Boards of UNDP/UNFPA and UNICEF.

3. Its main purpose was to allow both Boards to visit Viet Nam in the context of the Millennium development goals (MDGs), common country assessment (CCAs) and United Nations Development Assistance Framework (UNDAF). It created an opportunity to study harmonization and simplification of procedures with a view to improving the efficiency, effectiveness, coherence and impact of support to programme countries in light of General Assembly resolution 56/201 on the triennial policy review of operational activities for development (E/1998/48). A joint

* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.



substantive segment might contribute to the rationalization and improvements of the functioning and impact of the United Nations funds, programmes and specialized agencies in the context of the development challenges and opportunities on the ground.

4. The trip provided substantial and valuable insights into the role and work of UNDP and UNFPA country offices. In that regard, the delegation wished to express its appreciation to the United Nations Resident Coordinator/UNDP Resident Representative and the UNFPA Resident Representatives and their respective staffs for the dedicated and professional work that they had undertaken prior to and during the visit. The delegations also wished to thank the Government of Viet Nam, their partners in civil society, and international and bilateral organizations for their warm welcome and hospitality and for extensive and frank discussions.

5. Representatives of the following countries participated in the visit: Antigua and Barbuda, China, Czech Republic, Denmark,¹ Ecuador, Egypt, Germany, Indonesia, Ireland,² Japan, Luxembourg, Netherlands, Norway, the Russian Federation and Togo. The Group was led by the President of the Executive Board³ and accompanied by the Secretary of the Executive Board.

Viet Nam: background

6. The visit took place against the background of a country that successfully progressed through a series of transitional phases: (a) from the hardship following the immediate post-war situation (1975-1986); (b) the gradual moving away from strict centralization policies in the early Doi Moi "Renewal" Period (1986-1989); and (c) the dramatic economic reforms of 1989-1993 which accelerated the Doi Moi reforms. From a country beset by basic problems such as poverty; malnutrition and inflation, Viet Nam became a country and an economy in transition.

7. The greatest challenges then facing the country included increasing social disparity; rural development; ethnic minorities; the relatively disadvantaged position of women; employment creation; and an increasing but insufficiently recognized problem of HIV/AIDS, especially among young; and the need to provide improved social services, such as health care and education sectors.

Internal development policy of Viet Nam

8. Viet Nam made impressive achievements in its socio-economic development over the previous sixteen years. It was well on the way towards meeting the MDG of halving the proportion of the population living in extreme poverty by 2015. The United Nations was involved in supporting the Viet Nam progress report on its achievement of the MDGs and its specific development targets. The rate of poverty registered one of the sharpest declines of any developing country on record. Through its national poverty-reduction strategy paper (PRSP) process, or comprehensive poverty-reduction and growth strategy (CPRGS), the Government

¹ Mr. Jørgen Hede Pedersen was selected co-rapporteur of the mission.

² Ms. Joana Betson was selected co-rapporteur of the mission.

³ Ambassador Dirk Jan van den Berg was selected team leader of the mission.

set up national target programmes and increased substantially its expenditure for poverty elimination.

9. With an economy that was experiencing high annual growth rates, the Government set an ambitious target growth rate of around 7 per cent of gross national product (GDP) for the ten-year period between 2001 and 2010. Efforts would also focus on the social inequality between urban and rural areas. The Government recognized the importance of increasing the country's productivity and access to knowledge and technology.

Official development assistance

10. Official development assistance (ODA) played an important role and contributed to creating opportunities for Viet Nam to achieve economic growth, reduce poverty and improve the people's living standards. The Government had a strong sense of national ownership vis-à-vis foreign aid and in using it to develop its own national priorities. It was committed to ensuring that most projects are based on national execution.

11. Authorities in Viet Nam wished to see greater coordination between United Nations organizations and government agencies and among United Nations organizations. They also emphasized their desire to harmonize donor procedures, particularly in view of the large number of multilateral and bilateral organizations and NGOs operating in Viet Nam. They stressed, however, that their long-term goal was to develop Viet Nam without foreign development assistance by drawing on internal resources, while calling for increased ODA in the short term.

Role of the United Nations in Viet Nam

12. The United Nations system enjoyed special trust and respect among authorities in Viet Nam. That was a result of the tried and trusted relationship that had developed over the years and the tradition of United Nations neutrality.

13. Thanks to the privileged position of the United Nations, confidence of the Government and the relatively small share of United Nations ODA to Viet Nam (3 to 4 per cent), the country team saw the role of the United Nations system in Viet Nam primarily as providing policy advice and technical assistance. The overriding objective was to strengthen national capacity for effective aid coordination and management, play a catalytic role within the ODA community and carry out coordination between all other development partners of the Government. United Nations support also remained significant in its form of non-partisan grant aid. It supported the Government in the development and implementation of the CPRGS.

14. Alignment between national strategies and plans and the United Nations system planning had been achieved; the current UNDAF, the second such instrument in Viet Nam, covered the same period as the five-year plan of the Government for 2001-2005. It built on the first UNDAF (1998-2000) and was based on the CCA of 1999. The drafting of the second UNDAF was very instrumental in achieving coherence between the United Nations organizations in Viet Nam. The CPRGS,

when published, would complement the UNDAF as the guiding document for coherent United Nations development action.

15. The country team contributed to the documentation and analysis of the country's progress in reaching the MDGs and the publication of the final report, IDT/MDG progress – Viet Nam, which appeared in 2001, making Viet Nam the second country globally to produce such a report. The Government noted gaps in the MDGs in the context of Viet Nam and underlined the need to make them more Viet Nam specific. To bridge the gap, the country team was participating in a Government-led exercise to localize the IDT/MDGs and develop specific Viet Nam development targets.

Role of UNDP in Viet Nam

16. UNDP had been operating in Viet Nam since 1977, when many donors were no longer assisting. It developed a well-established position in the country; appreciation of their role was widely expressed by successive Vietnamese interlocutors throughout the visit. In more recent years, UNDP assisted the Government in capacity-building. It also developed a major role in aid coordination and in assisting small donors to devise projects.

17. The organizations was increasingly becoming involved in upstream thematic activities, whereby it developed the capacity to influence government policies. Through its promotion of best practices, UNDP became a source of ideas and through many years of patient consulting, discussion and advising, UNDP contributed to the development of current government policies and strategies. One very important example was the new enterprise law, which since its initiation in January 2000 led to the creation of over 40 000 new private businesses and nearly one million jobs.

18. UNDP was becoming increasingly relevant to the Government by understanding and meeting government needs. The organization learned the importance of understanding the country's determination to own the process and to do things in the Vietnamese way. It learned to facilitate the national consultation process, which could be eclectic and comprehensive, lasting over months and even years, before decisions were finalized.

19. UNDP also provided a leading role in institutional reforms – most notably that of the National Assembly – and public administration and legal reforms. The National Assembly reforms included an increase in the number of full-time members; greater decentralization; the rule of law; transparency; accountability and improving parliamentary procedures. UNDP has also worked on gender issues.

20. In the field of public administration, UNDP assisted in the development of a Master's Programme in Public Administration Reforms. The legal reforms included the establishment of a Judiciary Reform Steering Committee and the launching of a comprehensive legal system development strategy. The Government, during meetings with the Executive Board, explicitly asked for UNDP assistance in preparing the country's accession to the World Trade Organization (WTO), its participation in the World Summit on Sustainable Development (WSSD), to be held from 26 August to 4 September in Johannesburg, and its work in the Association of Southeast Asian Nations (ASEAN).

21. A very positive feature of the visit was the availability of relevant ministers and government officials to meet with the Executive Board and their willingness to discuss frankly these reforms and other issues. Such discussions revealed that the reforms brought with them other problems. In the case of privatization, the challenge was to find the means whereby enterprises would also contribute to the economy. Basically, the private sector was still too small to include current public service sectors, such as transport or communications. It was generally admitted that privatization too could and did lead to wealth and social disparities and that it was up to the Government to find the right balance.

Bretton Woods Institutions

22. As provided for in the terms of reference, a briefing was arranged with representatives of the Bretton Woods Institutions in Viet Nam, i.e., the International Monetary Fund, the World Bank and the Asian Development Bank. Despite the positive economic indicators, they identified administrative reform as a priority need. They also recognized that the CPRGS alone could not provide for the achievement of MDGs, but that that required sustainable growth and structural and institutional adjustments.

23. The briefing demonstrated good synergy between these bodies and the United Nations and made clear that closer cooperation was still possible. Representatives of the Bretton Woods Institutions recognized the influential role that United Nations organizations played in the development of Viet Nam, particularly in the area of governance reform. They underlined, however, that a better-resourced United Nations was vital for that role to continue effectively. The Bretton Woods Institutions could play a more innovative role in providing financial support on a partnership basis with the United Nations, for example, in the area of community-based projects. It was also important that the donor community embark on a "behavioral crusade", which would lead to less flag-flying and greater harmonization.

UNFPA

24. UNFPA had been operating in Viet Nam since 1977, involving a total of \$112 million to date. Initially, UNFPA worked with the Government, concentrating on stabilizing the national birth rate. With steady progress made in this area, however, UNFPA focused on more qualitative work involving the welfare of the mother and the child since 2001. The Integrated Conservation and Development Project (ICDP) goals were even exceeded, although the relatively high level of maternal mortality was a cause of concern.

25. Mother and child care were a particularly big challenge in more remote rural areas and UNFPA was instrumental in assisting the opening of a series of reproductive health-care and primary health-care clinics in some of those areas. The emphasis was also on accessibility, friendliness and counselling. The delegation visited several communal reproductive health centres in the Quang Nam province in central Viet Nam, which was supported by UNFPA.

26. A new development was the advocacy by the Government of male responsibility policies, which was fully supported by UNFPA. A sensitive issue was the reluctance of the Government to advocate the use of condoms as a routine birth control method, because of its "social evils" policy. Sex education in Viet Nam was still underdeveloped.

27. The Vietnamese attitude to the promotion of condom use was, of course, highly relevant to the emerging problem of HIV/AIDS which, although still limited, was likely to spread in the near future. According to available information, HIV prevalence was 0.22 per cent, with youth under the age of 25 representing one half of all new cases. A national AIDS programme was currently being implemented by the Government and supported by the United Nations system. The team visited the UNFPA supported Youth House in Hanoi, where the focus was on adolescent reproductive health

28. The 1999 Population and Housing Census, which was conducted with the support of UNFPA, was successfully completed with high quality and low costs. It provided an essential basis for information analysis and policy formulation, which up to then had been lacking.

Gender issues

29. Viet Nam made significant progress in the field of gender equality. The team visited the headquarters of the National Committee for the Advancement of Women (NCAFW) and was briefed on the NCAFW-UNDP-Netherlands project that aimed to support the Government in promoting gender equality in public policy over a three-year period. An open discussion on the role of women in Viet Nam also took place focusing on how despite the crucial role women played in the country's economic regeneration, gender stereotyping and deeply entrenched traditional views on the role of women remained. In particular, problems remained with regard to access to land ownership; credit; women's role in labour (long hours and often unremunerated); education; participation in decision-making procedures (especially local); health; and domestic violence.

United Nations system coordination

30. The UNDP representative was also the United Nations resident coordinator in Viet Nam. The United Nations compound currently housed UNDP, the United Nations Capital Development Fund (UNCDF), United Nations Drug Control Programme (UNDCP), part of UNICEF, United Nations Industrial Development Organization (UNIDO) and United Nations Volunteers (UNV) while UNFPA occupied separate although nearby offices. The United Nations House, which would be occupied by the majority of United Nations organizations, was being completed and was expected to be ready for occupation in 2002.

31. There was a large number of donors working in Viet Nam, including the United Nations system composed of 12 organizations and three international financial institutions, bilaterals and NGOs. In that regard, the resident coordinator had a vital role to play, ensuring coordination and avoiding duplication. Meetings

with non-United Nations development actors revealed their high appreciation for United Nations efforts, in particular in development policy analysis and the organizations's ability to set the development agenda.

32. A meeting took place with representatives of United Nations organizations operating in Viet Nam. That showed that UNDAF had contributed to introducing strategic planning in the work. Its chief advantages had proved to lie in increasing collaboration and information-sharing. UNDAF, however, was not always fully applicable to all the different organizations because of different work methods, mandates, programming periods; size of offices, etc. It also required adapting to local conditions. Collaboration seemed to work best on ad hoc issues, such as HIV-AIDS – although lack of coordination on the Viet Nam side was a disadvantage. Tourism was also considered a cross-cutting area conducive to UNDAF activity.

Non-governmental organizations

33. There were over 400 international and national NGOs in Viet Nam. A meeting with NGO representatives showed the crucial role they play as a bridge between the Government and society. Insufficient funding and excessive bureaucracy, however, restricted their activities, but they built on the already existing culture of dialogue in Viet Nam. Questions of European Union funding limited to European NGOs and the role of the United Nations in protecting NGOs everywhere were raised.

Observations (on the basis of discussions with the resident coordinator and the UNDP/UNFPA team)

34. In Viet Nam, the new UNDP could be seen at work. On the basis of a long-standing relationship in which trust and partnership were key words, UNDP was able to play a central role in the country's development, even where it contributed only 3 per cent of development assistance. That clearly demonstrated that money did not always drive influence.

35. To maintain that position, UNDP had to cooperate well with the other development actors. Cooperation with the international financial institutions (IFIs) had been quite successful in Viet Nam. The case of Viet Nam generated some fine examples where the power of ideas could be reinforced by the power of finance. That cooperation was to a very large extent the result of the excellent personal relationship between individuals. Attention should nevertheless not be steered away from the necessity to make cooperation between IFIs and the United Nations system more systemically intrinsic in their working methods.

36. Discussions with all the resident coordinators and UNDP team suggested that while UNDAF was useful, there was some question as to whether it was utilized to the maximum degree possible – it was still far from being a common United Nations programming framework. A rerun of the UNDAF exercise was not thought to be very likely. The upcoming (country-owned) CPRSG could perhaps better serve as a guiding document for United Nations activities. The plans for common United Nations premises in Hanoi were welcomed as that could enhance administrative effectiveness, create one single entry point to the United Nations country system,

create synergy between the United Nations organizations and entail a higher degree of inter-agency coordination and common approaches.

37. Moving upstream into policy advice was quite successful in Viet Nam. That redirection of UNDP activities was made possible thanks to the extensive knowledge of the country, built up by the long project-based presence of UNDP in the country and by the presence of a long-serving, knowledgeable local staff. Based on that experience, the transformation of UNDP towards policy advice should be accompanied by UNDP execution of well-selected associated pilot projects to sustain the country knowledge base.

38. That UNDP was now at the cutting-edge of expertise on governance matters made the issue of back-up expertise and resources particularly critical. It was regarded that in-house expertise was essential for such politically sensitive work. The sub-regional resource facilities were seen as useful but no substitute for in-house expertise. There was some lack of clarity as to how regional programmes would operate in practice.

39. One of the main concerns raised by the country office was the urgent need for ready access to small amounts of flexible funding that could be immediately available to respond quickly to the sudden emergence of policy advisory opportunities that were not foreseen and programmed well in advance through usual funding mechanisms. The country office considered that existing financial mechanisms involved excessive administrative delays that resulted in the loss of such strategic opportunities. The country office indicated that it would prefer a small revolving fund up to some small percentage of target for resource assignment from the core (TRAC), which would be topped up annually as the fund ran down. To maximize flexibility, such a small revolving fund would be under the authority of the resident representative who would use the funds in close consultation with the Government. Alternatively, flexible funding along the lines allowed by UNICEF should be allowed. That the thematic trust funds might be used better for this purpose was also considered.

40. The dependency of the capacity of UNDP to fulfil its role to the greatest extent possible on donor support was discussed. It was felt that since the global profile of UNDP was not as high as it should be or as high as that of the United Nations High Commissioner for Refugees (UNHCR) or UNICEF, the marketability of UNDP activities seemed to be harder than these organizations.

41. UNDP staff also called for extra staff at the local level while locally employed staff expressed concerns about the downsizing of personnel at the country level. UNDP headquarters should give further attention to staffing in connection with the re-profiling exercise. Staff expressed the view that they were the first to be affected by downsizing along with their opportunities for advancement locally within the United Nations system.

42. Staff also pointed to a lack of clarity on the role of the Executive Board. The macro nature of the work of the Board was little understood. The perception gap between UNDP at the country level and the Board could be bridged by including country-level experience in the Board agenda. The Board, for example, should benefit from the presence of UNDP representatives in New York.

43. UNFPA still had a vital role to play over the next years in developing reproductive health care and primary health facilities for women and their families, particularly in rural areas. It required adequate funding to do so.

44. While respecting the careful approach of the Government of Viet Nam to public sexual morality, the threat of HIV/AIDS was growing and needed to be addressed on all fronts. UNFPA had an important role to play in collaboration with other relevant partners.

Project visits

Disaster Management Unit

45. The members of the Executive Board were introduced to the work of the Disaster Management Unit, undertaken with the joint support of UNDP and UNICEF, during a visit to the dykes erected around the capital city to prevent the flooding of Hanoi.

46. One of the important issues discussed was the possible establishment of a contingency emergency fund to mitigate the negative repercussions of future floods, which were expected to take place every five years on a scale that requires immediate funding. The aim of such a fund would be to extend micro-credits to the segment of the population most seriously affected in the shortest possible time through the purchase of agricultural tools, rebuilding of their homes, etc. Possible ways in which to make the fund sustainable were considered and it was made clear that such a fund could be made sustainable through a revolving fund mechanism.

Hoa Sua Vocational School

47. The members of the Executive Board visited the Hoa Sua Vocational School – a non-profit, charity NGO established in 1995 by Vietnamese women.

48. The school provided for vocational training in several areas – cooking, embroidery, domestic service and restaurant services – targeting certain vulnerable groups in particular, such as invalid children of war, orphans and street children, children from poor families and hearing impaired youth. The school targeted the age group 18 to 25 with limited activities for disadvantaged children under 18 years of age.

49. Members of the Executive Board felt that the school had a positive impact on the employability of its students given that the school managed four income-generating businesses in downtown Hanoi, the income from which was used to co-finance operational costs. The school might need to focus on prioritized vocations in the future as development in Viet Nam progresses. As the demand for high-quality vocations increases, such a change in strategy could imply the need for foreign technical assistance.

50. The school received support from Canada, France, the Netherlands, Spain and UNV. The most school's important advantage in the future would be its ability to finance its operations.

Population census project and the National Committee on Family Planning and Population

51. With the support of UNFPA and UNDP, the Government supported the population census project realized in the General Statistics Office. The main aim of the project was to provide crucial information for policy-makers to make decisions and formulate policies related to social and economic affairs. One such end user was the National Committee on Family Planning and Population (NCPFP). The project was able to diversify statistical information in order to help government officials to devise and plan future development strategies.

52. The Executive Board was under the impression that support from the two United Nations organizations was useful but the project needed further sensitization to the needs of the end users and different government institutions. Continued United Nations support for this project could prove fruitful in the future.

Rural Infrastructure Development Fund in Que Son

53. Members of the Executive Board visited a number of rural infrastructure projects supported by UNDP and UNCDF in the Que Son district. The project had a positive impact on the rural community and benefited from aid from the district government, United Nations organizations and local communities, which contributed partially to the financing of a road and a number of bridges. Contributions were paid based on the relative wealth of families and not on the frequency of use of the infrastructure.

54. Although such projects had visible impact on increasing the effectiveness of the local infrastructure, members of the Executive Board felt that the most important element of the UNDP-UNCDF funded project was its ability to mobilize the local community to prioritize their infrastructure needs relative to available resources. The participation of the local population in such projects, given their low level of income, shed light on their communities' commitment to develop.

Women's entrepreneurship project

55. Members of the Executive Board visited a project to improve the participation of women in micro-projects in Danang province supported by UNDP and UNIDO. The specific project visited only concentrated on mushroom growing, while networking and marketing of the produce was not included. Further extension of the project would have to concentrate on private-sector development strategies geared to micro and small enterprises, especially with regard to business skills and basic managerial functions, to ensure the profitability of the project and its future sustainability. The aim of the project was also to provide certain services for a fee, thereby providing an appropriate platform to expand the scope of the project.

56. The project had a net positive impact on the income of its participants but possible better selection of commercial activities could help increase the profit-making capability of the women involved.

Youth Centre

57. The members of the Executive Board visited the Youth Centre in Hanoi, which dealt mainly with the reproductive health of youths in a Hanoi district.

58. The Centre provided counselling services via telephone, e-mail or direct contact with a trained reproductive health counselor and basic reproductive health services.

59. The main activities of the group included information, education and communication (IEC) activities, concentrating on reproductive health and HIV/AIDS through group activities, sports, peer education and outreach activities to highly vulnerable groups.

60. Although the Centre was the only of its kind in Hanoi, the Executive Board felt that there was a direct need to increase the number of such centres and to expand IEC activities provided by the Centre in the fight against HIV/AIDS, a challenge that was growing in Viet Nam.

Community health centres

61. In contrast to the Youth Centre in Hanoi – targeting the 18 to 26 age group – the Executive Board visited three community health centres in the Quang Nam province, which catered basically to the rural communities, reaching some 41 000 people.

62. The centres provide for basic health care, family-planning services and other limited services. Some centres complained about the lack of medical equipment, personnel, and resources in general. Certain medical cases needed to be referred to higher medical authorities at a superior administrative level, clearly demonstrating the limited services provided by the centres.

63. It was the assessment of the members of the Executive Board that UNFPA support to such centres was visible and highly effective.

Viet Nam Development Information Centre

64. Members of the Executive Board visited the Viet Nam Development Information Centre, which was financed by bilateral donors, UNDP and the World Bank Group. It was the only institution visited that was managed by an expatriate. The main aim of the Centre was to provide information related to economic and social development and change.

65. The Centre had a reference library and video-conferencing capabilities and also engaged in the translation of UNDP, World Bank and other publications issued by relevant international organizations at a price affordable to Vietnamese.

Meetings with project authorities

66. Members of the Executive Board also met with project authorities at the country office, including the macro-reforms panel with representatives of the Office of the National Assembly, the Central Institute of Economic Management (CIEM), the Ministry of Justice and the Government Committee on Organization and Personnel. Board members also had a meeting with the Panel on Enterprise Law that brought together private Vietnamese entrepreneurs (private sector), CIEM and the Viet Nam Chamber of Commerce and Industry.
