**NGHE AN PEOPLE COMMITTEE SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

*Nghe An, October 31st 2014*

**Identification**

**of the Project**

**Reinforcing and sustaining C SEDP through Citizens Feedbacks linked with enhancing governance & public administration performance and improving PAPI of Nghe An Province**

**1. Subject**

Nghệ An province is located in the centre of the North Central of Vietnam, having natural area of 16,500km2 – the country’s largest province. Having diversified topography condition with sea, delta, midland and mountain. The province has the longest border with Laos of 419 km and long coastal line of 82 km. Nghe An has 21 district-level administrative units (of which there are 11 mountainous district) and 480 commune-level administrative units with population of 3.2 million (the country’s fourth largest population). The province is famous for learning passion and excellence, dilligence, creative and successfull in various sectors. Nghe An has 6 universities, 11 colleges, 15 vocational school and 70 technical training centres which annually provides training for 35 thousand students and 50 thousand technical workers.

For the last 4 years, Nghe An province has been implementing the Project title: Poverty Reduction through institutional strengthening in QuyChau district and Nghe An provincial level (PORIS) with the support from Belgium. The project aimed at strengthening the institutional capacities of local governments in decentralized development planning, budgeting, implementation and public service delivery in accordance with public administration reform objectives. The project strengthened the capacity of the communes in providing locally identified services in a participatory manner to the population.

The project drastically changed the planning approach from an administrative desk work to a participatory, resource-based and more inclusive exercise for the preparation of C SEDP. The Communes have been successfully entrusted with discretionary capital budget allocation (QCDF) to implement 205 locally identified LED and service delivery projects. NgheAn provincial authorities took Decision 811 to institutionalize the CSEDP approach tested by the project in one district to the entire province.

Nghe An provincial authorities would like to sustain the C SEDP approach in the entire province (480 communes) and to further strengthen and develop it by adding a citizens-based process M&E to the C SEDP. The CSEDP process can be further improved by using citizens’ perception on the improvement of the process in terms of participation, transparency, accountability and services delivery. Those can be measured by the Provincial governance and Public Administration Performance index (PAPI).

1

Even though Nghe An has been focusing on PAR in order to improve administration performance of state authorities for better service delivery to people. However, the province’s 2013 PAPI is ranked only 37/63 provinces, lose 15 grade compared to 2012 report. The major reason is that people- centered approach yet to be seen generally in all of socio-economic activities. Therefore, it is critically essential to develop and implement a realistic action plan with specific activities toward creating a better result in implementing weak index dimensions to improve province’s PAPI based on strengthening C-SEDP through citizen’s feedbacks. Especially, at the current status while people are inter-acting with local government by participating in C-SEDP process.

**2. The Ministry/institution**

- Project’s leadership: Nghệ An people committee.

- Project’s management: Nghệ An Department of Planning and Investment

- Project’s implementing agency:

+ Nghệ An Department of Planning and Investment: Be responsible for component: Strengthening C-SEDP through citizen feedbacks.

+ Nghệ An Department of Home Affairs: Be responsible for component: PAPI improvement

- Collaborating agencies: Department of Finance and relevant agencies.

**3. Overall and specific objectives of the project/program**

3.1 Problem analysis

*Local planning practices are not anchored*

The planning and budgeting reform is at the center of Vietnam administrative transformation to improve public services efficiency. While Vietnam planning system has gradually adapted to a market economy, it continues to take place within a system of hierarchical subordination and vertical integration of plans at all level (the so called “matriuska” model). The recent advance of decentralization reforms, inevitably produces tensions with that model. In an increasingly decentralised context, the role of sub-national authorities is both to “localize” central policies and autonomously develop and implement their “own” local policies. It is in this context that NgheAn province has piloted C SEDP process. While the PORIS project has enabled C SEDP to be successfully developed in one district of the province, it needs to be replicated, expanded to the remaining 20 districts and 468 communes. It also needs to be sustained and anchored in the local public management systems.

*C SEDP lacks quality control and M&E mechanisms*

No M&E system has been developed for the C SEDP. There is a need to ensure that C SEDP addresses the needs and demands of the citizens. Central control on local planning, budgeting and implementation needs to be complemented by citizen’s control and assessment of the C SEDP performance. A citizen’s survey of the performance of the local authorities in planning would in one side be used as an independent M&E mechanism from citizen for quality control of the process and content of participatory C-SEDP, and in another side offer a strong incentives for local authorities to pay more attention to citizens services.

2

*Participation remains weak*

While increased participation is an important element of Vietnam political reform (see recent constitutional reform), citizens still have too little influence on the decision making process at the commune level. As above mentioned, despite of people’s participation in decision making of commune level has been successfully piloted within the area of donors’ projects and also institutionalized in Decision 811. However, how to implement the Decision in the whole province effectively and avoiding “achievement disease” still remain a huge challenge to Nghe An PPC and its Departments.

*Incentives required sustaining C SEDP*

Despite of the C SEDP process is highly appreciated by all levels authority, in the long term it may not provide sufficient political incentives for the commune’s leaders to implement the C SEDP, especially while communes have not been provided discretionary budget as the form of CDF in PORIS project. Citizens survey on the performance and the efficiency of the C SEDP and the use of survey result as evaluation criteria for annual C-SEDP in particular and PAR in general at commune level will be important element to guide and stimulate local authorities to improve local planning, budgeting and implementation.

*Efficient CSEDP requires local accountability*

For decentralized planning, budgeting and implementation to be efficient, it required increased local accountability mechanisms to be developed. The existing top down control system needs to be complemented by local voice and accountability mechanisms.

*No action plan was made to improve PAPI*

- There is not a specific action plan or commitment of levels, sectors of Nghe An province to enhance public administration performance. Therefore, it is very essential to develop a realistic action plan for PAPI improvement.

- Citizen participation to activities of state authorities has not fully promoted. Even though there are regulations but the participation is limited due to the process, recognition on role, position, right and obligation of people. Therefore, it needs to be better organized, creating more chance for people to participate in activities of state authorities.

- The publicity, transparency in administrative procedure is still limited which is due to the lack of synchronizing of administrative unit at different level; the poor condition of infrastructure and monitoring measures at all levels.

- Regarding accountability, local government of the province has many activities to feedback, resolve citizen’s claims, and request such as: set up information receiving channel, process people’s claims, meet people, discussion... However, the effectiveness is still low; there still some scopes to be improved likes late feedback, low performance of the people inspection board, the people supervision board for public investment...

- The control of corruption has been taken care by government at different levels of the province through making and implementing regulations on corruption fighting, improving transparency in

3

public service delivery, circulating working position, monitoring public servant performance. However, those efforts have not brought expected results and therefore this is one of the PAPI scores need to be improved.

Besides, it is necessary to focus on creating positive change, increasing PAPI score in dimensions of public administration procedure and public service delivery.

For the last many years, there have been donors working on strengthening people participation through different projects such as PORIS, Oxfam, SNV... but it is still limited in project area of serveral district and yet disseminated in the whole province. While PAPI at random only selects 1-2 district to survey. Therefore, it would bring limited contribution to PAPI improvement without dissemination of participatory C-SEDP to the entire province. In 2014, the province’s people committee issued Decision 811 institutionalized C-SEDP in the whole province. This is an important legal basis to strengthen province’s people participation through a strong tool which is highly appreciated by the people, it is participatory C-SEDP.

PAPI has many sub-dimension indicators; the project will focus on improving dimensions having low score and also continue increase the ones with relevant high score likes public administration procedure and public service delivery. These activities will be implemented at all levels of Nghe An province.

**3.2 Overall achievements of the PORIS**

PORIS improved the capacity at all levels: individual, organizational and institutional (see matrix, attached)

PORIS showed that – with proper leadership and some discretionary Commune budget – the Communes are able to become the investment owners and deliver good quality services to the local needs and demands

PORIS showed that there is interest at the lower levels (district and commune) to work more participatory. It gives them more satisfaction in the work.

**3.3 The overall objective: Overall benefits to the wider population**

In response to the perceived challenges and in line with the overall planning reform, PAR objective to enhance sub-national delivery of goods and services for the population and to increase participation, accountability and transparency in the management of public management, the general objective of the project is:

***Local authorities and administrations efficiency in providing services to the citizens is improved.***

**3.3 The specific objective:**

***Participatory, results-oriented, resource-based, evidence-based and strategic C-SEDP processes are improved, sustained and institutionalized within the entire province through citizens survey on local government performance.***

4

***Action plan to improve and increase PAPI of Nghe An province is developed and revised consolidating people’s feedback after each evaluation.***

The project could have the following results (those are tentative results, detailed results will be defined during the formulation phase):

• C SEDP is implemented and sustained in the entire province with increased attention to citizens perception

• Provincial Administration Performance Index is improved and used to assess the C SEDP performance

• A PAPI related M&E system for C SEDP is established (outputs and processes)

• Action plan to improve PAPI is developed; and to be adjusted consolidating people’s feedback.

• Citizens survey on local government performance is used as a measure for the evaluation of the civil servants.

• Citizens capacity in providing feedback to local authorities improved

• Transparency, public service delivery performance is improved; M&E system of public service delivery is developed.

• Criteria of citizen’s opinion on PAPI are officially added to the set of evaluation criteria for PAR performance at all level of Nghe An province.

• Organizations representing for citizen’s voice such as Community supervision board for public investment, People inspection... are restructured and strengthened capacity for stronger voice in monitoring the improvement of transparency, accountability at local level.

• Exchange and dissemination of results, capitalization, replication strategy.

**4. Beneficiaries and localization of the project:**

The ultimate beneficiaries will be the population of Nghe An province who will benefit from public services better suited to their needs and demands. The citizens of Nghe An province will benefit from more responsive local authorities.

The more direct beneficiaries include:

• DPI will be supported in sustaining and institutionalising the C SEDP process to the entire province and to integrate citizens performance criteria’s in the C SEDP process

• DOHA will be supported in improving and sustaining evaluation criteria for citizen’s voice into the set of evaluation criteria for PAR performance and institutional related to PAPI improvement.

• District authorities will benefit from technical assistance to support the communes in C SEDP and to adopt similar planning processes for D SEDP. Districts will be trained in the new methods of planning to support the communes’ C SEDP

5

• The communes of Nghe An will receive support to sustain the C SEDP process and the poorer communes will received a capital development fund to implement priorities of the C SEDP. Communes will be trained to implement C SEDP and to develop a citizens based M&E framework

• Provincial, district and commune level will be supported to gain improvement in capacity of administration, governance, policy implementation and public service delivery of local government.

• Organizations representing for citizen’s voice such as Community supervision board for public investment, People inspection... are restructured and strengthened capacity for better monitoring the improvement of transparency, accountability at local level.

• Citizens will be sensitised/informed about PAPI surveys

**5. Relevance**

The project will sustain the implementation of C SEDP for the entire province. C SEDP is more participatory, evidence based, results based, resources linked and increases the allocation efficiency of local public investments and services. The project will increase the accountability of the C SEDP by integrating citizen’s perception on the C SEDP process. It is expected that this will positively impact on the efficiency of local services provision. The project will strengthen the participation, transparency and accountability of C SEDP thereby contributing to improved quality of public services to the population of the province. The project fits within the overall strategy of Vietnam to strengthen participation of the population in public management as framed by the Constitution

The project is part of activities within the frame of decrees on steady poverty reduction period 2011- 2020 of Vietnam, programs, SEDP of Vietnam and millennium development goals, the PAR master program, SEDP programs and poverty reduction programs of Nghe An province. The project aims to meet one of the targets of the PAR master program which is: To develop a clean, strong, modern, effective, efficient system of state administrative agencies from the central to grassroots; Enhance democracy and the rule of law in the operating activities of the Government and all state administrative organs. Besides, it is also contributing to better implementation of Decree on grassroots democracy, creating more change for people participation in decision making process and implementing law on anti-corruption at all levels.

**6. Synergy / Coherence**

6.1 Coherence: the project is in line with the planning reform of the Vietnamese government. A new planning and M&E system will contribute (i) to better manage the outcomes of development in the context of the transition from a central planning to a market economy and the rise of private development actors, (ii) to improve the efficiency and the effectiveness of public investments, (iii) to suit the process of decentralized administration and (iv) to place more emphasis on qualitative targets for sustainable poverty reduction.

The project is also coherent with the constitutional right of participation (art 28) and with the Grassroots Democracy Decree promoting increased participation and voice for citizens in local public

6

management and decision making.

6.2 Synergies: The project will closely contribute with other interventions working on C SEDP such as UNICEF, OXFAM,... The project will also call on the expertise of local NGOs to sensitize citizens about accountability and citizens surveys.

**The project will be implemented following the form of national execution with two main components:**

• Component 1: Reinforcing and sustaining C SEDP through Citizens Feedbacks – DPI is responsible for implementation and disbursement.

• Component 2: Enhancing governance and public administration performance to improve PAPI score of Nghe An province. – DOHA is responsible for implementation and disbursement.

**7. Budget and duration of project**

The project would have duration of 3 years and an estimated budget of 1.5M EUR. The Belgium contribution of 1 M EUR will be funded from the ICP allocation and will focus on technical assistance. The contribution of the province of 0.5 M EUR will cover the soft and hard component of the C SEDP (about 7 M VND / commune / year for the C SEDP planning processes and a capital allocation to fund priorities of the C SEDP). The CDF will focus on the poorer districts/communes on the provinces

**8. Sustainability**

The important premises for improvement and increase PAPI score of Nghe An province has been oriented and established. It is specified in sustaining the application of participatory C-SEDP in the entire of the province. And through strengthening people participation and PAPI related M&E system for C-SEDP. The sustainability will be shown in following aspects:

- Having commitment of government at different levels on scope of citizen’s right and obligation.

- Developing institutionalization of regulations related to obligation of levels, sectors.

- Developing and institutionalizing M&E system for participatory C-SEDP performance to apply

in the entire province.

- Reinforcing training units serving for PAR, SEDP reform; building and strengthening capacity

for government at all levels.

- Integrating and mobilizing resources from state budget, donors’ support and community

contribution to sustain results after project’s closure.

- Evaluating performance of administration body and public servant will be linked with annual

emulation.

7