

# Italian Development Cooperation in Vietnam



Cooperazione Italiana  
 allo Sviluppo  
Ministero degli Affari Esteri  
e della Cooperazione Internazionale

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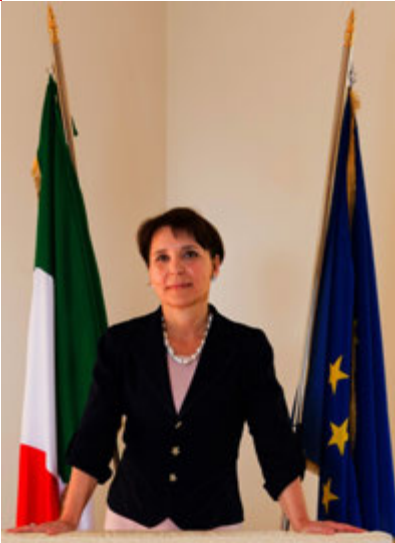
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# Foreword



2015 has been a year of significant progress in the relentless search for better global development cooperation. Negotiations to define the Post-2015 Sustainable Development Agenda have been long and arduous but, this September, world leaders have gathered at the United Nations in New York to adopt it along with the new global Sustainable Development Goals (SDGs). The Agenda and the SDGs will guide development policy and funding for the next 15 years.

An important step toward the adoption of the Post-2015 Agenda took place at the Third International Conference on Financing for Development in Addis Ababa this past July. Many high-level political representatives, such as Italian Prime Minister Matteo Renzi, attended the conference and approved the Addis Ababa action agenda, an action plan that involves a series of measures to overhaul global financial practices and generate investments for

tackling economic, social and environmental challenges. Moreover, later this year, world leaders will reconvene at the Paris Climate Conference in an effort to draft a legally binding, universal agreement to maintain levels of global warming below 2° C.

In such a changing global framework, Italy has confirmed its engagement and has strengthened its efforts to actively and significantly contribute to the ongoing development processes to the benefits of the less fortunate. As Prime Minister Renzi underscored, Italy will give its strong contribution in order to cope with the big challenges to human rights, security, prosperity and the environment. Therefore, the Italian Government committed itself to increasing the funds allocated to its international development cooperation.

In this framework, Italy continues its commitment to support the sustainable development of Vietnam. In fact, Italy's development cooperation portfolio in Vietnam is worth more than 100 million Euro. One of Italy's key priorities in Vietnam has been improving the water sector, an area to which Italy has devoted 66% of resources. A number of initiatives focus on water and sanitation, and thereby contribute to improving the urban and rural living environment. One of Italy's most significant initiatives has dedicated remarkable efforts in reducing the impacts of recurrent floods along coastal areas of Central and South-Central Vietnam. In addition to this, by applying the innovative methodology and technology of the Politecnico di Milano

University, the Italian Development Cooperation has also contributed to the improvement of the management of river basins by promoting efficiency and sustainability.

Together Italy and Vietnam are also forging a strong partnership in the area of private sector development, where both countries exhibit numerous similarities—especially with regard to the key role played by small and medium-sized enterprises (SMEs) within the larger economic framework. Due to this, 20% of our development funds are allocated to improving the productivity and competitiveness of Vietnamese SMEs and to supporting vocational training institutions. Specifically, one upcoming project, cosponsored by the Lericci Foundation, will address the residual demand for specialised human resources in the sector of monument restoration.

Finally, we are also engaged in improving health services in Central Vietnam and in protecting human rights, supporting a regional programme, implemented by IOM,

to prevent human trafficking between Vietnam, Laos and Cambodia.

The activities that the Italian Development Cooperation is engaged in are multifaceted and reflect the 360 degree engagement that the Italian Government has traditionally carried out to the benefit of Vietnam in partnership with its people and the relevant authorities.

I am therefore particularly excited to be able to introduce the Vietnamese public to “Italian Development Cooperation”, a small booklet whose ultimate goal is to underscore the paramount priority that Italy attaches to its partnership with Vietnam and to highlight all the successes these partnerships has brought until now and will bear in the years to come.

*Cecilia Piccioni*

*Ambassador of Italy to Vietnam*





# General Framework of the Italian Development Cooperation

The guiding principles of the Italian Development Cooperation are the need to contribute to guarantee the protection of human life and the enhancement of dignity for all populations. This is associated with the use of development cooperation as means to create and consolidate relations between nations, with the ultimate objective of favouring economic and social development.

In the Italian system, the development cooperation policy is regulated by the Ministry of Foreign Affairs and International Cooperation (MAECI) and is executed through the new **Law 125/2014** that oversees financing of bilateral, multi and multi-bilateral initiatives.

Within MAECI the Directorate General for Development Cooperation (Direzione Generale per la Cooperazione allo Sviluppo – DGCS) is the coordinator and co-financing authority of all cooperation initiatives carried out by Italian public entities and civil society (Universities, Foundations, NGOs).

There are **16 Development Cooperation Offices** worldwide, in countries (or having mandates over countries) in either emergency-post emergency contexts or in need of guidance to achieve a durable and sustainable development. The Development Cooperation Offices are responsible for the dissemination of information and the coordination and monitoring of all programmes funded by the Italian Government.

## Network of Italian Development Cooperation Offices



# Law 125/2014 and the Italian Agency for Development Cooperation

In August 2014, the Italian Parliament approved Law 125/2014, which repeals Law 49/1987 on Development Cooperation and reorganises the actors, instruments, modes of action and standard principles of the Italian Development Cooperation system. To ensure policy coherence and coordination, the new law establishes the **Inter-ministerial Committee on Development Cooperation**, and provides for the adoption of a **three-year programming and policy document** by the Council of Ministers.

Law 125/2014 also defines a new management structure, providing for the establishment of the **Italian Agency for Development Cooperation**. The Agency will lay greater value on already existing professional roles and attract new ones; thanks to increased flexibility, it will also allow use of the most innovative cooperation strategies and tools, which are incompatible with the present legal set-up.

## Italian Mechanism for Private Sector Engagement in Development

Previously disciplined by article 7 of repealed Law 49/1987, the engagement of private enterprises and banks in the development process of partner countries is now regulated by article 27 of the new Law 125/2014 on Development Cooperation.

In the first place, the new law intends to favour the participation of private actors in calls for tenders for the implementation of development programmes, financed through Italian Development Cooperation funds.

Law 125/2014 also regulates the **financing mechanism to subsidise investments for development**. Being the ultimate goal to promote entrepreneurship and transfer knowledge and welfare as means of facilitating inclusive and sustainable development in partner countries, the financing mechanism provides for the case of granting soft loans to:

- ◆ Italian enterprises to finance the risk capital to create a joint venture (Italian and Vietnamese, for example) operating in one of the designated fields, with particular reference to

small and medium enterprises (SMEs);

- ◆ Public or private investors or international organizations to fund the creation of joint ventures in partner countries or facilitate in other ways the development of partner countries.

A guarantee fund for the soft loans to finance the risk capital of new joint ventures is also created.

### How does the financing mechanism for private sector engagement work?

The Inter-ministerial Committee on Development Cooperation defines the terms of the loans and the selection criteria for the initiatives – ensuring that they favour job creation and add value to the local development process.

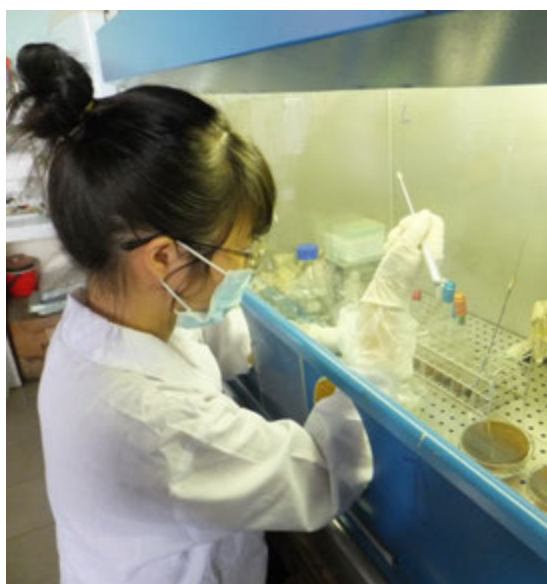
The banking institute that manages the funds on behalf of the Ministry of Economy and Finance (Cassa depositi e prestiti Spa) assesses the requests of soft loans in coordination with the Italian Agency for Development Cooperation, and disburses the funds.

# Development Cooperation Office in Hanoi

The Development Cooperation Office in Hanoi was opened in 1998 and since 2007 it has mandate over Cambodia and Laos as well. The role of the Development Cooperation Office is to define, formulate, support and supervise all initiatives funded by the

Italian Government in the countries of competence.

At present, in Vietnam, there are 11 ongoing initiatives and 6 initiatives approved or in pipeline, for an overall amount of more than **100 million Euro**.



Most programmes and projects are run by local entities. This creates a stronger bond between funding and executing agencies, thus improving effectiveness and ensuring sustainability.

One example of close and fruitful partnership is the “**Carlo Urbani Health Centre**” through which a great deal of institutional capacity building, training and high level education has been transferred to the Hue College of Medicine and Pharmacy. The Centre represents one of the most advanced hubs in the field of epidemiology and immunology in respiratory infections in the region, and will definitely create synergies with the new Health program in the same region.

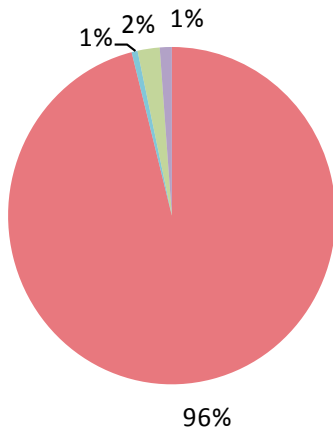
Italian ODA in Vietnam per sector (million Euro)

Sector	Ongoing projects		Approved and pipeline projects		Total
	Grant	Loan	Grant	Loan	
Water & Sanitation	6.4	38.1	0.1	9.7	54.3
Environment	5.6	0	0.1	7	12.7
SME	0	0	0.3	15	15.3
Vocational Training	0.7	0	1.1	3.5	5.3
Health	0.7	12.7	0	0	13.4
Human Rights	0.6	0	0	0	0.6
<b>Total</b>	<b>14</b>	<b>50.8</b>	<b>1.6</b>	<b>35.2</b>	<b>101.6</b>



### Italian ODA in Vietnam per channel

- Bilateral € 97,535,441
- Multi-bilateral € 600,000
- Italian Universities € 2,214,465
- NGO € 1,202,675



The “Safeguarding of **My Son World Heritage Site**”, executed by UNESCO (which also declared the site World Heritage) and Fondazione Lerici of the Politecnico di Milano University, is another example of outstanding collaboration among entities and of best practices being established in the field of archaeological restoration. The initiative, carried out in three consecutive phases for a total of ten years and an investment of more than **1.6 million USD**, aimed not only at restoring the site but also at creating a self-sustaining community that sees its livelihood ensured by sustainable tourism.

The project was based in the archaeological site of My Son, historical hub of the Cham kingdom, which is not far from Da Nang and Hoi An.

A book on the restoration of My Son was published in 2011 by the National University of Singapore along with a manual for archaeological conservation based on the best practices development during this project.



# Socioeconomic Context in Vietnam



The Socialist Republic Of Vietnam, with a population of about 90 million people growing at an average of 1.03% per year, is among the best performing countries in South-East Asia in terms of social indicators. The majority of the population belongs to the Kinh (or Viet) ethnic group but Vietnam is also populated by more than 50 ethnic minorities.

After the long post-war reconstruction phase, the launch of a new set of economic reforms, known as the **Doi Moi**, in 1986 has enabled a fast and stable economic growth and a considerable step towards poverty reduction. Over the years economic growth has been impressive (about 8% until 2008 with a slight decrease in the last few years), even in spite of the global economic crisis. From 2007 Vietnam is a member of the World Trade Organization (WTO). There are still, however, significant inequalities, especially between urban and rural areas, and the impact of this growth on the environment cannot be underestimated.

The five-year **Socio-Economic Development Plan** (SEDP 2011-2015) is prioritizing agriculture and rural development as enablers for poverty reduction, water and sanitation and private sector development,

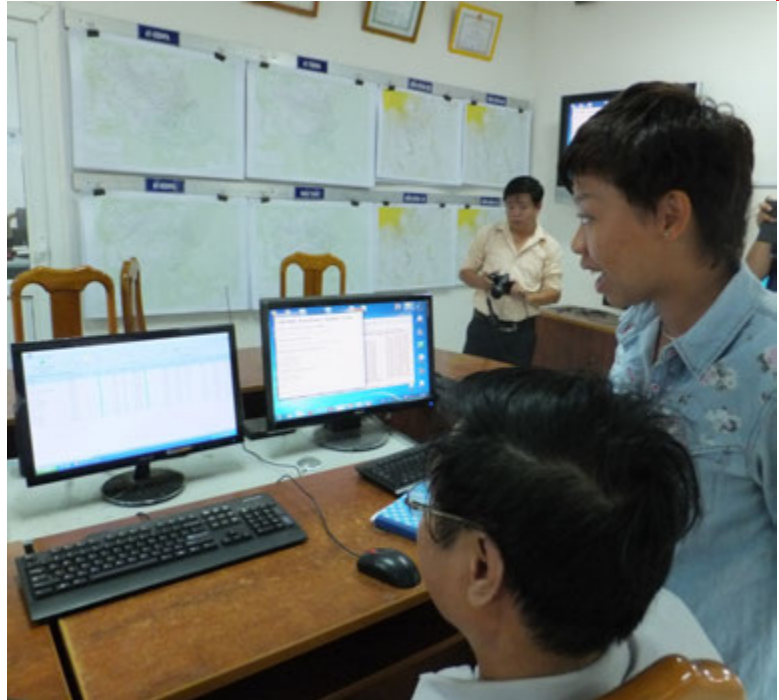
and is focusing on the fight against corruption, human trafficking, HIV/AIDS and gender equality.

With regards to Aid Effectiveness, the Government of the S.R. of Vietnam has signed in 2005 the Hanoi Core Statement, in which it commits, together with donor countries, to implement the principles of the Paris Declaration on Aid Effectiveness. Furthermore, the Government drafts the SEDP after thorough consultation with donor countries to integrate its priorities with international Official Development Aid (ODA) financed initiatives.



# Italian-Vietnamese Cooperation Partnership

Since the S.R. of Vietnam became a Middle Income Country (MIC), it started attracting more private sector investment rather than Official Development Assistance (ODA). This led several international development actors to phase out of the Country, whose need for development strictly speaking has diminished. Nevertheless, the mutated needs require a much stronger presence on specific targeted areas and sectors in order to boost a sustainable and equitable development of the Country.



On his visit to Vietnam in June 2014 (the first of an Italian PM since 1973), Italian Prime Minister Matteo Renzi, has discussed the future of the two countries with both H. E. the Prime Minister Nguyen Tan Dung and H. E. the President Truong Tan Sang.

By mutual agreement Italy and Vietnam have decided not to tie the Italian presence in the Country to a multi-year Cooperation Agreement, but rather to enhance the flexibility of both countries by agreeing on a set of individual initiatives, mostly focused on the **development of the private sector** and of **vocational training**.

The development of the Vietnamese private sector is, in fact, a key priority in order to consequently boost the development of

other fields. Moreover, Italy and Vietnam have strong economic and commercial ties. A competitive Vietnamese private sector will benefit both the sustainable development of Vietnam and commercial partnerships with Italy.

Furthermore, Italy has a set of **ongoing projects** in Vietnam that have either just started or are in the process of being launched and therefore the presence in the Country is not, in any way, at stake.

Of course Italy, although focusing its future action on private sector development, will not neglect **other sectors** in which it operates (and has traditionally been operating), such as water and sanitation, environment protection, health, archaeological restoration and child protection.



# Environment Protection and Water & Sanitation

Vietnam is among the countries that are being and will be most affected by the negative effects of exploitation of natural resources and climate change. For this reason both the Vietnamese Government and the international donor community have set environmental protection as one of the main goals for the next few years.

Italy has consequently decided to focus half of the Debt-for-Development Swap programme (about 4 million Euro) on a wide spectrum of **environmental protection** activities in Central Vietnam in order to protect forests and enhance eco-region/biodiversity conservation.

Along with the Debt Swap programme, Italy has financed a number of other initiatives related to the environment. In order to reduce the negative impacts of recurrent **floods** along the coastal areas of Central and South-Central Vietnam, two projects financed in recent years (one concluded in 2011, 2.5 million Euro, and its ongoing second phase, 4 million Euro) are improving the national flood forecasting and warning systems.

Italy has funded also a project worth 1 million Euro, led by the Politecnico di Milano University, to enhance the efficiency of the management of the multi-purpose multi-reservoir systems in the Red-Thai Binh **river basin**.

Building on success generated by both flood warning and sustainable river-basin management projects, a new project that will combine the methodologies and tech-



nological contributions of the two approaches is currently under formulation.

Of course it is impossible to envisage environmental protection without considering the issue of **water and sanitation**. By mutual agreement, Vietnam and Italy have decided to dedicate the second half of the Debt Swap programme to initiatives that will enable a more efficient and sustainable use of water.

Also the 2.4 million Euro Programme Aid aims to provide the Country with the necessary equipment to make a more effective and efficient use of water resources.

Several other initiatives—worth almost 50 million Euro altogether— are being implemented in Central and Southern Vietnam in order to counter the deterioration of the environment caused by rapid urbanization as well as to provide adequate access to drinking and irrigation water.

# Small and Medium Enterprises

Small and Medium Enterprises (SMEs) are the backbone of Vietnam's private sector. For this reason the Italian Development Cooperation has chosen to focus on improving their competitiveness and productivity in order to facilitate the drive towards a more open market economy.

This is mainly being done by establishing a new programme that will create a credit line to ease SMEs' access to finance in order to improve technology and know-how level at both firm and sector level.

In a declining ODA scenario, focusing on SMEs was the best possible way to ensure the success of a development programme, also thanks to the involvement of the Italian private sector.

Indeed, by choosing specific sectors, such

as that of **leather and shoes, textile and woodwork**, the Italian Development Cooperation avails itself of the expertise and experience of Italian private sector actors that, coming into play, will contribute to the development of the same sectors in Vietnam.

The ultimate aim of the Italian Development Cooperation is to promote a more sustainable growth of the private sector, avoiding spikes in development and ensuring a standardized production, which can enable Vietnamese SMEs to compete steadily on the international market.

To this end, the quality standard of goods produced need to relate to the standards offered by other countries and production costs need to be lower.





# Vocational Training



The vocational training sector is a very important part of the work of the Italian Development Cooperation in Vietnam.

Two new dedicated initiatives to be launched in 2016 will account for more than 4 million Euro. Also the programme on the development of SMEs—although not specifically addressing vocational training—does have a component on training.

The new programme “Supporting **Employability** and Social Inclusion in Vietnam Vocational Training Schools” focuses on the provision of advanced machinery, training of staff, update of taught curricula, and set up of career guidance services in three schools.

The focus of the programme is to increase the quality of the workforce in order to enhance competitiveness and grant a better status to the trained workers.

In the effort to diversify the offer of vocational training provided, another programme is being envisaged to follow up on a previous archaeological restoration initiative, implemented in partnership with UNESCO.

With the programme “Vocational Training Centre for **Restoration** and Conservation of Cultural Heritage” beneficiaries will be trained on a number of restoration techniques, varying from the most traditional ones to more modern forms of restoration, including dedicated IT programming.

Different sorts of training are provided also through other initiatives. For example, the programme to prevent human trafficking between Vietnam, Cambodia and Laos, carried out in partnership with IOM, seeks to mitigate economic vulnerability of migrants and their families in source communities through skill training and job placement.



# Health

The fast economic development of the Country reflects on a number of social issues, including healthcare. Although improvements in the national healthcare system have occurred, some areas can be improved—namely: infrastructure, human resources, medical equipment supply and general management of resources and assets. Far from both the capital city, Hanoi, and from the economic and financial capital, Ho Chi Minh City, the Central Vietnam region suffers the most from the lack of innovations of the system.

Since 2007, the Italian Development Cooperation has worked with the University of Hue—College of Medicine and Pharmacy, on a three-phase programme on epidemiology and pandemic risk response named after the Italian medical doctor who first detected SARS in Vietnam in 2003, **Dr. Carlo Urbani**.

Dr. Urbani's death, due to the disease he has isolated and was trying to defeat, was the spark behind the project that created a state of the art centre of epidemiology at



the University of Hue.

Over the years several doctors and biologists have been and continue to be trained and a Master's degree has been established, in partnership with the University of Sassari, in order to have staff trained both locally and internationally on the most advanced risk prevention and response techniques.

Nonetheless, as the health sector needs high quality standards as much as more mainstream approach, the Italian Development Cooperation has launched a **new health programme** (13 million Euro, soft loan) to cover wider areas of intervention.



# Human Rights

Since the 1990s, a key priority for countries in the Greater Mekong Sub-region (GMS), such as Vietnam, has been to improve connectivity and reduce trade costs, in an effort to boost the sub-region's economic growth and competitiveness. Numerous Special Economic Zones (SEZs) have been created along economic corridors and within key strategic border areas, especially between Vietnam, Cambodia and Laos, with the aim of attracting inward investments.

The mushrooming of SEZs has resulted in an increase in **human trafficking**—especially vulnerable children living around border areas—due to various factors. First, the increased internal and cross-border labour migration flows comprise a large

number of vulnerable migrants. Second, the entertainment industry is one of the most lucrative in the SEZs, and there has been a growing demand for sex workers. Third, the privatization of land in SEZs has increased the pressure on poorer farming households to move off the land and look for employment opportunities elsewhere.

In 2014, the Italian Development Cooperation has launched a regional programme, implemented by the International Organization for Migration (IOM), to prevent the trafficking of vulnerable migrants, especially minors, within the SEZs and economic corridors of Vietnam, Cambodia and Laos, and to enhance the protection of vulnerable migrants, especially victims of trafficking.





# Geographical Outreach by Sector

Every dot indicates a project in a given province. Different colors refer to different sectors. Some projects are implemented in several provinces; in this case, the dot is repeated in all targeted provinces.

Figures in millions:

**Water & Sanitation ~ €54.3**

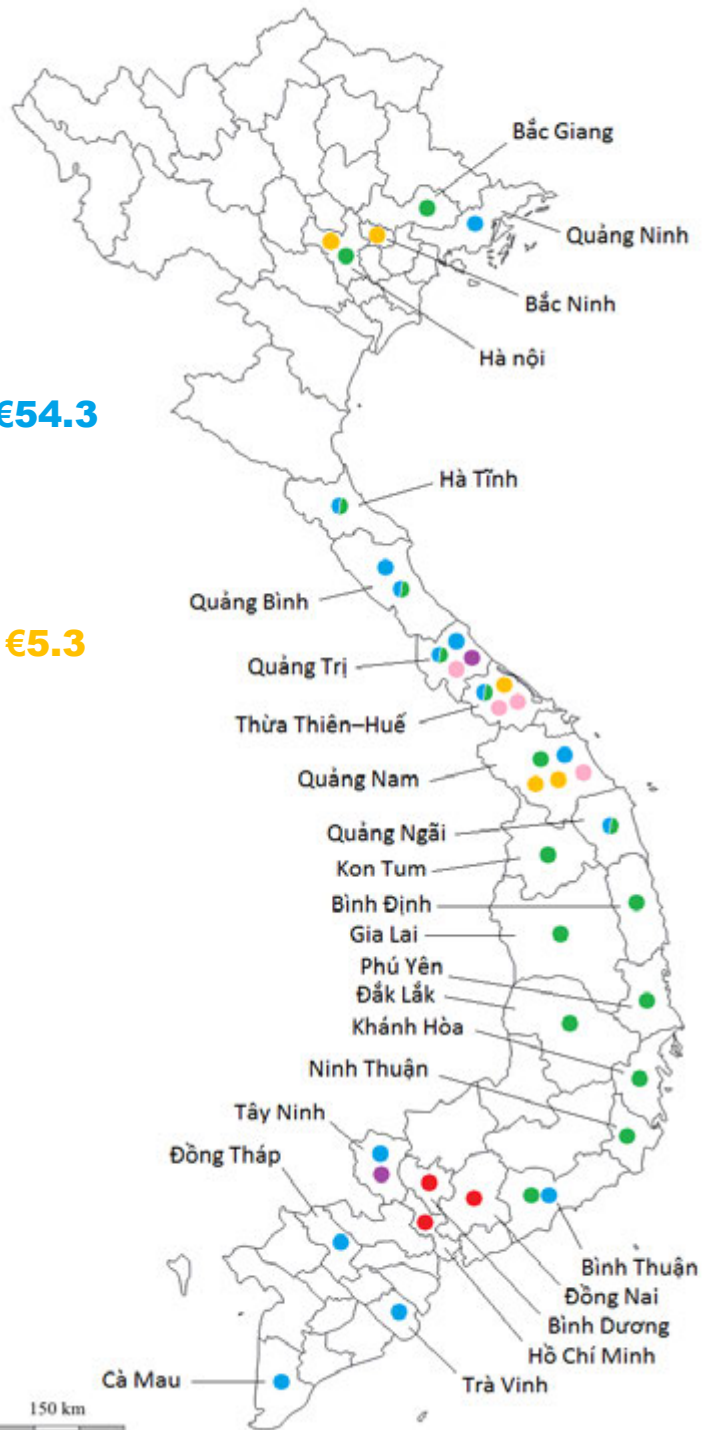
**Environment ~ €12.7**

**SME ~ €15.3**

**Vocational Training ~ €5.3**

**Health ~ €13.4**

**Human Rights ~ €0.6**



# Nui Thanh Sanitation Project in Quang Nam Province

<b>Geographical Area</b>	Quang Nam
<b>Financing</b>	€9,500,000 (Italy's soft loan) + €54,000 (Italy's grant) + €3,300,000 (Vietnam's local fund)
<b>Foreseen duration</b>	5 years
<b>Starting date</b>	2013
<b>Sector</b>	Water & Sanitation



## About the project

The project aims at creating sound environmental sanitation conditions in Nui Thanh urban area in a sustainable fashion, thereby promoting the development of the area and enhancing the quality of life for the residents in the area.

Main activities of the project include:

- ◇ construction of about 23.2 km of drainage box culverts;
- ◇ construction of about 41.6 km of HDPE sewerage pipes and 8 wastewater pumping stations;
- ◇ construction of a wastewater treatment plant with a capacity of 10,000 m<sup>3</sup>/day;
- ◇ provision of necessary tools, equipment in order to increase the capacity of collection and transportation solid wastes.

## Executing agency

Nui Thanh Sanitation Project Management Unit,  
Quang Nam Provincial People's Committee.

Nui Thanh Sanitation Project Management Unit  
Lot 06, Phan Boi Chau Street, Tam Ky City, Quang Nam Province  
Tel: +84 510 859519-859629-810929; Fax: +84 510 810549



# Binh Thuan Water Sector Project

<b>Geographical Area</b>	Binh Thuan
<b>Financing</b>	€15,000,000 (Italy's soft loan) + €60,000 (Italy's grant) + €2,700,000 (Vietnam's local fund)
<b>Foreseen duration</b>	5 years
<b>Starting date</b>	2015
<b>Sector</b>	Water & Sanitation



## About the project

The project aims at alleviating drought conditions, particularly during dry seasons, in Ham Thuan Bac and Bac Binh districts of Binh Thuan Province and preventing desertification occurring in the province.

Main activities of the project include:

- ◇ construction of a drinkable water supply system to meet demands of 135,000 people in Ham Thuan Bac district. This includes a water treatment plant (10,000 m<sup>3</sup>/day) and a pipe system of about 200 km;
- ◇ construction of a water reservoir (called Ca Tot reservoir) in Bac Binh district with capacity of 14.8 million m<sup>3</sup> and a main irrigation canal of about 7.8 km to irrigate 1.500 ha of cultivated land of minority people.

## Executing agency

Binh Thuan Water Sector Project Management Unit of Binh Thuan Provincial People's Committee.



Binh Thuan Water Sector Project Management Unit

61 Cao Thang Street, Phan Thiet City, Binh Thuan Province2

Tel: +84 623 833710; Fax: +84 623 833710; E-mail: vanthao\_ttn@yahoo.com.vn



# Ca Mau Sanitation Project

<b>Geographical Area</b>	Ca Mau
<b>Financing</b>	€13,600,000 (Italy's soft loan) + €54,000 (Italy's grant) + €6,400,000 (Vietnam's local fund)
<b>Foreseen duration</b>	5 years
<b>Starting date</b>	2014
<b>Sector</b>	Water & Sanitation



## About the project

The project aims at improving the environmental sanitation in Ca Mau city in a sustainable manner, thereby enhancing the quality of life for city residents.

Main activities of the project include:

- ◇ construction of 54.9 km new drain pipes and rehabilitating 10.0 km of old pipes and culverts; construction of 6 pumping stations;
- ◇ construction of 78.5 km of PVC&HDPE for collection and transmission of wastewater and 13 wastewater lifting pumping stations;
- ◇ construction of a wastewater treatment plant with capacity of 8,000 m<sup>3</sup>/day;
- ◇ provision of tools, equipment and technical assistance to the Project Management Unit.

## Executing agency

Ca Mau Sanitation Project Management Unit of Ca Mau Provincial People's Committee.

Ca Mau Sanitation Project Management Unit  
202-204 Quang Trung Street, Ward 5, Ca Mau City, Ca Mau Province  
Tel: +84 7803 825275; E-mail: pmuctncamau@yahoo.com.vn



# Tay Ninh Wastewater Collection and Treatment System Project – I Phase

<b>Geographical Area</b>	Tay Ninh
<b>Financing</b>	€9,700,000 (Italy's soft loan) + €140,000 (Italy's grant for TA) + €3,470,000 (Vietnam's local fund)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2015
<b>Sector</b>	Water & Sanitation



## About the project

The project aims at improving the urban sanitation conditions in Tay Ninh town.

Main activities of the project include:

- ◇ construction of a wastewater treatment plant with capacity of 5,000 m<sup>3</sup>/day;
- ◇ construction of new storm water and wastewater sewage facilities for 4 wards of the town;
- ◇ training of the Tay Ninh Water Supply and Sewerage Company staff in both the areas of management and operations;
- ◇ provision of equipment to the Tay Ninh Water Supply and Sewerage Company for the correct operation of the new facilities.

## Executing agency

Tay Ninh Water Supply and Sewerage Company,  
Tay Ninh Provincial People's Committee.



Tay Ninh Water Supply and Sewerage Company  
489 Road 30/4, Tay Ninh Town, Tay Ninh Province  
Tel: +84 66 382 2240; Fax: +84 066 382 1547

# Water Sector Programme Aid – II Phase

<b>Geographical Area</b>	Quang Ninh, Quang Binh, Quang Tri, Dong Thap, Tra Vinh
<b>Financing</b>	€2,400,000 (Italy's grant)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2013
<b>Sector</b>	Water & Sanitation



## About the project

The programme aims at supporting the Balance of Payments in favour of the Vietnamese Ministry of Finance for the supply of equipment and machinery in the water sector.

Through the procurement of capital goods and commodities, mainly on the Vietnamese market, the programme contributes to and supports projects implemented by the local authorities in five Vietnamese provinces for the supply of drinking water.

The procurement is carried out through competitive bidding procedures by a Procurement Company (PCo). Quality and quantity control of the procurement is managed by an international auditing company (ACo). Both the PCo and the ACo were selected by the Ministry of Finance through the competitive bidding procedures.

## Executing agency

Ministry of Finance.

Department of Debt Management & External Finance, Ministry of Finance

28 Tran Hung Dao Street, Hanoi

Tel: +84 4 2220 2828; Fax: +84 4 2220 8020



# Debt-for-Development Swap Programme

<b>Geographical Area</b>	Ha Tinh, Quang Binh, Quang Tri, Thua Thien-Hue, Quang Ngai
<b>Financing</b>	€7,695,254.26 (value) + €210,000 (Italy's grant for TA)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2015
<b>Sector</b>	Water & Sanitation/Environment



## About the project

The programme originates from the agreement between Vietnam and Italy to convert the existing debt into development projects in the central provinces of the Country, where poverty rates are higher.

After the launch of a call for proposals open to NGOs, local authorities and International Organizations, a Committee will select the best projects to be financed.

The total amount of available funds will be equally split to finance initiatives in the water and sanitation sector, and to mitigate the effects of climate change (such as eco-regions/biodiversity conservation and forest protection).

## Executing agency

Ministry of Planning and Investment, Ministry of Finance, and Ministry of Agriculture and Rural Development.



Department of Debt Management and External Finance, Ministry of Finance  
28 Tran Hung Dao Street, Hanoi  
Tel: +84 4 2220 2828; Fax: +84 4 2220 8020





# Integrated and Sustainable Water Management of Red-Thai Binh River System in a Changing Climate

<b>Geographical Area</b>	Red-Thai Binh river basin
<b>Financing</b>	€1,114,575 (Italy's grant) + €309,002 (POLIMI) + €168,673 (IWRP)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2012
<b>Sector</b>	Environment



## About the project

The project aims at minimising economic losses (in agriculture and hydropower sectors), decreasing the risk of flooding and enhancing environmental quality in the multi-purpose multi-reservoir Red-Thai Binh river basin system.

Main activities of the project include:

- ◇ assessment of the current conditions of management of the multi-purpose multi-reservoir Red-Thai Binh river basin system;
- ◇ designing of optimal operating rules for the multi-purpose multi-reservoir system for domestic, industrial, agricultural water supply, navigation, power generation, flood control, and environment conservation of the Red river delta in a changing climate.

## Executing agency

Politecnico di Milano University (POLIMI) and Institute of Water Resources Planning (IWRP).

Institute of Water Resources Planning  
162A Tran Quang Khai Street, Hanoi  
Tel: +84 4 3825 6470-3825 4081; Fax: +84 4 3825 2807

# Improving the Flood Forecasting and Warning System in Vietnam – II Phase

<b>Geographical Area</b>	Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan, Binh Thuan
<b>Financing</b>	€4,000,000 (Italy's soft loan) + €36,000 (Italy's grant for TA) + €2,458,000 (Vietnam's local fund)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2015
<b>Sector</b>	Environment



## About the project

The project builds on the experience gained during the first phase and aims at reducing the vulnerability of local populations to flooding.

The flood forecasting and warning system will be improved through:

- ◇ supply and installation of equipment for 114 automatic stations capable to measure remotely hydrological, meteorological, oceanographic and rainfall data;
- ◇ provision of equipment for 4 centres for management of data, forecast and warnings at the provincial, regional and national level;
- ◇ provision of training to specialised staff in order to properly manage the new hydro-meteorological network.

## Executing agency

National Hydro-Meteorological Service, Ministry of Natural Resources and Environment.



National Hydro-Meteorological Service, Ministry of Natural Resources and Environment  
3 Dang Thai Than Street, Hanoi

Tel: +84 4 3825 3469; Fax: +84 4 3825 774

# Real Time Monitoring, Modeling and Management of Water Resources in the Ba River Basin

<b>Geographical Area</b>	Kon Tum, Gia Lai, Dak Lak, Phu Yen (preliminary)
<b>Financing</b>	€3,000,000 (Italy's soft loan) + €42,000 (Italy's grant for TA)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2016 (foreseen)
<b>Sector</b>	Environment



## About the project

Building on experiences in flood warning and river-basin management, the project—currently under formulation—aims at developing a decision support system based on a real time monitoring network. Local authorities will, therefore, be assisted in planning and managing water resources in the short, medium and long run.

The project is twofold: on the one hand, a real time monitoring network will be created by installing automatic hydrological and meteorological stations and upgrading dedicated centres in processing data on rainfalls and water level in rivers; on the other hand, advanced models and tools will be applied to facilitate dialogue and coordination among different stakeholders in order to ensure the sustainable and efficient use of water resources in the basin.

## Executing agency

Department of Water Resources Management, Ministry of Natural Resources and Environment.

Department of Water Resources Management, Ministry of Natural Resources and Environment  
10 Ton That Thuyet Street, Hanoi

Tel: +84 4 3943 7080-3943 7268; Fax: +84 4 3943 7417; E-mail: [cqltnn@monre.gov.vn](mailto:cqltnn@monre.gov.vn)

# PRO.SOS. – Sustainable Production Of Medicine Plants in Son Dong District

<b>Geographical Area</b>	Son Dong, Bac Giang
<b>Financing</b>	€503,329 (Italy's grant) + €221,075 (CIAI + counterparts)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2014
<b>Sector</b>	Environment



## About the project

The project aims at pioneering the sustainable domestic cultivation of healing herbs in Son Dong district (Bac Giang province). Indeed, healing herbs are key to the livelihoods of the local population, largely composed by ethnic minorities.

The development of a production model that raises productivity and environmental sustainability of healing herbs cultivation will contribute to increasing people's income and to preventing the extinction of many of these plants. Moreover, local community's awareness will be raised about biodiversity and environmental conservation and protection.

Cultivators will also be linked to pharmaceutical companies in order to ensure sustainability of the project results.

## Executing agency

CIAI – Centro Italiano Aiuti all'Infanzia



CIAI – Centro Italiano Aiuti all'Infanzia  
8 Tu Hoa Street, Hanoi  
Tel: +84 4 6296 1820; Website: [www.ciai.it](http://www.ciai.it)



# Improving SME Productive Capacity and Competitiveness in Southern Vietnam

<b>Geographical Area</b>	Ho Chi Minh City, Dong Nai, Binh Duong
<b>Financing</b>	€15,000,000 (Italy's soft loan) + €293,300 (Italy's grant for TA) + €125,000 (Vietnam's local fund)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2016 (foreseen)
<b>Sector</b>	SME Development



## About the project

The programme aims at improving the management and technical skills as well as the productive capacity at firm and sector level in selected industries (textile/garment, leather/footwear and woodworking/furniture) contributing to developing cluster-wise productive areas.

By setting up a credit line, the programme will support access to finance for Vietnamese SMEs and promote training and technology transfer projects for companies, their managers (including Service Centres Managers) and their staff in order to increase know how and competencies in the local productive system.

The initiative is at an advanced stage of formulation and is expected to be launched in 2016.

## Executing agency

Ho Chi Minh City Finance and Investment state-owned Company (HFIC), Ho Chi Minh City People's Committee.

Ho Chi Minh City Finance and Investment state-owned Company  
67-73 Nguyen Du Street, Ben Nghe, Quan 1, Ho Chi Minh City  
Tel: +84 8 3821 4244; Fax: +84 8 3821 4243; E-mail: [info@hfc.vn](mailto:info@hfc.vn); Website: [www.hfc.vn](http://www.hfc.vn)

# Supporting Employability and Social Inclusion in Vietnam's Vocational Training Schools

<b>Geographical Area</b>	Hanoi, Thua Thien-Hue, Quang Nam
<b>Financing</b>	€3,500,000 (Italy's soft loan) + €300,000 (Italy's grant for TA) + €937,708 (Vietnam's local fund)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2016 (foreseen)
<b>Sector</b>	Vocational Training



## About the project

The project aims at enhancing institutional capacity building of vocational training schools in selected provinces and at helping their learners better meet the requirements in the labour market after graduation.

Main activities of the project include:

- ◇ upgrade of three vocational training colleges in Hanoi, Hue and Quang Nam through construction of workshops and supply of equipment;
- ◇ improvement of teachers' and managers' capacity in the three colleges through Training of Trainers (TOT) activities;
- ◇ development of career guidance and job placement activities in the three colleges.

The initiative is expected to be launched in 2016.

## Executing agency

General Department of Vocational Training, Ministry of Labour, Invalids and Social Affairs.



General Department of Vocational Training, Ministry of Labour, Invalids and Social Affairs  
37B Nguyen Binh Khiem Street, Hanoi  
Tel: +84 4 3974 5207; Fax: +84 4 3974 0339



# Vocational Training Centre for Restoration and Conservation of Cultural Heritage

<b>Geographical Area</b>	Quang Nam
<b>Financing</b>	€750,000 (Italy's grant) + €129,600 (POLIMI) + €200,000 (Vietnam's local fund)
<b>Foreseen duration</b>	2.5 years
<b>Starting date</b>	2016 (foreseen)
<b>Sector</b>	Vocational Training



## About the project

The project aims at improving the management, restoration and conservation capacities of Vietnamese institutions specialized in cultural heritage protection as well as at improving the archaeological sites in Quang Nam Province.

Main activities of the project include:

- ◇ establishment of a vocational training centre specialised in archaeological restoration and creation of a restoration laboratory;
- ◇ provision of training courses to fresh university graduates, civil servants, professionals, workers and teachers, engaged and interested in the conservation of cultural heritage;
- ◇ organisation of restoration training sessions through learning-by-doing activities at My Son archaeological site.

## Executing agency

Politecnico di Milano University (POLIMI) and Quang Nam Provincial People's Committee.

Quang Nam Provincial People's Committee  
62 Hung Vuong Street, Tam Ky City, Quang Nam Province  
Tel: +84 510 385 2759 ; Fax: +84 510 385 2748

# Raising Youth Employment through School-Enterprise Connections in Bac Ninh Province

<b>Geographical Area</b>	Bac Ninh
<b>Financing</b>	€699,347 (Italy's grant) + €313,200 (ELIS + counterparts)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2015
<b>Sector</b>	Vocational Training



## About the project

The project aims at improving the accessibility to the labour market and at increasing the average wage level of young people by directly benefiting two vocational training schools and a rehabilitation centre for disabled people in Bac Ninh Province.

Main activities of the project include:

- ◇ application of innovative methods in the formulation of courses;
- ◇ improvement of knowledge and skills of personnel in charge of training activities;
- ◇ establishment of linkages and an institutionalised network between training institutions and enterprises.

The project intends also to shape a sustainable model for boosting youth employment that can be easily replicated in other areas.

## Executing agency

Associazione Centro ELIS.



Associazione Centro ELIS  
Via Sandro Sandri 71, 00159 Roma, Italy  
E-mail: [ong@elis.org](mailto:ong@elis.org); Website: [www.elis.org](http://www.elis.org)





# Improvement of Health Services in Selected Areas of Central Vietnam and at the Hue College of Medicine and Pharmacy

<b>Geographical Area</b>	Quang Tri, Thua Thien-Hue, Quang Nam
<b>Financing</b>	€12,697,606 (Italy's soft loan) + €364,000 (Italy's grant for TA)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2014
<b>Sector</b>	Health



## About the project

The project aims at improving the efficiency and efficacy of health systems in 3 selected provinces of Central Vietnam and the Hue College of Medicine and Pharmacy (HCMP) in order to achieve better health conditions of the local population.

Main activities of the project include:

- ◇ support to the upgrade or rehabilitation of 6 hospitals, 3 preventive medicine centres and 2 emergency centres;
- ◇ upgrade, rehabilitation or construction of several health stations;
- ◇ training of medical personnel, nurses and communal health workers;
- ◇ support to the large-scale upgrade of HCMP;
- ◇ support to HCMP in planning, implementing, evaluating in aula and e-learning activities.

## Executing agency

Central Project Management Unit: HCMP and 3 provincial Project Management Units.

Central Project Management Unit

3rd floor, Building B, Hue University of Medicine and Pharmacy, 6 Ngo Quyen Street, Hue City

Tel: +84 54 382 2173; Fax: +84 54 382 6269; E-mail: [pmu.odaitaly@huemed-univ.edu.vn](mailto:pmu.odaitaly@huemed-univ.edu.vn)



# Strengthening of Training and Managerial Capacity of the International Institute for Biomedical Research and Biotechnology at the Hue College of Medicine and Pharmacy – Carlo Urbani Project, III Phase

<b>Geographical Area</b>	Thua Thien-Hue
<b>Financing</b>	€349,890 (Italy's grant) + €143,500 (UNISS/AISPO) + €125,000 (Sardegna Ricerche) + €140,500 (Vietnam's local fund)
<b>Foreseen duration</b>	3 years
<b>Starting date</b>	2013
<b>Sector</b>	Health



## About the project

The project aims at strengthening the capacity of technical personnel working in the biomedical department of the Hue College of Medicine and Pharmacy.

Main activities of the project include:

- ◇ design and organisation of a two-year Master course in Biotechnology;
- ◇ establishment of the International Institute of Biomedical Research and Biotechnology (IIRBB), which will be a centre for advanced training and sustainable researches producing technological innovation and continuous updating of epidemiologic data;
- ◇ identification of new research proposals.

## Executing agency

University of Sassari (UNISS), Hue College of Medicine and Pharmacy (HUMP), Associazione Italiana Solidarietà tra i Popoli (AISPO), and Sardegna Ricerche.



Office of Carlo Urbani Project

3rd floor, Building B, Hue University of Medicine and Pharmacy, 6 Ngo Quyen Street, Hue City

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# Addressing Migrant Vulnerabilities to Prevent Human Trafficking and Protect Victims, Particularly Children, in Targeted Special Economic Zones and Economic Corridors in Cambodia, Lao PDR and Vietnam

<b>Geographical Area</b>	Vietnam: Quang Tri, Tay Ninh Cambodia: Svay Rieng Lao PDR: Savannakhet
<b>Financing</b>	€600,000 (Italy's grant)
<b>Foreseen duration</b>	1 year
<b>Starting date</b>	2014
<b>Sector</b>	Human Rights



## About the project

The project aims at preventing human trafficking, especially minors, in vulnerable source migrant communities along the borders of the target countries, and at enhancing protection of vulnerable migrants, especially victims of trafficking.

Main activities of the project include:

- ◇ empowerment of source communities to develop prevention interventions;
- ◇ awareness raising among vulnerable migrants;
- ◇ provision of assistance to vulnerable migrants in need, particularly children;
- ◇ facilitation of bilateral dialogues between target countries;
- ◇ capacity building of authorities to protect victims, especially children.

## Executing agency

International Organization for Migration (IOM).

International Organization for Migration's Mission in Viet Nam  
Level 12A, CMC Tower, Duy Tan Street, Hanoi

Tel: +84 4 3736 6258; Fax: +84 4 3736 6259; E-mail: [hanoi@iom.int](mailto:hanoi@iom.int); Website: [www.iom.int.vn](http://www.iom.int.vn)



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