

**DEVELOPMENT PARTNERSHIP ARRANGEMENT BETWEEN THE
GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM AND THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND**

AMENDMENT

With reference to the Development Partnership Arrangement (DPA) signed on 19 September 2006 in Hanoi between the Government of Socialist Republic of Vietnam and the Government of the United Kingdom of Great Britain and Northern Ireland, and its amendment dated 15 August 2008;

In order to respond to the new context of Vietnam as a vibrant emerging economy, and to implement the outcome of the Bilateral Aid Review the new UK Government undertook in 2010, and in line with the Strategic Partnership the two Governments signed in September 2010;

Our two Governments decide to specify the details for the DPA second half (2011-2016) as follows:

Indicative levels of UK development assistance: Subject to adherence to the provisions of this Arrangement and the availability of resources to the UK, over the period 2011-2015 the UK anticipate providing £70 million in grant aid. The level of assistance in the last financial year 2015/2016 will be confirmed later. In addition debt relief to Vietnam covering 10% of payments owed by Vietnam to IDA will continue, subject to adherence to the provisions in the debt relief Memorandum of Understanding, until its phasing out at the end of 2012.

Priorities for UK support: The main objectives of the UK support are to help Vietnam achieve: i) the Millennium Development Goals (MDGs) in primary education, HIV/AIDS and sanitation; ii) stronger private sector led and inclusive growth, and strengthened business environment and economic management in line with market economy principles; iii) enhanced governance through efforts that strengthen anti-corruption and accountability; and iv) effective tackling of climate change challenges through low carbon and climate resilient investment and growth.

Partners in delivering UK support: With the endorsement of the Vietnamese Government, the UK will work with a wide range of partners in Vietnam including Government agencies, the National Assembly, civil society, and business companies. This is in line with a stronger focus on private sector led growth and accountability, in addition to meeting the MDGs and dealing with climate change. The UK will also work in close partnership with multilateral agencies such as the World Bank and UN. UK development assistance will be managed in accordance with Vietnamese rules and regulations.

Monitoring and dialogue: The DPA monitoring matrix (Annex One to this Amendment) has been structured around the main priority areas for UK support, and is part of the DPA. The Vietnamese and UK Governments will

jointly report on progress against the monitoring indicators, drawing from existing data and mechanisms. To promote accountability to the public including the citizens of the UK and Vietnam, the Vietnamese and UK Governments will jointly publish the DPA monitoring matrix and its annual assessment.

Other provisions regarding monitoring and review, provisions regarding the shared commitments, UK commitments, Vietnam commitments, and authorisation and duration remain unchanged.

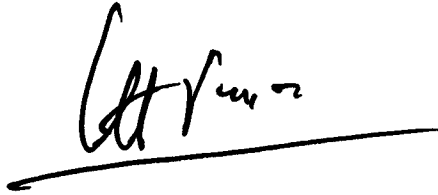
This Amendment is signed in two original copies in both English and Vietnamese.

This Amendment will come into operation upon the signature of the two Participants and will remain valid for the same period as the DPA signed on 19 September 2006.

Hanoi, 26th May 2011

On behalf of the United Kingdom of
Great Britain and Northern Ireland

On behalf of the Socialist Republic of
Vietnam



Alan Duncan
The Rt. Hon. MP, Minister of State for
International Development

Vo Hong Phuc
Minister
Ministry of Planning and Investment



UK/Vietnam Development Partnership Arrangement monitoring matrix, 2011-2016

Education

- Percentage of 20% poorest students completing primary education in 36 SEQAP supported provinces (gender disaggregated)
- Average Fundamental School Quality Level input index score increases

HIV/AIDS

- Prevalence of HIV among pregnant women as a proxy for the prevalence of HIV among the general population
- Number of most-at-risk populations (injecting drug users, female sex workers and men who have sex with men) being reached by harm reduction programmes

Rural Water and Sanitation

- Number of additional households in rural areas with access to an improved sanitation facility as a result of DFID support
- Number of additional households in rural areas having clean water as a result of DFID support

Poverty

- Poverty gap index for ethnic minority groups decreases

Wealth creation

- Private sector investment share increases
- Income of the 20% poorest population increases
- Wage employment among women increases
- Law and regulations passed or revised and implemented to support recognition of Vietnam as a market economy by major trading partners (US, EU)
- Global competitiveness index for Vietnam increases

Climate change

- Actions implemented to integrate low carbon growth in national and sector strategies and plans such as energy use, agricultural development, national and provincial development plans
- Actions implemented to promote other mitigation and adaptation in investment projects in agriculture, coastal areas management and other relevant areas

Governance

- Worldwide Governance Indicators for Vietnam improve
- Progress made in implementing the National Anti-Corruption Strategy to 2020, including establishing and reporting against a robust monitoring and evaluation framework
- Progress made in implementing Universal Periodical Review commitments, including ratifying and respecting key human rights instruments.

Handwritten initials/signature