

TECHNICAL & FINANCIAL FILE

SUPPORT TO CAPACITY DEVELOPMENT
FOR THE PLANNING REFORM (CDPR)

VIETNAM

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THE BELGIAN
DEVELOPMENT COOPERATION **.be**

TABLE OF CONTENTS

ABBREVIATIONS	4
EXECUTIVE SUMMARY	5
ANALYTICAL RECORD OF THE INTERVENTION	7
1 SITUATION ANALYSIS.....	8
1.1 GENERAL CONTEXT.....	8
1.2 THE INSTITUTIONAL FRAMEWORK OF THE PLANNING REFORM.....	8
1.3 CHALLENGES OF PLANNING REFORM.....	10
1.4 DONOR SUPPORT TO PLANNING REFORM.....	13
2 STRATEGIC ORIENTATIONS.....	16
2.1 MPI AS INSTITUTIONAL ANCHOR FOR A MULTI-LEVEL PLANNING REFORM SUPPORT	16
2.2 THE MULTIPLE DIMENSIONS OF CAPACITY DEVELOPMENT	16
2.3 THE NEED FOR SHORT TERM AND MEDIUM TERM APPROACH TO PLANNING REFORM.....	17
2.4 THE NEED FOR A FLEXIBLE APPROACH TO PROGRAMMING	18
2.5 A MONITORING AND EVALUATION SYSTEM CONDUCIVE TO LEARNING	19
2.6 BUILDING ON EXISTING KNOWLEDGE AND LESSONS LEARNED	19
2.7 COMPLEMENTARITY AND SYNERGY	19
2.8 REGULAR TECHNICAL BACKSTOPPING	20
3 INTERVENTION FRAMEWORK.....	21
3.1 GENERAL OBJECTIVE	21
3.2 SPECIFIC OBJECTIVE	21
3.3 EXPECTED RESULTS.....	21
3.4 PROJECT PHASING.....	28
3.5 INDICATORS	28
3.6 BENEFICIARIES.....	33
3.7 RISK ANALYSIS.....	33
4 RESOURCES	37
4.1 FINANCIAL RESOURCES	37
4.2 HUMAN RESOURCES	37
4.3 MATERIAL RESOURCES	38
5 IMPLEMENTATION MODALITIES.....	42
5.1 CONTRACTUAL FRAMEWORK.....	42
5.2 INSTITUTIONAL FRAMEWORK	42
5.3 IMPLEMENTATION AND FOLLOW-UP STRUCTURES	42
5.4 MANAGEMENT MODALITIES : GUIDING PRINCIPLES.....	46
5.5 FINANCIAL MANAGEMENT	47

5.6	MODIFICATION OF THE TFF.....	52
5.7	MONITORING , REVIEW AND BACKSTOPPING MODALITIES.....	52
5.8	REPORTING	54
5.9	AUDITS.....	56
5.10	CLOSURE OF PROJECT	57
6	CROSS CUTTING THEMES	58
6.1	GENDER	58
6.2	ENVIRONMENT	59
7	ANNEXES.....	60
7.1	LOGICAL FRAMEWORK	61
7.2	TOR LONG-TERM PERSONNEL	66
7.3	ACTIVITIES AND MILESTONES FOR THE STARTING PHASE	70
7.4	TABLE OF EXTERNAL SUPPORT TO THE PLANNING REFORM.....	72
7.5	EXAMPLES OF OUTPUTS OF SPR PROJECT	74
7.6	DETAILED BUDGET	79

ABBREVIATIONS

ADB	Asian Development Bank
CD	Capacity Development
CDPR	(support to) Capacity Development for the Planning Reform
CIEM	Central Institute of Economic Management
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DNEI	Department of National Economic Issues
DoF	Department of Finance
DoLTE	Department of Local and Territorial Economy
DFID	Department for International Development
DPI	Department of Planning & Investment
DSI	Development Strategy Institute
GoVN	Government of Vietnam
GSO	General Statistics Office
HR	Human Resources
ICP	Indicative Cooperation Programme
IDA	International Development Association
ITA	International Technical Advisor
M&E	Monitoring and Evaluation
MoET	Ministry of Education and Training
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MTEF	Medium Term Expenditures Framework
MTIF	Medium Term Investment Framework
MPI	Ministry of Planning & Investment
MOV	Means of Verification
MTIF	Medium Term Investment Framework
NAPA	National Academy of Public Administration
NGO	Non-governmental organisation
ODA	Official Development Assistance
PAPI	Provincial Public Administration and Governance Index
PCI	Provincial Competitiveness Index
PAR	Public Administration Reform
POM	Project Operational Manual
PRA	Participant Rural Appraisal
PC	People Committee
PER	Public Expenditure Review
PRS	Poverty Reduction Strategy
PRSF	Planning Reform Strategic Forum
PSO	Provincial Statistics Office
SEDP	Socio-Economic Development Plan
SPR	Strengthening of the Planning Reform at central and decentralized level
UNDP	United Nations Development Programme
UNICEF	United Nations' International Childrens' Fund

EXECUTIVE SUMMARY

As stated in the Socio-economic and Development Strategy 2011-2020 Vietnam aspires to become a “modern-oriented industrialized nation” by 2020. This requires substantial structural changes in state organization, infrastructure development as well as human capacities. Among these institutional changes, reforming the planning system appears essential to draw the socio-economic benefits of Vietnams’ (still recent) transition towards a market economy.

The Vietnamese planning system has continuously evolved over the last decades in order to respond to changes introduced by the economic and political renovation (Doi Moi). Yet important structural and operational challenges remain to make planning practices of all public sector agencies more strategic, participatory, resources-linked and result-oriented. Main issues are the further development of the legal framework and of the institutional arrangements for planning, as well as the enhancement of individual capacities of the personnel concerned with planning activities across the national and sub-national administrations.

In this context, the Vietnam-Belgium Joint Working Team approved in December 2012 a second phase of support to the Planning reform at the central and decentralised level. The “Support to Capacity Development for Planning Reform” (CDPR) project will contribute to improve the preparation of the national and sub-national components of the 5-years Socio Economic development Plans (SEDP), their monitoring and evaluation through performance indicators, and their linking to annual (investment) budgets through multi-year investment programming instruments. These improvements are expected to result in both: (i) a more effective and efficient allocation and use of the resources of the central and provincial administrations, including more robust forms of regional coordination of provincial plans and investment programs, as well as (ii) the additional mobilization and better use of resources for the promotion of local development by District/Commune administrations.

Ministry of Planning and Investment (MPI) has a key role in the current planning reform process in Vietnam and will be the entry point of the project, with the Department of National Economic Issues (DNEI) as a focal point. The successful implementation of the CDPR project will require not only the leadership of MPI, but also the involvement of other stakeholders (Ministries, concerned provincial and local authorities, other support programs).

A comprehensive understanding of Capacity Development (CD) requires that the CDPR supports MPI in addressing simultaneously the need for improving the regulatory framework and the institutions for planning and the need to enhance the knowledge, skills and attitudes of the personnel involved. While anchored at central level, the project will support planning practices improvement at both the ‘policy level’ and the ‘operational’ or ‘implementation level’.

The Specific Objective (SO) of the CDPR project is: “ *To strengthen the capacity of (selected) national and sub-national governments in improved planning and budgeting*” .

The CDPR project is expected to obtain the following results :

- (i) “*The legal framework for the planning reform is improved*”. CDPR will support MPI to finalize the elaboration of legal and regulatory texts and related activities of dissemination, technical assistance and training of both national and sub-national administrations. CDPR will also engage in a longer-term, process of further development of the reform strategy and of a program for its implementation.
- (ii) “*The capacity of MPI to support capacity development of sub-national authorities in the area of planning, and M&E is strengthened*”. CDPR will support an enhanced capacity of MPI to provide directly or to set up collaborations with other stakeholders for the delivery of technical and legal advisory as well as facilitation and capacity development support to national and provincial authorities.

- (iii) *“The capacity of provincial authorities and 2-3 line ministries to develop, adopt and implement improved planning and M&E systems is increased.”* CDPR will support MPI in developing sub-national planning systems that comply with the double requirement of (i) facilitating national policy implementation and (ii) opening space for autonomous development and implementation of provincial . This includes support of varying scope and intensity, to selected (2 or 3) Ministries and selected (5) provincial authorities, embedded within broader capacity development strategy developed with the concerned actors. Assistance will be oriented towards strengthening their respective planning departments/units, design, test, adopt and regulate improved organization-specific planning systems and upgrade the professional capacities of their personnel.
- (iv) *“The capacity of selected local (districts and communes) authorities to develop, adopt and implement improved planning and M&E systems is increased. ”* A CD strategy will be developed with the concerned stakeholders with a number of sub-provincial authorities. This will include testing the new planning Guidelines and Manuals. This strategy will be supported by an allocation of programmable funds (Local Development Fund-type facility) accruing to the concerned authorities, for investment and services delivery. CDPR will also help articulate a spatial orientation to local SED plans and investment programs through supporting one piloting experience of spatial development framework at District/town level.

The CDPR project shall support the MPI to look for complementarity and synergy with other initiatives to implement the reform process. In this way the project will build upon a decade of Belgian cooperation support to the planning reform at central and provincial level. It will also collaborate with other Planning Reform programs at central and provincial level, financed through ODA (e.g. UNICEF, JICA, SDC, AusAid, CIDA, OXFAM,...) as well as the World Bank’s support to the Public Investment Reform.

The CDPR capacity development approach for planning reform will be based on capacity assessments as well as on lessons learned from pilot initiatives of capacity development to planning. CDPR will support MPI in systematically reviewing and assessing such experiments and apply lessons learned in the development of the national guidelines. In turn, once the guidelines are developed, efforts should be made (promoted and monitored by MPI under the CDPR program) to align externally supported practices and institutionalize them as statutory local/provincial planning processes.

ANALYTICAL RECORD OF THE INTERVENTION

Title of the intervention	Support to Capacity Development for the Planning Reform
Intervention number	NN 3013832
Navision Code BTC	VIE 12 048 11
Partner Institution	Ministry of Planning and Investment (MPI), Department of National Economic Issues (DNEI)
Duration of the intervention	48 months (Validity of Specific Agreement 60 months)
Start of the intervention	2014
Vietnamese Contribution	300,000 EUR
Belgian Contribution	4,000,000 EUR
Sector DAC code	15110
Brief description of the intervention	The project shall focus on the strengthening of the capacity of central level, provincial and some selected local authorities in the preparation, monitoring and evaluation of plan and budgeting through an improved legal framework, training of trainers, training of selected central ministries and key planning staff at provincial level, continued learning and sharing information on international planning experiences and best practices, as well as more in depth capacity building activities for selected sub provincial authorities.
General Objective	To improve the preparation and implementation of the Socio-economic Development Plan through improved planning and budgeting for pro-poor and pro-growth policies and interventions
Specific Objective	To strengthen the capacity of (selected) national and sub national governments in improved planning and budgeting
Results	<p>R1. The legal framework for the planning reform is improved</p> <p>R2. The capacity of MPI to support capacity development of sub-national authorities in the area of planning and M&E is strengthened</p> <p>R3. The capacity of provincial authorities and 2-3 line ministries to develop, adopt and implement improved planning and M&E systems is strengthened</p> <p>R4. The capacity of selected local (districts+ communes) authorities to develop, adopt and implement improved planning and M&E systems is increased</p>

1 SITUATION ANALYSIS

1.1 General context

Over the past two decades, Vietnam has achieved rapid economic growth and has significantly reduced overall poverty rates, from 58.1 % in 1993 to 9,6 % in 2012 raising the living standards of the entire population. After three decades of *Doi Moi* (economic and political renovation) reform, the country is on track to meet, or has met, a majority of the Millennium Development Goals at a national level. However Vietnam still faces significant challenges set out in the Socio-Economic Development Strategy (SEDS) 2011-2020 and the Socio-Economic Development Plan (SEDP) 2011-2015.

The SEDS 2011-2020 identifies the need for 'breakthroughs', including (1) Improving the socialist oriented market economy regulations with the core to create an equal and competitive environment, and to make administrative reform; (2) developing quality human resources; concentrate on the comprehensive renovation of the national education system; (3) Building an infrastructure system that synchronizes with some modern projects, and focuses on traffic system and big urban infrastructure.

The SEDP highlights the need for a new economic model to ensure a greater balance between economic growth and social, human and sustainable development goals, so that all citizens can benefit from the development process and the most vulnerable and disadvantaged are not left behind.

Vietnam is engaged in a transition process of institutional reform for improved governance and needs to develop institutions capable to respond to the challenges the country will face over the coming 5-10 years. In this process, the institutions of policy making planning and performance monitoring occupy a central place. The institutions of participatory planning are also singled out in the National strategy. The SEDS, emphasizes their role to ensure that citizens have a voice in the decisions which affect them and are able to fully realise their choices and capabilities. A new regulatory environment is required to overhaul the current planning system and to support greater popular participation in public policy making and planning. Mechanisms should be set up to enable the people to give their opinions and feedback, and to oversee the work of the party and the State, in particular in relation to socio-economic policies and plans.

In this framework, reforming the planning system appears essential to meet the new challenges that the country is facing and to achieve its sustainable development goals. A new planning and M&E system will contribute (i) to better manage the outcomes of development in the context of the transition from a central planning to a market economy and the rise of private development actors, (ii) to improve the efficiency and the effectiveness of public investments, (iii) to suit the process of decentralized administration and (iv) to place more emphasis on qualitative targets for sustainable poverty reduction.

1.2 The institutional framework of the Planning Reform

The Ministry of Planning & Investment is *“an agency of the Government, which performs the functions of State management over planning and development investment, statistics, including: the provision of general advices on strategies, planning and plans on national socio- economic development, on mechanism and policies for general economic management and some specific fields, on domestic and foreign investment, industrial parks and export-processing zones, on management of official development assistance source (hereinafter called ODA for short) and non-governmental foreign aid, bidding, enterprises, and business registration throughout the country and collective economic sector, cooperatives; statistics; perform the State management over public*

*services in the fields under its management as prescribed by law related to the plan”*¹. MPI is responsible for the preparation and follow up of the annual investment budget.

Within MPI, the Department of National Economic Issues (DNEI) performs the functions of state management over consolidation of investment and socio-economic plans²: The Department of Local and Territorial Economy (DoLTE) handles provincial annual development plans and supervises the use of funds in public investment programs. The Department of Investment Supervision and Appraisal is in charge of the appraisal of important national investment projects which have been approved by the National Assembly. The Central Institute of Economic Management (CIEM) and the Development Strategy Institute (DSI) are scientific institutes associated to MPI³. Since 2007 the Government Statistics Office (GSO) is also directed by MPI.

In provinces and centrally run cities, Departments of Planning and Investment (DPI) advice Provincial People Committees (PPC) in performing its management functions including planning and consolidating socio-economic development plans, as regulated by law. MPI is responsible for the direction, guidance, checking and inspection with respect to the professional and technical aspects of this agency.

The planning reform is linked to other public sector reforms, such as the decentralization process, the state budget law review, the public administration reform and the public investment review. Major aspects of these reforms are shown below:

Public administration reform efforts have been continuous since the Public Administration Program (PAR) came into being in the mid-nineties. The objectives of the PAR were to come to a democratic, transparent and modern public administration. The PAR covers key pillars among which institutional reform, governmental structure reform, human resource development for civil service, public finance management and administrative modernization. In 2011 the Vietnamese government endorsed a new “Master Program on State Administration Reform” that highlights important shifts needed in three key areas (i) the assignment of clearer objectives and more concrete roles and responsibilities to line ministries and implementing agencies, (ii) the development of human resources (in line with ongoing civil service reform efforts and measures to address issues of incentives and salary structures), and (iii) the enhancement of public service delivery. Ministry of Home Affairs (MoHA) is the designated lead agency for coordination of implementation of all action plans related to Public Administration Reform. It also monitors and reports progress to the central government on speed and quality of specified reform measures in terms of decentralization at various levels of government.

On the public finance management side, **the State Budget Law (2002)** gives provincial authorities greater budgetary power and responsibilities and reduces central controls over local government planning and budgeting processes. It also increases the overall importance of local government management of Government of Vietnam (GoVN) fiscal resources. The Provincial governments have been given control over the local state agencies responsible for the collection of revenue. Provincial governments have priority right on the use of locally collected revenue for their annual plans and any deficits are met by the central government. However, in this regard, very limited powers have been delegated to the districts and communes. The 2006 Investment Law delegates investment management responsibilities and rights to provincial and local levels.

¹ Decree No.116/2008/ND-CP Defining the functions, tasks, powers and organizational structure of the Ministry of Planning and Investment

² see Article 1 and 2 of Decision N)488/QD-BKH dated April 2009 of the Minister of MPI on the functions, missions and organizational structure of DNEI.

³ For a complete description on CIEM see Decision No.117/2009/QD-TTg dated 29 September ; on DSI, refer to Decision No.110/QD-TTg dated 26 August 2010 .

The amended Law on Organization of the **People's Councils and People's Committees** approved in 2003 provides greater functional clarity, and increases the budgetary role of the Provincial People Committee in preparing budget proposals for approval by the respective People's Council. However, effective use of this increased decision-making mandate for planning, budgeting and implementation is still constrained by several challenges. While market and, to a certain extent, fiscal decentralization have advanced more rapidly, political and personnel decentralization still require progress⁴. Decentralization has often not been accompanied by a sufficient increase in capacities and resources, causing serious overload for the local government. Although the role of the People's Councils has been strengthened, their effectiveness and efficiency are still limited due to both technical and institutional factors. Moreover, the lack of coordination and collaboration both at the national and provincial level have resulted in a fragmentation of the state management system and a competitive race between provinces.

A more participatory planning system also requires to create decision-making processes that are more open, inclusive and responsive to local needs. While grassroots democracy appeared in many legal documents from the socialist period, it was reinforced in 1998, through **The Grassroots Democracy Decree** (Decree 29/1998) and the Decree (79/2003) promulgating grassroots democracy at commune level. This Decree promotes participatory planning, aiming at strengthening voice & accountability at the lower levels of administration. Its implementation has been limited due to lack of supportive legislation at both central and provincial level but also to limited capacities at district and commune levels.

1.3 Challenges of Planning Reform

In order to respond to changes introduced by the economic and political renovation *Doi Moi*, the Vietnamese planning system has continuously evolved over the last decades. Several positive incremental changes have been launched. The primary responsibility for detailed preparation of plans has been shifted to spending agencies (Provinces and line Ministries) while MPI and MoF provide general orientations and budget constraints. Since 2003, substantial planning responsibilities have been devolved to local authorities including Districts and Communes. This has considerably shifted the former top-down approach to a more bottom-up approach integrated in the SEDP. However a legal framework clarifying the scope, principles and broad timeframe of the intended reforms remains to be adopted.

Throughout the preparation of the last two SEDP the Vietnam planning system has been gradually moving from a closed planning process geared to describing inputs-production targets to a broadly consulted plan that focuses on economic as well as social and environmental outcomes. The preparation of the 2006-10 SEDP has been a turning point. For the first time, SEDP served both as a five-year plan for the Government and a Poverty Reduction Strategy (PRS) for external partners, integrating the fundamental principles that had been adopted in the earlier formulation of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS). Since then, planning methodologies have improved and consultations with communities and civil society organizations have increased. The Government also developed a results framework that applies sound principles of monitoring and evaluation. This marks a breakthrough in approaches to mainstream monitoring in Vietnam, which is traditionally dependent on the measurement of inputs, rather than the change generated with those inputs.

The move from top-down to more bottom-up planning and the attempts to make planning more participatory and better results-oriented, however, continues to take place within a system of

⁴ For assessment of decentralization of economic management, see Decentralization of Economic Management in Vietnam from Institutional Perspectives (2012).

hierarchical subordination and vertical integration of plans at all level (the so called “matriuska” model) inherited from the pre-Doi Moi days. The original concern of that model was the ability to aggregate inputs and outputs targets for the whole economy in order to facilitate the centralized direction of it. The recent advance of decentralization reforms, inevitably produces tensions with that model.

As stated above, with the Budget Law changes of 1996 and 2002, substantial space has been created for autonomous provincial policy-making and planning). Yet formally, provincial planning is still conceived as the “localization” of a “comprehensive” national SEDP and related national policies. National and sub-national plans are meant to be integrated through the formal hierarchical controls associated with the preparation of a “comprehensive” national SEDP (i.e. planning instructions and earmarking of resources and a system of formal targets and related reporting obligations). In the decentralized environment in which the SEDP is now prepared, formal hierarchical controls should gradually be complemented by inter-governmental consultations and negotiations mechanisms that fully recognize that the country’s planning system is moving towards a multi-level one and that the role of sub-national authorities is both to “localize” central policies and autonomously develop and implement their “own” policies. In turn, this growing autonomy at the local level needs to be accompanied by a robust system of central state support and supervision⁵.

This has not been made easier by the Budget Law of 2002, which, in a significant departure from the principles embedded in the 1996 Budget Process Law, gave provinces complete flexibility to arrange the finances of lower level Government (Districts and Communes). As a consequence provinces have tended to retain the bulk of capital investment budgets leaving little discretionary allocation to lower levels, which can only “apply” and submit proposals for consideration by the Province. The lack of programmable resources at the grassroots level, however, makes it very difficult to carry out meaningful participatory planning exercises and, most importantly, limits the ability of local authorities to mobilize the additional financial and material resources that communities and private sector would be willing to contribute if enabled to identify, fund and implement their own priority investments, rather than just influence the way in which national programs are implemented locally. Evidence from provinces, where regular transfers of some discretionary resources to lower level governments have been introduced, in combination with efforts to improve local planning practices, showed that such resource mobilization effect can be significant.

While the above structural issues refer to some fundamental challenges that planning reforms need to recognize and ultimately address, there are also a number of operational issues that require attention and offer scope for continuing incremental improvements in the areas of planning, investment programming and monitoring and evaluation.

1.3.1 Planning process issues

- Planning responsibilities across levels of government are ill-defined. A Decree that should address this issue is under preparation.
- Besides the annual instructions they receive for SEDP preparation the Sub-national authorities are essentially left to their own devices. In a system in which planners are accustomed to follow planning instructions issued by higher-level authorities, unambiguous, central-level commitment to reform planning processes and incentive structures is extremely important. Yet MPI and other central government institutions have limited capacity to support sub-national planning systems

⁵ While some observers have rushed to declare that Vietnam has decentralized too much, the truth may rather be that the decentralization reforms have remained incomplete. In the double sense that (i) they have not been extended to the “local” level (Districts and Communes) where the effect on both territorial equity and “local” development/resources mobilization could be major and (ii) they have not been accompanied by a robust system of State support and supervision, including the ability of Central authorities to guide provinces on how to treat lower level (Districts + Communes) authorities.

development and assess their performance. The same applies to sub-provincial levels, which receive little guidance or support from the provincial level.

- In the absence of national regulations and guidelines, there is considerable variation in the way different provinces go about planning. Multiple experiments have also taken place in recent years, with support from various aid agencies, to introduce improved provincial and local planning practices in selected provinces. While this is not “per se” a bad thing, there is a risk that these improvements be neither sustainable nor institutionalized if they are not eventually aligned to statutory planning regulations.
- Capacity for strategic planning is scarce. Besides the institutional impediments, there is an individual capacity issue, as few planners are capable of facilitating and carrying out strategic planning exercises at central level and even less at sub-national level. Yet the shift from the current “comprehensive” planning to a “strategic” planning approach is critical for any reform of the current planning system.
- “Planning” continues to be seen, particularly by sub-national authorities, as primarily concerned with infrastructure development, rather than service delivery at large. Also, lack of clarity on the services delivery responsibilities of the different tiers of sub-national governments result in local investment choices that are not justified by a clear linkage to services delivery mandates and priorities. Poorly defined services delivery responsibilities contribute also to the local bias towards infrastructure spending that eventually leads to country-wide fragmented, suboptimal and unaffordable patterns of investment.
- There is a “missing link” between the preparation of SEDP and that of physical planning instruments for land use controls and management at all levels. The practice and instruments of more integrated Spatial Planning, which could provide that link, are still to be introduced. In their absence, strategic SED planning choices and investments in infrastructure and land development are often made which are not rational from a territorial development point of view and may also undermine local environmental protection and natural resources management.

1.3.2 Investment Programming Issues

Vietnam’s public investment budget has been overstretched by starting many fragmented, suboptimal infrastructure projects that lack market demand. Corrective action has been taken by reducing the level of public investment in SEDP 2011-15, and by giving MPI a larger role in screening such projects, especially regarding the availability of resources (ref. Directive 1792).

Moving to multiyear planning and budgeting was also perceived to be key for improving efficiency of the provincial and local public investments. MPI was mandated to prepare a Medium Term Investment Framework (MTIF) that would address the short-sightedness of annual budgeting of public investment and clarify the allocation mechanisms. A draft Decree (supported by SPR project) has been submitted for approval.

Yet other measures are necessary. These include ensuring that land (a critical asset for most infrastructure investments) is properly valued through market competition and that some key infrastructure sectors (ports, economic zones, etc.) are properly regulated by independent national or regional agencies. Most importantly there is also a need to (i) create consultative mechanisms and financial incentives for neighbouring provinces to coordinate their plans and jointly invest in regional and national-level infrastructure and (ii) make a national effort to develop sub-national capacity for effective management of the investment project cycle.

1.3.3 M&E Issues

Lack of understanding of both the role and the process of monitoring and evaluation (M&E), and consequent inappropriate selection of indicators, is widespread at sub-national level. There is confusion between outputs and outcomes indicators, and the construction of the latter is impeded by problems with both the availability and the quality of data at commune and district levels. The roll out of a new Results-based M&E framework for the SEDP 2011-15 currently under preparation by MPI, should address this issue. Nurturing a results oriented culture needs a long-term, coordinated multi-level approach. The roll-out of the new framework will require a coordinated steering by planning and monitoring actors of MPI, line ministries, and the sub-national level. Exchange with countries who went through that process can be useful for Vietnam to further develop its own approach, integrating lessons learned from these countries. However dissemination and capacities enhancement will take time.

1.4 Donor support to Planning Reform

The importance of planning reform for Vietnam has attracted a number of donors. Aid financed interventions fall into two main categories: those concerned with supporting national policy development for SED planning, investment programming and related Monitoring and Evaluation systems, and those concerned with experimentation and institutionalization of improved planning programming and M&E practices at sub-national level.

The Belgian government has supported the Vietnamese planning reform since 2000. It started initially to support provincial development planning, budgeting and implementation projects (Can Tho, Hau Giang and Nghe An). In 2008, Belgium started to support MPI through a project “Strengthening of Planning Reform at Central and Decentralized level” (SPR) with the aim to support the design and implementation of a planning reform at the different territorial levels of administration (National, Provincial, Districts and Communes).

As the CDPR is meant to be a new phase of support to the planning reform, after the ongoing SPR program, lessons learned in implementing the SPR are critically important. These lessons can be translated into a number of recommendations for the design of the CDPR program. They include:

- New interventions should be results orientated, adopt a flexible programming approach, and be clearer about what the project can deliver and what it can, at best, influence. Flexibility means essentially shifting from setting a “blueprint” in a Technical and Financial File, to realizing annual (re)programming exercises leading to the approval of annual work plans and budgets;
- Greater flexibility must go hand-in-hand with great efforts to develop and refine a shared vision and a strategy for the support to the reform within which flexible and incremental action can be carried out without losing sight of, or jeopardizing, the end results;
- Institutional arrangements for project implementation can be improved by supporting strategic decisions of Project Steering Committees and operational decisions by Project Management, with a sound M&E system and more robust external technical backstopping mechanisms
- While supporting developing and implementing planning reforms, the project should make *efforts to communicate on them broadly*. The targets of these efforts should not only be public officials, but the public at large, in order to shift attitudes, build a constituency for the reforms in the society, and facilitate awareness raising and training of national and sub-national planners on implementation of the incremental changes that can be immediately introduced;
- Besides the SPR project, the Belgian-Vietnamese cooperation can also build on achievements and lessons from its support to improving sub-national planning practices in the

provinces of Hau Giang and Nghe An . The “Public Administration Reform and Roll-out of CPRGS in Hau Giang Province” (PARROC) has now been completed. Some achievements and lessons can be derived, which are relevant for the CDPR design :The “Public Administration Reform and Roll-out of CPRGS in Hau Giang Province” (PARROC) demonstrated *that allowing local authorities to autonomously develop their own programs and projects*, in addition to enhancing their ability to influence the allocation of national programs’ resources in the locality, is eminently feasible, induces greater popular participation and results in considerable additional resources mobilization. However it proved essential that a meaningful amount of resources for *discretionary development spending* be made available to local authorities, in conjunction with technical assistance and training for the development of statutory planning procedures which are both participatory and technically sound. The above cannot be left to the initiative of the provinces only and requires a national commitment to provide mandatory instructions and financial incentives for provinces to adopt sub-national planning (and development financing) systems that support it;

- The PARROC project managed to introduce participatory planning and budgeting only in a limited number of pilot communes. It faced limitations when coming to “replication” of the participatory methods introduced by the project (more communes adopting them) as well as the “vertical integration” (Districts and Provinces also adopting them). The lack of clear financial incentives (the freely programmable resources of the Commune Development Fund made available to pilot Communes) might explain why other Communes Authorities would stay away from the additional work that participatory planning implies. The vertical integration, on the other hand, implies a stronger connection between supporting the development of participatory planning techniques (participatory rural appraisal- PRA) at village level and supporting the development of the planning legal framework;

The project "Poverty Reduction through Institutional Strengthening at Provincial (Nghe An) and District (Quy Chau) Levels" (PORIS) was initiated in 2009. It is still on-going and its duration might be extended till the end of 2014. PORIS focusses on enhancing the institutional capacities of local governments in decentralized / participatory socio-economic development planning (and budgeting) and improved governance of related public service delivery. The project also finances a commune development fund (CDF) providing the twelve Communes of Quy Chau district with discretionary resources for the planning and financing of their own local priorities. PORIS current efforts aim at having the improved Commune-level planning institutionalized for all the communes in the framework of the District and Provincial SED planning and financing. Following lessons (the project was end 2012 the object of mid-term review) can be learned already from the PORIS experience :

- When piloting institutional changes, the commitment of the provincial government to the experiment, its evaluation and its institutionalization, cannot be assumed and must be secured upfront.
- training planners is not, in and by itself, a strategy to build capacity for planning reform, and should always be connected with efforts to introduce institutional changes and develop an enabling regulatory framework.

Other lessons of the PARROC and PORIS that bear on the issue of individual capacity development for design and implementation of planning reforms include :

- Effective training of HR for improved planning and investment programming cannot be left to externally funded, sporadic initiatives, but must be assumed as a primary responsibility of the concerned administration units (MPI, DPI, provincial sector departments);

- Care should be exercised in selecting training service providers and much attention should be given to strengthen their own capabilities. This may require that MPI training officers, prospective services delivery institutions and specialized external consultants or institutes, jointly make the effort necessary to develop appropriate instruction materials and delivery methods;
- It is important to link capacity development in planning & budgeting with capacity development initiatives provided in the framework of the Public Administration Reform Program;

2 STRATEGIC ORIENTATIONS

Based on the situation analysis and lessons learned, the basic design of CDPR intervention rests on the following underlying principles:

- MPI as institutional anchor for a multi-level planning reform support;
- A multi-dimensional approach to Capacity Development for Planning Reform;
- A short and a long term approach of support to the planning reform;
- Various forms of technical advice and support;
- An adaptive approach to both design and implementation of the CDPR and an M&E system conducive to learning;
- Building on existing experience and lessons learned;
- Complementarity and synergy with other initiatives of support to the planning reform

2.1 MPI as institutional anchor for a multi-level planning reform support

International experience shows that reform of public sector planning system, and the implementation of a national capacity development program supporting such reforms, are complex. Management of multidimensional, multi-agency reform processes, like the reform of a country's planning system, require exceptional levels of inter-governmental cooperation, as well as strong leadership at the highest level of government. Despite recent improvements, the planning reform in Vietnam is still at an early implementation stage. Considerable work needs to be done to develop an appropriate legal framework and institutional planning arrangements, including the improvement of individual capacities of the personnel concerned with planning activities across the national and sub-national administrations.

In the current Vietnam context, MPI has a key role in the reform process and will be the entry point of the project, with the Department of National Economic Issues (DNEI) as a focal point. While anchored at central level, the project will support planning practices improvement at both the 'policy level' and the 'operational' or 'implementation level'.

The successful implementation of the CDPR project will require not only the leadership of MPI, but also the involvement of other stakeholders (e.g. other Ministries, concerned provincial and local authorities, other support programs). Representatives of such actors should therefore be able to interact with DNEI, review the implementation of the CDPR and regularly provide DNEI with relevant feedback and advice.

2.2 The multiple dimensions of Capacity Development

Capacity development is much more than "training" or more broadly the transfer of knowledge and skills to individual. Capacity development at the individual level, although important, depends crucially on the organizations in which people work. In turn, the operation of particular organizations is influenced by the enabling environment – including the institutional framework and the structures of power and influence – in which they are embedded.⁶

⁶OECD, The Challenge of Capacity Development: working towards good practice (2006) <http://www.oecd.org/development/governance-development/36326495.pdf>

Equally important to stress is that CD is first of all an endogenous, locally driven process of change in capacities (at the individual, organizational and institutional level). External support (as provided by development assistance) can only facilitate, unleash and build upon this internal process of capacity development. The CDPR project must thus be considered as support to a capacity development process for the planning reform which lies on internal dynamics.

More specifically, a program for support to capacity development for planning reforms should aim at facilitating :

- changes in the legal and regulatory framework which define the scope of public sector planning, the principle that should inform it (strategic, participatory, result-oriented) and the division of labour across the national and sub-national administrations,
- changes in the planning institutions, that is to align and strengthen the procedures (processes, methods, techniques) with the new legal mandates and, finally
- changes in the human resources operating within the organizations responsible for planning

A comprehensive understanding of support to Capacity Development requires that the CDPR supports MPI in addressing simultaneously the need for improving the regulatory framework and the institutions for planning and the need to enhance the knowledge, skills and attitudes of the personnel involved. The CDPR will however have to remain realistic about what can be achieved within a four years project and to what can contribute to sustainable changes in the long run.

In addition, the CDPR will aim at fostering techniques of support to individual capacity which go beyond the realm of formal training. These can include: training of the trainer (already adopted by many training institutes in Vietnam), coaching and mentoring, communication techniques, on the job training, but also action research and other tools stimulating learning by reflexion. Exposure and study-tours will also be encouraged. However it is essential that these techniques will be embedded into a broader capacity development strategy.

As this represents an important paradigm shift in current habits and models, the CDPR will facilitate the development of a shared in-depth understanding of capacity building among the CDPR key stakeholders. This will be done by relying on international expertise and best practices as well as Vietnamese professionals. Approaches for designing and monitoring CD strategies will be explored.

2.3 The need for short term and medium term approach to Planning Reform

There is a logical sequence between (i) putting in place the right regulatory framework, (ii) aligning with it the planning institutions and (iii) developing the human resources. However a reform process does not necessarily follow a linear logic and is highly unpredictable.

Changes may be initiated at any of the above three levels, creating pressures for a new equilibrium that, with time and given a favourable context, may emerge and force a realignment of the other two levels⁷.

Conversely, the experience of the SPR, whose initial design was based on the linear sequence from issuing a planning decree to supporting the development of the human capacities for its

⁷ Recent experiences in Vietnam are particularly illustrative of this point. Multiple changes in sub-national planning institutions have been piloted often with support from externally funded programs, including many whose primary concern was the promotion of local development and/or the implementation of public administration reforms. These pilots, are already bringing to the fore (i) the need for national legislation that facilitate their alignment and conversion into statutory practices and (ii) the need to deploy and develop human resources required for their sustainability.

implementation, suggests that delaying action on institutional experimentation and HR development, until a clear legal framework and mandate are in place, may not be a realistic approach.

In addition to being non-linear, the capacity development for reform process takes places within multiple time frames. Short term action is necessary and possible at any stage of the process, but major policy, institutional and HR capacity changes typically require a medium or long term perspective.

The CDPR project is therefore designed to support the planning reform in a short and medium term timeframe, in order to

1. support MPI to respond to immediate and emerging needs: the CDPR project will help MPI to (i) disseminate, to all planning agencies, information on changes introduced by newly issued regulations (e.g. about adopting the Medium Term Investment Framework programming instrument), and (ii) extend related basic training as well as on-time legal and technical advisory services. The CDPR will also help provide flexible support to (iii) drafting new legislation and regulations that respond to emerging needs or opportunities associated with changes in macro-economic conditions and economic policy or with the advancement of decentralization and public administration reforms.
2. support MPI to act strategically and promote planning reform : the CDPR project, consistently with the orientations of 2011-2015 Indicative Cooperation Program between Vietnam and Belgium, will help to develop a national strategy and program of CD for planning. This effort will build upon MPI existing strategic and research work with regard to the planning reform implementation, as well as the lessons learnt from the support to CD carried out at provincial level.

2.4 The need for a flexible approach to programming

Flexible programming or adaptive design of the project is essential because of the “non-linear” character of the reform, the demands for immediate responses that may emerge in a rather unpredictable way, and the very nature of capacity development processes.

First, how the planning reform process will evolve, ultimately depends on major policy choices with respect to the economic system reform (transition to market) and (ii) the decentralization reforms in particular. Flexibility and continuous adaptation will be necessary to strategically manage the reforms and take advantage of opportunities to advance them. CDPR must therefore support MPI be ready to adapt the vision and roadmap of the planning reforms to the evolving context, and determine feasible steps towards implementing the planning reform.

Second, Capacity Development (CD) as seen in section 2.2 above, entails a change process within people, organizations and systems. CDPR activities will therefore have to contribute to this by stimulating and facilitating change. However stimulating and facilitating change is not a straightforward process. This unpredictability has also a lot to do with the limits of the “control”, or “influence” that the CDPR and/or MPI will have on the change process⁸. Therefore CDPR outputs could only partially be determined during the preparation phase and are bound to change in the course of the implementation.

Consequently the intervention will have a flexible approach when it comes to the definition of capacity development activities and the use of CD approaches. CD strategies will have to be finetuned during project implementation according to the fast evolving context and with each actor involved.

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2.5 A monitoring and evaluation system conducive to learning

The flexibility to adapt the intervention strategy requires “reflective action monitoring processes” leading to informed, justified and defensible strategic decision making. Information provided through a M&E framework is therefore crucial. Also information on the process itself will help identify options for better achieving the objectives of the intervention. Therefore a M&E framework will be set-up to support a dynamic management approach based on a clear vision on how to achieve the change envisaged.

The M&E framework will enable to assess the performance of the intervention, to influence strategic decisions and to foster learning from the implementation process. The M&E framework should reflect information needs and be compliant with national M&E system measurement frameworks for CD. It will take into account the characteristics of the intervention strategy, the required degree of alignment to the national system and existing CD measurement frameworks. The M&E approach will focus on the change process in order to learn from it. Learning from the change process requires indicators that cover the so called missing middle between the expected results and the objective level.

The M&E Framework starts with collecting data at the start-up of the intervention (baseline) and during the entire implementation process to keep track of progress. The analysis of the data is key since it informs the strategic decision makers whether or not adjustments to the intervention are needed to ensure that the intervention reaches its specific objective.

The planning of the intervention is based upon assumptions about project effects and future development (see results framework in Annex 7.1) . Given the complexity of the context and the unpredictable change process , the project assumptions should regularly be reviewed and reflect the actions taken in the selected indicators.

The identification of indicators and their sources of verification will rely on the SEDP data collection sources, as well as to the extent possible on existing literature and tools for M&E of capacity development related to planning reform in Vietnam and on experience elsewhere. The M&E framework will also take into account national indicators on socio-economic and governance level existing at the provincial level (like PAPI , PCI , etc..).The baseline (benchmark) and the target-value of these indicators of planning capacities will also be finetuned and completed on the basis of the capacity assessments to be conducted at the different levels of intervention at project start (see also section 3.3.1, activities).

These indicators should also reflect early signs of change and inform on whether or not assumptions are holding true.

Section 5 below describes further tools and instruments to be used in setting-up the CDPR intervention M&E system.

2.6 Building on existing knowledge and lessons learned

The CDPR project will build upon more than a decade of support to the planning system both at central and decentralized level. In the context of the Belgian support, this is particularly relevant for experiences in Hau Giang and Nghe Ahn provinces focused on improved planning practices and institutionalization.

The CDPR project will also build on existing literature and knowledge obtained from previous research. Surveys and additional research that do not lead to immediate act will be avoided.

2.7 Complementarity and Synergy

The CDPR project shall support the MPI to look for complementarity and synergy with other initiatives to implement the reform process.

In this way the project will collaborate with other Planning Reform programs at central and provincial level, financed through ODA (e.g. UNICEF, JICA, SDC, AusAid, CIDA, OXFAM,...) as well as the World Bank's support to the Public Investment Reform.

As stated in section 1 above Vietnam-Belgium cooperation can also build on the experience it accumulated through provincial projects focusing on enhancing the institutional capacities of local governments in decentralized / participatory socio-economic development planning (and budgeting) and improved governance of public service delivery (in Can Tho, Hau Giang and Nghe Ahn provinces).

Also coherence and exchange of experiences with other Belgian funded projects will be looked for, such as in the water and sanitation sector, where capacity building in planning is also part of the intervention strategy. In particular a joint approach to integrate physical and socio-economic development plans into spatial development frameworks at provincial level can be useful.

2.8 Regular technical backstopping

A provision has been foreseen for international or national expertise to be provided on demand.

Periodic missions by external consultant(s) can be organized. The focus of these missions is the technical substance of the work being carried out by the CDPR. To this aim a decentralized development planning expert, with extensive expertise and experience in policy advise and support to the development of planning strategies (at national and subnational level) can be recruited to carry out regular missions for backstopping and provide advise with regard to planning systems and practices (ToR for this type of contract are provided in annex) .This expertise may be required twice a year during project first years of activity and subsequently on a yearly basis.

Another type of expertise could regard the CD (approaches, tools, monitoring ...) aspects of the project, to be provided through missions and/or coaching mechanisms.

This fund will be used based on needs, on PMU decision and after approval of the PSC.

3 INTERVENTION FRAMEWORK

3.1 General objective

The General Objective (GO) of the CDPR project is: **“to improve the preparation and implementation of the socio-economic development plan through improved planning and budgeting for pro-poor and pro-growth policies and interventions”**.

3.2 Specific Objective

The Specific Objective (SO) of the CDPR project is: **“ To strengthen the capacity of (selected) national and sub-national governments in improved planning and budgeting”**

In the above formulation of the Global and specific Objective the word “planning” refers to the *preparation* of the national and subnational components of the 5-years SEDP, their *monitoring* and evaluation through performance indicators, and their linking to annual (investment) *budgets* through multi-year investment programming instruments.

The word “improve” refers to the adoption of methods and techniques that would make the planning practice of all public sector agencies *strategic, participatory, resources-linked* and *result-oriented*, and establish an appropriate monitoring and evaluation (M&E) systems. These improvements are expected to result in both:

- (i) a more effective and efficient allocation and use of the resources of the central and provincial administrations, including more robust forms of regional coordination of provincial plans and investment programs, as well as
- (ii) the additional mobilization and better use of resources for the promotion of local development by District/Commune administrations.

In turn this will affect both the economic development and the poverty reduction objectives (global objective).

3.3 Expected Results

Result 1; “The legal framework for the planning reform is improved “ Under this result the CDPR project will support MPI to develop capacity to move forward with the planning reform process, that is :

- adopting a strategic approach to the implementation of the reform
- translating reform policies into effective legal and regulatory instruments,
- supporting the implementation of the reforms at both national and sub-national level
- facilitating the alignment of external aid with the reforms strategy and program

CDPR will therefore assist MPI to finalize the elaboration of legal and regulatory texts and related activities of dissemination, technical assistance and training of both national and sub-national administrations. CDPR will also engage in a longer-term, process of further development of the reform strategy and of a program for its implementation. Once the guidelines are developed, efforts should be made (promoted and monitored by MPI under the CDPR project) to align externally supported practices and institutionalize them as statutory local/provincial planning processes.

Result 2: “The capacity of MPI to support capacity development of sub-national authorities in the area of planning, and M&E is strengthened ”.

While the development and implementation of improved SED planning systems will ultimately be a

responsibility of provincial, district and commune authorities, MPI will play a critical role in supporting and supervising sub-national authorities to ensure that their planning, investment programming and M&E systems comply with centrally-issued guidelines and related standards of process, instruments and outcomes. This requires an enhanced capacity of MPI to provide directly or to set up collaborations with other stakeholders for the delivery of technical and legal advisory as well as facilitation and capacity development support to provincial authorities.

This capacity development approach for planning reform should be based on capacity assessments as well as on lessons learned from pilot initiatives of capacity development to planning. Sub-national planning, and particularly local (District/Commune/Village) level planning has been the subject of considerable experimentation with support from multiple development partners (including Belgium). Most of the systems developed exhibit strong conceptual similarities, but implementation strategies differ. The need for more coordination and harmonization is stressed by all stakeholders. CDPR will support MPI in systematically reviewing and assessing such experiments and apply lessons learned in the development of the national guidelines.

As MPI faces increased responsibilities to effectively support and supervise sub-national planning, it will need to strengthen its current training system, as well as develop other procedures and tools for assistance and supervision (e.g pursuing support to the helpline developed with SPR support, websites and other platforms for communicating on the reform progress, etc..).

Result 3: “The capacity of provincial authorities and 2-3 line ministries to develop, adopt and implement improved planning and M&E systems is increased.”

MPI has a critical role to play, in developing sub-national capacity by setting clear and user-friendly rules and guidelines and providing technical assistance and support to help develop sub-national planning systems that comply with the double requirement of (i) facilitating national policy implementation and (ii) opening space for autonomous development and implementation of provincial and local policies and programs.

While the main focus of the CDPR project (as that of its predecessor SPR), will remain on supporting MPI to develop the capacity of sub-national administrations, it will nevertheless also support MPI in its interaction with national administration units.

Individual Ministries and central agencies are at different stages in the process of reforming their planning systems and there is a need for a differentiated approach. While MPI will need to work with all of them to facilitate the understanding and application of planning and investment programming regulations as they are developed in the planning reform process, more intense interaction may be necessary with selected Ministries and other spending agencies of the central administration, to develop within such agencies a core group of professional planners skilled in the facilitation and implementation of strategic planning and multi-year investment programming exercises for the allocation and management of their investment resources.

Therefore CDPR will support MPI to work at both national and sub-national level and:

- Provide general assistance for the dissemination of existing and new national regulations and related capacity enhancement of officials, as well as the operation of a legal and technical services hotline open to all Ministries, other central agencies and provincial administrations.
- Provide additional services of varying scope and intensity, as suggested by emerging needs and opportunities, embedded in a broader capacity development strategy developed with the concerned, actors, within the frame of the project annual work plans and budgets to selected Ministries and selected provincial and local authorities, to strengthen their respective planning departments/units, design, test, adopt and regulate improved organization-specific planning systems and upgrade the professional capacities of their personnel.

The following selection criteria will guide the choice of the provinces

- provinces which have demonstrate interest in conducting planning practices improvement (with or without external funding) . Preferences will be given (but not limited to) provinces assisted by the Belgium cooperation.
- provinces which can demonstrate leadership and commitment in conducting these initiatives
- poverty rate and poverty maps at provincial level

These criteria will have to be further developed at project onset. National statistics and indexes of socio-economic development and governance will be referred to. The selection of provinces will be approved by the Project Steering Committee (PSC) in the 6 months of project start up in presence of the Belgian Cooperation Attaché. With regard to the Line Ministries the target agencies should be determined by the PSC but should include at least one Ministry concerned with social services delivery and one concerned with promotion of economic development (so as to draw lessons from their distinct planning objectives and approaches).

Result 4: "The capacity of selected local (districts and communes) authorities to develop, adopt and implement improved planning and M&E systems is increased. "

Helping provinces develop their planning system to better allocate both central State resources and the considerable resources (both from own source and from transfers) that provinces can now autonomously program, is only part of the task of improving sub-national planning. Another important task is to ensure that Districts and Communes also have the capacity to contribute to better allocate central resources in the localities and to identify, fund and implement local development policies in response to the priorities of their constituencies. Indeed the full benefits of decentralization reforms may be realized at this local level, by involving citizens and their community and private organizations in the co-provision and co-production of infrastructures and services, thus mobilizing additional resources and bringing them to bear on the national development effort as a whole.

In developing guidelines for local-level planning attention should be given to the need for a more effective and efficient division of labour between Communes and Districts⁹. Scarcity of qualified human resources and administrative capacity, as well as issues of appropriate scale for allocation of both revenue and expenditure responsibilities, require that a more integrated system of local planning (bringing together and better defining the respective roles of Districts and Communes) be developed and tested.

An effective instrument to address District and Commune development needs and constraints, within a single "local" planning system, could be District/Town-level spatial development frameworks (SDF).CDPR could help pilot such spatial planning instruments in collaboration with the "Integrated water management and urban development in relation to climate change" of the Vietnam-Belgium bilateral cooperation.

Activities

The following section gives indications and proposal for a range of CD activities under the different results. The choice on the activities to be supported, on their sequencing, and on possible other activities to be included, will take place throughout the process of preparation, implementation and evaluation of the CDPR annual work-plans and budgets. This will be done by the Project Management Unit, approved by the Project Steering Committee and reviewed in a systematic way.

⁹ The current revision of the constitution with regard to the levels of local government and the possibility to abolish people's councils at District level will have to be taken into account in this regard. In cas it is confirmed, project strategy will be adapted accordingly.

3.3.1 Results & Activities

Code	Results/Activities	
R.1	The legal framework for the planning reform is improved	
A 1.1	Support the drafting of the required Legal and Regulatory Instruments (Law, Decree, other related documents...)	<p>Further work will be required to complete the Planning and M&E Decree, and may be in a medium term perspective on support to drafting a comprehensive Planning Law.</p> <p>Following the approval and country-wide adoption of the MTIF approach to investment programming, there will be an immediate need to prepare relevant guidelines for its implementation.</p> <p>As regulatory instruments are completed there will also be a need for country-wide dissemination and training efforts.</p> <p>Key tasks will include :</p> <ul style="list-style-type: none"> • specify the policies to be translated into laws and regulations, develop TORs that reflect them and recruit national legal consultants • Draft Guidelines on MTIF implementation • Complete the drafting of the Planning and M&E Decree and related guidelines • Initiate the drafting of any other legal/regulatory text as needs and opportunities emerge. • Consult on, Publish and Disseminate all legal and regulatory texts as they become available
A.1.2	Support the elaboration of MPI circular(s) and guidelines on improved central and decentralised planning process	<p>The planning guidelines and other regulatory documents will be developed.</p> <p>MPI instructions will be issued to all national planning departments and provinces on the adoption of national and sub-national planning systems. The instructions will (i) define the basic principles to be adhered to in reforming planning (ii) mandate the development and adoption of improved systems by planning agencies, (iii) indicate a timeframe for compliance (iv) offer MPI technical assistance in the planning process.</p>
A.1.3	MPI circular(s) on incentives for local development and resources mobilization	An MPI circular (or other instrument) will provide guidance to provincial administrations on principles and criteria for investment and development budget allocation to Districts / Communes for discretionary local development spending, as incentive to additional community resources mobilization (e.g. drawing from experiences which have been carried out in recent years to improve the planning at the local level).
A.1.4	Identify, facilitate the alignment of external initiatives with the revised legal framework and guidelines	CDPR will facilitate the alignment of ongoing or planned external support with the MPI guidelines. In a medium term it is also expected that existing projects and donors will implement the MPI capacity development approach and project in their areas of activities.
A 1.5.	Review and update the planning reform circulars/guidelines based on lessons learned from implementation	CDPR will use the lessons learned from project implementation , as well as provide technical assistance, to help adapt and update the reform implementation in line with the evolving needs.

R2 The capacity of MPI to support capacity development of sub national authorities in the area of planning and M&E is strengthened		
A.2.1.	Develop a CD strategy in the area of planning and M&E	A CD strategy and CD plan(s) will be elaborated for the different levels of planning with the support of external expertise. A system of coaching and/or regular backstopping could also accompany the PMU for the 'capacity development approach' throughout the intervention, based on needs.
A.2.2	Organize a capitalization exercise of CD support in the area of planning	CDPR will conduct , at project start-up, a comparative assessment of the initiatives carried out in recent years, often with external support, to provide capacity development support for SED planning at sub-national level. This assessment will be organized based on existing project documentation and studies that have been conducted in the recent years (including by SPR project) .
A.2.3.	Carry out an assessment of individual CD needs for the planning reform	Based on previous work of SPR, CDPR will complement and fine -tune (in selected areas) the assessment of individual capacity development needs at the level of sub-national administration. This will help fine-tune the approach of support to individual capacity development.
A.2.4	Strengthen the MPI organisation for training and support to individual capacity development of sub-national authorities	<p>CDPR will carried out a review of the current training practices and of how the training function is institutionalized within MPI, including the role of the individual departments and affiliated Institutes and external training providers (training institutes, consultancies, Training of the trainers practices etc.). Options for more effective and efficient arrangements included into a broader capacity development strategy will be developed . Alternative "learning techniques" at the individual level will be explored (see chapter 2 above) . Options will be assessed, selected and implemented.</p> <p>Building on SPR activities , CDPR will support the further development of the helpdesk line , website and other means for communicating on the reform progress .</p>
A.2.5	Create a core group of skilled planners/facilitators within MPI	At the outset of the CDPR an intensive and training program for practicing SED planners will be developed by a Vietnamese training institutions with technical assistance and offered to MPI staff, with the aim of creating a "critical mass" of skilled planning policy analysts and practitioners. The program will focus on methods and techniques of (i) strategic planning (ii) public investment programming and (iii) budgeting , but will also provide contextual understanding of how the prospects of planning reform in Vietnam is affected by : (i) the changing role of the state in services delivery, environmental management and promotion of economic development and (ii) decentralization reforms of the governance and public administration system.

R3 The capacity of provincial authorities and 2-3 line ministries to develop, adopt and implement improved planning, investment programming and M&E systems is increased		
A.3.1	Draft Technical Manuals and Training Materials for national provincial and local planning	Technical Manuals will be prepared to provide a basis for (i) gradual introduction of national, provincial and local planning systems (ii) deployment of MPI technical assistance and facilitation services (iii) design and implementation of training programs for national, provincial and local administrations' staff.
A.3.2	Provide basic training to sub-national administrations staff on strategic planning and multi-year investment programming	Training programs will be implemented for practicing planners on strategic planning and multi-years, rolling, investment programming with the support of Vietnamese training institutions and offered to staff in DPI and sector departments of sub-national administrations.
A.3.3	Provide support to a comprehensive CD strategy for planning improvement in selected provinces(5)	<p>CDPR will support the development by the concerned stakeholders of a Capacity Development strategy based on a survey conducted on capacity assessment needs (including the organizational and individual level). Capacity Building strategies will be developed, specific to each provincial context and existing capacities and be translated into capacity building plans. These plans could include facilitating changes in procedures, methods of work, individual technical and management skills, but also institutionalization of new planning practices, support for dissemination of these practices etc...depending on each specific context when these strategies will be supported. Vietnamese universities, national and international expertise will be mobilized for supporting development and implementation of these strategies and plans.</p> <p>This activity will include DPI and selected provincial and district departments' staff in 5 provinces .</p> <p>Pilot provinces will be selected (may be 5 at once or through an incremental approach) based on selection criteria refined , validated by the PMU and approved by the PSC, Preference will be given (but not limited to) provinces which have already demonstrate interest/leadership in conducting planning practices improvement. Linkages with provinces assisted by the Belgium cooperation will be privileged.</p>
A.3.4	Establish a mechanism for better regional integration of provincial plans	<p>CDPR will facilitate inter-provincial consultation in the frame of preparation and implementation of regional development master plans. This can be done through a study that will define how an annual consultative or inter-provincial conference could be established, technically supported and facilitated by MPI to promote inter-provincial agreements and the alignment of provincial investment programs with a coherent territorial development strategy. These mechanisms could be supported in one region in line with the support provided to CD in the selected provinces. (see activity 3.3)</p> <p>The CDPR could also explore the scope for creating financial incentives to inter-provincial cooperation and the modalities through which these could be established.</p>
A.3.5	Provide basic training to national administrations staff on strategic planning and multi-year investment programming	Training programs will be developed for practicing planners on strategic planning and multi-years, rolling, investment programming would be developed by Vietnamese Training institutions with international technical assistance and offered to staff in Line Ministries and other ministries involved in planning activities .
A.3.6	Develop a core group of skilled planners / facilitators in selected Ministries	An intensive training program for practicing SED planners will be developed by a Vietnamese University with the support of international technical assistance and offered to Senior officials in the planning and other departments of selected Ministries and other central agencies. The training should focus on methods and techniques of (i) strategic planning (ii) public investment programming and (iii) budgeting, but will also provide contextual understanding of how

		<p>planning reforms in Vietnam are affected by the larger processes of economic system transformation and decentralization of governance and public administration.</p> <p>The CDPR program will determine the number of courses that can be offered annually, and the related budgetary provisions in its annual work plan & budget.</p>
A.3.7	Support a CD strategy for improved national SED planning in (2) selected Line Ministries	<p>Capacity Building strategies will be developed, specific to each ministerial context and existing capacities and be translated into capacity building plans. These plans could include facilitating changes in procedures, methods of work, individual technical and management skills, but also better articulation between sector master plans and SEDP planning process.</p> <p>Vietnamese universities, national and international expertise will be mobilized for supporting development and implementation of these strategies and plans.</p> <p>The target departments will be determined by the PSC but may include at least one Ministry concerned with social services delivery and one concerned with promotion of economic development. The strategy should be based on a capacity assessments and include elements of individual as well as (organizational) capacity enhancement.</p>
R4. The capacity of selected local (Districts + Communes) authorities to develop, adopt and implement improved planning and M&E systems is increased		
A.4.1	Support a CD strategy for improved local development planning in a number of sub-provincial authorities	<p>A CD strategy will be developed with the concerned stakeholders with a number of sub-provincial authorities. This will include testing the new planning Guidelines and Manuals. The test will be supported by an allocation of programmable funds (Local Development Fund-type facility) accruing to the concerned authorities, for investment and services delivery, for a period of 2 years during the CDPR implementation. The pilot will be evaluate and feed into a second (revised) edition of Guidelines / Manuals, capitalizing on lessons learned.</p>
A.4.2	Support a Pilot experiment for integration of physical plans and socio economic plans (Spatial Development Frameworks) and related guidelines	<p>CDPR will support the pilot preparation of SDF for selected sub-national areas (e.g. one municipality and/or one rural District) .Spatial Development Framework (SDF) are strategic physical/environmental planning instruments that provide a spatial orientation to local SED plans and investment programs.</p> <p>This activity will be conducted in cooperation with the MOC, the MPI Infrastructure department and the Belgian-funded “Integrated water management and urban development in relation to climate change” program in one of the provinces of this program. The pilot experience and its evaluation will help produce guidelines for the relevant local administrations that would choose (or be mandated) to prepare SDF to improve the quality of their SEDP.</p>

3.4 Project phasing

The following main phases of intervention can be distinguished:

- A starting phase including a number of specific activities and milestones to be achieved before the project can be fully operational. Besides some starting-up management activities, this phase will comprise of number of capitalization research and studies (e.g on ongoing CD activities related to sub-national planning) and assessments of the context (e.g available individual CD providers and techniques). Urgent needs can also be addressed (eg MTIF regulations dissemination and related information & training sessions). At the end of this phase, the selection criteria for the sub-national and national administrations to be supported should be determined. A non exhaustive list of activities and milestones to be achieved in this period is shown in Annex 7.4.
- A second phase will entail the support to strategy development at the different levels. The support should enable MPI to refine and finalise the legal framework for the planning reform, building on the extensive research work already existing at national level. At the end of the process a revised legal framework should be available and considered as the basis for alignment of external support to the reform. Parallel support for upgrading the annual circulars for planning instructions will be provided. On the other hand, CDPR will support MPI to develop, with the selected administrations at subnational and national level, the capacity development strategy, based on context analysis and multi-level capacity assessments, and to start supporting their implementation. Enhancement of individual capacities for improved planning practices on a broader basis will also be supported, according to the needs. After two years a review of the capacity building activities along the CDPR 'targeted approach' will be conducted and the support will be re-oriented accordingly (the guidelines adapted, the training courses upgraded, etc...). On this basis also a capacity building plan for the planning reform should be available after 3 years of project implementation based on the revised legal framework. CDPR will support MPI in the harmonization and alignment of external support to this plan. At the beginning of this phase
- The last year of the project will have a particular focus on learning lessons, and dissemination (e.g on the support to institutionalization of planning practices, on training practices, the support to regional mechanisms integration etc..).

Activities during all phases will be subject to action plans approved by the Project Steering Committee (see chapter 5).

3.5 Indicators

Results Indicators have been identified for the output level . These indicators measure to what extent the implementation of activities led to the delivery outputs . Example of outputs of the ongoing SPR project have been provided in annex 7.5.

Other categories of indicators (e.g measuring the quality of the delivered outputs , or the extent to which the use of these outputs contributed to the expected change) will be defined during the project's starting phase. Country/sector indicators will be used and will rely to the extent possible on Vietnamese monitoring systems (like the SEDP M&E framework, PAPI and PCI indexes..). Indicators and the methodology for information collection will be finetuned at the

onset of the intervention and continuously adapted through the implementation process.

Suggestions for categories of indicators for the project and their main sources of verification (mainly at the output level) are shown in the table below.

INTERVENTION LOGIC		INDICATORS	SOURCES
General objective	“To improve the preparation and implementation of the socio-economic development plan through improved planning and budgeting for pro-poor and pro-growth policies and interventions”.	Performance against SEDP outcomes has improved	Annual SEDP M&E Framework, statistics on growth rate, poverty rate, PAPI at provincial level
		Increase of effectiveness, relevance and efficiency of public investment appraisals	MTIF monitoring reports, PAPI on effectiveness of service delivery, transparency;.
		Additional mobilization of resources for local development.	Study Report on a sample of provinces
Specific objective	To strengthen the capacity of (selected) national and sub-national governments in improved planning and budgeting	Quality of SEDP planning and implementation process improved at the 3 subnational levels against criteria.	Develop sub-criteria-grid , for the criteria of strategic, result-oriented participatory, and resources- linked planning system
		Quality of support by MPI to subnational staff improved against criteria.	Develop criteria-grid
		Quality of inter-governmental consultation process improved against criteria.	Develop criteria-grid
		Degree of implementation of a harmonized, experience-based national planning reform program that serves as the basis for CD support	Develop criteria-grid
	R1. The legal framework for the planning reform is improved	Progress being made on following elements and quality of these elements : Legal and regulatory instruments are being developed	Initial Report on status of existing laws and regulations on planning and M&E Planning Decree and Planning and M&E guidelines

			MTIF guidelines
		Degree of national leadership of MPI in strategically orienting the planning reform process.	Develop milestones ¹⁰
		Degree of alignment to MPI's CD approach.	Annual monitoring report on CD programs
	R2. The capacity of MPI to support capacity development of sub-national authorities in the area of planning and M&E systems is strengthened	Good <i>practices</i> regarding subnational planning practices are issued, based upon assessments (and integrated in policy framework and CD approach).	1 Capitalization study report Annual Monitoring report on CD programs
		Enhanced <i>knowledge</i> of MPI staff in supporting national and subnational planning and implementation actors.	Number of people trained, Entry-exit test, follow up on skills transfer Reports of Training and exchange workshops
		Enhanced skills of MPI staff in supporting national and subnational planning actors through existing or newly created <i>channels and tools</i> (e.g. helpline)	Helpline for provincial policy makers and planners functional and quarterly monitored Website regularly updated and visitors quarterly monitored Number of MPI CD providers with suitable in-house training facilities Number of training courses using new curricula and training materials Other milestones to be developed after assessment of current system for CD support

¹⁰ The ODI ROA method could be used in this regard.

		Skills MPI staff in supervising the <i>compliance</i> of subnational planning and implementation to the legal and regulatory framework	Quality of the feed back from subnational roll out Sample-based assessment of quality assurance
		Skills of MPI staff in elaborating a sustainable <i>vision on CD for planning reform</i> addressing national and subnational planning reform needs, up to commune level, harmonising current approaches and integrating lessons learned	Milestones to be developed on the basis of the development of the CD strategy
	R3. The capacity of provincial authorities and 2-3 line ministries to develop, adopt and implement improved planning, and M&E systems is increased	Number of relevant provincial administration staff having <i>basic knowledge/ advanced knowledge</i> in SEDP	number of trainers trained Training needs assessments and training reports
		Number of relevant provincial administration staff <i>having new skills</i> and <i>using their new skills</i> to <i>supervise</i> the quality of subnational SEDP planning and implementation instruments.	Observation grid
		Number of relevant provincial administration staff using their new skills to <i>provide guidance</i> to districts and communes regarding SEDP planning & implementation process.	Observation grid
		Degree of implementation of the <i>CD strategy</i> developed with pilot provinces	5 CD strategies developed with annual capacity development plans and regularly monitored Milestones to be determined in the CD strategies.
		Number of relevant sector planners having advanced knowledge in SEDP	Number of trainees , quality of training , entry-exit tests

		implementation process Core group of key sector planners functional and interacting with MPI on sector planning and implementation within SEDP process.	communication mechanisms installed and monitored, number and quality of meetings (Minutes, reports)
		Degree of implementation of the CD strategy on 2 selected Ministries	Milestones to be developed in the CD strategy and annual capacity development plans
	R4. The capacity of selected local (districts+ communes) authorities to develop, adopt and implement improved planning and M&E systems is increased	Number of relevant district staff having new <i>knowledge</i> and skills and <i>using their new skills</i> for the quality of their SEDP planning and implementation instruments.	Quality of trainings Number of trainers trained
		Number of relevant <i>commune staff</i> having basic knowledge in SEDP planning and implementation process.	Entry- exit test training
		Degree of implementation of the <i>CD strategy with pilot Ds and communes</i>	Milestone to be developed for the CD strategy after capacity assessment of practices at DS and commune level annual capacity development plans, M&E reports on the commune development fund

3.6 Beneficiaries

The ultimate beneficiaries of the CDPR project are the Vietnamese citizens. Greater capacity to design and implement a better national, provincial and local planning system, means greater opportunities for all people to participate in public policy decision making and eventually reap the benefits of more efficient and equitable allocation of public sector resources to services delivery, environmental management and revenue and employment creating ventures.

The immediate beneficiaries of the project include:

- MPI, which will acquire greater capacity to drive the reform the Vietnam's planning system and provide legal guidance and technical assistance to both national and sub-national planning agencies. It is expected that a core group of highly skilled senior planning officials will be created in MPI through high-level courses and exposure to international best practices.
- Selected Ministries and central administration units whose planning departments will improve their capacity for strategic planning and multi-year investment programming. Two/three Ministries will receive a more intense and in depth support to the development of improved planning practices.
- All 63 Provinces, which will develop greater capacity for provincial-level strategic planning and multi-year investment programming. It is estimated that about 500 - 600 provincial staff members will benefit from the training and support.
- Five Provinces, where a more intensive effort will be made to enhance the capacity of District and Commune administrations to implement an improved local planning, and related M&E, system. The beneficiary provinces will be determined in the first annual work plan & budget of the project after an assessment of the extent to which the CDPR efforts can build upon and complement those of other Belgium and other donor-supported programs.
- A number of sub-provincial authorities, which will be selected to finetune and pilot the MPI-issued guidelines and manuals for local planning and will also receive financial incentives to allocate to additional services delivery or infrastructure development operations.
- Selected National Universities, regional training centres, and other training services providers, whose involvement in the CDPR project, will help them expand the scope and/or improve the quality of their regular training programs

3.7 Risk Analysis

3.7.1 Summary of Risks and Risk Mitigation Measures

Below is a summary of main risks which could occur with regard to the achievements of the objectives and results. Mitigation measures have been foreseen in the framework of the project and/or through policy dialogue mechanisms.

Risks at the level of the General Objective and Impact :

Risk	Comments	Level	Risk Mitigation measures
Lack of political incentives to sustain the planning reform	Since the 2006-10 SEDP, Vietnam's leadership has shown commitment to planning reform. Yet the next round of reforms implies difficult choices on the role and structure of the State and incentives to make them depend on internal political dynamics and external economic pressures which are difficult to predict	Medium	Multi-donor Policy dialogue, supported by analytical and advisory activities

Risks at the level of the Specific Objective :

Risk	Comments	Level	Risk Mitigation measures
The adoption of a strategy and legal framework for reform is delayed or abandoned,	Activities may contribute to the further development of the "road map", legal framework and implementation program for planning reforms, their adoption may be delayed or resisted because of political considerations	Medium	Multi-donor Policy dialogue, Regular and formal requests for MPI feed-back to guide the program formulation Break down of the program into feasible short/medium-term "implementation plans"
The capitalization exercise of current CD initiatives for improved sub-national planning is not conducted or its findings unused	MPI being surrounded by other concerns and more immediate needs, would not grant the priority to this type of activity	Medium	Technical dialogue
Measures to strengthen MPI support & supervision roles are not adopted	Options identified by the CDPR for a better performance of the MPI increased responsibilities for delivery of internal and external training, or other types of CD support (like helpline etc...), may not be adopted because of resistance to change.	Low	Regular and formal requests for MPI feed-back to guide identification and selection of feasible options
Effective MPI guidance to sub-national authorities is not issued	In the new multi-level planning environment the difficult task is how to balance local autonomy and central controls.	Medium	promotion of intense consultations between MPI and s/n authorities in the formulation of central guidelines and related circulars.
A mechanism for regional integration of provincial plans, is not adopted	An effective mechanism that CDPR may help develop, may also require inter-governmental cooperation and substantial financial incentives. Both may be difficult to secure in the short term.	High	Regular and formal requests for MPI feed-back to guide identification and selection of feasible options

Risks at the level of Expected Results

Risk	Comments	Level	Risk Mitigation measures
Other immediate demands on MPI divert attention from the further development of a national strategy and implementation program	There is an inherent tension between short term and medium term activities, and inevitably the pressures of the former will trump the demands of the latter.	Medium	Sound M&E system, technical monitoring and advise regular meetings by the Steering Committee, and policy dialogue
The alignment of aid proves to be beyond the actual capacity of development partners	Alignment of donor-funded activities ongoing in selected provinces, may be constrained by administrative rigidities on the donor side as well as by delays in development the MPI guidelines	High	technical and policy dialogue
International technical assistance proves to be inadequate, or ineffective	Linking national Universities and other training institutions to external specialized technical assistance poses risks of both inadequate/inappropriate advise and ineffectiveness due to limited national and local absorptive capacities	Low	Careful "matching" of external TA and local institutions through their appropriate involvement in recruitment process and close monitoring by CDPR management
The quality of services by domestic training institutions is below the level required	As training services will focus on new approaches (participatory strategic planning, multi-year investment programming and budgeting, and result-oriented M&E systems) that require appropriate technical skills and professional attitudes, the risk exists that the quality of the training services are relatively low, particularly at the beginning of the process	Medium	A training of trainers (TOT) approach Open selection process of training institutions (e.g. not restricted to specific in-province institutions) Periodic technical backstopping and monitoring missions
Inter-governmental coordination required to pilot the SDF, is not achieved.	Agreement and coordination between MPI and MOC on piloting SDF instruments may be difficult to achieve.	Low	Specific agreements between MPI and MOC actively brokered by CDPR management and technical advise

Other types of risks : management and fiduciary risks :

Risk	Comments	Level	Risk Mitigation measures
CDPR creates an extra burden to MPI/DNEI and other MPI staff that will negatively impact on the project	SPR lessons learned showed that MPI and DNEI responsible heavy workload may influence project steering and management	Medium	PSC regular meetings Regular meetings of PMU, clear guidance and delegation by DNEI management to PMU, adequately staffed PMU
Project financial and procurement management modalities are not	Financial and procurement capacities of DNEI have been assessed and judged satisfactory by the SPR evaluation.	Low	A PMU is recruited to support DNEI in its management tasks. Financial and procurement audits are carried on a yearly basis and

properly implemented			their recommendations followed up by the PSC
VIE counterpart fund is not included in the VIE budget and is thus not available (or lately) for the project	SPR reveals this risk is low since VN contribution was available on time	Low	PSC control of VIE counterpart funds availability
The Belgian contribution is not properly monitored	Using VIE financial systems and budget classification prevents Belgium from identifying its funding in the VIE budget document	Low	Use of a specific account for Belgian contribution A specific financial reporting is required for the project Cash request are conditional on reporting and audit submissions and approvals by PSC and BTC
Capacities at the local level are not sufficient enough to effectively implement the pilot experiment of 'integrated local planning practices' at District level	Vietnam's fiscal decentralization system and the budget approval processes limit the potential benefits of decentralization in terms of empowering local governments and promoting financial responsibility and horizontal accountability. Ultimately, it may not be clear which level of government has decision making authority or is accountable for the proper use of donor resources.	Medium	An organizational assessment is done for the district selected for the pilot experiment. Rely on BTC experiences in Nghe An and Hau Giang . Clear procedures are defined and approved by the PSC for the use of the funds during the pilot experiment.

4 RESOURCES

4.1 Financial resources

Vietnamese contribution

The contribution of the Government of Vietnam is estimated at 300,000 EUR. It will cover the salaries and benefits of the Vietnamese personnel involved in the project, with the exception of the staff positions financed from the Belgium contribution. It will also include the rental of office, costs of operation (water, security, electricity, internet, office supplies..) and maintenance of the office infrastructure and equipment.

Belgian contribution

The Belgian contribution amounts to 4,000,000 EUR.

The draft budget outline is as follows:

Result 1 (MPI to regulate):	358,000 EUR
Result 2 (MPI to provide CD):	545,000 EUR
Result 3 (provinces and line Ministries):	845,000 EUR
Result 4 (local administrations)	481,500 EUR
General Means:	1,691,240 EUR
Contingencies	<u>79,260 EUR</u>
	4,000,000 EUR

4.2 Human resources

The human resource inputs for the project can be summarised as followed:

The MPI will assign a leader of DNEI as the Project Director who will bear the overall responsibility for the management of the project. The MPI will also assign relevant technical staff to facilitate the implementation of the project activities.

The project will employ a number of staff in the PMU.

- Coordinator
- International Advisor
- Planning & M&E Officer
- Financial Officer
- Accountant
- Translator/Interpreter
- Secretary
- Driver

In addition, funds are available to contract Vietnamese and international consulting services.

4.3 Material Resources

A vehicle, office equipment (including ICT equipment) and consumables will be financed by the Belgian contribution.

Whatever taxes or duties claimed under the Vietnamese laws and regulations, will be taken in charge by the Vietnamese contribution. The Belgian contribution shall not be used to pay taxes, customs or duties for procurement of equipment, labour and services.

BUDGET TOTAL						unit	quantity	amount	Mode of Execution	BUDGET TOTAL	%	Year 1	Year 2	Year 3	Year 4
A Specific Objective (SO) :										2,229,500	56%	458,000	887,000	615,500	269,000
R 01 legal framework developed and updated										358,000		99,000	100,000	137,000	22,000
A 01 01		Draft required Legal and Regulatory Instruments			NEX				100,000			15,000	45,000	40,000	0
A 01 02		Issue MPI circular(s) on national and sub-national planning			NEX				110,000			54,000	10,000	44,000	2,000
A 01 03		Issue MPI circular(s) on incentives to improved planning			NEX				28,000			10,000	5,000	13,000	0
A 01 04		Review and update the planning guidelines based on lessons			NEX				60,000			0	20,000	20,000	20,000
A 01 05		workshops, seminars for monitoring of alignment initiatives			NEX				60,000			20,000	20,000	20,000	
R 02 Increased capacity of MPI to support CD of sub-national authorities									545,000			230,000	195,000	90,000	30,000
A 02 01		Develop shared understanding on support to CD			NEX				50,000			20,000	10,000	10,000	10,000
A 02 02		assessment of CD needs			NEX				36,000			36,000	0	0	0
A 02 03		strengthen the MPI current system of support to individual CD			NEX				206,000			36,000	100,000	50,000	20,000
A 02 04		Create core group of skilled planners in MPI			NEX				183,000			68,000	85,000	30,000	0
A 02 05		Carry out Capitalization Study on CD initiatives			NEX				70,000			70,000	0	0	0
R 03 Increased capacity of provincial authorities and 2-3 line ministries to adopt improved planning									845,000			129,000	465,000	211,000	40,000
A 03 01		Basic Training to Sub-national Staff			NEX				159,000			10,000	139,000	10,000	0
A 03 02		Draft Technical Guidelines & Manuals			NEX				96,000			0	68,000	28,000	0
A 03 03		Embedded Capacity Building in 5 provinces			NEX				270,000			80,000	80,000	110,000	0
A 03 04		Support to Regional Integration Mechanism			NEX				59,000			9,000	20,000	20,000	10,000
A 03 05		Basic Training of key Ministries staff			NEX				53,000			0	33,000	10,000	10,000
A 03 06		Core skilled planners/facilitators			NEX				52,000			10,000	35,000	7,000	0
A 03 07		Develop CB strategies in selected Ministries			NEX				156,000			20,000	90,000	26,000	20,000
R 04 Increased capacity of selected local authorities to adopt improved planning and M&E systems									481,500			0	127,000	177,500	177,000
A 04 01		CD strategy for improved planning in one district			NEX				431,500			0	127,000	152,500	152,000
A 04 02		Support integration of SED and SDF			NEX				50,000			0	0	25,000	25,000
X CONTINGENCIES									79,260	2%	0	0	0	79,260	
X 01 Contingencies									79,260			0	0	0	79,260
X 01 1		Contingencies (NEX)							60,000						60,000
X 01 02		Contingencies (BTC-managed)			BTC-Managed				19,260						19,260
Z GENERAL MEANS									1,691,240	42%	418,810	455,810	420,810	395,810	
Z 01 Human Resources									1,067,040			266,760	266,760	266,760	266,760
Z 01 01		International Technical Assistance	person/month	48	15,000			BTC-Managed	720,000			180,000	180,000	180,000	180,000
Z 01 02		PMU staff	person/month					NEX	347,040			86,760	86,760	86,760	86,760
Z 02 Investments									37,000			37,000	0	0	0
Z 02 01		Office facilities						NEX	17,000			17,000	0	0	0
Z 02 02		car						NEX	20,000			20,000	0	0	0
Z 03 Operational Expenditures									237,200			35,050	84,050	84,050	34,050
Z 03 01		operational costs technical assistance modalities						BTC-Managed	40,000			10,000	10,000	10,000	10,000
Z 03 02		Other Operating Expenditures						NEX	197,200			25,050	74,050	74,050	24,050
Z 04 Monitoring, Evaluation and Auditing									350,000			80,000	105,000	70,000	95,000
Z 04 01		Monitoring & backstopping						BTC-Managed	268,000			72,000	72,000	62,000	62,000
Z 04 02		Evaluation						BTC-Managed	50,000			0	25,000	0	25,000
Z 04 03		Auditing						BTC-Managed	32,000			8,000	8,000	8,000	8,000
TOTAL									4,000,000			876,810	1,342,810	1,036,310	744,070

BTC- Managed	1,129,260	28%	270,000	295,000	260,000	304,260
NEX	2,870,740	72%	606,810	1,047,810	776,310	439,810

5 IMPLEMENTATION MODALITIES

5.1 Contractual framework

The General Agreement between the Belgian Government and the Socialist Republic of Vietnam was signed 11th October 1977.

The Indicative Cooperation Programme (2011-2015) between the Government of the Kingdom of Belgium and the Socialist Republic of Vietnam was signed 24th June 2011.

The present Technical and Financial File is part of the Specific Agreement signed between the Socialist Republic of Vietnam and the Government of the Kingdom of Belgium, determining the legal framework of the intervention.

5.2 Institutional framework

For the Vietnamese Party:

The Vietnamese Government has designated the Ministry of Planning and Investment as the project owner. The Department for National Economic Issues, by means of a Project Management Unit (PMU), is the administrative entity responsible for the coordination, implementation and monitoring of the project. The Vietnamese contribution to the project shall come from the Vietnamese Government

For the Belgian Party

The Belgian Government designates the Directorate-General for Development Cooperation (DGD), represented by the Attaché for International Cooperation in Hanoi as the Belgian entity responsible for the Belgian contribution to the project.

The Belgian Technical Cooperation (BTC), represented by its Resident Representative in Hanoi, is the Belgian entity responsible for the coordination, implementation and monitoring of the project and the management of the Belgian contribution.

5.3 Implementation and follow-up structures

5.3.1 Project Steering Committee

The Project Steering Committee (PSC) represents the highest management level of the intervention. It is responsible for providing the necessary strategic guidance to the Project Management Unit and assures that the project objectives are timely achieved.

The PSC is created at project start-up. It meets at the onset of the project to approve the indicative action plan. A extraordinary session of the Steering Committee will be organized within the 6 months of project's start up in order to approve the selection of the 5 provinces to be supported by CDPR on a pilot basis. The Attaché of the Belgian Embassy will attend this session.

Within the limitations imposed by the Specific Agreement, the PSC shall lay down its own internal rules and take it decisions by consensus of the members.

The PSC will consist of the following members:

- The Director of the Department of National Economic Issues, Chairman
- The Resident Representative of BTC (co-Chairman).
- A leader of the Department for Local and Territorial Economy (MPI)
- A representative from Department of Foreign Economic Relations (MPI)
- A leader from CIEM
- A representative from MOF

The chairman and co-chairman can invite different stakeholders, as non-voting members, to attend the meeting such as representatives from Line Ministries, DPI, PPC of the target provinces or pilot district.

The PMU operates as the PSC secretariat.

Responsibilities of the PSC

The PSC will assume the following responsibilities and is mandated to:

- Ensure that the roles and responsibilities of the different agencies and entities involved in the project are clearly defined;
- Approve the annual work plans and budgets;
- Provide implementation and policy guidance to all project stakeholders;
- Appraise the state of progress of the project and the achievement of its results and specific objective;
- Approve consolidated progress and project financial reports and budgeted work plans prepared by the PMU;
- Approve the Project Operation Manual at the start of the intervention.
- Approve modifications of results, modalities and budget realignments provided that such modifications do not alter the project's general and specific objectives nor its overall budget; approve proposals related to modifications to project indicators;
- Seek approval of both Governments for modifications to the validity of the project's Specific Agreement, changes to Specific objectives, duration of the Specific Agreement and the project's overall budget;
- Ensure that annual external audits are carried out by an accredited accounting firm, appraise any findings and recommendations and follow-up their implementation. Based on the conclusions of the audit reports, the PSC may decide to make the audit bi-annual;
- Ensure that the mid-term review and the final evaluation are carried out in time, as well as appraise their recommendations and follow-up their implementation;
- Approve action plan related to the closing process (planning, last operational and financial commitments), the final report and the final closure of the project, following the procedure mentioned in the guideline "Closing Procedure" provided by BTC

Operating Mode of the PSC

The PSC must meet at the start of the project and at the end of the starting phase to approve, among others, the project operational manual (POM) , and the projects work plan & budget.

Thereafter, the PSC will meet six monthly. The final PSC meeting will be organised about 3 months prior to project completion. During this meeting the draft final report will be presented for approval.

Additional PSC meetings may be held upon request of one of its members.

The PSC will establish its own internal rules and take decisions generally by consensus of the members. This includes the choice of the location of the meetings.

The Project Director, the ITA and National Project Coordinator and national junior expert, will participate to the PSC as observatory and assume the secretariat of the meeting.

The PMU Director will propose the agenda of the PSC and present the PMU 6 monthly reports as defined hereafter and in the POM for approval. A copy in English and Vietnamese of that report will be transmitted to all members of the PSC at least 6 working days before the PSC.

Minutes of the meeting of the PSC as well as amended reports with comments and recommendations from the PSC members will then be transmitted at latest one week after the meeting to all the members of the PSC and to the Attaché for International Cooperation through BTC Representation in Hanoi.

5.3.2 Project Management Unit

The Project Management Unit (PMU) will be in charge of the coordination, management and implementation of all activities of the intervention.

MPI will guarantee that the PMU is fully operational during the whole duration of the project, with the minimum staffing as defined below.

Composition of the PMU

Positions	Director	International Advisor	Coordinator	Planning and M&E expert	Support Staff
HR processes					
ToR (job description & profile)	N/A	Joint (in the TFF)	Joint (in the TFF)	Joint (in the TFF)	PMU
Short listing/ Assessment	N/A	BTC	PMU	PMU	PMU
Contracting	MPI	BTC (with ANO of DNEI)	MPI ANO (with of BTC)	MPI (with ANO of BTC)	PMU
Contract management/ Orientation	MPI	BTC	PMU	PMU	PMU

Financing salary	MPI	BE	BE	BE	BE
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The National Project Director: (the Leader of the Department National Economic Issues-DNEI of MPI), will bear the overall responsibility for the substantive management of the project.

A Project Coordinator will be recruited by MPI, on a full time basis , and paid out of the Belgian contribution according to UN/EU (2012) cost norms. BTC Resident Representative will have a no-objection in this recruitment process.

The International Advisor (ITA) is appointed by BTC to the PMU. He has significant international experience in decentralized planning and institutional development. The detailed Terms of References of the ITA are available in Annex 7.3.

He/she will be recruited as per Belgian rules and regulations through BTC headquarters in Brussels. The candidate will be submitted to MPI/DNEI for approval

A Planning and M&E Expert : S/he will have a good knowledge and experience in project planning and monitoring . S/he will be recruited by the PMU to assist the Project coordinator, paid out of the Belgian contribution according to UN/EU (2012) cost norms. BTC Resident Representative will have a no-objection in this recruitment process

Other support staff will be assigned to the PMU. The following positions will be filled: Financial Officer, Accountant, Translator/Interpreter, Secretary, Driver. Support staff will be paid out of the Belgian contribution according to UN/EU (2012) cost norms.

Responsibilities of the PMU

The PMU will be in charge of the daily management of all activities as defined below;

- Ensure that all activities outputs are linked to the results and specific objective through a close monitoring based on pre-defined indicators;
- Assure the administrative support of the PSC (secretariat, agenda, documents, minutes, dissemination of minutes);
- Assure the effective operation of the set up phase;
- Set up a monitoring and evaluation system to feed an evidence based planning and reporting system;
- Prepare and submit the Project Operation Manual to the PSC
- Prepare the quarterly activity and financial reports and planning as well as the cash-call file to be submitted to BTC approval;
- Guarantee the proper use of funds;
- Prepare the annual reports and the final report;
- Prepare a draft ToR for the Mid-Term and Final Review and other review missions as deemed required;
- Facilitate the work by providing all necessary information to the external audits and evaluation missions and to guarantee the good execution of their recommendations;
- Follow-up all the necessary administrative procedures for tax and VAT exemption/refund;

- Ensure the adequate closure of the project activities, including the preparation of the final report at the end of the project duration and other needed activities following the procedure mentioned in the guideline “Closing Procedure” provided by BTC
- Coordinate the execution of the project in accordance with the project work plans approved by the PSC;
- Secure alignment with central authorities and institutions, in particular MPI, MoF MoHA, and to coordinate with other related donor funded projects.
- Guarantee the respect of the synergies with the other projects of the Belgium assistance involved in planning

Operating Mode of the PMU

The PMU will report directly to the PSC in terms of activities and results linked to the project. It will also provide all required information to the BTC representation in terms of administrative and finance reporting, as described below. The organisation and operation of the PMU will follow the Vietnamese Rules and Regulations or ODA projects¹¹.

As a summary of the strategic steering and management modalities of the CDPR, and in accordance with the CDPR strategic orientation shown in section 2 above, the following levels can thus be distinguished:

- The policy layer. On a regular basis representatives of Vietnam and Belgium Authorities (MPI, Embassy) will have a policy dialogue to exchange views on the policy environment of the project and overall progress. DNEI and BTC can prepare the contents for this dialogue.
- The strategic layer. On a bi-annual basis (and on an ad hoc basis when needed) a PSC meeting will take place. The PSC will be the responsible for providing the necessary strategic guidance to the Project Management. Inputs for this meeting are provided by the PMU.
- The operational layer. This will be the PMU, in charge of the coordination, management and implementation of all the activities of the CDPR in coordination with the relevant stakeholders.

5.4 Management modalities : guiding principles

As far as technical implementation of the project and the achievement of its results are concerned, the responsibility is joint between MPI/DNEI and BTC, with the exception of the external audit and evaluations that remain under the responsibility of BTC. The PMU is responsible for the daily management of the project activities.

The PMU is responsible for the financial and procurement management of the budget lines defined as NEX (Vietnamese systems and rules). BTC is responsible for the financial and

¹¹ The related decrees / circulars are:1. Decree 131/2006/ND-CP dated 09/11/2006 of the government on the Promulgation of Regulations on ODA use and management. 2. Circular 03/2007/TT-BKH dated 12/03/2007 of MPI, guiding the functions and organisation of ODA PMU; 3. Circular 04/2007/TT-BKH dated 30/07/2007 of MPI guiding the implementation of Decree 131/2006/ND-CP; 4. Circular 803

procurement management of the budget lines defined as own-management (BTC systems and rules). It is also responsible for the transfers of funds to the PMU upon positive evaluation and approval of the financial and activity planning reports and plans.

For the budget lines defined as NEX, BTC will retain a “no objection” right (see section 5.5.6 below). The Resident Representative of BTC in Vietnam will be responsible for the “no objection” for BTC. In order for him to make an informed and objective decision, he will seek technical advice in priority from the International Technical Advisor. If this is not possible, he will seek advice from independent international and national consultants contracted by BTC following Belgian public procurement rules. All the costs related to the technical supervision and control will be supported by the budget of the project, including all costs related to BTC “no objection”. BTC can ask an unplanned independent technical audit to check the regularity and quality of works and procedures.

BTC will be responsible for the organization of the external audits and evaluations. This concerns among others Financial and Technical Auditors from the Belgian State, Mid-Term Review, external financial and operational audits and Final Evaluation. BTC will guarantee the correct information of MPI during the whole processes, as well as the institutional dialogue around the output of these audits and evaluations.

5.5 Financial Management

The financial management of the project will be assured by the PMU Direction based upon action and financial plans previously approved by the steering committee.

5.5.1 Bank accounts

Main and operational accounts under NEX

For the budget under NEX modality, the PMU shall open dedicated project accounts

- A bank account in EUR at a commercial bank where project funds will be channelled from the Belgian contribution;
- A bank account in VND at a commercial bank.

Any expenditure from those bank accounts will require the double signature of the Project Director and the project accountant.

Under no circumstances, these accounts can have a debit balance. They cannot receive funds from other sources and cannot serve to finance other activities. The possible interests generated by these accounts will be deducted from the expense of the project. There will be first and foremost used to cover the banking costs of the account. Whenever possible, payment through bank transfers will be privileged.

Main and operational accounts under own management

For local expenses under BTC own management, an account shall be opened in Hanoi and managed according to BTC procedures.

5.5.2 Funds transfer

Cash call: first transfer

From the notification of the execution agreement, a cash call can be introduced to the local

Representation of BTC. The requested amount can correspond with the needs of first six (6) months, plus a buffer amount initially set at 10% of the needs. This will be done by the PMU and directly submitted to the Representation if no PSC is in place at that moment.

This cash call will go together with a signed detailed expenses project of the first 12 months of the projects, following the format prescribed in the POM.

Cash call: next transfers

PMU, will request BTC transfers of funds to the specific project account, based upon half yearly work-plans and budgets which will have been approved by the PSC, as well as financial reports on the utilization of the contribution. This cash call will represent the cash needs of the project for the following six months. The request will be sent to BTC Representation.

From the second instalment on, transfers of funds will be subordinate to the justification by PMU of 70% of the previous cash call. If a bigger amount of cash would be needed without fulfilling this condition, a specific request can be introduced.

The transfer will be processed by BTC after approval by PSC and BTC of the following documents :

- The letter requesting the transfer;
- A detailed financial report of previous expenses ;
- The last six-month progress and financial report. In the financial report, all expenses done on the project and the related fund transfers should be mentioned;
- The last analysis of implementation report;
- The last six-monthly activity and financial planning and the related detailed disbursement plan, included a list of commitments;
- The last external audit reports approved by the Project Steering Committee;
- The follow-up of the audit recommendations approved and controlled by the PSC.

These cash calls will be certified by PMU and checked and validated by BTC. The expenses that cannot be justified shall be deducted from the next replenishment.

BTC commits itself to transfer the funds in the 30 days following the date of the request receipt. If BTC assesses that a cash call request cannot be honored, it will address to the partner a letter specifying the necessary additional information that have to be sent. The time for payment will be postponed till the registration of a cash call introduced in due form.

Cash call: Last transfer

The payment of the final balance will be subordinated to the fulfillment by the PMU of the obligations related to the agreement and on the basis of the following documents:

- The same documents as for all other cash calls;
- A closing action plan (see guideline Closing procedure) approved by PSC;
- The “financial balance” set up according to the rules describes in the BTC closing procedure manual, including, among others the last commitments, the advances, and any other liabilities towards external parties;
- A project follow up (objectives + results) and the follow up of the mid-term review and audit

recommendations.

Cash call for BTC managed funds

All the funds under BTC management (Regie) should be managed under the BTC internal rules and regulations that will be made available at the start of the project. The management of these funds is under the responsibility of BTC Hanoi.

5.5.3 Financial planning

Every quarter, the PMU and the BTC Representation must elaborate a financial planning for the current quarter and for the following quarters and following years based upon the six-monthly action plans approved by the steering committee. This planning will be undertaken in accordance with BTC procedures.

5.5.4 Accounting

The management and further release of the funds will follow the Vietnamese Rules and Regulations for ODA projects¹². The PMU will use a software approved by BTC and applied sound management procedures regarding the following steps of accounting: ordering, committing, paying and encoding.

Each expense has to be useful and opportune, and its consistency with the budget must be checked by the finance officer. BTC reserves the right to consider the expense as ineligible, not justified, or not respecting the obligations mentioned in the TFF. In that case, the expenses will be deducted from the next installment that will go with an explicative note. In the event of the next installments not being paid or not being sufficient to cover the deduction of unjustified expenses, those amounts will be reimbursed by PMU to BTC.

The eligible costs are the ones that meet the following criteria: (i) they are necessary to the project; (ii) they are foreseen in the budget and the action plan of the project; (iii) they meet the principles of sound financial management, economy, cost efficiency; (iv) they were effectively incurred, booked in the partner's accounting and are supported by original supporting documents.

5.5.5 Budget management

The total budget may not be exceeded.

Budget increase: In case a budget increase is needed a written request for the increase must be submitted by the national party to the Belgian state after agreement of the steering committee.

Budget change: The PSC, on the basis of proposals worked out by the PMU, must approve

¹²The related decrees are:

1. Decree 131/2006/ND-CP dated 09/11/2006 of the government on the promulgation of Regulations on ODA use and management.
2. Circular 03/2007/TT-BKH dated 12/03/2007 of MPI, guiding the functions and organisation of ODA PMU
3. Decision 61/2006/QD-BTC dated 02/11/2006 of Ministry of Finance on the cost norms applied for ODA projects/programs
4. Circular 04/2007/TT-BKH dated 30/07/2007 of MPI guiding the implementation of Decree 131/2006/ND-CP

changes of budget according to BTC rules and regulations.

The possible budgetary changes are:

- Change of the budget structure;
- Transfer of resources between existing budget lines to reduce fiduciary risks ;
- Reallocation of funds between the different financial modes;
- Utilisation of the reserve

This is possible as long as the changes do not affect the Specific Objective of the programme and remain within the limits of the approved budget.

Start- up : In order to facilitate the start-up of the intervention, commitments and expenses may be made (as part of the Belgian contribution of 4,000,000€) before the signature of the Implementation Agreement between Belgian Government and BTC. These shall concern logistics and human resources for a maximum amount of 42,000 EUR.

Logistics = 17.000 EUR

Personnel = 5.000 EUR

Car = 20.000 EUR

5.5.6 Public Procurement

Procedures to apply

The procurement under NEX budget lines will apply Vietnamese rules and regulations except for the bidding thresholds. For bidding thresholds, as for no objection mechanisms of BTC, the following procedures will be followed. The related procedures will be detailed in the POM.

Table 4: Procurement procedure to apply and publication requirement

Procedure	Publication	Works	Supplies	Services
Direct purchase Detailed ToR Minimum 3 pro-forma	Not mandatory	< 5.000 EUR	< 5.000 EUR	< 5.000 EUR
Competitive negotiated procedure Detailed specifications Minimum 3 invitations	Invitation to national and/or international bidders subject to the technical complexity of the assignment and the availability of the needed expertise in the country	5.001 < 67.000 EUR	5.001 < 67.000 EUR	5.001 < 67.000 EUR
Open procedure Detailed specifications	Mandatory: Invitation to national and/or international bidders subject to the technical complexity of the assignment and the	67.000 EUR <	67.000 EUR <	67.000 EUR <

	availability of the needed expertise in the country			
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BTC No-objections

In order to comply with the Belgian requirements for control of public expenses, the use of Vietnamese systems has to be combined with an ad-hoc system of No-objections. The thresholds for the non objection process (taken over from the SPR project) will be in line with the BTC rules and regulations related to delegation of responsibilities as indicated in the table 5.

The No-objection is required at the following steps of the process:

- Tender documents (complete file) including ToR and selection criteria;
- Attribution report including proposal of contract;
- Acceptance of the works / supplies.

Table 5: BTC No-objection threshold

Threshold amounts	Technical advice	Legal advice	No-objection from BTC*	Timing for the NO in working days¹³
12,500 25,000	- Upon request of BTC RR		BTC RR	Max 5
25,000 67,000 €	- positive advice of BTC	According to the needs	BTC RR	Max 10
67,000 € 200,000 €	- positive advice of BTC	1. Unconditionally positive advice from a local jurist or 2. BTC legal advisor if the advice of the local jurist is not unconditionally positive	BTC RR	Max 25

¹³Upon reception of the complete set of documents

200,000 -	Positive advice of BTC	BTC legal advisor on the basis of the advice of the local jurist	BTC RR with ad-hoc mandate	Max 25
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The detail modalities of the application of the No-objection will be described in the POM.

Own-management

For the BTC own-management budget lines, procurement will be done according to the Belgian law on public tendering.

5.6 Modification of the TFF

The present TFF may be amended by mutual consent of the parties. Careful consideration must be given not to change the present TFF in a way that would unnecessarily change the outcome of the intervention as originally agreed between the parties. A formal agreement by the Belgian government is needed for the following changes:

- the duration of the Specific Agreement;
- the total Belgian financial contribution;
- the Specific Objectives of the intervention
- the execution modalities

The request of the above modifications has to be approved and motivated by the PSC. The exchange of letters requesting these modifications shall be initiated by the Vietnamese party and shall be addressed to the Belgian Embassy.

The following changes to the TFF will have to be approved by the PSC:

- The project results and their respective budget;
- The specific objective indicators and result indicators;
- The composition and responsibilities of the PSC;
- The mechanism to change the TFF.

The adapted version of the TFF shall be communicated to the BTC headquarters and to the Attaché for International Cooperation (DGD).

5.7 Monitoring , review and backstopping modalities

5.7.1 Results framework

A result oriented monitoring framework has been set up for this intervention to be used for accountability, for systematic learning and for strategic steering purposes. This framework is based on the intervention strategy. The indicators reflect the delivery of main results (and their quality), intermediary changes (i.e. the change processes), specific and general objective. The framework is indicative and will be fine-tuned during the intervention's starting phase and finally approved by the steering committee. The results framework can be found in annex 7.2.

5.7.2 Different components of monitoring

The PMU will have primary responsibility for monitoring the implementation of the CDPR project. Both the Project Director and the ITA are responsible for the delivery and quality of monitoring.

Baseline :

A baseline will be established at the beginning of the project as a joint responsibility of the Project Director and ITA with the support of the PMU staff.

The Baseline is the first component of the Monitoring process. By providing the intervention with a finalized and realistic monitoring framework, the baseline is the link between formulation and implementation. As such, the baseline is about preparing the monitoring of the intervention in order to ensure:

- That stakeholders are on a same level of understanding of the change process (the intervention) that is supposed to take place
- That everybody knows how progress towards this change (compared to the starting situation) will be measured
- That risks are identified and taken into account in the implementation strategy
- That the accountability, steering and learning needs are addressed.

The Baseline report is the final output of the baseline process which contains: It includes the M&E framework of the intervention, indicators, sources of verifications, a risk management table and an updated operational planning.

The Baseline Report needs to be established at the beginning of the project (within the 9 months of the starting phase) though some more in depth data will only be available at a later stage (e.g after capacity assessment have been conducted in provinces where not already existing).

The Baseline Report will be presented to the Project Steering Committee (PSC). The PSC takes note of the Baseline Report and validates the way the intervention will be monitored.

Operational monitoring

Operational monitoring refers to both planning and follow-up of the intervention's management information (inputs, activities, outputs). It is an internal management process of the intervention team and is done every 3 months. The PSC does not have a role in Operational Monitoring (see also section on reporting below).

Results Monitoring

Results Monitoring refers to an annual participatory reflection process in which intervention team (PMU and other stakeholders involved in the project activities) reflects about the achievements, challenges, etc. of the past year, and looks for ways forward in the year(s) to come. The result monitoring report is to be approved by the PSC..

Final Monitoring

The purpose of final monitoring is to ensure that the key-elements on the intervention's performance and on the development process are transferred to the partner organisation, the donor and BTC and captured in their "institutional memory". This enables the closure of the

intervention, the hand-over to the partner organisation and the capitalisation of lessons learned..

5.7.3 Different components of evaluation

Evaluation: Mid-term review and end-term review

The main function of a review is to offer an external perspective on the intervention's performance as well as to analyse in-depth the on-going or completed development process. In doing so, reviews are used to: (i) analyse if interventions have to be re-oriented in order to achieve the development outcome; (ii) inform strategic decisions ; (iii) identify and reflect upon lessons learned.

Performed by an independent external actor, reviews play an important role in the accountability of the intervention's performance.

Reviews are organized twice during the lifetime of the intervention:

A Mid-Term Review (MTR) will be organized after two years of implementation. The MTR will assess the project progress and identify the challenges encountered. It will compare the indicators with the baseline indicators as gathered during the baseline study. If necessary, the MTR will update the results framework. It will provide recommendations for the remaining years of the project. In the MTR the focus is on strategic decision making for the intervention.

An End-of-Term Review (ETR) will be organized at the end of the intervention. In the ETR, the focus is on learning. Therefore, special attention will be given to expected and unexpected change at the level of beneficiaries.

The ToR of the reviews and their implementation are managed by BTC Brussels, with strong involvement of all stakeholders. The recommendation of the reviews are submitted to the PSC that will take timely and appropriate decisions on the propose recommendations.

5.7.4 BTC HQ backstopping missions

Several follow-up mission from BTC headquarters will be performed during the course of the project. These missions may be organized on a BTC or a project initiative and coincide with and/or may contribute to the international technical backstopping missions and/or the Steering Committee. This missions may involve several competences as M&E, financial controlling, governance sector, operations or any other requested. ToR of these missions will be prepared in close collaboration with BTC Representation in Hanoi and the PMU.

5.8 Reporting

The different processes are briefly explained below.

The quality (reliability, timeliness, completeness) of the reporting will determine the future disbursements for the project. Unsatisfactory documented explanations could lead to funds transfer suspension until further notice. The PSC will lead the additional enquiries to obtain the quality level required and assurance that the funds are correctly followed. All this process must be documented. All reports as specified in the table below will be issued in Vietnamese and English. In case of interpretation, the English version will always prevail.

Table 3: Reporting steps

Report	Responsible	Content	Destination
Monitoring reports			
Baseline report	PMU	The baseline reports includes the M&E framework of the intervention, including indicators, sources of verifications, a risk management table and an updated operational planning.	approved in joint responsibility by the project Director and ITA. presented to the Project Steering Committee (PSC) that validates the way the intervention will be monitored within the 9 months of project start
semi-annual activity/progress report and planning before a PSC	PMU	is a top-up of the quarterly report, elaborated to provide the steering committee with strategic information on the intervention's progress as well as issues and challenges.	Project Steering Committee
Results monitoring report	PMU	Results monitoring is the annual participatory "reflective action" of the team on achievements and challenges of the past year, in order to look for ways forward in the year(s) to come. Adjustment to the interventions are proposed to the steering committee.	BTC Representation, TWG, Steering Committee, MPI, Attaché
Final monitoring report	PMU	The purpose of final monitoring is to ensure that the key-elements on the intervention's performance, and lessons learned out of the development process are transferred to the partner organisation, the donor and BTC and captured in their "institutional memory. It is a summary of what different stakeholders might want to know at closure or some years after closure of the intervention.	
Evaluation reports			
MTR report	BTC HQ/External consultants	External MidTerm Review	BTC Representation, Steering Committee, MPI, Attaché
ETR report	BTC HQ/External consultant	External End Term Review	BTC Representation, Steering Committee, MPI, Attaché
Audits			
External project audit+GoV project audit	Auditing firm/GoV	Financial audit of the projects commissioned by BTC / GoV	BTC Representation/Steering Committee, MPI,

BTC may ask for additional information on the report content and/or additional documents. The PMU will send the requested information or documents within the next 15 days following the request.

The financial reports could be based on Vietnam Dong. In that case, and to draw up the reports, the effective expenses will be converted into Euro with a conversion method approved by BTC at the start of the project. In these financial reports, the expenses will be presented in their original currency and in Euros.

Probative supporting documents justifying the expenses (invoices, detailed account, payment attestations), should respect international standards. Those files will be archived in chronological order and will be kept at the permanent disposal of BTC and the external auditors for a period of eight years from the date of the first payment/spending. The MPI/DNEI allows BTC to consult the supporting documents anytime.

5.9 Audits

Vietnamese audits

The PMU will share with BTC the reports that result from GoVs regular auditing procedures and all other audit reports that would be made available by other donors.

Financial and procurement project audits

BTC will deploy an independent qualified audit firm (International Accounting Standards) to audit the dedicated project accounts annually. BTC will write the terms of references of the audits. These audits will be financed out of the BTC-managed lines and carried out by the auditors according to the BTC framework contract in force.

The audit reports will be submitted to the PSC who will decide on the measures to be taken, if any. This annual external audit will:

- Check the compliance, ex-post, between payments from the specific bank account and the work realised on field and locally, with the supporting documents, kept by the partner;
- Check the respect of the management procedures of the project including management of all project assets and procedures mentioned in the POM;
- Check the respect of the public procurement Vietnamese rules and internal regulations.

The auditing reports shall be discussed in the PSC.

The PMU shall set-up an action plan based on the audit recommendations to allow it to remedy the noticed weaknesses. The action plan and its follow up must be presented at each PSC meeting, which will approve its implementation. The cash call will be conditioned by the settlement or follow up of possible reserves/issues revealed by the audit mission. Both parties should consult each other to settle those reserves/issues. If after consultation no solution is found, BTC reserves the right to postpone the next instalments.

Annual audit could take place at any time, initiated by one or the other party.

If the auditing report shows that the funds are not managed in a transparent and appropriate way, BTC Resident Representative can suspend the next instalment and request the reimbursement of the funds already transferred.

Audits by Belgian external bodies

In accordance with the legal status of BTC, each year an Audit Committee reviews the accounts of BTC. Within this framework, the Audit Committee may also carry out audits of programmes in Vietnam. The Audit Committee of BTC may also request that BTC's internal auditor audit a

specific programme. Those audits are independent of BTC management, therefore it must be accepted that they can take place whenever the Audit Committee judges it useful.

5.10 Closure of project

The PSC will be responsible to implement the closing process according the guideline “Closing procedures” of BTC.

One year before the end of the project the PSC will validate a closing action plan. Six months before the end of the project, an updated closing action plan and a financial balance (see guideline Closing procedure) will be set up by the PMU and submitted and approved by PSC. The last will, among other issues, list the last commitments, the potential guarantee, advances or any liabilities towards external parties.

The final financial report must be submitted in the next three (3) months after the end of project activities and at the latest six (6) months before the end of the Specific Agreement.

Drafting the Final Report is the responsibility of the PMU that could decide to hire an external consultant for this purpose. The Final Report shall be submitted to the PSC members at the final Steering Committee meeting for approval. The report will comprise an overview of the realized activities and include a survey of the status and opinion of a representative sample of beneficiaries related to the impact of the Project. The final financial report of the project is also the responsibility of the PMU. The PSC is responsible for recommendation and approval of the final closure of the accounts.

6 CROSS CUTTING THEMES

Two cross-cutting themes are particularly relevant for the CDPR project which aims at building national and sub-national capacity for development planning, i.e.

Gender, where the issue is how to ensure women play an equal role in shaping the decisions, roles and structures that inform planning and budgeting processes and

Environment, where the issue is how to ensure that local plans and investment programs are sustainable and promote environmental protection and an effective management of land and other natural resources.

6.1 Gender

In the East Asia region, Vietnam stands out for its success in closing gender gaps in the last 20 years. These efforts have resulted in high adult literacy rates for men and women; school enrolment data that show little difference between boys and girls; and the highest proportion (over one quarter) of women in national parliament in the Asia-Pacific region. Vietnam also has one of the highest women's economic participation rates in the world: (Over 80% of women between the ages of 15 and 60 participate in the labor force).

Thanks, in no small part, to the activism of the National Committee for the Advancement of Women (NCFAW) considerable attention has been given to gender in the SEDP and further improvements seem assured. Nevertheless, a comprehensive Country Gender assessment of few years ago¹⁴ highlighted four issues that require additional attention. The fourth one is particularly relevant for the CDPR as it refers to "progress in increasing the number of women in decision making which has been slow and inconsistent".

The CDPR project could make an important contribution to increase women's influence in public policy making. In fact reforming the planning system, particularly at sub-national level offers substantial opportunities to develop, institutionalize and operate meaningful consultation mechanisms to gather information from diverse groups of women to understand their particular needs and situations, and to associate women's organizations and representatives to decisions on public resources mobilization and allocation.

To that end, local authorities will need to know how to conduct and use gender analysis in devising local plans, programmes and budgets. Also training workshops would have to target women. As the CDPR will support MPI efforts to develop and extend planning guidelines, these will have to be specific and help local authorities to engender development plans and budgets.

While international experiences with national-level gender-responsive planning and budgeting like those pioneered by Australia and South Africa, have generated considerable interest worldwide for some years now, experimentation is also starting to spread at sub-national level and CDPR could help disseminate early results for the benefit of Vietnamese planners at all levels.

More specifically, while supporting the development and testing of MPI guidelines for an integrated local (District + Communes) planning process, the CDPR should strive to mainstream

¹⁴ World Bank, [Vietnam Country Gender Assessment](#), (a Joint Donor Report) (2006)

gender analysis within such process and develop the institutions and techniques that allow the identification of gender-specific issues within social and economic sectors in both urban and rural areas and translate them into appropriate projects and other measures for inclusion in local plans, investment programs and budgets.

6.2 Environment

Reforming the planning system in Vietnam, presents a particular challenge and an opportunity to establish a better linkage between socio-economic and physical/environmental planning and adopt a comprehensive spatial planning approach that can guide public infrastructure investment as well as regulatory interventions on the use of land and other natural resources in order to:

- promote sustainable use of land and other natural resources;
- restructure spatially inefficient settlements;
- channel resources to areas of greatest need (social investment) and development potential (economic investment) and
- stimulate economic opportunities in rural and urban areas

A new urgency has now brought upon the need for a greater integration between socio-economic and physical planning by the emerging risks arising from Climate Change, including , (i) sea-level rises, tidal surges and super-typhoons, (ii) flooding overcoming the capacity of drainage systems, polluting groundwater and damaging public infrastructure and private property (iii) soil degradation, (iv) decreasing water availability, droughts, and increased water evaporation and (vi) extreme temperatures affecting the health and possibly the life of more vulnerable persons.

New approaches to planning have emerged in response to the above challenges. They are generally referred to as Spatial Planning approaches (attempting to integrate socio-economic and physical planning) and have resulted in new instruments like “Structure Plans” or “Spatial Development Framework” (SDF).

With a Belgian contribution of 30 million EUR over a six-year duration, a new program (also headquartered in MPI) recently started in 3 provinces (Binh Thuan, Ninh Than and Ha Thin) under the other focal sector of Belgian cooperation "Integrated water management and urban development in relation to climate change". It aims at linking existing and future insights into the water system and the climate variability on the one hand, with the urban strategic planning on the other hand, thereby increasing the resilience of the various settlements in the province to meet the challenges of Climate Change.

This provides for an ideal synergy with the CDPR project which will be able to join the initiative, learn from the lessons of both technical and institutional nature on the applicability of the approach. CDPR would then aim at reflecting such lessons in a set of general, user-friendly “guidelines” for local authorities on the adoption of an integrated Spatial Planning approach for the production of their SED plan. To this end some CDPR resources have been allocated for the production of these guidelines and their testing in one pilot District where a Spatial Development Framework would be developed to inform the preparation of future annual SED plans.

7 ANNEXES

7.1 Logical framework

	Logical of the intervention	Indicators	Sources of verification	Hypotheses
Global objective	“To improve the preparation and implementation of the socio-economic development plan through improved planning and budgeting for pro-poor and pro-growth policies and interventions”.	<p>Performance against SEDP outcomes has improved</p> <p>Increase of effectiveness, relevance and efficiency of public investment appraisals</p> <p>Additional mobilization of resources for local development.</p>	<p>SEDP M&E Framework, statistics on growth rate , poverty rate, PAPI at provincial level, financial data provinces</p> <p>MTIF monitoring reports, PAPI on effectiveness of service delivery , transparency ..</p> <p>Study report on a sample of provinces</p>	<p>macro economic stability conditions facilitate socio-economid development</p> <p>SED continues to be a priority of GoV through its 5-year and annual planning process</p>
Specific objective	To strengthen the capacity of (selected) national and sub-national governments in improved planning and budgeting ”	<p>Quality of SEDP planning and implementation process improved at the 3 subnational levels against criteria</p> <p>Quality of support by MPI to subnational staff improved against criteria</p> <p>Quality of inter-governmental consultation process improved against criteria.</p> <p>Degree of implementation of a harmonized, experience-based national planning reform program that serves as the basis for CD support</p>	<p>Develop sub-criteria-grid , for the criteria of strategic, result-oriented participatory, and linked to resources planning system</p> <p>Develop criteria-grid</p> <p>Develop criteria-grid</p>	<p>SEDP, Vietnam’s leadership continue to show commitment to planning reform. It is ready to address difficult choices on the role and structure of the State (this depends a lot on internal political dynamics and external economic pressures which are difficult to predict</p>

R1	The legal framework for the planning reform is improved	Use of available inputs - technical advices, international exposure, international & national evidence & good practices on planning reform - for policy making and strategic orientations.	Develop milestones	Reform champions which have emerged both within and outside MPI are given voice and incentives to work together and influence policy makers
		Progress being made on following elements and quality of these elements : Legal and regulatory instruments are being developed Sustainable CD program is developed for national and subnational levels	Initial Report on status of existing laws and regulations on planning and M&E Planning Decree and Planning and M&E guidelines MTIF guidelines	
		Degree of national leadership of MPI in strategically orienting the planning reform process.	Develop milestones	
		Degree of alignment to MPI's CD approach.	Annual monitoring report on CD programmes	
R2	The capacity of MPI to support capacity development of sub national authorities in the area of planning and M&E is strengthened	Good <i>practices</i> regarding subnational planning practices are issued, based upon assessments (and integrated in policy framework and CD approach).	1 Capitalization Study Report Annual monitoring report on CD programs	
		Enhanced knowledge of MPI staff in supporting national and subnational planning and implementation actors.	Number of people trained, Entry-exit test, follow up on skills transfer Reports of Training and exchange workshops	MPI adheres to the need to extend its role of support and supervision

		Enhanced skills of MPI staff in supporting national and subnational planning actors through existing or newly created <i>channels and tools</i> (e.g. helpline)	Helpline for provincial policy makers and planners functional and quarterly monitored Website regularly updated and visitors quarterly monitored Number of MPI CD providers with suitable in-house training facilities Number of training courses using new curricula and training materials Other milestones to be developed after assessment of current system for CD support	
		Skills MPI staff in supervising the <i>compliance</i> of subnational planning and implementation to the legal and regulatory framework	Quality of the feed back from subnational roll out Sample-based assessment of quality assurance	
		Skills of MPI staff in elaborating a sustainable <i>vision on CD for planning reform</i> addressing national and subnational planning reform needs, up to commune level, harmonising current approaches and integrating lessons learned	Milestones to be developed on the basis of the development of the CD strategy	
R3	The capacity of provincial authorities to develop, adopt and implement improved planning, and M&E systems is increased	Number of relevant provincial administration staff having <i>basic/advanced knowledge</i> in SEDP implementation process.	number of trainers trained Training needs assessments and training reports Entry-exit test	Provincial authorities are willing to cooperate and disseminate practices
		Number of relevant provincial administration staff having new skills and using their new skills <i>to supervise</i> the quality of subnational SEDP planning and implementation instruments.	Observation grid	

		Number of relevant provincial administration staff using their new skills <i>to provide guidance</i> to districts and communes regarding SEDP planning & implementation process.	Observation grid	
		Degree of implementation of the <i>CD strategy</i> developed with pilot provinces	5 CD strategies developed with annual capacity development plans and regularly monitored Milestones to be determined in the CD strategy .	
		Number of relevant sector planners having advanced knowledge in SEDP implementation process.	Number of trainees , quality of training , entry-exit tests	Line ministries adhere to the necessity of improved planning practices, to multi-stakeholders process of planning, and are willing to engage
		Core group of key sector planners functional and interacting with MPI on sector planning and implementation within SEDP process.	Criteria to develop.	
		Degree of implementation of the CD strategy developed in 2 selected Ministries	Milestones to be determined in the CD strategy .	
R4	The capacity of selected local (districts+ communes) authorities to develop, adopt and implement improved planning and M&E systems is increased	Number of relevant district staff having <i>basic knowledge</i> in SEDP planning and implementation process. Number of relevant district staff having <i>new skills and using their new skills</i> for the quality of their SEDP planning and implementation instruments	Number of trainees, Exit test training, quality of training ,	Districts are willing to engage in improved practices
		Number of relevant commune staff having basic knowledge in SEDP planning and implementation process.	Exit test training	Communes are willing to engage in improved practices and are given the right incentives to it

		Degree of implementation of the CD strategy developed with pilot DS & communes	Milestone to be developed for the CD strategy after capacity assessment of practices at DS and commune level annual capacity development plans, M&E reports on the commune development fund	
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Activities are presented in section 3 of the TFF.

7.2 ToR long-term personnel

7.2.1 Terms of reference of the project coordinator

The project coordinator will support the project director to assure his/her role and duties in the implementation of the project. S/he will have thorough expertise and experience in planning, investment programming and budgeting. S/he will work and collaborate closely with the ITA and will assume coordination responsibilities of the project

More specifically, the project coordinator will perform the following tasks, in collaboration with the ITA:

- Coordinate the project activities under the direction of the project director
- Support to the project director in the daily management of the project;
- Prepare the progress reports and work plans;
- Maintain close relationships with relevant ministries and PPCs;
- Identify key national stakeholders and local partners for the project;
- Supervise the contracting of expertise;
- Assure the secretariat of the PSC;
- Coordinate and facilitate the financial audit for the Belgian contribution;
- Develop the network on planning and budgeting in Vietnam;
- Coordinate the establishment and maintenance of the project website;
- Participate in field visits for stocktaking on planning and M&E;
- Organise workshops and training activities of the project;

Qualifications

- Relevant degree for the job or equivalent professional experience;
- At least 10 years of experience in planning & budgeting issues;
- Minimum of 5 years of project management experience (planning and monitoring of activities, finance, administration);
- Excellent interpersonal skills;
- Mastering English.

Duration of the assignment: 48 months

Duty station: Hanoi

7.2.2 Terms of reference of the International Technical Advisor

The International Technical Advisor (ITA) will support the project Director in the implementation of the project and provide technical input and support in the area of planning reform and capacity development. The ITA will assure that reporting requirements of BTC are fulfilled, assure that the M&E and auditing is timely performed according to the BTC requirements.

The ITA will report to the RR.

On request, the ITA can also represent BTC and provide technical support to other Belgian supported projects in the area of planning. He will liaise with the BTC representation and other experts who provide inputs in the projects, participate in coordination meetings for projects/programmes of BTC, participate in meetings with donors.

The ITA should not only be technically proficient but also have excellent capacity building skills and act as a change facilitator.

More specifically, the ITA will perform the following tasks, in collaboration with the project coordinator:

- Support the project director in the daily management of the project;
- Follow-up the project activities under the direction of the project director;
- Prepare the progress reports and work plans;
- Assure the secretariat of the PSC;
- Coordinate and facilitate financial audits for the Belgian contribution;
- Contribute to the capitalization and dissemination of the lessons learned of the project;
- Provide technical input in the preparation of the regulatory framework of planning reform;
- Provide technical input in the preparation of the implementation and M&E framework of planning reform;
- Follow-up and assess capacity development support to planning in Vietnam;
- Ensure that the capacity development approaches and tools are known and appropriated by key stakeholders, support the monitoring of capacity development strategies and plans
- Participate in field visits for stocktaking on planning and M&E;
- Facilitate workshops and training activities of the project and act as a resource person;
- Develop ToR, guide and review outputs of short term consultants and technical backstopping;
- Develop the network on planning and budgeting in Vietnam, in particular with other donors;
- Ensure linkages between planning and budgeting by closely following up the work on fiscal decentralization of MoF

- Ensure linkages with the Belgian supported projects with regard to institutionalization of planning practices and with the climate change program for the 'spatial development framework' piloting approach;
- Provide technical support to the PORIS project activities until the project's closure(foreseen for the end of 2014).

Qualifications:

- Master degree in public administration or related field
- Fifteen years of experience in public sector capacity building & reform of which a substantial part related to local government planning and budgeting
- Sound experience in support to institutional development of public sector administration
- Good knowledge and experience of capacity development approaches and tools, including the monitoring of change processes
- Strong skills in dealing with complex and sensitive working environments
- Strong negotiation skills
- Strong oral and written English
- Flexibility and adaptability
- Working experience in Asia. Vietnam experience is an asset

Duration of the assignment : 48 months

Duty station: Hanoi, Vietnam with an important part of field work in the provinces

7.2.3 Terms of reference of the junior Vietnamese expert

The junior Vietnamese expert supports the project's director in the overall project activities. S/he will be work and collaborate closely with the ITA and the national expert in planning. The junior national expert bring assistance for the integration of the various stages and activities deployed. S/he facilitates and supports the day to day management of the project under the overall supervision of the project director. S/he brings a more specific support to the development of the M&E framework under the supervision of the International Advisor.

More specifically, the junior expert will perform the following tasks:

- Provide support to the project senior management and experts in the daily management of the project
- Contribute, in collaboration with the ITA, to the preparation of the project workplans and reports progress report
- contribute to the preparatory work for the secretary of the PSC
- To further improve the integrated character of the project, s/he should participate in any network on Planning and budgeting in Vietnam (together with the ITA)
- Coordinate and facilitate the work on the establishment and maintenance of the website, the support of the helpline etc..
- Assist the project's experts in developing and supporting the implementation of the Capacity Development strategies in the CDPR targeted areas
- Facilitate the organization of the workshops and training activities of the project
- Develop and contribute to fill on a regular basis the M&E framework of the intervention , under the supervision of the project's director and technical experts

Qualifications

- Relevant degree for the job or equivalent professional experience
- At least 3 years of experience with international cooperation agency
- Have a broad technical knowledge in the field of M&E
- Have excellent interpersonal skills and ability to
- Be fluent in written and spoken English
- Good disposition to learn

Duration of the assignment: 48 months

7.3 Activities and milestones for the starting phase

The following table present planning for activities to be conducted during the 9 months of the project's starting phase activity. By the end of these 9 months a detailed project planning and budget should be available and approved by the Steering Committee. During this period the Steering Committee may be invited to meet more frequently to for strategic decision making related to project's start up.

Issue	Milestone (achievement)	Action	Timing (from project's onset)
Project operation manual developed	Implementation manual approved by the Steering Committee (SC)	Manual to be developed by PMU with support from BTC Hanoi & Brussels	Month 3
shared understanding of capacity building concepts & tools	Workshop on the Capacity building approach of CDPR intervention	Concept paper to be elaborated as workshop output by the participants with support of PMU & external expertise	Month 6
Stocktaking of the current CD initiatives for planning reform at national& subnational level	Stocktaking report Dissemination of the results (workshop, etc..)	TOR be drafted (building on SPR work) , national consultants to be recruited , study carried out	Month 6
Selection of the 5 provinces for targeted support	Selection of 5 provinces is approved	Based on the stock taking analysis , and on refinement of the formulation selection criteria, selection of 5 provinces is proposed the PMU for approval of the SC . or the methodology for an incremental approach is approved -	Month 6 Extraordinary meeting of the PSC. The Belgian Embassy (Attaché) will attend this meeting. This will allow the PMU to go on with the preparation of project's planning and budget
An analysis of the current MPI system for support to individual capacities development and of the stakeholders involved at the different level (national, regional and provincial);	assessment report with recommendations for a planning system and practices improvement (including the institutional, organizational and individual level..)	(building on SPR work) , national consultants to be recruited if needed Linkages with the upcoming BTC supported Capacity Building Facility may be useful	Month 9
Mainstreaming of gender issues in planning (PM)	gender results and gender budget frame is developed	Identify results to be achieved and related activities to be conducted,	Month 12

Issue	Milestone (achievement)	Action	Timing (from project's onset)
		in coordination with MPI/DNEI other donors & NGOs involved, and support of BTC HQ	
Adopt the 1 st Operational Plan & Budget approved by PSC	Work plan & budget for the project , detailed plan for the 1 st year	Participatory event for reading and finetuning of the TFF , fix priorities development of the plans accordingly, (to be approved by PSC)	Month 9
Baseline survey	Baseline report completed, incl. the M&E Framework	By PMU, and approved in PSC	Month 9

7.4 Table of external support to the planning reform

Funding Agencies & Involvement with SEDP M&E System, Viet Nam				
Ref.	Development Partner	Project Name/Details	Budget	Executing Agencies
1	AusAID	TA in strengthening M&E for public investment	USD 500,000	MPI
2	Belgium Development Agency	a. Strengthening of planning reform at central and decentralised level	Eur 3,300,000 (BTC: Eur 3,000,000; VN Gov't: 300,000)	MPI
		b. Public administration reform and roll out of the comprehensive poverty reduction and growth strategy in Hau Giang province	Eur 2,750,000 (BTC: 2,500,000; VN Gov't: 250,000)	Hau Giang PPC
		c. Poverty reduction through institutional strengthening at provincial (Nghe An) and district (Quy Chau) levels	Eur 3,700,000 (BTC: 2,500,000; VN Gov't: 1,200,000)	Provincial Peoples Committee, Nghe An Province
3	ADB	Support to the preparation and Implementation of the Results-Based SEDP 2011-2015	USD 1,300,000USD	MPI, Territorial Planning
4	DANIDA	Sector Programme Support to the Vietnamese National Target Programme for Rural Water Supply and Sanitation (M&E system: National Unified M & E system for Rural Water Supply and Sanitation)	Total budget: USD600,000 (Denmark: USD 260,000; Australia : USD 340,000)	MARD
		Good Governance and Public Administrative Reform Programme (GOPA). a. Phase 1: PAR, completed end of March 2012. b. Phase 2: further improvement of M&E system of PAR in the 5 provinces will be continued under the 2 nd phase of GOPA, which will initiate from 1 April 2012.	DKK 70m (equivalent to USD 12.7m at November 2008 prices) DKK 60m (appx USD 10.5m)	Office of the National Assembly.
5	SDC	a. Monitoring and Evaluation in support of management in the agriculture and rural development sector	USD 3,000,000	MARD
		b. Public Services Improvement in ARD sector	USD 12,000,000	Hoa Binh & Cao Bang

6	JICA	SEDP (M&E) support program for Hoa Binh province (completed) *		PPC Hoa Binh
7	UN	One Plan UN **		MPI, GSO
8	WORLDBANK	Public Financial Management Reform Project (PFMRP) includes key components: a. <i>TABMIS (Treasury and Budget Management Information System)</i> b. MTEF (Medium term expenditure framework) c. Public Investment Reform (PIR)		MOF
9	GIZ	Macro Economic Reform Program: 12/2011-11/2014*	EUR 3.55 M	SBV, MPI, and MOF
11	Finland	Forestry MIS, 8 Provinces		MARD
12	NORAD	Public administration reform project in Ninh Binh		
13	OXFAM HK	SEDP planning in Nghe An, Quang Chi		
14	OXFAM UK	Pro-poor Planning Support Program (PPSP) in Ninh Thuan		
15	SIDA	Poverty Reduction Program "Chia Se" Ha Giang, Yen Bai, Quang Tri		
16	UNDP	Strengthening Local Government Project (SLGP) closed		MPI
17	SNV	Nghe An province		
18	UNICEF	Strengthening local planning in Ninh Thuan, Dien Bien and Dong Thap provinces		
17.	CIDA	Provincial level targeted budget support initiatives with Ha Tinh and Soc Trang involve a major focus on helping improve planning and management systems at the sub-national level.		Ha Tinh, Soc Trang

7.5 Examples of outputs of SPR project

The following table provides a selection of reports and documents published by SPR related to the regulatory framework (result 1 of CDPR project) as well as documents, events and workshops aiming at enhancing MPI capacities for providing CD support to the sub national level (result 2 of CDPR project). These outputs will be used when developing further the CDPR baseline at project's onset.

PRODUCTS related to the support to the legal and regulatory framework :

2009	Research report on the improvement of SEDP in Vietnam by PhanThanh Tam, Pham Thanh Hung, 2009;
2009	Consultant report on socio-economic development plan in Vietnam with required innovations (2009)
2010	Summary of regulations on establishment procedures, monitoring and evaluation of planning in other countries (2010)
2010	Analytical Report on the training capacity of the central training institutes (December 2010).
2010	Summary of the workshop participants' opinions on Decree of "Planning, monitoring and evaluation of the implementation of social-economic development plans" (March 2010)
2010	Basis of the SEDP PM&E and Draft of planning, monitoring and evaluating the implementation of social-economic development plans (2010)
2011	Book: Some legal documents on the planning, monitoring and evaluation of socio-economic development plan of other countries- book I (August 2011), book II (October 2011)
2011	Draft regulation on the allocation of government bonds for the period 2011 - 2015 (2011)
2011	A summary of comments for the 3rd draft of the planning decree, the official letter and the report on impact evaluation of Decree by Do Ngoc Huynh, Cao Van Hoach, Pham Ngoc Lam, Hoang ThiTu (2011)
2011	A summary of comments and finalization of the 3rd Draft SEDP PM&E Decree (2011); Official letter on the issuance of the Decree (2011); An Impact evaluation report on the issuance of the Decree (2011)
2011	Decision on reporting mechanism on the implementation of State investment plans (2011); Draft Circular on issuance of report forms and guiding on implementation of Decision No... on reporting mechanism on the implementation of State investment plans (2011)
2011	Directive No.1792/CT-TTg (15 October 2011) on strengthening the state budget and government bond sourced expenditure management
2012	Medium Term Investment Framework (MTIF) decree to improve the efficiency of decentralised public investments while ensuring overall fiscal discipline
2013	A draft guidelines for the SEDP planning

2013	Contribution to the preparation of the Public Investment Law
	Re-editing materials of information for the project official website (2011) and (2012)

Source : SPR project, Final Evaluation SPR

Workshops and events carried out under the SPR project (2009-2013) with regard to support to the regulatory framework and MPI capacities in supporting national and subnational planning system.

Year	No	Name of workshop	No of part.
2009	1	formulation mission of Decree on Planning, Monitoring and Evaluating SEDP (PM&E) in Vung Tau, 4 - 6 June, 2009	12
	2	Workshop on developing the project handbook in Cat Ba, 2 - 3 July, 2009	18
	3	Consultative workshop on the first draft of SEDP 2011-2015 in NinhThuan and HCM City, 26 Nov- 1 Dec 2009	3
	4	Consultative workshop on formulation of result-based M&E framework for 5 years 2011-2015 SEDP in BacNinh, 22 Dec 2009	3
	5	Consultative workshop on formulation of M&E framework based on 5 year SEDP 2011-2015 in HoaBinh, 30-31 Dec 2009	3
	6	Consultation PSC meeting on General planning and Project Operation Manual, 30 December 2009	20
	Total		
2010	1	Consultative workshop on SEDP PM&E Decree in Hanoi, 18-19 January 2010	52
	2	Consultative workshop on SEDP PM&E Decree in Hanoi , 21-22 January 2010	53
	3	Study tour to UK on to learn experience on methods of planning, laws and territorial planning , 10-18 April 2010	14
	4	Consultative workshop on formulation of Decree on planning, monitoring and evaluating SEDP to finalize and submit to Government in Hochiminh City on 7 May 2010	97
	5	Consultative workshop on formulation of Decree on planning, monitoring and evaluating SEDP (in the North) in Hanoi on 10 May 2010	85
	6	Consultative workshop on SEDP PM&E Decree in Gia Lai, 14 May 2010	67
	7	Consultative workshop on SEDP PM&E Decree in Hanoi, 21 May 2010	70

Year	No	Name of workshop	No of part.
	8	Consultative workshop on principles, criteria and norms of development investment allocation by state budget in 2011-2015 period in Southern provinces on 9 July 2010	84
	9	Consultative workshop on principles, criteria and norms of development investment allocation by state budget in 2011-2015 period in Northern provinces, 12 July 2010	85
	10	Consultative workshop on principles, criteria and norms of development investment allocation by state budget in 2011-2015 period in Da Nang on 19 July 2010	83
	11	Consultative workshop on SEDP PM&E Decree in Hanoi, 18 November 2010	20
	12	Study tour to Poland and Belgium, 27 Nov- 9 Dec 2010	10
	13	Group meeting on SEDP PM&E, 17-18 December 2010	20
	14	Dissemination workshop on planning experience of Poland and Belgium and consultation on some legal documents, 23-24 Dec 2012	95
	Total		835
2011	1	Draft SEDP PM&E Decree, Decree on amendment of Article 61 of Decree No 60/2003/NĐ-CP on advance state budget and Decision of Prime Minister on advance Government bonds in Hanoi, 10-11 Jan 2011	120
	2	Workshop on SEDP PM&E Decree and the Decree on advance state budget and Decision of Prime Minister on advance Government bonds in Daklak, 14-15 Jan 2011	95
	3	PSC meeting on the project implementation, 31 Dec 2010 and the work plan for 2011	17
	4	Training workshop on the website administration for project staff in ASEAN Resort Hanoi, 12-13 March 2011	17
	5	Consultative workshop on draft Decree on advance state budget and Decision of Prime Minister on advance Government bonds, 14-15 May 2011	25
	7	Meeting with PSC on mid-term review, 15 June 2011	25
	8	Consultative workshop on the third draft of SEDP PM&E Decree	50
	9	Consultative workshop with donors on SEDP in 2011-2015 period	142
	10	Draft report on implementation of Government bonds plan in 2003-2010 period	32

Year	No	Name of workshop	No of part.
	11	Workshop on implementation of Directive No 1792/CT-TTg on improving the management of State budget and Government bonds in HCM City, 11 Nov 2011	167
	12	Workshop on implementation of Directive No 1792/CT-TTg on improving the management of State budget investment and Government bonds in Hanoi, 15 Nov 2011	316
		Total	1022
2012	1	Dissemination workshop on lessons learnt of medium term Investment framework and decentralization of public investment in Halong City, 23-24 Feb 2012	181
	2	Consultative workshop on the Decree MTIF, 14 May 2012	60
	3	Consultative workshop on Decree of MTIF at MPI, 18 May 2012	65
	4	Consultative workshop on MTIF plan in Hanoi, 5 July 2012i	250
	5	Training course on MTIF and decentralization of public investment in USA, 16 July 2012 (MPI ,Government Office, Ministry of Justice key officials)	16
	6	Dissemination workshop on lessons learnt on public investment management of USA and consultation on Draft Decree of MTIF plan in Hanoi, 20-21 Aug 2012	92
	7	Dissemination workshop on lessons learnt on public investment management of USA and consultation on Draft Decree of MTIF plan in Da Nang, 23-24 Aug 2012	85
	8	Dissemination workshop on lessons learnt on public investment management of USA and consultation on Draft Decree of MTIF plan in HCM City, 27-28 Aug 2012	98
	9	Dissemination workshop on lessons learnt on public investment management of USA and consultation on Draft Decree of MTIF plan in NinhBinh, 10-11 Sep 2012	78
	10	Consultative workshop on the identification report at MPI-Hanoi, 6 Sep 2012	15
	11	Consultative workshop on the identification report at MPI-Hanoi, 18 Oc2012	10
	12	Meeting with Formulation group and Editorial Group to comment on the second draft Decree on MTIF at MPI-Hanoi on 10-11 December 2012	39
	13	Consultative meeting with the Formulation group and Editorial Group for the first draft of handbook of SEDP PM&E at MPI-Hanoi, 19-20-21 Dec 2012	30

Year	No	Name of workshop	No of part.
	Total		1019
2013	1-2	Seminar on financial decentralization and multiyear programming – Hanoi June 17-19, 2013 and Ho Chi Minh, June 20-22, 2013	180
	3-16	<p>Training programme on Formulation of SEDP & Investment Plan from State budget and government Bond expenditures</p> <p>Target groups : workshops for provincial authorities (15 participants by province)</p> <ul style="list-style-type: none"> - Ha Noi May 20-24, 2013 - Ha Noi May 21-25, 2013 - Nghe An May 28 - June 1, 2013 - Ha Noi June 3 - 7, 2013 - Ha Noi June 4 - 8, 2013 - Ho Chi Minh June 11 - 15, 2013 - Ho Chi Minh June 11 - 15, 2013 - Ha Noi, June 24-28, 2013 - Ha Noi, June 25 - 29, 2013 - Da Lat July 1-6, 2013 - Ho Chi Minh July 8-12, 2013 - Ho Chi Minh July 23-27, 2013 - - Da Nang July 29 - August 2, 2013 	945
	Total		1125

7.6 Detailed

budget

BUDGET TOTAL		unit	quantity	amount	Mode of Execution	BUDGET TOTAL	%	Year 1	Year 2	Year 3	Year 4
A	Specific Objective (SO) :					2,229,500	56%	458,000	887,000	615,500	269,000
R	01	legal framework developed and updated				358,000		99,000	100,000	137,000	22,000
A	01	01	Draft required Legal and Regulatory Instruments		NEX	100,000		15,000	45,000	40,000	0
			Draft regulations (Nat.Consultants)	Person/day	300	300	NEX	90,000	10,000	40,000	40,000
			Consult, Publish and Disseminate	Lumpsum	1	10,000	NEX	10,000	5,000	5,000	
A	01	02	Issue MPI circular(s) on national and sub-national planning		NEX	110,000		54,000	10,000	44,000	2,000
			Draft Circulars (Nat.Consultants)	Person/day	300	300	NEX	90,000	50,000	40,000	
			Consult, Publish and Disseminate	Lumpsum	2	10,000	NEX	20,000	4,000	10,000	2,000
A	01	03	Issue MPI circular(s) on incentives to improved planning		NEX	28,000		10,000	5,000	13,000	0
			Draft Circulars (Nat.Consultants)	Person/day	60	300	NEX	18,000	10,000	8,000	
			Consult, Publish and Disseminate	Lumpsum	1	10,000	NEX	10,000	5,000	5,000	
A	01	04	Review and update the planning guidelines based on lessons		NEX	60,000		0	20,000	20,000	20,000
			Consultancies, studies, networks ..	Person/day	200	300	NEX	60,000	20,000	20,000	20,000
			international consultatnts	Person/day	85	800	BTC-Managed	68,000	20,000	20,000	8,000
A	01	05	workshops, seminars for monitoring of alignment initiatives		NEX	60,000		20,000	20,000	20,000	
				Lumpsum			NEX	60,000	20,000	20,000	
R	02	Increased capacity of MPI to support CD of sub-national authorities				545,000		230,000	195,000	90,000	30,000
A	02	01	Develop shared understanding on support to CD		NEX	50,000		20,000	10,000	10,000	10,000
			Workshops, follow-up & coaching	Lumpsum	1	50,000	BTC-Managed	50,000	20,000	10,000	10,000
A	02	02	assessment of CD needs		NEX	36,000		36,000	0	0	0
			carry out country-wide needs assesment	Person/day	120	300	NEX	36,000	36,000		
A	02	03	strengthen the MPI current system of support to individual CD		NEX	206,000		36,000	100,000	50,000	20,000
			assesment of current training system & practices	Person/day	60	300	NEX	18,000	18,000		
			Assesment of training providers	Person/day	60	300	NEX	18,000	18,000		
			develop CD strategy for enhancing MPI capacities	Lumpsum	1	20,000	NEX	20,000	20,000		
			implement strategy (incl. helpline, websites, communicati	Lumpsum	1	150,000	NEX	150,000	80,000	50,000	20,000
A	02	04	Create core group of skilled planners in MPI		NEX	183,000		68,000	85,000	30,000	0
			Select University/Training institution	Lumpsum	1	5,000	NEX	5,000	3,000	2,000	
			implement training program	training prgrm	8	20,000	nex	160,000	50,000	80,000	30,000
			Recruit ntl Consultant	Person/day	60	300	NEX	18,000	15,000	3,000	
			Recruit international consultants	Person/day	30	800	NEX	24,000	20,000	4,000	
A	02	05	Carry out Capitalization Study on CD initiatives		NEX	70,000		70,000	0	0	0
			Carry out study (Nat. Consultants)	Person/day	200	300	NEX	60,000	60,000		
			publish and disseminate	Lumpsum	1	10,000	NEX	10,000			

R	03	Increased capacity of provincial authorities and 2-3 line ministries to adopt improved planning				845,000		129,000	465,000	211,000	40,000	
A	03	01	Basic Training to Sub-national Staff				NEX	159,000	10,000	139,000	10,000	0
			Develop course (Nat. Consultants)	Person/day	100	300	NEX	30,000	10,000	10,000	10,000	
			Disseminate and organize delivery of course	Lumpsum	1	3,000	NEX	3,000		3,000		
			Deliver course	Lumpsum	63	2,000	NEX	126,000		126,000		
A	03	02	Draft Technical Guidelines & Manuals				NEX	96,000	0	68,000	28,000	0
			Draft guidelines (natl TA)	Person/day	120	300	NEX	36,000		18,000	18,000	
			Develop Training Materials (Nat. Consultants)	Person/day	200	300	NEX	60,000		50,000	10,000	
A	03	03	Embedded Capacity Building in 5 provinces				NEX	270,000	80,000	80,000	110,000	0
			Asses needs	Person/day	300	300	NEX	90,000	30,000	60,000		
			Develop CB strategy (workshops & Nat.consultants)	Lumpsum	1	10,000	NEX	10,000		10,000		
			Implement CB strategy	Lumpsum	5	40,000	NEX	200,000	50,000	50,000	100,000	
A	03	04	Support to Regional Integration Mechanism				NEX	59,000	9,000	20,000	20,000	10,000
			Review existing mechanisms (Nat. Consultants)	Person/day	30	300	NEX	9,000	9,000			
			Support integration mechanism (including review master plans)	Lumpsum	1	50,000	NEX	50,000		20,000	20,000	10,000
A	03	05	Basic Training of key Ministries staff				NEX	53,000	0	33,000	10,000	10,000
			Develop course (Nat. Consultants)	Person/day	60	300	NEX	18,000		18,000		
			Disseminate and organize delivery of course	Lumpsum	1	5,000	NEX	5,000		5,000		
			Deliver course	Lumpsum	15	2,000	NEX	30,000		10,000	10,000	10,000
A	03	06	Core skilled planners/facilitators				NEX	52,000	10,000	35,000	7,000	0
			Develop course (Nat. Consultants)	Person/day	90	300	NEX	27,000	10,000	10,000	7,000	
			Disseminate and organize delivery of course	Lumpsum	1	5,000	NEX	5,000		5,000		
			Deliver course	Lumpsum	10	2,000	NEX	20,000		20,000		
A	03	07	Develop CB strategies in selected Ministries				NEX	156,000	20,000	90,000	26,000	20,000
			Asses capacity needs	Person/day	120	300	NEX	36,000	20,000	10,000	6,000	
			Develop CB strategy	Lumpsum	1	20,000	NEX	20,000		20,000		
			Implement CB strategy	Lumpsum	2	50,000	NEX	100,000		60,000	20,000	20,000
			recruit international consultant	Person/day	60	800	BTC-Managed	48,000		20,000	12,000	16,000
R	04	Increased capacity of selected local authorities to adopt improved planning and M&E systems				481,500		0	127,000	177,500	177,000	
A	04	01	CD strategy for improved planning in one district				NEX	431,500	127,000	0	152,500	152,000
			CB of local Planners t (Nat. Consultants)	Person/day	90	300	NEX	27,000		27,000		
			Provide Planning Resources (D+C)	communes	20	20000	NEX	400,000		100,000	150,000	150,000
			Implement improved planning process (support costs)	Lumpsum	20	225	NEX	4,500			2,500	2,000
A	04	02	Support integration of SED and SDF				NEX	50,000	0	0	25,000	25,000
			capitalize on experiments at local level, disseminate	Lumpsum	1	80000	NEX	80,000			40000	40000

X		CONTINGENCIES					79,260	2%	0	0	0	79,260
X	01	Contingencies					79,260		0	0	0	79,260
X	01	1 Contingencies (NEX)					60,000					60,000
X	01	02 Contingencies (BTC-managed)				BTC-Managed	19,260					19,260
Z		GENERAL MEANS					1,691,240	42%	418,810	455,810	420,810	395,810
Z	01	Human Resources					1,067,040		266,760	266,760	266,760	266,760
Z	01	01 International Technical Assistance	person/month	48	15,000	BTC-Managed	720,000		180,000	180,000	180,000	180,000
Z	01	02 PMU staff	person/month			NEX	347,040		86,760	86,760	86,760	86,760
		program coordinator	person/month	48	2,500	NEX	120,000		30,000	30,000	30,000	30,000
		junior expert planning&M&E	person/month	48	1,500	NEX	72,000		18,000	18,000	18,000	18,000
		Financial & admin officer	person/month	48	1,500	NEX	72,000		18,000	18,000	18,000	18,000
		Accountant	person/month	48	580	NEX	27,840		6,960	6,960	6,960	6,960
		Secretary	person/month	48	450	NEX	21,600		5,400	5,400	5,400	5,400
		Translator/Interpreter	person/month	48	700	NEX	33,600		8,400	8,400	8,400	8,400
Z	02	Investments					37,000		37,000	0	0	0
Z	02	01 Office facilities				NEX	17,000		17,000	0	0	0
Z	02	02 car				NEX	20,000		20,000			
Z	03	Operational Expenditures					237,200		35,050	84,050	84,050	34,050
Z	03	01 operational costs technical assistance modalities				BTC-Managed	40,000		10,000	10,000	10,000	10,000
		operational costs ITA (communication, ad hoc translation)	Lumpsum	1	60,000	BTC-Managed	40,000		10,000	10,000	10,000	10,000
Z	03	02 Other Operating Expenditures				NEX	197,200		25,050	74,050	74,050	24,050
		vehicle operating costs	pm	48	200	NEX	9,600		2,400	2,400	2,400	2,400
		natl transportation costs	year	4	9,000	NEX	36,000		9,000	9,000	9,000	9,000
		intl missions, regional study tours ..	Lumpsum	1	10,000	NEX	100,000			50,000	50,000	
		consumables & other operational costs	month	48	750	NEX	36,000		9,750	8,750	8,750	8,750
		bank costs	year	4	300	NEX	1,200		300	300	300	300
		telecommunications	month	48	300	NEX	14,400		3,600	3,600	3,600	3,600
Z	04	Monitoring, Evaluation and Auditing					350,000		80,000	105,000	70,000	95,000
Z	04	01 Monitoring & backstopping				BTC-Managed	268,000		72,000	72,000	62,000	62,000
		Technical Backstopping and Monitoring by BTC Hqs	missions	8	4,000	BTC-Managed	32,000		8,000	8,000	8,000	8,000
		Intl Consultant (technical backstopping)	person/month	7	20,000	BTC-Managed	140,000		40,000	40,000	30,000	30,000
		Other international expertise		120	800	BTC-Managed	96,000		24,000	24,000	24,000	24,000
Z	04	02 Evaluation				BTC-Managed	50,000		0	25,000	0	25,000
		Mid-Term & Final Evaluation	Lumpsum	2	25,000	BTC-Managed	50,000			25,000		25,000
Z	04	03 Auditing				BTC-Managed	32,000		8,000	8,000	8,000	8,000
		External Auditing	Lumpsum	4	8,000	BTC-Managed	32,000		8,000	8,000	8,000	8,000
TOTAL							4,000,000		876,810	1,342,810	1,036,310	744,070

BTC- Managed	1,129,260	28%	270,000	295,000	260,000	304,260
NEX	2,870,740	72%	606,810	1,047,810	776,310	439,810