

FINAL EVALUATION

VIE 08 036 11

POVERTY REDUCTION THROUGH INSTITUTIONAL STRENGTHENING AT PROVINCIAL (NGHE AN) AND DISTRICT (QUY CHAU) LEVEL

PORIS

Draft, 25 November 2014

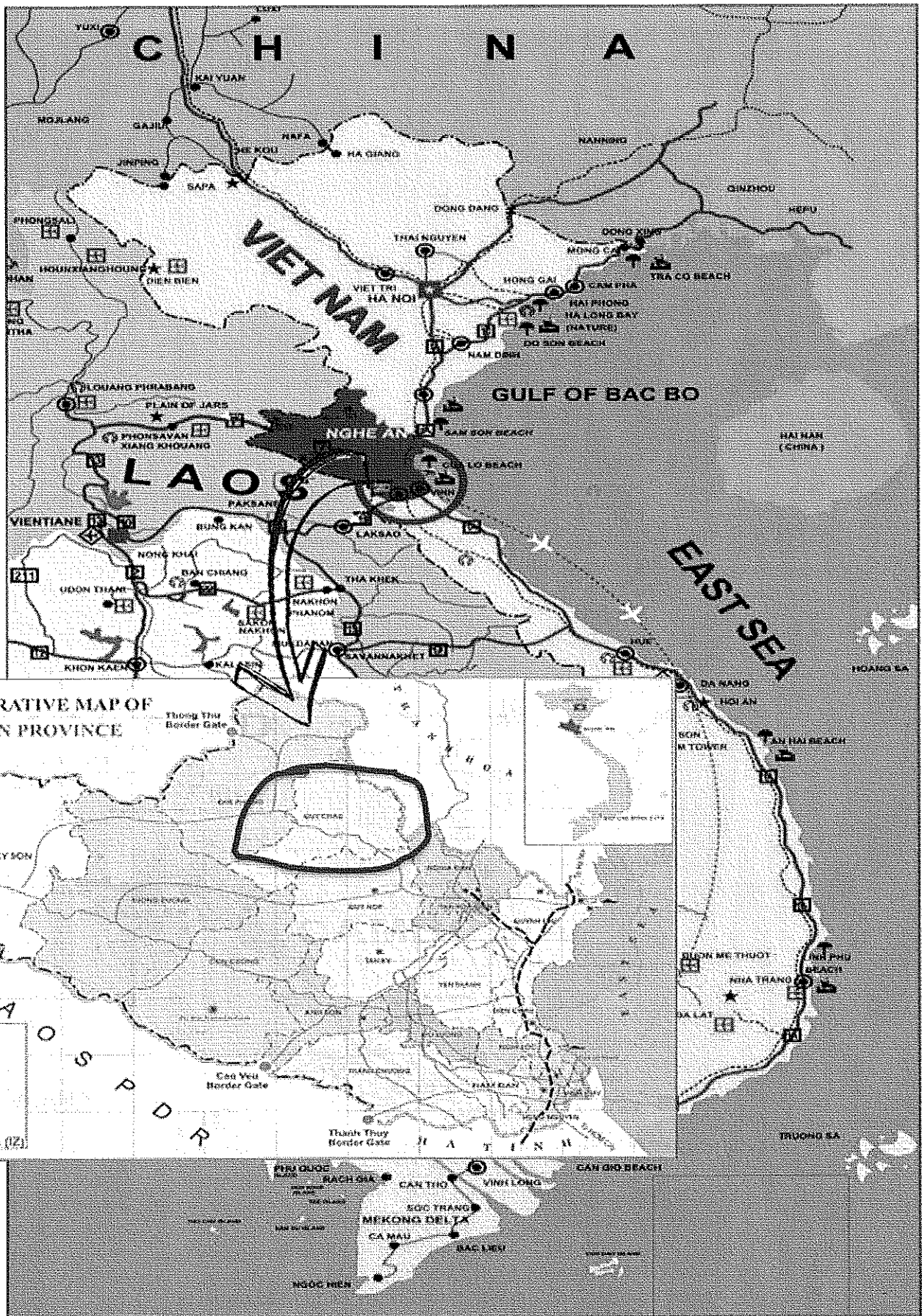


This intervention is realised in the framework of the cooperation between Vietnam and Belgium.

This report has been drawn up by independent external experts.

The opinions expressed in this document are those of the authors and do not necessarily reflect the views of BTC, the Belgian Development Cooperation or the authorities of the countries concerned.

Ooij, The Netherlands, 25 November 2014



Project site: Quy Chau District in Nghe An Province

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List of abbreviations

BTC	Belgian Technical Cooperation
CD	Capacity Development
CDPR	Capacity Development for Planning Reform Project
CDF	Commune Development Fund
CPC	Commune People's Committee (local government at commune level)
C-SEDP	Commune Socio-Economic Development Plan
DNE	District National Expert
DOF	Department of Finance
DOHA	Provincial Department of Home Affairs
DPC	District People's Committee (local government at district level)
DPI	Department of Planning and Investment, at provincial level
GOV	Government of Vietnam
ICP	Indicative Cooperation Program
IT	Information Technology
ITA	International Technical Advisor
LED	Local Economic Development
LUXDEV	Luxemburg Development Agency
M&E	Monitoring and Evaluation
MOHA	Ministry of Home Affairs
MPI	Ministry of Planning and Investment (at central government level)
MSRDP	Multi-Sector Rural Development Project (in Quy Chau district; 2002 – 2007)
MTR	Mid-Term Review
NEX	National Execution Modality
NPD	National Project Director
NRDP	New Rural Development Programme
NTP	National Target Programme
O&M	Operation & Maintenance
OSS	One Stop Shop
PAR	Public Administration Reform
PMU	Project Management Unit
PNE	Provincial National Expert
PSC	Project Steering Committee
PPC	Provincial People's Committee
QC	Quy Chau (district)
QCDF	Quy Chau Commune Development Fund
SEDP	Socio Economic Development Planning
TA	Technical Assistance / Technical Assistant
TFF	Technical and Financial File (= project document)
ToR	Terms of Reference
VND	Vietnamese Dong

Executive summary

The PORIS project was implemented by the Province of Nghe An with the objective to strengthen the institutional capacities on decentralised planning and management. In one of its Districts, Quy Chau, the project experimented with a Commune Development Fund providing opportunities to the 12 Communes in the District to plan and implement socio-economic development projects. For this purpose, procedures and structure for Commune Socio-Economic Development Planning (C-SEDP) were set up with the intention to be integrated in the Provincial policies..

The project started 1 September 2009 and had four deliverables: improvement of the planning system (result 1), improvement of planning practices (result 2), improvement of plan implementation (result 3) and a proper way of exchanging information and disseminating results within and outside the Province (result 4).

PORIS did not have an easy start. The first project activities were delayed until 2010 and the early 2012 audit report forced BTC to temporarily freeze the QCDF. The MTR, carried out at the end of 2012, concluded that despite some progress, the project was lagging behind in its result areas. The major constraints identified at that time were:

- Insufficiently targeted use of project resources
- Deficient monitoring and evaluation
- Limited actions towards institutionalisation of the approach; the project functioned mainly under District management, instead of decentralised Commune management
- Different understanding on the NEX modality between BTC and partner

The Project Steering Committee was aware of these constraints and decided to introduce changes in the project's management. This proved effective; after a series of consultations with BTC, the project was put back on track, now entirely integrated in the government's regular functioning. Because there was limited time left in the formal project period, an extension of one year, until September 2014, was granted. In these final 20 months, the project had two main focus areas:

- Make sure that all Communes will be able to independently plan for their areas. The revised C-SEDP manual and QCDF guidelines were the main tools. District staff became the coach of the Communes and the Communes facilitated the village priority setting activities.
- Make sure that the Communes are backed by a Provincial guideline for participatory planning. This was quite a lengthy process within the Provincial bureaucracy, which ended on 7 March 2014 with the approval by the Provincial People's Council of Decision 811, a regulatory framework for C-SEDP in the Province of Nghe An.

Considering the limited amount of time the project had left after the MTR, the results can be called substantial. The mission wishes to highlight a number of them:

- A single C-SEDP manual was developed with inputs from the other donor-supported projects in the Province and making use of the experiences from other Provinces. Planning and budgeting is linked in this manual.
- Decision 811 provides the structure and budget for sustained C-SEDP, starting from 2015. Other Districts and Communes in the Province are trained in the approach with project funds.
- The Commune plans formulated in 2014, for the year 2015, increased in quality as compared to the year before and made use of various funding sources. This was possible because two National Target Programmes have relatively predictable funding.

- At provincial, district and commune level planning groups have been installed that have a permanent character. District planning group members are contact persons for a Commune, making them the facilitators for Commune planning and the entry point for that Commune in the District
- The Communes have supported 205 socio-economic development projects, ranging from irrigation canals, community houses, class room renovation, business development and equipment support to the Commune One Stop Shops. This learning by doing approach had a positive impact on the livelihood off the villages
- PORIS has proven that Commune driven planning is effective and efficient. Priorities are better chosen and projects implemented making use of local knowledge and contributions.
- The Provincial Authorities, together with other selected provinces, are convinced that the C-SEDP approach is to be preferred over the traditional way of planning and budgeting. Together they are working on a way to have a wider impact.

PORIS has started to change the planning system in Nghe An. To make these changes sustainable, the Province is looking at a number of follow-up actions: find linkages between planning and public administration reform, set up proper arrangements for M&E, and gradually work towards a District and Province SEDP, to make sub-national planning really bottom up.

Project Data

Final evaluation report

Project title: "Poverty reduction through institutional strengthening at provincial (Nghè An) and district (Quy Chau) levels" – Project

DGCD intervention number:	3004640
Navision code BTC:	VIE 08 036 11
Partner institution:	Ngh An Province, Quy Chau District and its 12 communes
Duration of intervention:	48 months
Duration of Specific Agreement:	60 months
Starting date of intervention:	1 September 2009
End date:	1 September 2014 (after one year extension)
Project closure:	31 March 2015
Partner's Contribution:	EUR 1.200.000,00
Belgian Contribution:	EUR 2.500.000,00
Total Contribution:	EUR 3.700.000,00
Intervention sectors:	Governance: pro-poo socio-economic development planning, institutional strengthening and capacity building of local government, commune development fund

Project summary

Within the overall objective of pro-poor development and public administration reform at provincial, district and commune levels, the PORIS project focuses on enhancing the institutional capacities of local governments in (1) decentralised / participatory socio-economic development planning and budgeting and (2) improved governance of related public service delivery. The project finances a commune development fund allowing the twelve commune authorities of Quy Chau district to practice the planning and implementation of their commune priorities; thus contributing to the on-going process of decentralisation and empowerment of commune and district level governments.

Evaluation team

Jos Brand, institutional development adviser, Team Leader
Vu Cuong, planning and development expert, national consultant

1. Introduction

1.1 Short presentation of the intervention

After the successful implementation of the project “Quy Chau Multi-Sector Rural Development Project (2002 – 2007)”, the Belgium Government continued supporting a second project implemented in the District and at Nghe An Provincial level. The new project was called “Poverty reduction through institutional strengthening in Quy Chau district and Nghe An province level” (PORIS), which operated from September 2009 until September 2014.

In line with the Paris Declaration on aid effectiveness and the Hanoi Core Statement of the Government of Vietnam (GoV) on the management of ODA projects, PORIS was implemented in National Execution (NEX) by the People’s Committee of Nghe An Province and Quy Chau District. All project activities were integrated in the Government system to support the implementation. Therefore, the project did not have a separate



One of the community houses, built with PORIS support

management structure. The project was managed by a National Project Director (NPD), who is the deputy Director of the Provincial Department for Planning and Investment (DPI), a Deputy Project Director who is the leader of the Quy Chau District People’s Committee, and members of the working groups, all provincial and district staff operating part time for the project. They were assisted by a project technical team.

The project aimed at promoting pro-poor socio-economic development through support to public administration reform at provincial, district and commune level.

The purpose of the project was to *strengthen the institutional capacities of local governments in decentralized development planning, budgeting, implementation and public service delivery* in accordance with public administration reform objectives.

PORIS had both a soft and hard component. The soft component comprised of developing the planning and implementation capacity of the 12 Communes of Quy Chau District. The project has a hard component in the form of a commune development fund (CDF): the Quy Chau Development Fund (QCDF). This was a discretionary budget allocation to the Communes to fund priorities emerging from the Participatory Planning and Budgeting (PPB) process. The budget was spend on small-scale infrastructure, local economy development and small support to commune service delivery. The QCDF was both on budget and on treasury.

1.2 Objectives and context of the Final Evaluation

This evaluation had three objectives, for the complete Terms of Reference see Annex I:

- Assess the project’s performance
- Contribute to learning towards other interventions or policies
- Answer a series of six specific evaluation questions (ToR, p. 8).

These objectives will receive due attention in this report. The evaluation took place in a context in which Development Partners are withdrawing from supporting planning reform initiatives in Vietnam, and a decrease in foreign assistance in general. With

Vietnam approaching middle-income status, donors are re-assessing their support portfolios and increasingly entering into trade relations. However, for the relatively poor Provinces like Nghe An, there remains scope for development support, especially in the form of bottom up planning support; this type of support may benefit the poorer sections of the country and provide institutional answers for wider application. Both PORIS and planning reform initiatives in other provinces (e.g. Hoa Binh and Quang Tri) are now considering how their experiences may become of benefit to others.

1.3 Evaluation methodology

The project had two clearly distinct phases, roughly divided by the Mid-Term Review (MTR) that took place in November-December 2012. The final evaluation takes the MTR report (final version, 20 February 2013) as its starting point, even though the mission at some times looks back at the period before the MTR.

The mission took a participatory and iterative approach. Participatory in the sense that a series of interviews were held that not only informed the mission, but also provided ample opportunities for dialogue and joint discussions on experiences, opinions and analysis of the project. The approach was iterative by using the insights from earlier interviews or documents in subsequent interviews. This ensured a dynamic and open-minded mission process. The list of people met during the mission is presented in Annex III

After an initial document survey, the evaluation started with the national consultant carrying out a quick 'pre-assessment' in two rural communes and the district town that had benefitted from the project aiming at generating some impact information. The checklist used for this assessment is shown in Annex II. The information from this initial assessment was used in the discussions with National, Provincial and District staff to elaborate on the reasons and necessary conditions for achieving success in the villages.

A further document survey preceded the discussions the mission had at the various levels. In addition to the pre-assessment, a number of other communes and villages were visited to supplement the earlier acquired information.

The mission conclusions and recommendations were presented to a large group of officials from Province, District and Communes in a de-briefing workshop. Various media organisations were present and reported on the project and evaluation afterwards at websites and newspapers, see Box 1 for an example.

Box 1. Article from the *Vietnam Investment Review*, November 3-9, 2014, p.3

Belgium Helps Province in Economic Development

By Thanh Oat

A joint Belgian-Vietnamese project to boost capacity in local government in the central province of Nghe An has reaped great success, notably enabling the province to make its commune-level socio-economic development plan.

The \$3.7 million euros (\$4.81 million) project, funded by the Belgian government and implemented at a provincial level with a focus on Quy Chau district, aims to reduce poverty through a more effective socio-economic development plan (SEDP), during September 2009- September 2014.

The Belgian Development Agency reported that the project had helped the district's 11 communes and Tan Lac town to improve the quality of their annual SEDP, including stake- holder engagement in drafting local socio-economic plan. The project also provided funds to the communes so they could implement the identified priorities.

"The project has increased project management capacity among local authorities in the use and management of public services and planning," said Nguyen The Cong, chairman of Tan Lac People's Committee. It has also helped raise awareness about poverty alleviation at the grassroots level, provide working facilities and small-scale infrastructures, build and maintain socio-economic development models, according to the agency.

The agency's governance adviser Jean-Christophe Charlier also stressed that the communes had strengthened service delivery and public investment management capacity.

Project evaluation team leader Jos Brand stressed that the project had helped Nghe An develop SEDP guidelines that could be applied to the whole province.

"Villages have benefited from improved infrastructures and services. But the project has dramatically improved local planning capacity and stakeholder involvement. However, it would be better if a national-level regulation on guiding the drafting of such commune-level plans was issued," he said.

According to Charlier, PORIS experiences suggest that unlike top- down approaches, effective commune level planning encourages innovative development solutions that reflect local priorities. "Furthermore, it also showed that the combination of 'soft' and 'hard' activities is more effective at realizing sustained improvements in livelihoods compared to either one separately," he stressed•

2. Background and Context

2.1. Historical context of the intervention

Since 2010, Vietnam has officially become a middle-income country. To maintain this level of development and to avoid the "middle income trap", Vietnam needs to reform its public administration, improve the market economy institutions to boost productive forces and improve public services delivery. In the context of the global economic downturn this imperative become more urgent. At the same time, the country is facing a dilemma of scattered and ineffective public investment, while resources remain limited and provincial authorities are increasingly held accountable to their constituencies. In other words, Provinces have to find answers how to sustain growth and at the same time improve the quality of public services in a context of tighter resources.

Part of the answers is found in improving the country's planning system. Recognizing the need for planning reform to align with the requirements of the market economy, since the 90s, there have been continuous efforts to improve the national planning system. Three phases can be identified in the reform of the socio-economic development planning, the SEDP. The first phase of experimentation (until 2006), the second of piloting participatory planning (until 2009), and the third institutionalisation phase to ensure the participatory approach is sustained, and good governance at sub-national level is secured. Currently, in this third phase, Provinces are reforming their planning system towards effective bottom-up planning practices. Sometimes these reform initiatives were initiated with support from external funding agencies.

So far, more than 30 provinces have implemented local planning reform. Many provinces have understood the necessity of piloting first, until there was enough persuasive evidence about usefulness and benefits. Many provinces, including Hoa Binh, Quang Tri, Ninh Thuan and Ha Tinh, have rolled out planning reform province-wide by institutionalising the participatory planning approach; they introduced their guidelines on participatory C-SEDP. Following the experiences of pioneering provinces, also Nghe An province has issued this year a regulation on institutionalising the C-SEDP approach province-wide, Decision 811. According to this regulation, further explained in this evaluation report, all Nghe An Communes will develop their commune plans following the participatory C-SEDP approach.

2.2. Social and economic context

Nghe An province is located in the centre of North-Central Vietnam, covering an area of 16,500 km² – the country's largest province. The topographical conditions are diverse with sea, delta, midland and mountains. The province has the longest border with Laos PDR (419 km) and a coastal line of 82 km. Nghe An has 21 Districts (of which 11 mountain Districts) and 480 Communes with a total population of 3.2 million; the country's fourth largest province in terms of population, after Hanoi, Ho Chi Minh City and Thanh Hoa. Urbanisation is 13.1%. The average population growth rate is 1% per annum. Currently, the workforce amounts to 1.8 million, of which trained labourers account for 44%. In terms of economic growth, in the 2011-2013 period, the annual GDP growth rate was 7.94%, lower than the targeted rate for 2011-2015 period of 11-12%. Nevertheless, the province's per capita GDP of VND 24.53 million (\pm € 900) in 2013 is 1.72 time higher than its level in 2010. In 2013, the agriculture sector, industry, and service sectors accounted for 25.08%, 30.26% and 44.66% of the province's GDP respectively. However, Nghe An is still categorized as a poor province, with its estimated poverty rate in 2013 of 16.51%. The income gap between the 20% richest and 20% poorest quintiles in the province in 2010-2013 period is in the range of 7.5 to 8 times.

With the support of a number of international donors, such as Luxembourg (Western Nghe An Rural Development Project), Belgium and Oxfam Hong Kong pilot activities using a participatory C-SEDP approach have been undertaken in Communes of five districts (Ky Son, Tuong Duong, Con Cuong, Quy Chau, and Thanh Chuong) since 2010 and an additional six Communes of Nghi Loc district since 2012 with the support of SNV. Among them, PORIS in Quy Chau is most specifically focussed on planning reform initiatives.

Quy Chau District is located in the centre of the North Western highland area of Nghe An province, with a geographical area of 1,057 km² and population of 54,000 inhabitants. 80% of its population belongs to the Thai ethnic minority. The district has a complex topographical condition with more than 72% of its land area 200 meters above sea level and separated by a dense network of rivers and streams. Quy Chau has one district town and 11 rural communes. Forestry is the key development potential of the district, beside development of non-agricultural production activities including handicraft and incense production in some communes. In 2013, it was estimated that the district's economic growth rate was 9.5%. Contributions of agriculture, industry and service sector in the district economic structure was 44%, 19.7% and 36.3% respectively. However, the district is still among the poorest districts of the province. Its poverty rate in 2013 was 46%, under-five malnutrition rate was 21.5%.

2.3 Political and institutional context

Although so far a separate legal document on planning reform has not yet been available, the legal basis for C-SEDP reform already exists in many guidelines, directives and policies of the Party and State, from legislation to National Target Programmes (NTP). The first and also the most important legal basis for the application of participatory C-SEDP is the *Law on Organization of People's Councils and People's Committees*. The law has clearly defined that the first task of all government tiers is to formulate their respective SEDPs. However, in many provinces, communes and districts this task focussed mainly on budget allocation plans after higher levels had informed them on the budget availability. They are not really concerned about using SEDPs as a tool for local development management. SEDPs at different levels are usually designed without relevant stakeholders' participation. Development priorities of the grassroots level have not been determined with public participation and are not integrated into the development priorities of the higher level SEDP towards the national SEDPs. This is the key shortcoming of the current commune plan. Therefore, the participatory C-SEDP is essentially the application of a new way to perform the statutory function of the Commune People's Committee, see Box 2.

Box 2: Formulating SEDP and budget plan is a statutory function of the Commune People's Committee;
Article 111. In economic management, Commune People's Committee is responsible for:

1. Developing the annual SEDP to submit to Commune People's Council and DPC for approval; organising SEDP implementation;
2. Developing state budget plan (including revenue and expenditure estimation, budget allocation), revising the budget plan (in necessary cases); and preparing the final statement of the commune to submit to Commune People's Council for approval, and reporting to DPC, District Division of Planning and Finance;
3. Executing commune budget, coordinating with supervision agencies in state budget management at commune level, and reporting on state budget execution in accordance with the existing legislation.

Source: Law on Organization of People's Councils and Committees (2003)

A second legal basis for Commune participation in planning, has been confirmed in Decree No. 79/2003/ND-CP and later upgraded to Ordinance 34/2007/PL-UBTVQH11 on Promoting grassroots democracy at the commune/ward level. According to these legislations, the Commune People's Council and Committee, and relevant agencies, organisations and individuals are responsible for implementing democracy at the commune level in alignment with their duties and mandates. To implement grassroots democracy at the commune/ward level, the Ordinance has clearly defined that people in the commune/ward are entitled to have direct discussions on decisions, and to be consulted. According to Article 10, Ordinance 34/2007/PL-UBTVQH11, people are entitled to discuss and decide directly on proposals and contribution amounts relating to construction of commune infrastructure, public welfare projects within the commune/ward and village levels, which are subject to entirely or partially public contribution, as well as other internal affairs of the community in accordance with existing laws. The new participatory C-SEDP model is an effort to make Ordinance 34/2007/PL-UBTVQH11 operational.

Thirdly, to enhance the effectiveness of state governance, the Government had issued the National Programme on Public Administration Reform (PAR) in the 2011-2015 period. One of the institutional reform tasks in the PAR Programme is

"building and improve legal regulations on the relationship between the state and people, with a focus on promoting and guaranteeing people's ownership, consulting people before

important state decisions, directives or policies are made, and ensuring people's oversight rights over activities of state agencies".

To accomplish the tasks set out in the PAR Programme in 2011-2015 period, Nghe An has developed the *Provincial PAR Plan in 2011-2015 period*¹. One of the tasks outlined in the Plan is closely related to the participatory C-SEDP approach, which is: *To review, amend and supplement socio-economic development mechanisms and policies*. This is one of the legal bases for rolling out the participatory C-SEDP.

Fourthly, although a separate legal document governing planning reform has not yet been available, MPI has repeatedly affirmed that planning reform at sub-national level is decided by the PPC. MPI itself has also issued a letter to encourage provinces to adopt a new participatory planning approach. Given the difficult socio-economic situation of the economy, the Government has recently announced *a programme of radical reform in state management* with three economic restructuring tasks, including public investment reform. To restructure public investment, planning and budgeting reform, and enhancement of SEDP M&E should be seen as a priority. To further improve the legal framework for public investment, the National Assembly passed a new Public Investment Law during the first annual meeting session in May–June 2014. According to this Law, all provinces are required to develop their Medium-Term Investment Plan (MTIP), which should include a list of public investment projects potentially being funded in the course of five years, depending on funding availability. Projects that are not listed in this plan will have basically no chance to be funded. In fact, MTIP can be seen as an effort at central level to gradually link development and budget plans.

Finally, to improve the livelihood of rural citizenry, the Government has implemented the NTP on the New Rural Development Programme (NRDP). The core and most creative content of this program is to *promote people's spirit of ownership in local development*, namely: NRD communes should have a commune master plan on socio-economic development, including a land use plan and a spatial based zoning plan; land use and key infrastructure plans for development of commercial agricultural economy, industries, handicraft and services; socio-economic and environmental infrastructure plan in alignment with new development standards; new residential master plan in a civilized fashion, which goes together with preservation of the cultural identity. Developing the master plan must be done in a participatory manner. Nghe An is one of the very active provinces in implementing NRDP. The province has issued a Plan for Implementing NRDP and a set of evaluation criteria to recognize a commune as a 'new rural commune'. The introduction of participatory C-SEDP at commune level, especially in NRD communes, will be a timely and necessary support, contributing to the success of NRDP and to ensure the core spirit of the programme, which is people's ownership of their NRD movement.

2.4 Intervention logic

The project's general objective was: "To promote pro-poor socio-economic development through support to public administration reform at provincial, district and commune level." The purpose of the project – or specific objective – and its deliverables (results/ outputs) are listed in Table 1, together with the respective indicators used to measure achievements. The results may be partly overlapping, but they form a proper structure to guide project performance. BTC provided guidance in monitoring progress with the introduction of the *Results Reports*, which the project has used in 2012 and 2013.

¹ Decision 5444/QĐ-UBND dated 28 December 2012 made by Nghe An PPC.

Table 1: PORIS logical framework (source: project document, 2008)	
Objectives	Indicators
Specific objective: Strengthening the institutional capacities of local governments in decentralised development planning, budgeting, monitoring and evaluation, implementation and public service delivery in accordance with PAR objectives.	<ul style="list-style-type: none"> • Quality planning cycle of Quy Chau is operational • Institutional capacities meet all planning cycle requirements
Result 1: Improved decentralized planning, budgeting and monitoring systems at all levels	<ul style="list-style-type: none"> • New revised and updated provincial regulations issued supporting decentralized planning and implementation • Improved system of planning in place • Improved system of budgeting in place • Improved system of M&E in place • Improved system of public access to information in place • A participatory M&E system developed and mainstreamed into regular reporting systems of the government • Regular technical and financial reporting system at all levels
Result 2: Improved decentralized planning mechanism for service delivery and small-scale infrastructure	<ul style="list-style-type: none"> • Quality of Commune annual plans • Commune plans take into account assessments of social, economic, administrative service and small scale infrastructure completed • Province, District and Commune staff fully understand the strengthened planning, budgeting, M&E procedures • Province technical Staff adequately guides District and Communes in planning, budgeting and M&E processes • Commune plans are gender sensitive both in output and procedure
Result 3: Improved decentralized implementation of service delivery and small-scale infrastructure	<ul style="list-style-type: none"> • Plans are adequately implemented • Good tendering, accounting, practices in place at all relevant levels • O&M procedures in place (both regulations and practice) • O&M fees collected • Amount of O&M fees spent on maintenance
Result 4: Exchange and dissemination of Results /Capitalization / Replication strategy	<ul style="list-style-type: none"> • Synergies between projects • Joint trainings, evaluations, programs

3. Follow-up of Mid-Term Review Recommendations

The project did not have an easy start. The first project activities were delayed until 2010 and the early 2012 audit report forced BTC to temporarily freeze the QCDF. The MTR, carried out at the end of 2012, concluded that despite some progress, the project was lagging behind in its result areas. The major constraints identified at that time were:

- Insufficiently targeted use of project resources
- Deficient monitoring and evaluation

- Limited actions towards institutionalisation of the approach; the project functioned mainly under District management, instead of decentralised Commune management
- Different understanding on the NEX modality between BTC and partner

These findings were taken seriously by the Provincial authorities and they decided to intervene in the project's management. Both at provincial and district level new project managers were appointed, and at the same time a new PPC vice-chairman became the chairman of the Project Steering Committee. The recommendations of the MTR were used as an 'agenda for change' and subsequently led to improved project performance. In Table 2 the recommendations and project follow-up actions are summarised.

	Recommendation	Project follow-up actions
1.	Creating / meeting the conditions of success for project implementation; thus allowing and justifying additional time for project execution.	The project implementation period was extended to 3 September 2014, and later 6 more months for closing the project at 31 March 2015.
	<i>Under this first recommendation, six conditions for success were listed:</i> <i>Condition of success 1:</i> Clarifying and confirming PORIS reporting and accountability roles and requirements	<ul style="list-style-type: none"> • The clarifications of the roles of the various actors in the QCDF management was done in the new QCDF manual and training was provided to the Commune and District staff • Financial system has been tightened; all budget estimates are reviewed by the District Division of Planning and Finance • Quarterly meetings of the PSC were held; meetings at Commune level with the villages increased substantially • Project leadership was changed at provincial and district level
	<i>Condition of success 2:</i> Full closure of QCDF 2011 and QCDF 2012	Closure of the QCDF 2011 and 2012 was done by the District and Provincial Committee
	<i>Condition of success 3:</i> Clear and final agreement on QCDF counterpart funding	The Vietnamese counterpart fund is half of the project costs for small-scale infrastructure. 25% of these costs are covered by NTPs, the remaining 75% partly by a direct Provincial contribution of VND 2 billion per year, the rest from District and Commune contributions.
	<i>Condition of success 4:</i> Confirmed ambition of province with respect to institutionalising participative and bottom-up commune SEDP and up-scaling commune development funding (CDF)	Decision 811 was approved by PPC in March 2014
	<i>Condition of success 5</i> Gradual restart with 4 Communes	See rec. 2
	<i>Condition of success 6</i> Solve staffing issues	See rec. 4
2.	Gradual and phased restart of the Belgian funding to the QCDF: for QCDF 2013 and 2014.	Project restarted in 4 Communes: District Town, Chau Tien, Chau Binh 1, Chau Binh 2. After a positive evaluation, the other 8 Communes started in December 2013
3.	Broadening the focus from merely training to targeted capacity building	<ul style="list-style-type: none"> • From 2013 onwards there was an increased focus by the District Planning

	embedded in a feasible ambition for institutional strengthening.	<p>Task Force on empowering the Communes who became the investment owners and being in charge of the QCDF. The District being the support agency and receiving institutional and technical backing by the Province</p> <ul style="list-style-type: none"> • All Communes now have a single SEDP. • All investment needs must be put by priority in the C-SEDP otherwise there is no funding possibility
4.	Appropriately solve the project staffing issues and the persisting lack of driving and implementation forces of the PORIS project. Where needed rethink the approaches for recruiting and employing staffing.	<p>No additional NTA at the province was hired, the current arrangement was perceived more effective. Hiring additional external expertise was discussed with the ITA.</p> <p>At the District, a full time external adviser was hired who was effective in getting the project moving. He left in October 2013. No additional staff was needed, District staff were implementing the project.</p> <p>BTC-ITA was involved one week/ month. New leadership solved the Provincial and District coordination issues</p>
5.	For new activities relying mainly on internal capacity of Provincial and or District level, the project should make best use of high level international and/or national long term TA / short term consultancies for providing the methodological backstopping, coaching and or 'second opinion'.	<p>Various external consultants/trainers were hired, e.g. on institutionalisation, communication strategy, value chain analysis and ToT. These experts partly remained involved as coaches and backstoppers. Especially appreciated were the staff from Vinh University who acted as coaches on the planning approach toward District and Commune staff</p>
6.	Define and implement realistic capacity building strategies; embedded in a paradigm/ambition of institutional strengthening	<p>The project realised that training is a necessary component but not sufficient to create sustainable changes. A start has been made with creating organisational and institutional changes, e.g. creating permanent planning working groups at Commune and District level and Decision 811. Further institutionalisation is needed.</p>
7.	Enhance the governance environment and strengthen other conditions of success for the restart of QCDF; all this embedded in a further enhancement of (new) QCDF guidelines	<p>The QCDF has been revised. More detailed instructions were formulated: more instructions on investment planning, tax procedures and revised reporting templates to be better aligned with the Vietnamese regulations. Cost-benefit analysis remains a difficult issue at Commune level, not yet solved.</p>
8	The project should invest in further enhancing the participative and bottom-up SEDP approaches	<p>All Communes are now confident in designing the C-SEDP. Further challenge will be to create a District SEDP and a Provincial SEDP in a participatory fashion.</p>
9.	Develop a clear and feasible strategy for Result 4 of the PORIS project	<p>Communication strategy already formulated in July 2012. Various effective communication activities, strategy was not sufficiently implemented. Communication needs to become integrated in the SEDP improvement strategy.</p>
10.	The project should significantly improve its M&E system.	<p>Even though this was seen as an important topic, there was too little time to pay full</p>

		attention to it. Financial monitoring has been done well, activity monitoring was more difficult to implement. In the future more attention is to be given to SEDP monitoring and evaluation.
11.	BTC should make sure that any introduction of (or transition to) NEX modalities for project implementation is well prepared and thoroughly supported	After the MTR, NEX started to run well. The PORIS activities could be integrated into the normal functioning of Commune and District planning and implementation activities.
12.	Non-withstanding the transition to NEX, BTC should remain with a sufficient budget for BTC-recruited TA and this should allow BTC to maintain its role in (a newly defined) mutual responsibility	NEX before and after MTR is the same, but after MTR NEX works much better. Interpretation of NEX became better after MTR and discussions with BTC; work according to Vietnamese rules, but using technical cooperation with BTC. Having a proper M&E system will ensure BTC's technical role in the NEX modality.
13.	It is important to ensure that the project intervention logic and intervention strategies are reviewed	It was not seen as necessary to adjust the project intervention logic. Project management became convinced that the aim is: institutional development of a new planning approach. Overlap in results is not a big issue.

4. Implementation and achievements

This chapter highlights the PORIS achievements after the MTR. The information is derived from the various progress reports, interview sessions with the mission and field visits.

The project had four deliverables: improvement of the planning system (result 1), improvement of planning practices (result 2), improvement of plan implementation (result 3) and a proper way of exchanging information and disseminating results within and outside the Province (result 4). The results are slightly overlapping, but in this chapter they will be separately addressed. Result 4 is of a different order and is influencing the other three; exchange and communication within the province will influence the planning activities and contribute to the quality of for instance small-scale infrastructure projects, e.g. by promoting public support for village contributions. Communication with other provinces, also part of result 4, will use information from the other result areas to create communication contents/messages.

Concerning the project's budget, ±93% of the Belgian contribution has been spent by the end of August 2014, see Annex IV for expenses per result area. The counterpart funding covered 50% of the costs for small-scale infrastructure projects. Each year, the project was externally audited. After the MTR, positive audit reports were published on 31 July 2013 and 31 May 2014. The final Audit has not yet taken place.

4.1 Result 1: Improved decentralised planning, budgeting and monitoring systems at all levels

4.1.1 Creating the regulatory framework

At the start of PORIS, an institutional assessment was made about the current planning and budgeting situation in the Province and what would be most suitable improvement

strategies². Only after the MTR, serious action was taken by DPI to create a proper basis for bottom up planning and budgeting. The Department took the following steps:

Firstly, in cooperation with PORIS, a workshop was organised for Nghe An staff involved with C-SEDP. Also the districts working with other donor supported projects took part (Oxfam Hong Kong³ and Luxdev⁴). In total five Districts were piloting with the new C-SEDP approach⁵. During this workshop a single C-SEDP manual was discussed and developed, see Figure 1. However, all participants recognised that a manual without a proper legal framework would not likely be implemented.

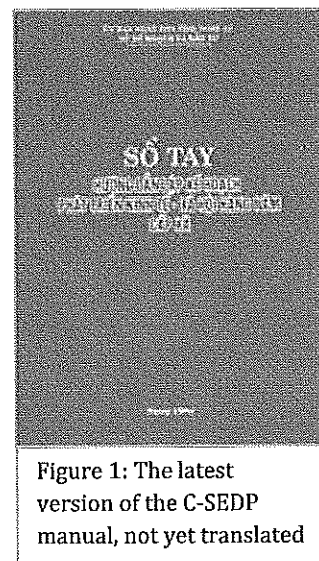


Figure 1: The latest version of the C-SEDP manual, not yet translated

Secondly, to acquire information on the conditions for effective C-SEDP implementation, in March 2013 PORIS organised a study tour to Ha Tinh and Quang Tri Provinces where the C-SEDP has been successfully institutionalised. Both provinces had issued formal regulations and set up a training infrastructure for implementing the new approach. Participants in this study tour were from the PPC, various Provincial Departments and the Quy Chau DPC chairman.

The group concluded⁶:

- Speed up the institutionalisation process, in order to benefit from external support from the donor projects (projects were coming to an end)
- Issue procedures for preparation, implementation and M&E of the SEDP, and regulations on how to use resources
- Have a training and coaching plan.
- Put C-SEDP as a topic for performance evaluation in the organisations
- Have a common agreement among the entire political system, including mass organisations

Thirdly, to prepare for the institutionalisation of C-SEDP in Nghe An, the project hired a national consultant to advise on the contents and implementation process of a provincial regulation⁷. Three ways of introducing C-SEDP were distinguished:

- Simple order to start C-SEDP, train and provide the manual
- Provide the order to start C-SEDP with a recurrent annual budget supporting the planning process (VND 6-7 million, ± €250 per commune)
- Same as above + a separate annual capital fund under the autonomy of the Commune (± VND 100-200 million, € 3,500-7,000 per commune)

Nghe An chose for the middle option, having a budget to ensure the planning process is properly done.

² Assessment of the Institutional Capacity in Preparation, Implementation, Monitoring and Evaluation of Socio-Economic Development Plans and Budgets in Nghe An Province, Quy Chau District and Its Communes, Centre for Sustainable Development Studies, April 2010

³ Strengthening the livelihoods and enhancing the security of poor ethnic minorities and vulnerable communities programme

⁴ Western Nghe An Rural Development Project

⁵ Ky Son, Tuong Duong, Con Cuong, Quy Chau, Thanh Chuong. Also six Communes in Nghi Loc District, supported by SNV Netherlands have adopted the C-SEDP approach

⁶ Result of study tour on institutionalisation of C-SEDP at Ha Tin hand Quang Tri Province, Vinh, 2 April 2013

⁷ Proposal on the institutionalisation of annual participatory socio-economic development planning at Commune level (C-SEDP), Vu Cuong, July 2013

Fouthly, to create common agreement among the entire political system on the institutionalisation contents and process, which took more time than expected. DPI, being the main responsible unit for introducing C-SEDP province-wide, started a dialogue process with the other power holders in the province, like Department of Finance (DoF), Department of Home Affairs (DOHA), Department of Justice and PPC. These activities took the remainder of the year 2013.

Finally, in March 2014 the Decision 811⁸ was approved by the PPC, regulating all phases of the C-SEDP. Since there was now a legal backing for C-SEDP in the entire province, DPI made a request to use part of the remaining budget to be used for training the other Districts and 480 Communes in the Province. This was done by Quy Chau District staff in the months May-July 2014 in cooperation with local training institutions such as the Provincial Political School and Vinh University. The staff of Quy Chau District, as well as selected Commune staff, have become resource persons for other parts of the Province.

The regulatory framework is in place and being appreciated by the Communes in Quy Chau District. The mission also visited another district that had been trained in the approach in May this year, the coastal town Cua Lo. They are in favour of the new way of working but still need further coaching, especially on how actual implementation and budgeting takes place. DPI is aware that Decision 811 needs additional coaching and may need to be adjusted after first experiences have been gained. For instance, at the moment there is no position of 'Commune Planner'. It will need to be evaluated whether this position is needed and what the implications would be for the Commune organisation and working relations with the District.

4.1.2 Linking planning and budgeting at Commune level

The project's aim was to adjust the planning system from a mainly top-down practice to a bottom-up and participatory way of planning. Even though both national and provincial governments have policy directions to this effect, making it happen is less easy. The two parallel top-down planning streams – planning of projects by MPI (and Line Ministries) and budget planning by MoF, being replicated at provincial level by DPI and DoF – are hard to reverse. Still, the PORIS project has successfully created systems to amend current practices at commune level.

The Quy Chau Commune Development Fund (QCDF) was an annual discretionary fund of VND 750 million (±€ 27,000) to be used by the Communes for bottom up planning with the villages, using the QCDF manual as operational guideline. This manual was substantially improved early 2013. In 2013 and 2014 the QCDF was used as a tool to combine planning and budgeting for (part of) the C-SEDP. Because it was a predictable fund, the villages and Communes experienced that, if agreement among stakeholders was achieved and if the proper procedures were followed, their priority projects got resourced and implementation could start.

At the end of PORIS, without having an additional QCDF to cover for project resources, the Communes had learned to use the funds of two NTPs (P135 and NRDP) for resourcing their C-SEDP. BTC also outsourced a study to CIEM to find out how the NTPs can be used for the new way of participatory planning in the C-SEDP⁹. This study came

⁸ Nghe An People Committee, Decision No. 811/QĐ-UBND, Promulgating Regulation on planning, implementation and monitoring annual SEDP of commune, ward, town of Nghe An province, 7 March 2014

⁹ Central Institute for Economic Management (CIEM), Study on the linkages between National

to the conclusion that the abovementioned two NTPs would be suitable options for resourcing the C-SEDP. Whereas the QCDF was entirely controlled by the Communes – with some technical and financial guidelines from the District – using the NTP resources may need more coordination with District and Province to ensure sufficient funding will become available. In the NTP guidelines, the Provinces and Districts are ‘encouraged’ to decentralise the budget to the Communes, it is not a regulation.

4.1.3 M&E system in place

While the project succeeded in designing a context specific and well working planning and budgeting system, the M&E system had not yet been developed by the end of the project. This was recognised by project management and BTC as well. The M&E system is on the agenda for next year.

The reason provided for not being able to work on this crucial part of the planning system is time constraints. The project – as a purely Commune driven planning exercise – could only start early 2013, which left only two planning cycles, one with and one without QCDF. The absorption capacity of District and Communes was fully used with the introduction of the new planning and budgeting system; also focussing on the M&E system would have been too much.

When visiting the villages, the mission asked how Communes and villages monitored the various development projects. Financial monitoring was done well, because Communes were held accountable for the budget by the District authorities. Monitoring the actual work was done more informally, like by the village supervision groups and the Commune meetings with the village headmen. There were no formal base lines; this information could be extracted via interviews with the villagers.

4.2 Result 2: Improved practice of provincial and local development planning for economic development, service delivery and small-scale infrastructure

4.2.1 Quality of the C-SEDP

The project’s Institutional Capacity Assessment Report, formulated early 2010 when PORIS was just starting¹⁰, assessed the planning reality at sub-national level in Nghe An. It presents the constraints for the Commune (and District) level to be effectively involved in planning and budgeting of their socio-economic development. Three quotes from the report (pp.24-25):

“SED plan lacks pragmatism, is prepared in one way and implemented in a different way.”
(Interview of a Head of Section in Quy Chau District)

Similar to area of SED planning, the hierarchical nature of the budgeting process in Nghe An province appears quite obvious and is considered one of the reasons that discourage the pro-activeness of lower government

“Central Government assigns development targets to PPCs, PPCs do the same things with DPCs, and DPCs do so with CPCs.” (Results of field interviews)

The mission heard a similar example from the Commune staff in Chau Binh Commune: “We received an assignment from the District to increase the number buffaloes in our Commune with x%. They had received the same assignment from the Province. The only

Target Programmes and Commune Social Economic Plans, draft September 2014

¹⁰ Assessment of the Institutional Capacity in Preparation, Implementation, Monitoring and Evaluation of Socio-Economic Development Plans and Budgets in Nghe An Province, Quy Chau District and its Communes, April 2014.

problem we had was that in our Commune we do not have buffaloes". (Interview with Mr. Kim van Duyen, CPC Chairman, 21 October 2014)

In this context it is remarkable that after four planning cycles (2010, 2011, 2013 and 2014) all Communes have made their C-SEDP independently, with District staff acting as resource persons. The plans made in June 2014 for the fiscal year 2015 contain analytical information about the Commune, have a justified priority list of projects, and a large number of projects are resourced; see Figure 2 for an example. This is quite an achievement.

The District has played an important role in making the changes in the Commune organisations possible. The District People Committee's chairman decided early 2013 to integrate the project in the district's normal functioning. A first action was to align the technical departments to the project by creating a planning group in which all departments were represented. These staff were assigned a supporting role to the Communes; each group member was assigned to one Commune as the contact person and planning facilitator. Secondly, to create ownership of investment funds, the district prepared contracts for the Communes in which they received delegated authority of the annual QCDF.

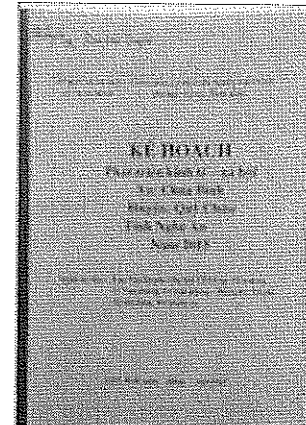


Figure 1: 2105 C-SEDP developed by Chau Binh Commune without PORIS support

Looking at the plan quality, the mission suggests that for the coming years the Communes and Districts pay attention to making the plans more results based. Four topics in results based planning would need attention:

- Make the general objectives of the plan more specific. The objectives mentioned now are rather general, e.g. increase productivity in all seasons, improve livelihood, higher socio-economic development). As overall directions these statements are valid, but for planning purposes some specificity would be needed
- With more specific objectives it will also become easier to elaborate the linkages between objectives and activities. Now it is sometimes hard to see why certain projects have become priority, what their contribution to the objectives would be.
- Pay more emphasis on possible resourcing of the activities. Some projects still seem part of a wish list, which was normal SEDP practice before PORIS started
- Suggest a way how and by whom the projects will be monitored and eventually evaluated

The C-SEDP process has proven more effective, more efficient, but rather time consuming. The 'old' way of making the plan behind the desk took much less time. To ensure that the new planning process remains implemented, important incentives are: predictable resources and enthusiastic staff and villages. At the same time, government will need to monitor whether the prescribed planning steps are followed correctly; the Province will also need an M&E system on the process, next to the already mentioned M&E system of the plan itself.

4.2.2 Capacity building for improved planning

To achieve the improved planning practices in Quy Chau district, the project has stimulated capacity development (CD) at institutional, organisation and individual level. Institutionally, the key CD activity has been the formulation of Decision 811, described in par. 4.1.1. A second institutional arrangement introduced by the project has been the village planning meetings, organised by the Commune. These meetings have formed the link between village needs and Commune priorities. A third institutional change has

been that via the project the concept of 'accountability' has entered into the government layers. For instance, District staff have learned through their coaching activities to be accountable to the Commune they are responsible for. The same goes for the Commune towards the villages. A fourth and crucial area is that the Provincial authorities have started to organise a planning capacity development infrastructure, e.g. by involving Vinh University and the Provincial Political School, as well as discussing with DOHA their responsibilities for integrating the training in the annual curriculum.

Organisationally, planning groups have been set up at Provincial, District and Commune level. These groups have the joint responsibility to ensure planning capacities towards the lower level. The Commune has received the formal responsibility to be the investment owner of the C-SEDP, which has changed the district level role from being the controller to becoming a supporter and coach of the Commune staff.

At the individual level, the project has organised a large number of training activities for all staff levels on situational analysis, financial management, planning procedures, local economic development and training of trainers. A total of over 100 provincial, district and commune staff were trained in the new planning approach. In addition, to sustain the planning practices, 30 provincial and district staff were trained as trainers. After the training activities, coaching projects were initiated to ensure that acquired skills could be put into practice.

PORIS made use of various external resources to assist in these CD activities: via consultancies, training and coaching. These activities were carried out in close cooperation with government staff, so they could take over after the consultants had left. The main areas of capacity development have been:

- Participatory appraisal for local potential products serving SEDP
- Strategic planning for Communes and Districts
- Training needs assessment for the various levels and villages
- Communication strategies supporting C-SEDP
- Training and coaching skills for Provincial and District staff
- Developing institutional mechanisms to support C-SEDP

To make these achievements last, rolling out the approach towards the other districts in the province, and to the provincial administration itself, would be needed; if only Quy Chau District would implement the new C-SEDP approach, the provincial support for bottom-up planning will likely fade away, with or without Decision 811. A start towards this direction has been made: with PORIS support, the other Districts and Communes have been trained in the second quarter of 2014. When more Districts will become involved in supporting the C-SEDP, also the role of the Provincial planning team will be clarified and which type of CD this team would need.

4.3 Result 3: Improved decentralised implementation of local development plans, pro-poor service delivery and small-scale infrastructures in Quy Chau District and Communes

4.3.1 The Commune projects

During the course of PORIS, 205 Commune development projects were carried out and funded by the QCDF, see Annex V, roughly 50% before and 50% after the MTR. The implementation shortcomings formulated by the MTR – cost overruns, lack of Commune ownership and gaps in the QCDF guidelines – were addressed by the project early 2013. After the QCDF was temporarily suspended in 2012, the preparation of Commune

projects started again with 4 Communes for the planning year 2013. A positive evaluation of these planning processes made the PSC decide to extend the QCDF to all 12 Communes late 2013. The size of the QCDF was calculated based on poverty level, population and commune size.

In the planning years 2013 and 2014 a total of 97 Commune projects were started, see Table 3. Some are still under construction because implementation started in 2014.

Project category	Project contents	Nr.
Small-scale infrastructure - water	Mainly repair or construction of irrigation system, some water tanks	22
Small-scale infrastructure - community house	Renovation or construction of houses for village meetings	13
Small-scale infrastructure - other	Mainly classroom renovation/construction, some toilets and kitchen for health centre	19
Small-scale infrastructure - roads	Repair or construction of rural roads within the Commune	8
Livelihood support	Setting up models for local economic development, e.g. on goats, pigs, chicken, incense	10
Equipment	Mainly filing cabinets, furniture for OSS and computers	25
Total		97

In terms of funding, the small-scale infrastructure projects took the major share of the QCDF; for these projects there was 50% counterpart funding. The livelihood and equipment support were only minor parts of the budget. The projects were implemented under the authority of the Commune government as investment owners, the District organisation provided supervision and coaching, for instance on technical assistance concerning chicken raising or cost estimates for infrastructure projects. Box 3 gives an example of such an infrastructure project.

This example also highlights a constraint in the results so far; Operation & Maintenance (O&M) procedures are addressed, but mainly informally, without formulating specifically who will be responsible for what. This was also the case with the irrigation canals and community houses. It is understandable that for the villages and Communes the first

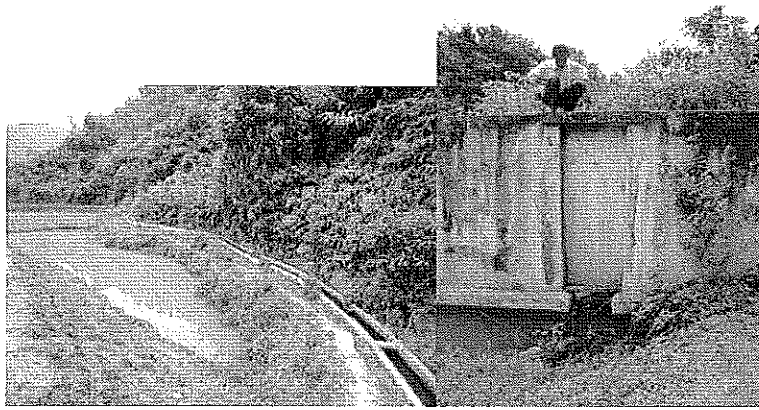
Box 3. To address the constraints of water shortages during the dry season, Lau 2 Village decided to convert part of a stream to a water tank. The village asked the Commune to hire contractors for design and construction. The villagers' labour was mobilised by the Commune and they carried out the preparatory work and part of the excavation work. The construction supervision was done by a group of villagers led by the village headman, who were especially trained for this job. Their task was to check the drawings, the concrete dam and the excavation work for the 2-meter deep tank. In the village meeting the rules for using the tank water were set. It was agreed not to take water from the tank during the rainy season. Maintaining the tank will be done by all households; 2-3 times per year they will clean the tank from dirt and bushes. The tank is in use from May 2013, the villagers have now used the water for one dry season. The amount of water was sufficient for the entire village.



priority was on proper planning and implementation, the topics of O&M, and of project M&E, have had less priority. This remains an issue for project follow-up. The O&M of infrastructure needs especially attention when responsibilities for the system is shared among villages, Commune and District, e.g. see Box 4.

Box 4. Limited vertical coordination can threaten the sustainability of an irrigation system (source: Field visit to Chau Thuan Commune, 23 October 2014)

The irrigation canal on the picture left was constructed by PORIS and increased the irrigation area with 3 ha. The village is responsible for cleaning, the Commune for necessary repairs with village contributions, even though not specified. At the source of the canal is a sluice gate that regulates the water; more in the dry season, less in the wet season. The source provides water to several villages. This structure at the source is under the responsibility of the District and this sluice gate is broken, it cannot be closed anymore. Water cannot be stored anymore for dry spells. The District claims a lack of funds to repair the gate. For proper functioning of the irrigation system, coordination among the three parties would be needed.



The livelihood support projects have shown that with relatively small investments from the Commune, villagers can become entrepreneurs as well as agents of change in their own community. PORIS developed a model how to get villagers out of the poverty trap. Addressing first the less poor villagers sometimes proved more effective; it helped to create entry points to the poorer villagers, see for example Box 5.

Box 5: Two models for poverty alleviation

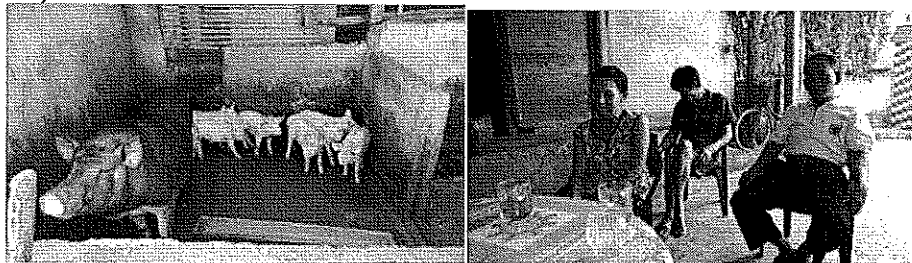
The 'normal' poor beneficiary model

A poor household in Chau Hoan commune received a breeding pig from PORIS as a livelihood support for her to generate an income. After about a year, with two breeding times, the farmer has two "big" pigs and 6 baby ones. She knows how to raise the pig best, but does not follow the instruction because "it is a poor household's pig, it is raised in the poor's method"

She views the pig as a critical support to her family, because the culture of the community is to eat a pig at important events. Before she had the pig, her family was very poor and didn't have a pig to eat during family events. With support of the project her family now has a "seeding" pig and some other ones to reserve for such cases. At this point, she isn't considering selling one of the pigs or pork meat. However, once her family has more pigs than they need, she will sell the ones they don't need

A demonstration/business model

Similar to the above mentioned case, a farmer in Chau Tien was given one pig. In order to receive the pig, she had to provide a contribution equivalent to 30% of the support as a sign of commitment. Later this amount was refunded and used for constructing a shed for the pigs. She didn't only accept the challenge, but also persuaded other poorer farmers to make the contribution. After a year, the pig had two breeding times, with 12 to 15 baby pigs each. She raised the baby pigs up to 50-60 kg, and then sold them to butchers. The pigs became her family's major source of income



4.3.2 An opportunity for capacity development

The various Commune projects have positively impacted the socio-economic situation in the project area. An elaboration of impact information is provided in the mission's pre-assessment report, see Annex VI. However, the main justification for the QCDF was its role as a capacity development tool, an opportunity to practice C-SEDP implementation; to show that Communes can learn to be knowledgeable, skilful and independent investment owners. Especially in the last two years of PORIS, the Communes are well on their way to take this responsibility.

The Communes have improved their performance in three areas:

- *Priority setting.* Coaching the villages towards priority setting and guiding the villages as a group towards a Commune investment plan. Each village has one Commune staff as its main contact person. Future challenge will be how to get the plan resourced; otherwise the current enthusiasm from the side of the villages may decrease.
- *Contracting out and construction supervision.* Assisted by the District, Communes have learned to prepare legal documents for the contractors and function as supervisors during construction, together with the village supervision groups. Topic for further elaboration is to what extent villages can become contractors and formally be the construction supervisor.
- *Improved financial management.* In 2013 the Communes found out that managing the funds in a way that it can pass a formal audit, is more difficult than expected. The Communes selected staff who were trained and coached to improve the financial performance. Financial ceilings for Communes, or Districts, have not yet been set.

4.4 Result 4: Exchange and dissemination of results, capitalisation, replication strategy and extension of the project

4.4.1 Communication within the project area

The PORIS communication strategy was published in July 2012¹¹, but because of the 2012 QCDF freeze could only start early 2013. This strategy focussed on government staff and public with a wide array of 19 different communication activities linked to the 6-step model that runs from April to December. The province assigned the Department of Information and Communication to support the activities. The main communication activities that took place are:

- New Year calendar with project information for staff of all levels and villages
- Communication posters and information board for all Communes, see Figure 3.
- Quiz for Commune staff and villagers on their understanding of C-SEDP (June 2014). This activity received attention on TV and subsequently a DVD was produced as PR material
- PORIS web-site embedded in the Nghe An DPI and PPC web-site
- Two newsletters and special brochure on 'The feeling of PORIS'.
- Separate features on radio and TV on PORIS activities
- A stocktaking workshop at the end of the project in which various members of the press were present

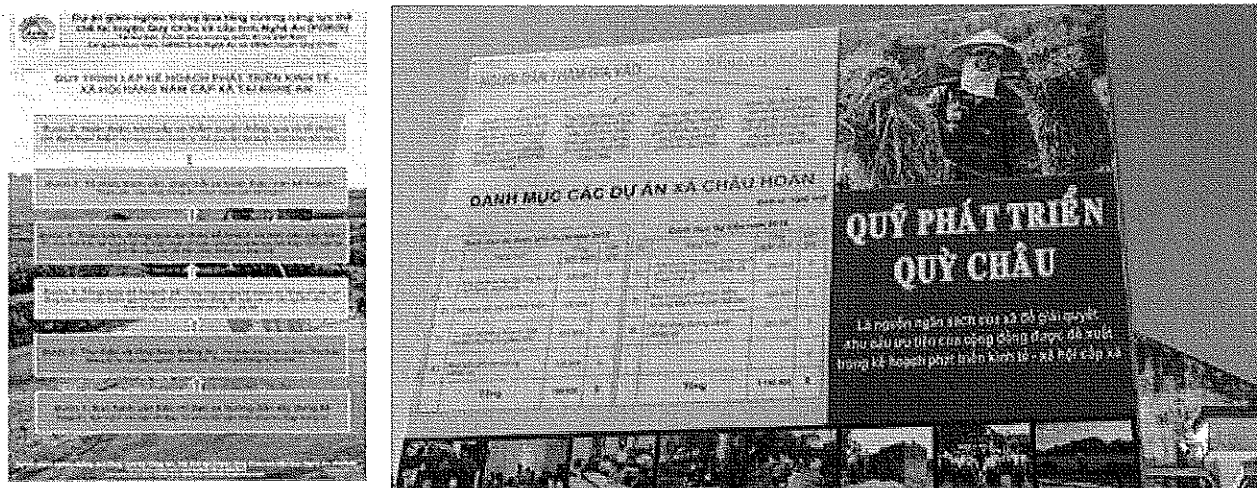


Figure 3: Poster with the 6 planning steps

Commune planning board with selected priorities

These activities have certainly contributed to the awareness among staff and public on the new C-SEDP. Information about planning process and priority setting was made transparent and in this way assisted in public access to information. For the future, when the C-SEDP will be rolled out towards other Districts, the mission suggests that the communication activities follow the agenda of the 6 commune planning steps more closely; it will make the activities even more effective. In terms of organisation, this would imply increased coordination between DPI and the Department of Information and Communication.

4.4.2 External communication

Nghe An is part of a group of more than 30 Provinces in which bottom-up planning experiences have taken place. PORIS wished to capitalise on its experiences by

¹¹ Strategy on Communication and improve Public Awareness, Nghe An, 30 July 2014

exchanging them with similar experiences in other parts of the country and see if joint actions could be organised. Especially after the Province decided to work on institutionalisation, these external communication activities increased.

A study tour to Ha Tinh and Quang Tri Provinces in April 2013 initiated the capitalisation, see further par. 4.1.1. These Provinces, and also Hoa Binh Province, were invited at the PORIS workshop of 17 January 2014 to discuss the institutionalisation proposal and how to introduce C-SEDP in the Province. Their inputs were helpful in formulating Decision 811 regulating C-SEDP in Nghe An. These experiences and decisions taken by Nghe An interested Son La Province who were invited to visit Nghe An in May 2014.

Now, at the end of PORIS, the question remains how to continue with promoting the C-SEDP approach to other areas. During the de-briefing and stocktaking workshop after this final evaluation's field visit, the three above mentioned Provinces were also invited to discuss follow-up actions. The four Provinces are interested to take joint actions towards other provinces and towards the national level to arrive at increased regulation on the C-SEDP. A possible support in this direction may be the stocktaking report that was formulated by the evaluation team in cooperation with BTC Hanoi¹². This report lists the advantages of C-SEDP making use of field experiences and is meant for politicians and the development community in Vietnam.

5. Assessment of the intervention

In this chapter the intervention is assessed using the OECD/DAC criteria. For the scoring of the criteria and sub-criteria, see Annex VII.

5.1 Relevance

From a national perspective, PORIS was and is relevant. The country's directions for planning reform and PAR fit with the intervention logic of PORIS. Both MPI and MOHA may benefit from its experiences.

In 2013 the formulation of the national Planning Decree regulating bottom-up planning was put on hold, which was a set-back in terms of national guidance for local planning reform. Given the macro-economic situation in Vietnam, the formulation of a medium-term public investment plan had a higher priority. The mission hopes that the current BTC supported Capacity Development for Planning Reform Project (CDPR) can find a way to introduce the PORIS experience in MPI and MOHA; participatory planning should not be seen from a narrow perspective of changing a planning technique. Rather, it can serve to increase citizen's voices and accountability of government agencies, which is the ultimate goal of PAR. And PAR is the responsibility of MOHA.

From the sub-national perspective (Province, District and Commune) the project has proved quite relevant. It not only developed an approach that addresses poverty reduction better than the traditional approach, it also contributed in starting to institutionalise the approach in the Provincial bureaucracy.

For the Belgian government the project was relevant because it is compliant with the Indicative Cooperation Programme, addressing governance and institutional development with a focus on poverty reduction.

¹² Commune driven development in Vietnam, the PORIS experience in Nghe An Province, BTC Hanoi, November 2014 (draft)

Overall score: A

5.2 Efficiency

Even though the project achieved positive outputs, the project's efficiency was not optimal, especially in the period before the MTR. The strength of the project was that implementation was done by government staff, with backstopping and consultancy support from long term and short term donor paid staff. During the first years of the project (2009-2012) this support remained low leading to an inefficient use of project resources (see MTR, p. 57).

These inefficiencies were addressed during the 2013 and 2014 planning cycles. Capacity gaps towards improving the C-SEDP were addressed by hiring competent national and international experts, and by more frequent BTC backstopping. With the proper guidance from the Provincial and District leadership the project resources were now more efficiently used. The C-SEDP manual got integrated in the normal functioning of the Communes and the QCDF guidelines ensured more competent and accountable financial management practices. Partner contributions, apart from the human resources, were 50% of all costs of small-scale infrastructure projects, as outlined in the Project Document (TFF, 2008).

Together with the new project leadership, also the NEX modality started to function better. Mutual accountability in practice meant regular (monthly) talks among project management, long term external staff and BTC back stopper. These meetings ensured progress with a focus on quality and institutional change.

In spite of these improvements two related efficiency topics have not been addressed: cost-benefit analysis and the M&E system. During the last two planning cycles, and also for the last planning cycle for financial year 2015, the Communes were not able to make a cost-benefit analysis for proposed projects. Priority setting was based on qualitative information, face value and expectations, less on quantitative justification. The list of proposed projects is to some extent still as wish list than an implementable agenda given limited financial resources. In addition, the project was not able, time constraints being given as the reason, to develop an M&E system. Two types of M&E were needed: one to track the various projects implemented in the Communes and one to assess whether the new planning approach remained implemented as expected. The mission agrees with the project that a focus on M&E and O&M could not have been part of the priorities in the last two project years; planning and implementation were priorities.

In conclusion: the project achieved in five years what could have been achieved in three.

Overall score: C

5.3 Effectiveness

When looking at the four project results, the intervention has been effective. Before the project, planning for development has been a desk job and Communes had to wait and see what projects and finances would come their way. At present the planning is done by competent Commune staff with increased predictability and autonomy.

Result 1: planning system is in place, except for the M&E system and reporting system
Result 2: bottom-up planning and budgeting performance by the Communes has improved, including the support functions from Province and District. Resource linked

planning is gradually taking place. M&E practices and cost-benefit analysis have not yet improved.

Result 3: plan implementation by Communes has taken off, with technical assistance from the District. Villages are part of the O&M practices, even though often not yet formalised

Result 4: There have been regular exchanges of (interim) results. The capitalisation of results towards other provinces and national level has just started

The extend to which the results have contributed to the outcome (specific objective) in two ways, is measured by its indicators:

- *Quality planning cycle of Quy Chau is operational.* All Communes of Quy Chau have implemented the six-step planning model as prescribed in the C-SEDP manual. However, the District has not yet succeeded in monitoring the quality of the cycle. Indications from the mission are that villagers are more satisfied and feel more involved in their own development.
- *Institutional capabilities meet all planning requirements.* The answer to this question depends on how wide 'institutional' is interpreted. Commune and District capabilities have certainly improved to a level that proves the ability of the Commune organisation to become the investment owner, i.e. to have primary responsibility for the entire project management cycle. The District organisation has shown to be an effective support organisation. Capacities for M&E and O&M arrangements of the small-scale infrastructure projects still need attention. The question remains whether the Provincial organisation – being responsible for more than Quy Chau District – is able to function as a proper support to all 21 Districts. An unplanned positive effect of the project is that all Districts, with their 480 Communes, have been trained in the new C-SEDP approach.

Looking beyond Nghe An Province, which is one of the intended effects of Result 4, is still a road with good intentions. This is to a certain extent an area of political influencing and less easy to predict.

Overall score: B

5.4 Impact

The project's intervention logic was designed as an institutional development project, not a project that has a specific targets at community/village level. At the same time, any project should be able to explain what its relationship is with the final beneficiaries; in the case of PORIS the rural poor of Quy Chau District. The mission has found ample evidence that poor villagers have benefitted from the project; these examples are presented in this report and in the separate stocktaking note. Not only did the project improve the livelihood of a number of villagers, it also ensured a system in the village that makes planning for the poor more feasible. And in case of questions or problems, villages now have a clear entry point in the Commune organisation.

A second impact of the project is how the Commune and District staff reacted to the new planning approach. They expressed an increased commitment because now they were working on real needs instead of working on an assignment from above, a desk job. This change in mind set will be an important asset to use in further rolling out the approach in the Province.

A third – unintended – impact that can be attributed to the project is that the word 'accountability' received meaning for villages and Communes. Villages became more accountable for their own planning; village headmen are more accountable to their

villagers. And Communes are now accountable for the discretionary funds they receive and subsequently to the villages that benefit from these funds.

Overall score: B

5.5 Sustainability

During the final two years of the project, the partner organisations (Province, District and Communes) have understood that PORIS was a tool for sustainable capacity development; how to make sure that after the project sustainable changes will continue, how to ensure that Communes have the capacities and resources to continue using the C-SEDP? Table 4 below presents the process used by the project is arriving at sustainable change. The model used in this table is taken from BTC's M&E system; capacities are divided in three levels and sustainable change is achieved via three phases: creation, utilisation and retention of capacities.

Levels of capacity development	Towards sustainable change		
	Creation	Utilisation	Retention
Individual	<ul style="list-style-type: none"> • Training of trainers • Training of Commune Planning Task Forces by DPI and District • Training of village planning teams 	<ul style="list-style-type: none"> • Coaching of CPTF and villagers • C-SEDP developed by Communes 	<ul style="list-style-type: none"> • 2015 C-SEDP developed without PORIS support
Organisational	<ul style="list-style-type: none"> • Development of QCDF manual 	<ul style="list-style-type: none"> • QCDF manual revised regularly 	<ul style="list-style-type: none"> • CDF gone, Communes integrate other resources in C-SEDP • Single C-SEDP
	<ul style="list-style-type: none"> • Commune receives project investment authority 	<ul style="list-style-type: none"> • Commune chairman confident to be the investment owner in QCDF • Proper financial management procedures followed 	<ul style="list-style-type: none"> • Districts have Communes sign a contract as the investment owners (delegated authority)
	<ul style="list-style-type: none"> • Commune planning team (CPT) set up 	<ul style="list-style-type: none"> • Planning team supports C-SEDP formulation 	<ul style="list-style-type: none"> • Commune Planning team remains after Poris
	<ul style="list-style-type: none"> • District C-SEDP support team set up (11 staff) 	<ul style="list-style-type: none"> • Coaching of CPT and review SEDP • Technical backstopping 	<ul style="list-style-type: none"> • Support team becomes District planning team after Poris (12 staff)
Institutional	<ul style="list-style-type: none"> • Decision 811 issued; all districts and communes trained in new C-SEDP 	<ul style="list-style-type: none"> • For 2015 planning cycle 6-7 million VND provided to Communes for SEDP formulation • Quy Chau involved as resource persons in other districts and communes 	<ul style="list-style-type: none"> • C-SEDP Capacity Development support established in a.o. Vinh University and political school
	<ul style="list-style-type: none"> • Participatory village meetings installed by Communes 	<ul style="list-style-type: none"> • Village needs reflected in C-SEDP • Villages supervise implementation infrastructure projects 	<ul style="list-style-type: none"> • Commune has become more accountable to the villages • Increased village responsibility for their own development

PORIS has succeeded in creating a number of sustainable changes. The main ones are the formal arrangements for District and Commune Planning groups, the integration of

C-SEDP training in the Provincial curriculum and the regulation of the bottom-up planning approach in the Province (Decision 811). In working towards these changes the relationships between villages, Communes and District have changed from a top-down relationship towards a more mutual accountability relationship in which each level has its own role to play. These are important conditions for further developing the C-SEDP.

To keep these changes alive, further capacity developments would be needed. A first area would be to ensure that Communes remain having a predictable budget with which they can autonomously plan their priority projects. This could be in the form of NTP budget or direct provincial/district financing. Secondly, the C-SEDP will have more chances to survive if there will be a District and Province SEDP. At the moment, District and Province are still making their annual plans based on assignments from the higher levels. And thirdly, bottom up planning would take off more rapidly if formally supported by the national level; a possibility may be the upcoming budget law, in which the responsibilities of the various government tiers will be elaborated.

Overall score: B

5.6 Specific evaluation questions

The Terms of Reference of this final evaluation lists a number of specific questions to be answered by the evaluation team (ToR, p. 8). These questions are elaborated in this paragraph.

1. *To what extent did the activities of the project impact on the performance of the beneficiary?*

The project aimed at improving the planning and budgeting practices at Commune level, the lowest level of government in Vietnam. At the end of the project, after four planning cycles, the Communes were able to design their C-SEDP independently, without much support from the District. This plan, designed for the year 2015, did no longer have the donor funded QCDF. It was resourced with the regular funding sources, e.g. NTPs and District/Provincial allocations. If this 2015 C-SEDP will be implemented with sufficient resources, the chances are high that the planning approach will sustain. The budget to run the new planning approach (VND 6-7 million) is ensured via Decision 811, starting in 2015.

The villages are satisfied because their priorities are taken into account and that they have clear entry points to the Commune bureaucracy. For more information on the impact on the villages, see par. 4.3.1 and the pre-assessment report in Annex VI.

2. *How were the capacity development tools developed by the project and how did they contribute to the specific objective of the project?*

The main tool in the project was the C-SEDP manual. This manual was regularly adapted to make it more specific and easier to use for Commune staff. Training and coaching for Commune and District staff ensured the proper implementation of the '6 planning steps', outlined in the manual.

The second important project tool was the QCDF manual, containing the guidelines for budgeting. This manual was also revised after the MTR. The QCDF is one of the funding sources for the C-SEDP. When the Communes found out that they were accountable for

the QCDF, they put more energy in learning the proper financial procedures, assisted by the District.

Since there is a rather high staff turnover at Commune level, there is a sustainability risk. Discussions are taking place with DOHA to include the C-SEDP training in the annual Provincial curriculum. Through the project, Vinh University has gained special expertise in training and coaching on C-SEDP.

A third important tool is the manual for Commune and village analysis, and subsequent setting of development priorities. The guidelines in this manual were trained to District and Commune staff, after which practical coaching ensured the proper application of the guidelines. Procedures for cost-benefit analysis need to be added to these guidelines.

3. *What were the specific barriers and enabling factors of the project organisation and implementation modalities (NEX)?*

Until 2012 the project was implemented as a parallel structure next to the normal government functioning. Government staff implemented the project; it was their way of interpreting NEX, it was seen as 'budget support'. A main constraint was that at the start of the project the Institutional Capacity Assessment study of April 2010 has insufficiently informed the PORIS agenda. Implications of this omission were for instance that no agreement was made on the capacity constraints of the various government tiers and on a strategy to work on capacity development. Another constraint of the project at the start was that it was seen as a second phase of the previous Multi-Sector Rural Development Project; technically oriented, with little focus on governance and politics.

The year 2012 was a transition year. The QCDF was temporarily suspended after the Audit report, and Communes and villages expressed their dissatisfaction on the way the project was implemented. The MTR at the end of 2012 provided an analysis on the use of NEX until that moment (pp. 27-29).

Provincial leadership decided to change project management at Provincial and District level, and new discussions with BTC created an opportunity to work out an agreed upon NEX modality for the project. Main agreement was that the project aims at establishing a Commune driven development approach and that the project will assist in creating the institutional capacity for sustaining this approach. Arrangements were made for BTC to be the technical adviser in this institutional development process.

After the MTR, the NEX modality started to bear fruit: project management (DPI vice-director and DPC Chairman), together with a minimum of BTC paid staff, continued to manage the project, making use of targeted consultancies, training activities and coaching. Provincial, District and Commune staff worked in the project as their regular job, not anymore as additional assignment.

4. *How did the project contribute to make a sustainable way ahead in the SEDP preparation process in Nghe An Province?*

After the MTR, the project – including its extension – had only two planning cycles left to prove effective. Two main areas of work for this period were:

- Make sure that all Communes will be able to independently plan for their areas. The C-SEDP manual and QCDF guidelines were the main tools. District staff became the coach of the Communes and the Communes facilitated the village priority setting activities.
- Make sure that the Communes are backed by a Provincial guideline for participatory planning. This was quite a lengthy process within the Provincial bureaucracy, which

ended on 7 March 2014 with the approval by the PPC of Decision 811, a regulatory framework for C-SEDP in the Province of Nghe An.

These are definitely steps towards sustaining the C-SEDP approach in the Province, also because the project used part of its final year budget to train all Districts and Communes in the basic C-SEDP principles. Three institutionalisation issues are still on the Province's agenda:

- Ensuring that the 2014 plan implementation for Districts and Communes is followed up with coaching and technical support
- Establish and integrate the C-SEDP M&E system into the routine performance assessment system of the provincial government.
- Work towards a District and Provincial SEDP

5. *How did the intervention encourage coherence and synergies with other supports linked to the planning reform (Belgium and other donor support)?*

When all donor supported projects were still in the Province, there was a Provincial Donor Forum comprising of Oxfam HK, Luxdev and BTC, each working in a different part of the Province. DPI coordinated this group. A first experience sharing workshop was organised by Oxfam HK in 2010. In 2013 PORIS took the lead in requesting DPI to invite the three donors to work towards a single C-SEDP manual. One year later this led to the approval of Decision 811.

Staff from Nghe An involved in the project (various levels) visited other provinces to see how they were dealing and progressing with bottom up planning. Other provinces also came to visit Quy Chau District. At the end of the project, an informal group of 'likeminded' provinces have already met a few times and discuss how to support other provinces and influence national decision making.

6. *Harmo criteria*

Vietnam is an active member of the international development community. The Hanoi Core Statement was formulated in 2005, highlighting the Paris Principles in the Vietnamese context. Also in the Post-Busan period, Vietnam remains active in presenting its case towards the international community. The 'Harmo criteria' are to a certain extent already covered by the previous two chapters, below the mission provides a short summary on these criteria for development effectiveness.

Harmonisation

Within Nghe An Province there were four donor supported projects working on governance aspects, three more specifically on planning reform. Coordinated by DPI they arrived at a single manual for C-SEDP. Harmonisation with other relevant BTC projects (SPR and PARROC) was less relevant because PORIS had less to offer until the time of their closure, mid-2013. The mission hopes that the PORIS experiences will find its way to the BTC supported CDPR project at national level.

Alignment

The Belgian cooperation with Vietnam has 'governance support' as one of its priority areas. Vietnam's priorities towards planning reform and PAR are clearly spelled out in policy directions. PORIS was aligned to the Vietnamese national and provincial priorities.

Result-based management

The Vietnamese planning system is results based in the sense that at national level targets are set that are being shifted to the levels below, e.g. production targets, or provincial growth rates. This mechanism started with the introduction of Decision 555 (2007) that provided guidelines and indicators for M&E of the National SEDP 2006-2010. PORIS intended to be results based in designing a measurable M&E system. Because of time constraints, this has not yet been done.

Creating a practice of results based management also involves a mind-set change; results are not only measured by completing the Commune projects, e.g. an irrigation canal or community house, but also specifying what this small-scale infrastructure will likely contribute to the socio-economic development of the Commune. Working from outputs to outcomes is still a challenge for the future.

Mutual responsibility

The criterion of mutual responsibility was operationalized in the NEX modality; the project uses national systems, BTC has responsibilities via for instance independent audits, a system of no-objections in case of high amounts and regular financial reporting. Before the MTR, the project's use of the regular government structure was limited; the project was functioning in parallel with the government's 'normal' top-down planning system. After the MTR, the Provincial Authorities decided to use the project as a pilot for developing a Commune driven planning approach, the result of which to be used for policy development. This provided more opportunities for mutual responsibilities. BTC could introduce international experiences and invite national experts to assist in finding local solutions.

BTC has a technical assistance function, which was much appreciated after the MTR; the project welcomed various technical support initiatives, both from national and international consultants. Before the MTR, the project was seen as a form of budget support in which BTC had little responsibility. The success of mutual responsibility (and NEX) depends to a large extent on dialogue and relationship building; it is hard to completely formalise this topic into a contract.

Ownership

Before the MTR, the project was owned by a few managers, not by the system of Provincial, District and Commune organisations. The complaints about the project expressed by Commune and District staff did not reach the Provincial authorities and BTC. After the MTR, ownership of the project, especially among Communes and villages, and the District Planning Group, increased dramatically. This is exemplified by the enthusiasm with which these stakeholders reported on how they have been in charge of their own development activities.

7. Lessons learned

PORIS has been an enriching experience for all involved: Government staff, BTC and villagers. The mission wishes to highlight three main lessons: on continuity of the C-SEDP, on the speed of learning and on BTC-government relations.

C-SEDP development continues after the donor funded support

PORIS was one of the projects piloting the C-SEDP. Just like the experiences in other provinces, we can safely say that – given the appropriate institutional support – Communes are well able to be the investment owners of Commune socio-economic development. Foreign funding has helped, but also without these external funds, Commune driven development remains feasible, see Box 6 for the experiences of Quang Tri and Hoa Binh Provinces after their donor supported projects had finalised.

Box 6: What happens with C-SEDP after donor supported projects have left? (source: Experience sharing reports of respective provinces during the de-briefing and stocktaking workshop in Vinh, 27 October 2014)

Many provinces, among others Hoa Binh, Quang Tri, Ninh Thuan and Ha Tinh, have rolled out planning reforms province-wide by institutionalising the participatory planning approach. All these provinces introduced guidelines on participatory C-SEDP.

The PPC of Quang Tri Province has issued Decision QD12/UBND-2011 on application of the new local SEDP approach, together with Official Letter CV461/HD on guiding its implementation, issued a C-SEDP manual and SEDP M&E manual. By now, all Communes in Quang Tri make the C-SEDP, of which 40% are done well. C-SEDPs are also consolidated into a D-SEDP. Since 2012 the province allocates VND 5 million per Commune as operational budget for annual C-SEDP formulation. Understanding the need for sustaining capacity development activities on C-SEDP, DPI has coordinated with the Technical School in Agriculture & Rural Development and Le Duan Provincial Political School to develop the training modules on C-SEDP with integration of gender issues, marketing and disaster risk mitigation issues. DPI also coordinates with DOHA to formulate the annual provincial training plan and requests the PPC to integrate the C-SEDP modules into the training curricula of provincial administration's training institutions.

In Hoa Binh, the institutionalisation took place in 2010 by the PPC's Decision 10. The operational budget for annual Commune planning is VND 7 million per Commune. As the most advanced province in terms of C-SEDP reform, Hoa Binh has so far allocated an average of VND 200 million to each of the 191 Communes to serve as CDF. It is estimated that CDFs in the period 2011 to 2014 cost the province a total of VND 131.299 billion (\pm € 5 million). These funds come from the provincial budget (including ODA) of VND 82.406 billion, people's contribution of VND 46.964 billion and others of VND 1.863 billion. This CDF is institutionalised by a budget allocation decision of the PPC and integrated into the Medium Term Investment Plan starting 2015. Training in C-SEDP is officially integrated into the regular training curricula of local administration's training institutions. Hoa Binh is studying to adjust the participatory approach towards a five year C-SEDP instead of the annual C-SEDP; the annual plans will then be

How long does it take for Communes to learn the C-SEDP approach?

PORIS took 5 years with a freeze of almost one year. Each year the C-SEDP approach was better implemented, with accelerated learning taking place after the MTR. The different situation before and after the MTR provides information on favourable conditions for learning to master the C-SEDP approach. The mission believes that the main conditions for Commune learning are: Provincial directions (clearance from the boss), capacity development support (training and coaching), draft tools (readily available in the country) and a predictable CDF. With these conditions available the mission believes, also after checking with Commune officials, that the approach can be introduced in 2-3 planning cycles. For Nghe An this is important to keep in mind when rolling out to the other Districts.

Government-BTC relations

Also on the topic of donor-partner relations, the pre- and post-MTR situation provides learning information. BTC had learned that, in order to have an effective project, more time needed to be spent on working out mutual responsibilities. After the MTR, and with improved communication and dialogue, the Nghe An Government welcomed the inputs from the technical assistance. Even though PORIS remained a locally driven project, a dialogue between project managers and BTC made it possible to discuss sensitive topics, as long as both parties remain having the same project objectives in mind. Important for this dialogue is that the BTC TA has an independent position, not having dual loyalties that TA staff often tend to have.

8. Conclusions

Achievement of the project purpose

The specific objective (or purpose) of PORIS was formulated in 2008 as:

Strengthening the institutional capacities of local governments in decentralised development planning, budgeting, monitoring and evaluation, implementation and public service delivery in accordance with PAR objectives

PAR in Vietnam started with a first phase from 2001-2010. After this phase, the reform process had not yet achieved its target of "having a democratic, clean, sound, professional and modern public administration by year 2010". The second phase of PAR (2011-2020) focuses on:

- Developing and improving the system of legal documents and legislations on organisation and operation of public administrative agencies;
- Reforming the administrative organisations
- Simplifying administrative procedures;
- Reforming policies on public affairs and public cadres
- Applying IT to routine works of administrative agencies (e-governance).

PORIS has contributed to all of these PAR focus areas. When looking at the indicators for the specific objective (quality planning cycle and institutional capacities) the mission concludes:

- The Communes in Quy Chau District have all introduced the C-SEDP planning cycle incorporating the six steps that make the planning system participatory and Commune driven
- Most capacities to run the planning cycle (individual, organisational and institutional) are available in the Communes and District. Capacities for M&E and O&M arrangements of the small-scale infrastructure projects still need attention. M&E capacities are divided in M&E for plan implementation and for properly executing the new planning approach

Pre- and post-MTR

This evaluation took the MTR as its starting point. The MTR was a critical document highlighting various shortcomings of the project until 2012. During that period, there was even talk of suspending the project indefinitely. Then, with the proper Provincial leadership, the project 'miraculously' changed course. Only by changing three positions (PSC chairman, Provincial project manager and District project manager) the project got into gear and created enthusiastic project implementers at all levels. This leadership driven development saved the project. For the mission a strong sign that (political) leadership is a crucial area to address when planning and managing projects.

Commune driven planning is effective and efficient

Decentralisation has been going on in Viet Nam since the mid-1990s and significant progress has been made in devolving resources to lower levels of government. Increased levels of fiscal transfers for poverty spending does however not yet ensure that fiscal transfers are subsequently spent efficiently. In order to better realise these efficiency objectives, increased fiscal and administrative decentralisation of resources and responsibilities to district and commune level governments are needed. PORIS has been piloting decentralised planning, budgeting and implementation at the commune level in Nghe An province. The project proved that with adequate technical and political support, communes can efficiently deliver local services addressing the needs of the citizens. PORIS demonstrated that commune driven development is effective because it increases local contributions and facilitates local development initiatives. It also paved the way for increased transparency and accountability. Implementing this approach on a wider scale in the country may accelerate socio-economic development.

9. Recommendations

Organise Provincial support to C-SEDP

A matter of concern is the sustainability of the approach towards the entire province. Commune driven planning appeared possible in Quy Chau District, but in order to sustain the approach, it will need to become introduced in the other districts as well. For the Province to be an effective support organisation, one single way of Commune planning will help the Province in establishing their support structures. At provincial level the implication would be to set up a C-SEDP support structure involving the main departments, especially planning, finance, home affairs and communication.

Political support is needed from the Provincial People's Committee (as flagship of the reform), and the Provincial People's Council and Local Delegation of National Assembly members (as a channel to enter this experience into the National Assembly and other higher level policy making agencies).

The non-PORIS districts and communes of Nghe An may be interested in C-SEDP but the majority of them, apart from having a short training, have not yet been exposed to the practical realities. The province should be guiding in planning, budgeting (e.g. discretionary fund from the province, other sources), training, supervision and public communication.

Conditions for C-SEDP success

PORIS has shown that Communes are successful managers of the C-SEDP. Conditions for this success do not depend only on the Communes themselves. To make sure that the C-SEDP approach will continue and cannot fall back into the 'old' desk mode, a number of conditions are suggested to remain on the agenda:

- *Committed leadership.* Currently available, but hard to predict for the future
- *Legal guidelines.* Decision 811 seems sufficient, but needs review and possible adaptation after a few years of experience
- *Planning working groups at each level.* Ensured via Decision 811
- *Training and coaching at each level.* Currently discussions are held with DOHA to insert C-SEDP training in the annual curriculum
- *From C-SEDP scaling up to D-SEDP and P-SEDP.* The provincial authorities agree with this direction but have not yet started. Quy Chau could become part of the early adopters. These activities can also be linked with the provincial initiatives on PAR (transparency, participation, professionalization, etc.)
- *M&E of planning output and planning process.* This topic is on the agenda, but has not yet started

Keep C-SEDP attractive

Communes and District have experienced that the C-SEDP has helped them in improving their status as civil servants. To keep this momentum moving, and make it attractive for other Communes, a standard of what is a 'good' C-SEDP will be needed. The standard will contain evaluation criteria to be used when assessing implementation of the new approach. If standardisation can also be accompanied with decentralised budget allocation, then the Communes will directly experience the incentives derived from using the new approach. If the quality of C-SEDP implementation is linked with budget allocation, then a form of healthy competition may be used in the rolling out of C-SEDP to the rest of the province.

Capitalise on results

The number of provinces with positive C-SEDP experiences is increasing. During the stocktaking workshop after this evaluation mission's field visit four of them were present and discussed further actions. To support capitalisation, PORIS has formulated its experiences in a stocktaking note that can be used to influence decision makers. Just

like the momentum taking place within the Province, the momentum between Provinces should also be kept. How, that is still debated. Via the PPCs, to the National Assembly, involving MPI/MOHA, all are possibilities. The mission suggests that the 'likeminded' Provinces do not wait too long with deciding on a feasible strategy.

Link with CDPR

The BTC supported project *Capacity Development for the Planning Reform* works both at national and sub-national level. The mission suggests that CDPR finds a way to introduce the PORIS experience in MPI and MOHA.

Harmonise BTC results reporting

The BTC annual project 'Results Report' was formulated for PORIS covering 2012 and 2013. These reports are helpful summaries of project performance, based on the intervention logic. The reports are a systematic tool for discussing progress and future planning. And for BTC they are a useful tool to aggregate across projects and countries. In the case of NEX in Vietnam, where project operations follow the national procedures, BTC Hanoi and HQ may find a way how this format can become of use for the local setting. RBM is a national guideline in Vietnam, but may follow different procedures. If kept a separate activity, the Results Report will only be made for BTC-HQ and that would be a pity.