

# MID-TERM EVALUATION

**PUBLIC ADMINISTRATION REFORM**

and

**ROLL-OUT OF CPRGS**

in

**HAU GIANG (Hậu Giang)  
PROVINCE**



**(“PARROC”)**

*DRAFT: June 6<sup>th</sup>, 2009*

## *Preface*

*This Draft Mid-term Evaluation Report is the second report of the Mid-term Evaluation (MTE) of the Public Administration Reform and Roll-out of the CPRGS in Hoa Giang Province (PARROC) Project. The first report, the Inception Report, was completed on May 3<sup>rd</sup> 2009.*

*In the course of the Mid-term Evaluation meetings have been held with: (i) Project Steering Committee (PSC) representative from the Ministry of Home Affairs (MOHA); (ii) PSC representative from the Ministry of Planning and Investment (MPI); (iii) Project Director, Permanent Vice Project Director and senior representatives of the provincial government of Hoa Giang (PHG); (iv) representatives of the pilot Districts and Communes; (v) representatives of the communities of the pilot communes; (vi) the full-time BTC Project Coordinator; (v) Team Leader and colleagues of the "Strengthening of Planning Reform at Central and Decentralized Level" Project in MPI; (vi) the First Secretary of the Royal Embassy of Belgium; and (vii) the BTC Resident Representative. In addition to interviews and meetings, PARROC related documents have been assembled and a review of these documents undertaken.*

*This Draft Mid-term Evaluation Report provides a detailed description and explanation of the lessons learned from the design and implementation of the PARROC from mid-2007 until mid-2009. Based on these lessons learned, an appraisal of the changing context of the project and the requirements of the provincial government, the report also makes recommendations on project strategy from 2010 until mid-2012.*

*It is hoped that these recommendations will be approved in principle by the PSC in mid-June 2009 and that the strategy will be prepared in detail by the project stakeholders with support from PMU in the period mid-June 2009 to December 2009. The detailed 2010 – 2012 project strategy will then be submitted to PSC for approval in December 2009.*

*Comments on this Draft Report are sought.*

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## **ABBREVIATIONS AND ACRONYMS**

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ADB	Asian Development Bank
BTC	Belgium Technical Cooperation
CDF	Commune Development Fund
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DARD	Department of Agriculture & Rural Development
DGDC	Directorate General for Development Cooperation
DOF	Department of Finance
DOHA	Department of Home Affairs
DOLISA	Department of Labor, war Invalids and Social Affairs
DPI	Department of Planning & Investment
GDP	Gross Domestic Product
GRD	Grassroots Democracy Decree
IPPB	Integrated Participatory Planning and Budgeting
IT	Information Technology
LFA	Logical Framework Analysis
MDGs	Millennium Development Goals
MOHA	Ministry of Home Affairs
MOLISA	Ministry of Labor, War Invalids, and Social Affairs
MPI	Ministry of Planning and Investment
OPC	Office of People's Committee
OSS	One Stop Shop
PAR	Public Administration Reform
PAR-MP	Public Administration Reform Master Program
PMU	Project Management Unit
PPARSC	Provincial Public Administration Reform Steering Committee
PPB	Participatory Planning & budgeting
PPC	Provincial People's Committee
PPRSC	Provincial Poverty Reduction Steering Committee
PRA	Participatory Rural Appraisal
PSC	Project Steering Committee
PSD	Public Service Delivery
SEDP	Socio-Economic Development Plan
SLGP	Strengthening Local Government Capacities in Planning; Budgeting and Managing Public Resources
SMEs	Small-and-Medium-Size Enterprises
SPMU	Sub-Project Management Unit
STA	Senior Technical Advisor
TFF	Technical and Financial File
TNA	Training Need Assessment
TORs	Terms of Reference
ToT	Training of Trainers
VDGs	Vietnam's Development Goals
VND	Vietnamese Dong

## EXECUTIVE SUMMARY

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### 1 INTRODUCTION

The Evaluation was scheduled to be undertaken after two years of the 4 year project. As specified in the Technical and Financial File (TFF) the PARROC project was designed with three implementation phases:

- (i) Phase 1 - a preparatory phase (up to December 2007);
- (ii) Phase 2 - a gradual increased implementation phase (2008 – mid 2009) which included two stages: (a) district and commune focus and (b) provincial focus; and
- (iii) Phase 3 - accelerated implementation and initiate capitalization exercise (2009- 2010)

The Evaluation has taken place at the end of Phase 2.

### 2 EVALUATION PURPOSE

As specified in the ToR<sup>1</sup>, the MTE is intended to provide a constructive assessment of the project's: (i) continued relevance and quality of design; (ii) efficiency of implementation; (iii) effectiveness; (iv) potential impact and (v) potential sustainability.

Based on this assessment the MTE identifies lessons learned which can be applied in subsequent activities in Phase 3 of the project.

### 3 EVALUATION METHODOLOGY

The methodology that has been followed is one which is widely used by major aid donors to evaluate the results of a project: the project's achievements are compared to the expected results before implementation (i.e. as specified in Specific Agreement and TFF). The evaluation strategy<sup>2</sup> has been to assess project results at each level, including the community level in the pilot communes. Assessments are also made of the changing context of the project and the projects planned and actual expenditure. The findings / lessons learned are then applied to the design of the work of the last two (or more) years of the project. Meetings have been held with<sup>3</sup>:

- Project Steering Committee (PSC) representative from the Ministry of Home Affairs (MOHA);
- PSC representative from the Ministry of Planning and Investment (MPI);
- Project Director, Permanent Vice Project Director and senior representatives of the provincial government of Hau Giang;
- representatives of the pilot Districts and Communes;
- representatives of the communities of the pilot communes;
- the full-time BTC Project Coordinator;
- Team Leader and colleagues of the "Strengthening of Planning Reform at Central and Decentralized Level" Project in MPI;
- the First Secretary of the Royal Embassy of Belgium
- the BTC Resident Representative.

In addition to interviews and meetings, PARROC related documents have been assembled and a review of these documents undertaken<sup>4</sup>.

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<sup>1</sup> Please refer to Annex 1

<sup>2</sup> Please refer to Annex 2

<sup>3</sup> Please refer to Annex 3

<sup>4</sup> Please refer to Annex 4

## **4 SUMMARY OF FINDINGS**

### **4.1 Relevance**

- The project continues to be relevant to the provincial government and sub-provincial government.
- The project is increasingly relevant to national government as policy analysis and formulation intensifies in advance of national SEDP formulation including reformulation of approach to PAR and provision of guidelines on SEDP formulation by MPI.
- The analysis of Hau Giang's development characteristics which was undertaken in the project identification activities appears slight and this may have limited the effectiveness of the project to date. There is little analysis and information available on the economic development and poverty reduction characteristics of the province and it is difficult to be sure that the project's approach is responsive to provincial development imperatives.
- The project design responded to the generally agreed set of problems with the planning system. The project design also responded to specific problems with the process experienced by Hau Giang. Further work on problem analysis confirmed and expanded the analysis made at project identification stage.
- The development objective responded to national and provincial development imperatives although the links between the project's development objective and the project purpose is not explicit. Vietnam is affected by the international recession and the development objective has become even more relevant over the past year of the project.

### **4.2 Efficiency**

- Although only 21% of project funds have been disbursed at this time, the project is efficient as much of the work of year one and two has been to prepare the approaches to participatory planning and linked budgeting and improved public service delivery.
- There have been major problems with recruitment of international staff and in particular the STA. Slow recruitment and lack of continuity has constrained the achievement of project results with some contracts running behind schedule, staff training not complete and lack of liaison with other projects. The BTC Coordinator has worked hard to compensate for the lack of planned inputs by the STA.
- A question which remains unanswered is whether the SPMUs "belong to" the PMU or to the Districts? At commune level there is no formal PMU organization and there is a debate about whether there should be a PMU at this level. The consensus appears to be that this is not necessary.

### **4.3 Effectiveness**

- Activities in three of the four Result Areas are substantially under way and substantial progress has been made in achievement of the anticipated results. Activities in the fourth Result Area were planned for the next phase.
- The province and participating 3 districts and 6 communes are better prepared for PPB and public service delivery than they were at the outset of the Project.
- It would enhance the project's effectiveness if links could be established for the project with appropriate technical departments within MOHA and MPI, and perhaps the MOHA and MPI representatives on the PSC could help to establish these links. This will be increasingly important in Phase 3 of the project from mid-2009 onwards.



- It is recommended that DIC is nominated as a member of the provincial Task Force<sup>5</sup>. The arrangement of Task Force Working Groups could also be considered – perhaps Working Groups which are more oriented to the development objective of the project would be appropriate.
- The action-planning approach (actual implementation of project activities with the catalyst of a local development fund) has worked well to date. However continued consolidation of the projects initiatives in planning, budgeting and service delivery may be inhibited by the diminution of the local development fund in the second planning cycle (2009) and likely exhaustion of the fund by the third planning cycle. There will be no local development fund for any additional communes coming into the project beyond mid-June. The question of whether the local development fund has inhibited sustainability will be evident in the course of the second and third planning cycles.
- PARROC Monitoring and Audit – the purpose of the improved planning system is to improve PSD. It is therefore imperative to measure whether the changes to the plans and the planning processes can be measured in the quality of the service delivered. To date the indicators available are mostly output indicators and are useful for progress chasing but not for measuring outcomes and subsequently impacts. These indicators need to be developed urgently.
- SEDP / PSD Monitoring - the SEDP M&E indicators are also mostly output indicators – outcome and impact indicators are also needed to ensure that commune (and district / province) development objectives are being achieved. Here again the commune development objectives tend to be too general (i.e. “the commune socio-economy will sustainable develop”).

#### 4.4 Impact

- The project is beginning to demonstrate the value of the new approach to SEDP formulation at commune level and improved service delivery.
- The project is beginning to demonstrate the value of the new approach to SEDP formulation at commune level – the commune SEDPs are better quality plans than had been used previously by the communes, including being produced by an inclusive process. The value of improved service delivery is more demonstrable and is appreciated by local communities.
- Although the project makes a small contribution to economic development and poverty reduction as planned, more could be achieved with more focused support. The link between PAR and economic development is not adequately spelt out. More attention to this would address DARD’s expressed concern about the lack of an adequate rural development strategy in the province which coordinates and integrates the inputs of concerned agencies. It will be difficult to achieve the overall project objective if this link between PAR and economic development is not clarified in the balance of the project.
- The project is not adequately aligned to public policy debate. For example the project has not yet emerged as a contributor to debate about future PAR reform and the details of the planning decree which is being drafted now. To be successful the project needs to not only be aligned to existing policy but also to be alive to emerging trends and a contributor to debate.

#### 4.5 Sustainability

- There is a strong sense of ownership of the project by the provincial government.
- The project is in contact with the preparation process of the national guidelines on SEDP preparation and is aligned with the reform principles.

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<sup>5</sup> In discussion with DIC this suggestion was welcomed.

- More time is needed than originally planned to consolidate the new approach to participatory planning and linked budgeting at district and commune levels.
- It is recommended that consolidation of district activities in the new planning process will be enhanced if by the end of the project a whole district is supported (i.e. all communes use the new planning approach and the district is thus given the opportunity to develop its capacity to manage the new planning process without having to operate two planning systems. This is an essential feature of a demonstration project like PARROC. To date PARROC has been designing and testing its approaches and is only now beginning to acknowledge that the new planning process in particular has useful lessons for other communes and districts within Hau Giang and for other provinces as well as central government policy analysts.
- There is some concern about a potential difference between the intended use of the CDF and the actual use of the CDF. The wording in the TFF is not precise but appears to say that the CDF is not an investment fund with allocations of funds to specific investments (but rather, to commune budgets). In effect however it appears that budget for SEDP investments of the 6 pilot communes has been allocated by source: (i) District budget; (ii) Commune budget; (iii) CDF; and (iv) citizens contribution. The CDF has not been treated as "budget support" at commune level, but as an additional resource stream. A replication strategy will need to include: (i) demonstration of how the approach can be introduced to communes (using the examples of one additional commune in each of the three participating districts in 2010); (ii) based on this experience formulation of an agreed strategy for longer term introduction of the approaches throughout the participating districts; (iii) demonstration of the ways in which districts can adopt the new approaches by supporting one district and all its communes in the processes (ideally a district with a small number of communes); (iv) based on this experience formulation of a replication strategy for longer term introduction of the new approaches to other districts.
- Sustainability and replicability of the new planning process may be difficult to achieve without the incentive of a development fund. A transition strategy from the use of CDF to the allocation of budget to communes within the provincial financial management system is required in Phase 3.
- Provincial endorsement of the approach and agreement to a replication strategy will be required when more information is available on the success of the implementation of the first round of commune SEDPs (end 2009).

## 5 RECOMMENDATIONS

- Phase 3 of the project should continue to focus on participatory SEDP planning with linked budgeting and implementation, incorporating new MPI guidelines when they are available.
- Phase 3 should include support at provincial level to linking PAR with economic growth and especially contributing to the formulation of a rural development strategy for the 5-year provincial SEDP
- Intensive efforts are required to ensure that the valuable lessons of this project are understood at national level and by other provinces as well as this province learning lessons from other provinces.
- There are sufficient funds to extend the project period into 2012 enabling consolidation of the new approaches, provincial endorsement of the approaches and support to incremental replication. The funds could also be available to provide support in 2010 to linking PAR with economic growth.

# 1 OBJECTIVES AND METHODOLOGY OF THE MID-TERM EVALUATION

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## 1.1 Evaluation Objectives

As specified in the Technical and Financial File (TFF) the project was designed with three implementation phases:

- **Phase 1** - a preparatory phase (up to December 2007);
- **Phase 2** - a gradual increased implementation phase (2008 – mid 2009) which included two stages: (a) district and commune focus and (b) provincial focus; and
- **Phase 3** - accelerated implementation and initiate capitalization exercise (2009- 2010)

The MTE is intended to take place at the end of Phase 2 with the main purpose of using lessons learned to guide the design of Phase 3. The MTE aims to provide a constructive assessment of the project's continued relevance and quality of design, efficiency of implementation, effectiveness, impact and potential sustainability. Based on this assessment the MTE identifies lessons learned which can be applied in subsequent activities in Phase 3 of the project.

## 1.2 Evaluation Methodology

The methodology that has been followed is the one widely used by major aid donors to evaluate the results of a project. The project's achievements are compared to the expected results before implementation, i.e. at the time of contract signing and issuance of the final Specific Agreement and TFF and other project documents, taking into consideration changes in the scope and content of the project agreed during implementation between the BTC and the Government of Vietnam. The assessment is made in terms of the project's relevance and quality design, efficiency of implementation, effectiveness, impact and potential sustainability. The evaluation strategy is described in **Annex 3**.

In line with the strategy, and in the course of the MTE, meetings have been held with: (i) Project Steering Committee (PSC) representative from the Ministry of Home Affairs (MOHA); (ii) PSC representative from the Ministry of Planning and Investment (MPI); (iii) Project Director, Permanent Vice Project Director and senior representatives of the provincial government of Hau Giang (PHG); (iv) representatives of the pilot Districts and Communes; (v) representatives of the communities of the pilot communes; (vi) the full-time BTC Project Coordinator; (v) Team Leader and colleagues of the "Strengthening of Planning Reform at Central and Decentralized Level" Project in MPI; (vi) the First Secretary of the Royal Embassy of Belgium (who has oversight responsibility for PARROC); and (vii) the BTC Resident Representative<sup>6</sup>. In addition to interviews and meetings, PARROC related documents have been assembled and a review of these documents undertaken<sup>7</sup>.

This Draft Mid-term Evaluation Report provides a detailed description and explanation of the lessons learned from the design and implementation of the PARROC from mid-2007 until mid-2009. Based on these lessons learned, an appraisal of the changing context of the project and the requirements of the provincial government, the report also makes recommendations on project strategy from 2010 until mid-2012.

It is hoped that these recommendations will be approved in principle by the PSC in mid-June 2009 and that the strategy will be prepared in detail by the project stakeholders with support from PMU in the period mid-June 2009 to December 2009. The detailed 2010 – 2012 project strategy would then be submitted to PSC for approval in December 2009.

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<sup>6</sup> Please see Annex 3 for the List of Persons Met

<sup>7</sup> Please see Annex 4 for the List of Documents Consulted

## 2 PARROC DESIGN

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*This section is structured by presenting MTE comments based on extracts from key sections of the TFF. The MTE comments are presented in shaded boxes after each TFF extract.*

### 2.1 Lessons Learned from the Preceding Project in Can Tho.

The project which is the subject of this evaluation is, in effect, the second phase of a project also funded by the Government of Belgium, "Support for the Public Administration Reform Program in Can Tho Province, Vietnam" (SPAR). SPAR was implemented between 2002 and 2005. The design of the follow-on project, "Public Administration Reform and roll-out of CPRGS in Hau Giang Province" (PARROC) benefited from lessons learned from the SPAR and the case for continued cooperation between Belgium and Vietnam was validated in at least two ways.

First, it was considered that CPRGS roll-out to the new Province of Hau Giang would make good use of the experience accumulated in the former project with participatory rural planning and improvement of administrative services. By doing so it was also considered that a follow-on project would help to address government concern (current at the time) about slow progress in meeting Vietnam Development Goals (VDGs) because of persistent administrative and managerial problems in the public administration system.

Second, there was the opportunity afforded by the creation of a new, largely rural province to support the creation of a strong public administration system to manage pro-poor growth and poverty reduction. To some extent the linkage between PAR and the planning process had been recognized by Government and its donor partners as one of the keys to translating new macro policies into a reality, including the development of PAR indicators for targets listed in the CPRGS.

#### MTE Comments

The experience gained in Phase 1 with participatory rural planning provided valuable guidance to the design of PARROC and PARROC has been able to build on this experience. In particular the experience gained in Hiep Hung and Hoa An Communes in Phase 1 was particularly useful as this commune continued to participate in PARROC.

Hau Giang Province is recognized as being a province<sup>8</sup> which works hard to achieve development results and although there has been little or no reference to the Vietnam Development Goals in PARROC design or implementation, senior provincial government officials consider PARROC to be an effective means to support the development of the province through the introduction of improved ways to formulate annual plans and budgets and to identify ways to improve public service delivery.

### 2.2 PARROC Rationale

#### 2.2.1 PAR and Planning Reform

PARROC was designed to support national PAR reform and planning process reform initiatives. The Master Program on Public Administration Reform 2001-2010 (PAR-MP) targets four areas: (i) institutional reform; (ii) organizational reform; (iii) improvement of the contingent of cadres and civil servants; and (iv) public finance reform. Its implementation is carried out through seven national action programs, in two stages, from 2001 to 2005 and from 2006 to 2010. The PAR-MP contains a substantial number of reform measures that directly target the local government structure at all three levels including the delegation of a number of institutional, organizational, human resources development, and financial responsibilities down to the local level.

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<sup>8</sup> For example positive comments made by the CPV General Secretary on his visit to Hau Giang in May 2009

At the time of project design it was noted that PAR reform and reform of the SEDP planning process had not been integrated but are parallel reform efforts. Planning process reforms acknowledged the transition to the market economy, and it was expected that the new SEDP planning process would address the key problems of the planning system as it then operated: (i) that it produces plans of low quality and that planning has hence not served as an effective management tool; (ii) plans are not based on adequate information and analysis of the locality; (iii) planning agencies tend to use centrally or previously developed targets; (iv) priorities are expressed usually general and do not match resource availability and capacity to achieve the targets; (v) they also focus on short term measures and immediate issues and annual evaluations and periodic evaluations are inadequate to provide future improvement in implementation.

The rationale of PARROC also took into account the Law on Organization of the People's Councils and People's Committees (revised Law of 2003) which had substantially expanded the budgetary role of the Provincial People's Committees (PPC). PPCs prepare proposals and necessary information and submit them to the People's Councils for approval. Finally the rationale of the follow-on project was cognizant of the principles of CPRGS which importantly underpinned the national SEDP 2006-2010.

The overall Rationale of PARROC was that it would address these issues PAR and planning issues by strengthening local government capacity to promote pro-poor growth, poverty reduction and socio-economic development through the reform of the planning system and management of public service delivery.

#### MTE Comments

CPRGS principles underpin the PARROC rationale including: (i) a results-based approach to planning; (ii) a comprehensive approach to planning with a pro-poor orientation; (iii) a broad-based participatory approach to planning; (iv) linking plans to budgets; (v) and to a limited extent, defining the role of the private sector and civil society.

Although the rationale of PARROC adequately addressed the relevant "issues-of-the-day" it did not acknowledge that the time frame of the project included the preparation for the transition to a new national 5-year SEDP (2011-2015) and associated policy analysis and adjustments including in PAR.

PARROC is being implemented at a time when the policy context of the project is under intensive review: (i) policy analysis is under way to identify key themes for PAR beyond 2010; (ii) similarly the anticipated Planning Decree has not yet been introduced but is now expected towards the end of 2009; (iii) CPRGS principles which underpinned the current national SEDP 2006-2010 may or may not continue into the preparation of the national SEDP 2011-2015; (iv) links between PAR and planning reform may be clarified in ongoing MOHA policy analysis; (v) links between planning and budgeting may not be enhanced by the new Planning Decree. PARROC could be more responsive by being better synchronized with the medium-term planning cycle.

The project's success to date with commune SEDP participatory plan formulation suggests that the project may have useful lessons learned to provide as input to the ongoing national level policy analysis. The lessons learned will be more useful as lessons are learned from plan implementation and monitoring as well as plan formulation. Much can be gained from sharing experience with other provinces undertaking related reform experiments. Dialogue with and through central government at this crucial time for policy re-formulation was underplayed in the project design.

### 2.2.2 Hau Giang's Need for Assistance in Linking PAR with the CPRGS and its Socio-Economic Development Plan

At the time of project preparation it was considered that Hau Giang's statistics on general development trends and the poverty rate also pointed to the need for a strong public administration system to manage pro-poor growth and poverty reduction work. It was recognized that it is mostly a rural province and though largely agricultural, growth in the sector is low because of marketing and processing constraints. It was stated that poverty alleviation programs do not appear to be particularly effective and income differentials are relatively high.

It was also noted that after the subdivision of Can Tho Province in 2003, Hau Giang emerged as an administrative unit consisting of five districts, two provincial towns, and 63 communes / wards but that the public administration system in Hau Giang has suffered after the sub-division. It was noted that Hau Giang needed to stabilize the organizational structure of the new administration while Hau Giang's staff size is far below the level required.

#### MTE Comments

The analysis of Hau Giang's development characteristics which was undertaken in the project identification activities appears slight and this may have limited the effectiveness of the project to date. There is little analysis and information available on the economic development and poverty reduction characteristics of the province and it is difficult to be sure that the project's approach is responsive to provincial development imperatives.

This shortcoming is mitigated to some extent by the quality of the 2009 commune SEDPs prepared in the pilot communes which do contain perceptive analysis of local development issues (and this will be further enhanced with the construction and use of the proposed data bases). But overall there is a lack of an understanding of Hau Giang's development characteristics and especially economic development potential and constraints to growth.

The link between PAR and economic development is not adequately spelt out in the project design. More attention to this would address DARD's expressed concern about the lack of an adequate rural development strategy in the province which coordinates and integrates the inputs of concerned agencies.

It will be difficult to achieve the overall project objective if this link between PAR and economic development is not clarified in the balance of the project.

### 2.2.3 Problems in the Planning System

The problems identified by the BTC missions, national experts<sup>9</sup> and other donors<sup>10</sup> in the planning area include: (i) institutional weakness; (ii) organizational weakness; (iii) inadequate quality and quantity of skills available; (iv) poor links between planning and budgeting; (v) lack of IT for collection of statistics; (vi) inadequate planning indicators; (vii) inadequate monitoring and evaluation.

#### MTE Comments

The project design responded to the generally agreed set of problems with the planning system. The project design also responded to specific problems with the process experienced by Hau Giang. Further work on problem analysis confirmed and expanded the analysis made at project identification stage.

### 2.2.4 Problems in Service Delivery

Hau Giang has developed a PAR plan for the period 2006-2010 within the framework of the PAR-MP. The Hau Giang PAR plan considers the reform of public services delivery a key area to focus on during the next five years. Priority areas include: (i) assessment of staff sizes for budget supported administrative and income-generating public service units respectively; (ii) development of public service units separate from administrative services in the areas of land and housing, construction, labor, war invalids and society, public transportation, industry, and trade, and setting up new units according to government regulations; (iii) decentralization from the province to the district and commune levels; (iv) formulation of a strategic plan for the civil servant training; (v) implementation of Government Decision 10/2002/ND-CP dated 16/01/2002 on the financial mechanisms for income generating public service units; and (vi) application of new financial mechanisms and socialization to education and health units.

<sup>9</sup> Le Viet Thai, "The Current situation of the Vietnamese planning system, challenges in the transition period from plan economy to market economy", Hanoi, 2006.

<sup>10</sup> Government of Vietnam/UNDP/UNCDF: Strengthening Local Government Capacities for Planning, Budgeting and Managing Public Resources (SLGP), Hanoi, 2006; Ministry of Planning and Investment, Strengthening Provincial Renovation – the sub-national capacity development facility", Hanoi, May 2006

**MTE Comments**

The project design responds to priority area (iii) but it is not clear why the project design did not attempt to provide support in other priority areas identified by the province.

It may be possible to support some of the other areas in the final two years of the project if these remain priority areas for the provincial government and if the provincial government wishes the project to do so. In particular it may be possible to provide support in areas which could lead to the promotion of economic growth – enhancing the project's capacity to achieve its development objective.

**2.2.5 Relations with Other Donor Projects**

There are a not inconsiderable number of others donors active in PAR, planning and budgeting and M&E at sub-national levels. It was understood that the project would need to ensure synergies with some of these (especially those supporting PAR monitoring and the development of planning guidelines from the policy/national level).

**MTE Comments**

The project design did consider this but the links with central government and the role of central government were not clarified adequately. The project design focused too much on the district and commune levels and only gave a marginal role to the national level where PAR and planning reform policies are made.

The potential importance of the role of PARROC as a demonstration of decentralised SEDP planning and implementation should not be underestimated. Dissemination of Hau Giang's experience should be a key feature of Phase 3 of the project.

**2.3 The Project****2.3.1 Development objective**

The development objective of the project is to promote pro-poor socio-economic development and poverty reduction through public administration reform at provincial, district and commune levels.

**2.3.2 Project purpose**

The project purpose is to improve the institutional and human capacities, the organizational set-up and the performances of local governments in the fields of development planning and public service delivery, management and monitoring.

**2.3.3 Expected results**

The focus of the project is on strengthening local government capacity to promote pro-poor growth, poverty reduction and socio-economic development through the reform of the planning system and management of public service delivery. There are four Result Areas:

<b>Result Area # 1</b>	Improvement of the planning and budgeting process and system at the provincial, district and commune level
<b>Result Area # 2</b>	Improvement of the local administrative and socio-economic service delivery systems
<b>Result Area #3</b>	Improvement of the capacity of training institutions in providing PAR and project related training
<b>Result Area # 4</b>	Dissemination of lessons learned from the project

## MID-TERM EVALUATION

Public Administration Reform and Roll-Out of CPRGS in Hua Giang Province ("PARROC")

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### MTE Comments

The development objective responded to national and provincial development imperatives although the links between this objective and the project purpose is not explicit. Vietnam is affected by the international recession and the development objective has become even more relevant over the past year of the project. The project has not been directly responsive to changed circumstances i.e what kind of public administration response is required to better enable the province to weather the financial / economic storm/

The Result Areas are not discrete and this leads to overlapping budgets and activities and unnecessary administrative complexity.

### 2.3.4 Project administration, cost and duration

The project is partnered by the People's Committee of Hau Giang Province and was planned to start in April 2007 with a duration of 4 years. The project beneficiary contribution was planned at 250,000 Euro and the Belgian government contribution was planned at 2,500,000 Euro.

### MTE Comments

Please refer to Chapter 3, Section 3.6.



### **3 PROJECT ORGANIZATION**

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*This section is structured by presenting MTE comments based on extracts from key sections of the TFF. The MTE comments are presented in shaded boxes after each TFF extract.*

#### **3.1 Project Steering Committee (PSC)**

A Steering Committee has been established to provide overall guidance and follow-up of project implementation. It is composed of representatives from Vietnam and Belgium and membership is as follows: (i) the Chairman of the Provincial People's Committee of Hau Giang Province (Chair); (ii) Vice-secretary of the Provincial Party Committee; (ii) Vice-Chairman of the Provincial People's Council; (iii) a representative from MPI; (iv) a representative from MOHA; (v) the Resident Representative of the Belgian Technical Cooperation (BTC) or his delegate (co-chairman).

In view of its decision making mandate (by consensus), the PSC membership is limited to these members. Originally the permanent members of the Provincial Public Administration Reform Steering Committee (responsible for the overall PAR implementation in the province, but now disbanded in favour of a more decentralized approach), the permanent members of the Provincial Poverty Reduction Steering Committee and the Counselor for Development Cooperation at the Belgian Embassy or his delegate (DGDC) could be invited to participate in the PSC meetings as non-voting members.

The Project Steering Committee was given the following responsibilities: (i) provide overall guidance and orientation to the project implementation; (ii) appraise the state of progress of the project and the achievement of its specific objective; (iii) approve the working plan and the reports prepared by the project management; (iv) decide on the possible modifications to the project results and activities in as far as such modifications do not alter the project general and specific objective nor its overall budget. However, the strategic choices and principles made during the formulation shall not be changed; (v) ensure the linkages with the Provincial PAR Steering committee and the Provincial Poverty Reduction Steering Committee; (vi) initiate evaluation missions and financial audits; and (vii) appraise and approve the final report

The PMU has provided the Secretariat of the PSC. The Project Director proposes the agenda of the PSC and presented reports and budgeted work plans for approval. The financial report has provided a detailed overview of the overall state of utilization of project funds regardless of their source (Belgian or Vietnamese). The PSC meets at least twice a year. In addition, the PSC can be convened at any occasion when judged necessary.

#### **MTE Comments**

The PSC has met 3 times and has been an effective decision making body.

It would enhance the project's effectiveness if links could be established for the project with appropriate technical departments within MOHA and MPI, and perhaps the MOHA and MPI representatives on the PSC could help to establish these links. This will be increasingly important in Phase 3 of the project from mid-2009 onwards.

#### **3.2 The Project Management Unit (PMU)**

The PMU is located in the premises of the People's Committee of Hau Giang Province and is responsible for the day to day management of the project. The Project Management Unit consists of: (i) Project Director: Vice-chairman of the PPC, with overall responsibility for Project management; (ii) Permanent Vice Project Director (OPC Director): responsible for assisting the Project Director with Project implementation and cross- sector and inter-governmental coordination. He works closely with the BTC coordinator; (iii) Vice-project Director: Vice-director from Department of Planning and Investment: taking into account the first result area (PPB), strong involvement of DPI in the PMU is required to strengthen en reassure both the implementation and the institutional integration of the project; (iv) Vice-project director: vice-director from Department of Home Affairs. Taking into account

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the second and third specific objectives (public service delivery and training), strong involvement of DoHA (mandated for both fields) was considered essential to strengthen and reassure both the implementation and institutional integration of the project.

The Project Directorate is assisted by: (i) a part-time Senior Technical Adviser and short term consultants; (ii) PMU full time staff which includes (a) BTC Project Coordinator (b) three PPB and service delivery facilitators; (c) communication expert; (d) translator; (e) administrative accountant; (f) secretary and (g) drivers; (ii) a part time accountant shall be assigned by the OPC Director to be responsible for the Vietnamese contribution book keeping.

The Project Management Unit assumed the following responsibilities: (i) ensure adequate implementation of the day to day project activities; (ii) prepare narrative and financial reports in line with proposed BTC format to the steering committee; (iii) regularly update and inform the steering committee about the level of achievement of the activities and results; (iv) propose possible modifications to the project results and activities in as far as such modifications do not alter the project general and specific objective nor its overall budget. However, the strategic choices and principles made during the formulation shall not be changed; (v) prepare, update and submit work plans and budgets to the steering committee; (vi) ensure the secretariat of the steering committee; (vii) ensure the financial and administrative management of the project as per agreed procedures; and (viii) ensure the adequate closure of the project activities, including the preparation of the final report, at the end of the project duration

### MTE Comments

The PMU has worked effectively to yield good results in terms of delivery of the project's outputs.

In normal circumstances the PMU structure is inappropriate for a PAR capacity building project as the structure can inhibit sustainability and impact. In Hau Giang the PMU is not a structure which is parallel to the provincial government administration. There is a strong sense of ownership of the project by the provincial government.

Even so and to minimize the PMU approach's disadvantages, a clear exit strategy must be adopted so that the province is fully aware of the organizational arrangements needed to continue the work when the project has phased out. This is particularly true for this project which is involved in areas new to the provincial administration. Future projects of this type could adopt different project implementation mechanisms.

Over the course of project implementation the relative influence of DPI and DOHA has shifted from one to the other. This reflects the increasing emphasis being given to Result Area 1.

DOF is not shown in the TFF as a member of the PMU but it is and is a very active member.

There have been major problems with recruitment of international staff and in particular the STA. The original STA was recruited in the last week of November 2007 (the project mobilized on July 1<sup>st</sup> 2007) with short term contract initially. In January 2008 the STA received a 6-month contract until June 2008. At this point a recommendation was made that the STA is a part-time appointment and this was accepted by the PSC. The position was tendered in June 2008 and the tendering process was not complete until the mobilization of a new STA in March 2009. This slow recruitment and lack of continuity has constrained the achievement of project results with some contracts running behind schedule, staff training not complete and lack of liaison with other projects. The BTC Coordinator has worked hard to compensate for the lack of planned inputs by the STA. To some extent the problems were created by an unfortunate coincidence of events: the simultaneous change in BTC Resident Representative resulting in there being no Resident Representative for 5 months at crucial period for this project.

The recruitment process for consultants has been difficult in some cases with no clear distinction between Vietnamese regulations and Belgian regulations. The availability of a procurement specialist to provide advice would be helpful.

Even so, the quality of consultants recruited has been generally very high and with many additional links / benefits (i.e. the planning consultants are also contributing to the formulation of the Planning decree at national level)

In the TFF the STA was located inside the PMU, but re-appeared in the Inception Report as a Consultant. There is no problem with this given the part-time and advisory nature of the position.

### 3.3 The Sub-project Management Units (SPMUs)

Sub-project Management-Unit (SPMU) - the sub-projects at district level require effective leadership and ownership as a condition of their success. The SPMU has to play this leading role. The SPMU is composed of the chairman of the District's PC (chair), the head of the Division of Finance and Planning and the head of the Division of personnel, labor and social affairs. One of the specific tasks of the SPMU is to convene the planning meetings and to coordinate decision taking for CDF initiatives. They will have to ensure broad participation to these meetings according to the guidelines developed, with specific attention for the participation of women. The mandate of the SPMUs is to follow up the project at their level and enable / further its proper implementation. They report to the PMU.

#### MTE Comments

A question which remains unanswered is whether the SPMUs "belong to" the PMU or to the Districts? In Phase 3 more attention could be given to the District level and SPMUs led by the Districts but with advice from the PMU may be helpful.

At commune level there is no formal PMU organization and there is a debate about whether there should be a PMU at this level. The consensus appears to be that this is not necessary.

### 3.4 Task Force

Provincial Departments' Task Force: technical staff from the Departments list below have been provided technical advice and input to the project and further implementation at their departments.

#### Members of Sectoral Task Force

- Vice Director of DPI- Inter-departmental Task Force Leader
- Manager of Labor & Salary Division – DOLISA
- Vice Manager of General Division – DPI
- Manager of Economic Division – DPI
- Manager of Training Division-DOHA
- Vice manager of PAR Division – DOHA
- Expert of Training Division - DOHA
- Vice Manager of Office of DOF
- Vice Manager of Office - OPC
- Manager of General Division – Provincial Statistic Office
- Manager of Planning Division - DARD
- Principal Expert of Training Division – Political School
- Dean of State and Law-Political School
- Vice Manager of Accounting Division – State Treasury of Hau Giang province
- Vice Manager of Budget management Division – DOF

#### MTE Comments

The Task Force is an excellent device which increases the potential for the sustainability of the projects initiatives and approach. The task Force role could be strengthened in Phase 3 to reinforce this.

Given the overall development objective of the project it is surprising that DOLISA is not better represented and that the Department of Industry and Commerce (DIC) is not represented at all. It is recommended that DIC is nominated as a member of the provincial Task Force<sup>11</sup>. The arrangement of Task Force Working Groups could also be considered – perhaps Working Groups which are more oriented to the development objective of the project would be appropriate.

<sup>11</sup> In discussion with DIC this suggestion was welcomed.

### 3.5 Project Target Groups

The ultimate beneficiaries of the project are the whole population of Hau Giang Province who benefit from improved services delivery and participation in the decision making process in their areas. The immediate beneficiaries of the project can be briefly described as follows: (i) three pilot districts/town (namely Phung Hiep, Long My, Tan Hiep), their respective communes/wards and the population in these areas, particularly the poor and the women; (ii) relevant elected bodies and mass organizations at provincial, pilot district and commune levels; (iii) key local training institutions such as Political School, Community College, and Community Learning Centers in pilot communes (if necessary and possible); (iv) provincial departments as both key participating and supporting units for PPB and PSD

#### MTE Comments

The Target Groups could perhaps be specified more clearly and the links between the groups specified and the development objectives of the project should be clarified i.e. there is no reference here to any associations of economic enterprises. The achievement of the development objective of the project will be difficult without more focus of this kind.

### 3.6 Project Budget – General Means Revised Budget, Actual and Committed Expenditure and Balance

**Table 3.1** shows the status of the project's budget for "General Means" which includes staff and running costs, PMU office equipment, M&E costs, project formulation costs and contingencies. Expenditure up to June 2009 have been calculated and committed expenditure has been estimated (i.e. disbursements for contracts which have been signed but for which work is not yet complete). The balance overall for General Means is Euro 307,854.

**Table 3.1 General Means Budget, Actual and Committed Expenditure and Balance.**

Budget Code	Description	Revised Budget	Expenses to June 2009	Committed	Balance
<b>Part Z</b>	<b>General means</b>	<b>896,499.26</b>	<b>289,645.21</b>	<b>299,000.00</b>	<b>307,854.05</b>
<b>Result 1</b>	<b>Staff &amp; running cost</b>	<b>717,860.00</b>	<b>232,803.92</b>	<b>299,000.00</b>	<b>186,056.08</b>
Z/01/01/REG	PPB & service delivery TA	234,000.00	75,876.52	156,000.00	2,123.48
Z/01/02/REG	BTC coordinator	93,600.00	35,000.00	45,000.00	13,600.00
Z/01/03/COG	PPB & service delivery facilitators	113,760.00	23,000.00	43,000.00	47,760.00
Z/01/04/COG	Communication expert	37,920.00	8,000.00	-	29,920.00
Z/01/05/COG	Translator	29,520.00	13,000.00	15,000.00	1,520.00
Z/01/06/COG	Senior Admin/ Accountant	32,400.00	13,500.00	17,000.00	1,900.00
Z/01/07/COG	Secretary	23,520.00	5,500.00	8,000.00	10,020.00
Z/01/08/COG	Drivers	37,440.00	11,000.00	15,000.00	11,440.00
Z/01/09/COG	PMU staff training	11,900.00	11,427.40	-	472.60
Z/01/10/COG	PMU communication costs	12,000.00	5,000.00	-	7,000.00
Z/01/11/COG	Vehicle running costs	48,000.00	13,000.00	-	35,000.00
Z/01/12/COG	PMU local travel costs	28,800.00	10,000.00	-	18,800.00
Z/01/13/COG	Training equipment	3,000.00	3,000.00	-	-
Z/01/14/COG	Consumables	12,000.00	5,500.00	-	6,500.00
<b>Result 2</b>	<b>PMU office equipment</b>	<b>100,500.00</b>	<b>46,566.95</b>	<b>-</b>	<b>53,933.05</b>
Z/02/01/COG	Office furniture	10,000.00	251.37	-	9,748.63
Z/02/02/COG	9 computers	18,000.00	4,000.00	-	14,000.00
Z/02/03/COG	Printers	2,000.00	690.27	-	1,309.73
Z/02/04/COG	Copy machines	10,000.00	7,249.40	-	2,750.60
Z/02/05/COG	Project vehicles	50,000.00	33,709.57	-	16,290.43
Z/02/06/COG	Motorcycle (for facilitators)	4,500.00	-	-	4,500.00
Z/02/07/COG	Software	3,000.00	406.10	-	2,593.90
Z/02/08/COG	PMU office network	3,000.00	260.24	-	2,739.76
<b>Result 3</b>	<b>M&amp;E, formulation &amp; contingencies</b>	<b>78,139.26</b>	<b>10,274.34</b>	<b>-</b>	<b>67,864.92</b>
Z/03/01/REG	Technical backstopping	16,000.00	1,347.08	-	14,652.92
Z/03/02/REG	PSC meetings	8,000.00	4,000.00	-	4,000.00
Z/03/03/REG	Mid-term & final evaluations	40,000.00	5,000.00	-	35,000.00
Z/03/04/REG	Financial audits	10,000.00	-	-	10,000.00
Z/03/05/REG	Formulation/ (balance)	3,334.26	(72.74)	-	3,407.00
Z/03/06/COG	Contingencies	805.00	-	-	805.00

## 4 PROJECT IMPLEMENTATION

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*This section is structured by presenting MTE comments based on extracts from key sections of the TFF. The MTE comments are presented in shaded boxes after each TFF extract.*

### 4.1 Guiding Principles

Based on the overall context review and analysis, focusing on the strategy of poverty reduction and sustainable social economic development, project formulation defined a certain number of strategic principles to guide the implementation of the project.

#### 4.1.1 Strengthening local government capacity

Despite a rather centralized system, Vietnam has recently initiated a process of decentralization aimed at transferring power and resources to sub-national government structures. This entails improving democracy, grassroots participation and service delivery. However, the process is still mainly limited to transfers of power to the provincial level. It therefore requires significant capacity development support and strengthening of the local governments to take over their new functions and responsibilities. In addition, the recent initiative of the government calls for piloting, testing and experimentation with actual implementation of the new policy directions at the local level.

The projects initial strategic objective has been to contribute to the decentralization process by strengthening local government capacity to promote pro-poor growth, poverty reduction and socio-economic development. This will be achieved through the reform of the planning system and the management of public services delivery.

The project strategy to develop capacity of local government goes beyond the usual training and individual capacity building. It incorporates organizational and institutional dimensions into capacity development. This will be best done through a gradual entrusting of the local government structures with the actual implementation of the project activities (planning and service delivery). To gradually be capacitated to take over those new responsibilities and ways of working, the project will also have an important technical assistance component specifically targeting local authorities. This will be supplemented by a Local Development Fund that will be directly managed by the local authorities with the purpose of encouraging and testing implementation and improvement in the new approach of planning and service delivery.

#### MTE Comments

This guiding principle continues to be relevant.

The planned action-planning approach (actual implementation of project activities with the catalyst of a local development fund) has worked well to date. However continued consolidation of the projects initiatives in planning, budgeting and service delivery may be inhibited by the diminution of the local development fund in the second planning cycle (2009) and likely exhaustion of the fund by the third planning cycle. There will be no local development fund for any additional communes coming into the project beyond mid-June. The question of whether the local development fund has inhibited sustainability will be evident in the course of the second and third planning cycles.

It is also noted that there are fundamental problems with implementing decentralizing projects: (i) there are no coherent national or local action plans for decentralization; (ii) there are no connections between financial decentralization, management decentralization and political decentralization; (iii) accountability systems are weak especially official partnerships with civil society organizations and community-based organizations. This project's experience may contribute to addressing some of these policy issues.

### 4.1.2 Three levels of emphasis: province, district and commune

It was intended that the project would concentrate on planning and public service delivery problems at the provincial, district, and commune levels. The three-level emphasis is predicated on the assumption that changes in the planning and service delivery systems at the provincial level will expedite changes at the local level and vice versa. The three-pronged project level approach is necessitated by the fact that so far the decentralization process has mainly been concentrated at the provincial level. The decision making process for further transfer of responsibilities is left with the provincial level.

One of the main challenges of the project will be to pilot more participatory planning at the local level and therefore gradually change the planning system from an essentially top-down approach to a more bottom-up one. Accordingly, it is absolutely necessary to incorporate the three local government levels. In addition, one of the main challenges of decentralization remains a further definition of the roles and responsibilities of planning and service delivery between the province, the district and the commune. It is consequently important to incorporate those three levels in the project framework. Lastly, it is important to stress that decentralized planning system requires the integration and coherence of the various levels of the planning system rather than promoting parallel systems. One of the most reported weaknesses in the current planning systems and processes in Vietnam is the cosmetic and ineffective coordination among sectors and levels of local authorities.

#### MTE Comments

This guiding principle has the advantage of encouraging a holistic approach to PAR and planning reform and is commendable because the various provincial and sub-provincial levels of governments are inter-dependent. However in project implementation the focus has been on the commune and district levels and with only limited attention of corresponding provincial level activities.

Moreover the decision was taken early on that the project would focus on 3 districts and 6 pilot communes from the start instead of the planned 2 districts and 4 pilot communes and this has contributed to less attention being paid to the whole planning provincial planning and service delivery system.

Phase 3 should strengthen provincial – district – commune connections in selected areas of activity.

### 4.1.3 Alignment with relevant policy frameworks and with government systems

The Project aligns itself with a number of important government policy and recent legislative initiatives. First the project fits into the overall Government PAR Master Plan for 2006-2010. More specifically, the project also supported the Prime Minister Resolution No. 8 on Decentralization clarifying administrative responsibilities between the central and provincial/municipal governments. This provides the rationale for the element of project strategy emphasizing a multi-level approach. Only through dealing with all 3 levels in such a fluid context effective arrangements for planning and service delivery can be assured.

The project will also support the implementation of the Grassroots Democracy Decree that provides for the establishment of a number of mechanisms for ensuring greater participation and transparency in the management of local government activities, by implementing decentralized participatory planning and budgeting at the commune and village level. The project will assist the villages and the communes in preparing comprehensive development plans (incorporating all possible resources) in a participatory manner. In addition, the project's focus at the commune level supports Resolution 17 of the Fifth Plenum of the Central Committee (2002) that calls for the strengthening of the commune-level political system, and the central government's move to strengthen commune-level administration.

It is also one of the main project strategies to contribute to the roll out of the CPRGS. The CPRGS Action Plan contains a total of 15 objectives with 54 ambitious targets and 136 monitoring indicators for economic growth, social development, and poverty reduction for the periods up to 2005 and 2010.<sup>12</sup> The CPRGS principles includes outcomes oriented planning, pro-poor orientation, participatory planning, linkages between planning and budgeting and clarifying the role of the private sector and the civil society.

Lastly, the project takes into account the "Hanoi Core Statement on Aid Effectiveness" (2005) in the sense that the project will avoid creating parallel structures for the day-to-day management of the project activities and use as much as possible the systems and procedures of Vietnam (see below on the implementation of the CDF). The project being mainly a capacity development exercise, it principally aims at strengthening country systems and procedures.

#### MTE Comments

The project is not adequately aligned to government policy and systems. The project has not yet emerged as a contributor to debate about future PAR reform and the details of the planning decree which is being drafted now. To be successful the project needs to not only be aligned to existing policy but also to be alive to emerging trends and a contributor to debate.

Alignment to government financial management systems is not complete (i.e. a budget support approach has not been taken to the project as a whole) and use of Vietnamese systems is complemented often uncomfortably, with BTC systems. This could be reviewed more thoroughly in the course of the balance of the project and as part of the exit strategy a greater degree of alignment could be attempted.

#### 4.1.4 Close link with central policy and other project experiments

Participatory and result based planning and budgeting and service delivery improvement experiments are taking place throughout Vietnam (as many as 15 projects at provincial level throughout the country). It is consequently very important that the present project develops a good communication network with some "likeminded" projects to share and replicate positive experiences.

In addition, the potential impact of a provincial based project on institutional development and adoption of new planning approaches and procedures is limited. Provincial authorities operate on instructions coming from the central level and it is consequently necessary for the PARROC to keep close link with the Ministry of Planning and Investment. The project will have to provide opportunities to the central authorities to familiarize themselves with pilot activities of Hau Giang support project.

#### MTE Comments

The project has done well to appoint planning consultants who are also directly involved in providing advice on the formulation of the planning decree. This enables the province and project to be confident that processes being developed in Hau Giang are in all likelihood very compatible with the processes to be proscribed in the planning decree.

In other areas the project is not so well connected. Close links have not been established with a network of other provinces nor with central government. The project has much to offer central policy makers and other experiments and should be supported to do this in Phase 3.

<sup>12</sup> The Socialist Republic of Vietnam, The Comprehensive Poverty Reduction and Growth Strategy (CPRGS), Hanoi, November 2003, p. 2.



#### 4.1.5 A pilot approach focused on selected local government units

Given its limited resources constraints, the PARROC will only be able to cover a limited number of communes and districts within the province. While this can be regretted in comparison with the needs for local development and service delivery, it is on the other hand not the objective of a project such as this one to substitute itself to the government functions and responsibilities of local economic development, services delivery and grassroots democracy. Such project should be aimed at piloting and testing policy implementation at the local level and provide feed back and lessons learned for further policy refining and adjustment. Being high resource and TA consumers, projects are not aimed at creating artificial pockets of implementation excellence but at enabling policy implementation experiments that can feed into the overall government policy improvement process. The present project will thus concentrate its activities on a limited number of communes and districts within Hau Giang Province. The choice of the pilots units will reflect an urban-rural dimension as well as stimulate and encourage improved performance in planning and service delivery.

##### MTE Comments

The projects design was right to take into account the local organizational capacities and to provide support to a small number of pilot districts and communes. Evidence for this is the fact that after two years only one SEDP planning formulation has been completed in 6 communes and implementation is not yet complete. The capacity of the participating stakeholders has been enhanced but is not yet optimal or sustainable. As the project continues the processes will need to be consolidated and there is little scope (some but not much) to expand the projects activities into more communes.

It is recommended that consolidation of district activities in the new planning process will be enhanced if by the end of the project a whole district is supported (i.e. all communes use the new planning approach and the district is thus given the opportunity to develop its capacity to manage the new planning process without having to operate two planning systems.

#### 4.1.6 Adoption of a considered replication strategy

To be a successful policy experiment, the PARROC cannot work in isolation. It should be closely in line with government policies and systems but at the same time generate appropriate visibility to ensure lessons learned are actually known, integrated into the overall policy reflection and improvement and eventually then replicated. The project will therefore make sure that appropriate M&E and dissemination activities are taking place to ensure adequate sharing of information with appropriate level of the government (at provincial and central level). This can take the form of publication of brochures and folders as well as organizing dissemination workshops with appropriate stakeholders. In addition, the project will also facilitate the preparation of a replication strategy and implementation to other local government units.

##### MTE Comments

This is an essential feature of a demonstration project like PARROC. To date PARROC has been designing and testing its approaches and is only now beginning to acknowledge that the new planning process in particular has useful lessons for other communes and districts within Hau Giang and for other provinces as well as central government policy analysts.

#### 4.1.7 A flexible, process and phased approach based on the evolving capacity and needs

The project aims at support to an institutional change process. As such, it cannot follow a predetermined blueprint approach. The policy environment of Vietnam is an evolving one and work planning will need to retain degree of flexibility and adaptability. The scope and the pace of the changes to be supported by the project should take into account the relevant (and often modest) local organizational capacities. The PARROC will consequently have to be able to adapt itself to an evolving policy environment for local development and decentralization but will also gradually proceed in line with the gradual increase of the capacity of the local actors. Although the broad shape of the activities have been pre-defined, there must necessarily be seen as indicative and subject to refinement and amendment as and when the project becomes operational. However, the strategic choices and principles made during the formulation shall not be changed. The implementation of the CDF will also respect this principle, inter alia, by ensuring the investment funds are part of the commune development plan and budget. This will have been previously approved by the appropriate authorities and based on participatory consultation and local diagnoses.

##### MTE Comments

A key aspect of the project strategy is the process approach being taken. Activities identified in the TFF are indicative and have been adapted as the project has proceeded but without change to the objectives or project principles.

#### 4.1.8 An interrelated and integrated approach to project implementation

The Project considers the four elements of the PAR reform (the institutional, organizational, human resources development, and financial reform) as interrelated and an integrated whole. When designing pilots at the district and commune level, the Project will take into consideration the need for these four reform areas to be connected and promoted in a coordinated manner. It will introduce the use of information technology, when necessary.

In addition, the project will ensure the necessary linkages and coherence between levels of local government (including with sectoral units) but also across the four project components, including between participatory planning and service delivery. For instance, for planning and service delivery, the users of the services should have a key role in the prioritization and the monitoring process.

The project shall also work towards a more inclusive and integrated set of institutional arrangements for local planning and budgeting: this will be aimed at making planning and budgeting process more integrated and ensure greater inter-sector coherence and consistency. Inclusiveness shall also incorporate the contribution of other donors in the planning system.

##### MTE Comments

The project has made some institutional progress to date. There is considerable scope for the project to provide more support for organizational reform linked to Result Areas 1 and 2 and human resources development (and especially with staff stabilization which is a key concern of provincial senior management).

#### 4.1.9 A long-term strategy and perspective

Project such as this one, focusing on promoting changes and institutional and organizational capacity development requires a long-term perspective. Institutional and organizational changes requires 10-15 years support horizon even if it consists of successive plans and project of shorter duration (4-5 years). It is consequently important for both partners to see this project as part of a longer term process of capacity development of local authorities in Hau Giang province that will unfold beyond the actual duration of this project.

**MTE Comments**

The project design has not emphasised the importance of adapting institutions and organizations to suit changing circumstances – a process of continuous responsiveness. Consolidating the capacity to manage this will need to be part of the exit strategy of the project over the next two or more years. It is the essence of sustainability.

## **4.2 Project Location and Selection of Priority Districts and Communes**

### **4.2.1 Selection of pilot communes**

It was agreed at a meeting of the PMU conducted with district leaders and representatives of the cross sectoral task force which communes shall be selected as pilot communes. The following criteria formed the basis for selection: (i) communes are only selected that may qualify for access to the CDF; (ii) social characteristics of the commune, such as need of support, poverty, population, economic growth, special environmental problems, geographic location (remoteness), etc.; (iii) area; (iv) availability of other resources; (v) willingness to review existing planning and budgeting procedures; (vi) willingness to increase public participation in planning and budgeting processes; (vii) proven interest in integrating public participation; (viii) willingness to implement PAR and decentralization policies; (ix) logistical factors that could impede project implementation; (x) capacity of the human resources at commune level; (xi) specific issues where there is a need for particular priority and where there is an acute need for these issues to be addressed; (xii) diversity of commune characteristics; (xiii) all of the communes have agreed to their selection in writing to the PMU.

**MTE Comments**

The selection of pilot communes is considered by DOLISA to be effective as the selected communes are generally amongst the poorest in the province, thus increasing the potential of the project to achieve its development objective. For the selection of a second "batch" of communes to participate (as part of a replication strategy in Phase 3 for example) commune selection criteria may need to be revised.

### **4.2.2 Use of a Commune Development Fund as a catalyst for PAR reform.**

The PARROC will establish a Commune Development Fund. The purpose of the Fund is to make participatory planning and budgeting meaningful and be a capacity building exercise for local development. The CDF primary purpose is to be a capacity building fund that will enable local authorities to strengthen their capacities and experience in PPB and in delivering better quality services to the population. The CDF is a tool to support a process rather than an investment fund. In this regard, its impact shall be primarily measured through the improvement of the systems that on the actual physical investments. Hence the proposal of the CDF to finance communes budgets, rather than specific projects. CDF funds are to be accessed by local authorities not based on the merits of individual investments, but upon increased PPB and service delivery capacities and the gradual adoption of improved public management practices. The CDF is therefore meant to promote capacity building and local governance. This CDF underpins and creates incentives for, a statutory, autonomous and participatory process of local development planning and budgeting, and to allow local authorities to finance incremental expansion, repair, and non-routine maintenance of existing infrastructure, to improve services delivery, and to support programs that promote local economic and social development.

Given the limitation of the CDF compared with the local development needs, the CDF will not be able to cover all the communes in the three pilot districts. The spreading of limited fund over a large area would weaken the incentive to improve systems, reduce the objective of policy experiment in addition to reduce impact. While all 29 communes of the districts will be eligible, not all will qualify to access the fund. Selection of communes will be based on a certain number of access criteria. Those criteria would need to feature increased public management capacities and the gradual adoption of improved public management practices. These criteria, to be developed during the project inception phase, could include such things as the availability and quality of a development plan and budget quality of public management.

In order to ensure equity, transparency and ownership, the criteria and the assessment will be developed by a provincial committee composed of representatives from the PPC and districts PC, project staff and external consultants. This committee will not only develop the criteria but also undertake the necessary assessment of the communes to decide on the accessibility to the CDF.

#### MTE Comments

A Commune Development Fund has been set up (900,000 Euros including counterpart funding of 100,000 Euro).

There is some concern about a potential difference between the intended use of the CDF and the actual use of the CDF. The wording in the TFF is not precise but appears to say that the CDF is not an investment fund with allocations of funds to specific investments (but rather, to commune budgets)<sup>13</sup>. The Inception Report acknowledges the TFF intention<sup>14</sup>.

In effect however it appears that budget for SEDP investments of the 6 pilot communes has been allocated by source: (i) District budget; (ii) Commune budget; (iii) CDF; and (iv) citizens contribution. The CDF has not been treated as "budget support" at commune level, but as an additional resource stream.

The key issue is whether the CDFs role as a catalyst for PPB reform has been successful or whether the availability of funds to provided essential improvements to basic infrastructure has been the paramount use made of the CDF. Analysis of CDF investments in the 2009 SEDPs of the 6 pilot communes (distribution of CDF funded investments by sector)<sup>15</sup> suggests that the CDF funds have been used to supplement economic investments (68% of roads and bridges investments, 26% of market investments and 66% of job creation investments as examples) and nearly all expenditure on selected social investments (93% of communications / broadcasting and 98% of public service delivery). Although in absolute terms of course the bulk (69%) of CDF funds have been allocated to economic investments in the 2009 SEDPs of the pilot communes, the indication is that the CDF has not been seem to be simply a means to build infrastructure faster.

Sustainability and replicability of the new planning process may be difficult to achieve without the incentive of a development fund. A transition strategy from the use of CDF to the allocation of budget to communes within the provincial financial management system is required in Phase 3.

### 4.3 Work Plans

#### MTE Comments

The 6-monthly Work Plans have been useful guides for project implementation. The work plans could be enhanced by a more participatory approach to their formulation and especially to the determination of "who does what," including Task Force members and other stakeholders. This could be a useful PAR tool to apply which would encourage inter-sector coordination.

### 4.4 Monitoring and Audit

The system will be participatory and will be drawn up by the M&E consultant with the target beneficiaries as part of the SEDP formulation process, which will be completed before the end of the year and prior to the Steering Committee No. 3 in December 2008.

<sup>13</sup> Para. 7.3, page 41, TFF

<sup>14</sup> Section 4.3, page 62, PARROC Inception Report

<sup>15</sup> Please refer to Annex 6

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A key to the improved planning system will be to redefine the previous quantitative targets and introduce more qualitative indicators and objectives. The purpose of the improved planning system is to improve PSD. It is therefore imperative to measure whether there the improvements to the plan and the planning process can be measured in the quality of the service delivered. The socio-economic PSD consultant will introduce a result based management system, based on the LFA or similar to ensure that plan implementation is carried out towards the achievement of planned targets or objectives. In so doing M&E shall be an integrated part of plan formulation and implementation.

### **MTE Comments**

#### **PARROC Monitoring and Audit –**

The purpose of the improved planning system is to improve PSD. It is therefore imperative to measure whether the changes to the plans and the planning processes can be measured in the quality of the service delivered. To date the indicators available are mostly output indicators and are useful for progress chasing but not for measuring outcomes and subsequently impacts. These indicators need to be developed urgently.

#### **SEDP / PSD Monitoring**

The SEDP M&E indicators are also mostly output indicators – outcome and impact indicators are also needed to ensure that commune (and district / province) development objectives are being achieved. Here again the commune development objectives tend to be too general (i.e. “the commune socio-economy will sustainable develop”).

Implementation / use of the indicators identified in the Planning Manual and application of the data base (with associated software) will provide opportunities to refine the M&E systems. These systems will need to be constantly refined over time and the institutionalization of this (who does what and when) will need to be emphasized in Phase 3.

## 5 RESULTS BY RESULT AREAS AND ACTIVITIES

*The following activities / results and comments section does not include planned and actual expenditure for each activity in each Result Area. This is included in Section 5.5 below in a separate table, Table 5.1. Cross reference has been facilitated by inclusion of the budget line codes in the following table and in Table 5.1.*

### 5.1 Result Area 1: Improvement of the planning and budgeting process and system at the provincial, district and commune level

#### 5.1.1 Intended Results

The TFF describes the intended results of **Result Area 1** as follows: aims at contributing to the introduction of a more participatory and integrated planning process and system within the Province. The intention has been to do this by appraising the working of the existing system as a tool for social and economic development. This includes the data, monitoring and evaluation requirements of the latter, identifying major operational deficiencies and capacity deficits and developing the means for renewing the planning process within the Province – especially by way of development procedural guidelines and manuals. This will include a more inclusive approach to planning which ensure greater inter-sectoral coherence and consistency but also incorporates others donor's input in the planning process. On a pilot basis, these resources will be tested on relevant target groups in participative planning, with a view to developing a replication strategy for implementation by the Province and in line with emerging national requirements such as the new Planning Law in preparation.

#### 5.1.2 Planned Activities<sup>16</sup>, Main Results and Comments

Planned Activities and Main Indicators	Results and Comments
<b>Start-up – mid 2009</b>	
<b>Sub-result Area 1.1. : Clear and detailed (baseline) picture of planning situation obtained</b>	
Activity 1.1.1.: Study and assessment of the current planning situation (base-line) Budget Line: A/01/01	High quality planning consultants were procured and a thorough assessment has been made of the current planning situation with recommendations for future actions.
<b>Sub-result Area 1.2.: Participatory Planning materials and data available</b>	
Activity 1.2.1.: Study visits to relevant projects for experiences and lessons learned Budget Line: A/01/02	Although planned to take place early in the life of the Project, these study visits have not yet taken place. Reasons given include difficulty in finding appropriate places in Vietnam to visit and limited time available because the Inception period of the project was longer than planned and Inception phase activities were intensive. It is recommended that national visits are made when lessons are learned from implementation in Hau Giang as well as from the second round of SEDP preparation. The aim of the visits will be to present Hau Giang's experience and to contrast and compare with the experience of the provinces visited. It is also proposed that these visits and/or discussions are undertaken in association with national government efforts to draw on lessons learned nationwide (both MOHA and MPI). The possibility of making international visits has also been proposed although not originally envisaged.
Activity 1.2.2.: Development of planning manuals and organisation of training on the basis of these manuals Budget Line: A/01/03	A Draft Planning Manual was provided by the Planning Consultants in April 2009 (planned for submission in February 2009). A training program for the Manual is planned. The Draft Planning Manual is of high quality and includes substantial advice on a new approach to calculating planning targets. The Manual will be helpful to the re-iteration of the SEDP formulation in the pilot communes in 2009, but the timing for familiarisation with the Manual is very tight <sup>17</sup> .

<sup>16</sup> The planned activities are as stated in the TFF under "Sub-result Area" headings.

<sup>17</sup> There is much discussion on this. In the current planning system the communes would prepare their annual plans in July. This is good because a 6-month review of the implementation of the previous years plan will be possible, but bad

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Planned Activities and Main Indicators	Results and Comments
<p>Activity 1.2.3.: Building up a data-base to support planning at commune level by introducing PRA in pilot communes Budget Line: A/01/04</p>	<p>Eventually it is hoped that the provincial government will issue a legal document on the new planning process. As it is expected that MPI will issue a new Planning Decree later in 2009 it is recommended that the provincial government waits for the MPI guidelines and with PARROC support, the new approach to planning being developed in pilot communes can be adapted to fit the MPI requirements and a local regulation issued. The extra time also allows more refinements to be made to the Hau Giang Manual.</p> <p>The Manual will be a key feature of replication strategies. The Manual should be seen to be a "dynamic" document which is refined and updated regularly as experience is gained. Questions for Phase 3 will include "by whom" and "how."</p> <p>This is work-in-progress. National IT experts have been recruited and software issues are almost solved. Data identification has been achieved through PRA at commune / ward level and data input is expected to start in May and will take some time to complete. A tender plan is being prepared for the hardware procurement and hardware may take some two months to acquire (July/August). Although the original intention had been to provide the data base for the 6 pilot communes the decision was taken at the Project Director's request that the data base is developed for the whole province. The implication of the timing of the software and hardware availability is that the data base will not be available for use in the 2009 planning cycle preparing the 2010 SEDPs.</p>
<p><b>Sub-result Area 1.3.: Training on participative planning delivered to key stakeholders</b></p>	
<p>Activity 1.3.1.: Organise training on participatory planning for 4 target groups Budget Line: A/01/05</p>	<p>Participatory planning training has been completed for four types of stakeholders: (i) training of trainers; (ii) training of staff in planning agencies and sector staff including from the districts; (iii) staff / leaders at commune and village level (heads of villages); and (iv) mass organizations. It has been reported that although training has been undertaken it has been limited in scope and perhaps needs to be more intensive especially as it can be based on the Planning Manual once the basic contents / approach in the Manual is agreed.</p>
<p><b>Sub-result Area 1.4.: Planning is used as an effective management tool</b></p>	
<p>Activity 1.4.1.: Implementation of the participatory planning method Budget Line: A/01/06</p>	<p>An M&amp;E and SEDP Workshop has been held and M&amp;E system developed and training undertaken. In effect the participatory planning process has been tested in 3 Districts (not 2 as planned). Inclusion of the provincial Department of Industry and Commerce in the Task force will help to consolidate the inter-sectoral approach (and will help to promote the achievement of the economic growth objective of the project.</p> <p>The TFF suggestion that the project might support a provincial level donor coordination mechanism will be considered in Phase 3.</p>
<p><b>Sub-result Area 1.5.: Lessons drawn and incorporated into replication strategy for whole Province</b></p>	
<p>Activity 1.5.1.: Assessment of the implementation and development of the next phase design Budget Line: A/01/07</p> <p>Activity 1.5.2.: Replication of the model in line with the replication strategy Budget Line: A/01/08</p>	<p>The pilots are being assessed as part of this MTE so that operational lessons can be applied to the design of the next phase, including replication of the participatory planning method. Although this is a valid activity of the MTE it is preferable that a system exists within government to undertake this kind of assessment on a sustainable basis.</p> <p>Recommendations are made in this MTE. Strong views have been expressed in the course of the MTE that consideration of replication throughout the whole province (as suggested in the TFF) would be to go too far, too fast. This is not because the new planning process is unwelcome, but because it is recognised that introducing such significant changes, particularly at commune level, takes time.</p>

because the communes will have very little time for plan preparation, especially participatory plan preparation. The Planning Consultants recommend an earlier start.

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5.1.3 Log Frame Indicators

Type of Indicator	Indicator	MTE Comments
<b>Impact</b>	No indicators	Project monitoring must be strengthened to identify impacts.
<b>Outcome</b>	Breadth of participation from stakeholders at different levels and impact of their participation on planning decisions taken.	The participation of stakeholders in the PPB process has been enhanced in the 6 pilot communes in 3 pilot districts. The SEDPs which have benefited from this participation address priority needs and enjoy more local "ownership."
<b>Outcome</b>	Improvement of planning methods as evidenced by quality of plan documents and data used	Plan documents (SEDPs for the 6 pilot communes) are much improved from "traditional" plans at this level. With the enhanced data bases which are planned to be introduced the quality of plan documents should be enhanced further.
<b>Output</b>	Degree of prioritization achieved	Prioritization has been achieved in the SEDPs for the pilot communes, but this is in the context of the local area. More needs to be done to ensure that prioritization also acknowledges provincial priorities and sector priorities as well as the interests of special interest groups (especially the poor). The enhancement of a provincial rural development strategy (as suggested by DARD) would help here.
<b>Output</b>	Rate of integration of plans into budget system	In the first round of SEDP formulation in the pilot communes, budget availability was clarified before the start of the planning process, cost estimates were prepared as part of the planning process and financing plans formulated. These are major steps for plan / budget integration.
<b>Output</b>	Quality of indicators for monitoring	Table 4 of the commune SEDPs provides sets of monitoring indicators. Links between the indicators used to date and the recommendations of the Planning Manual need to be clarified and Manual recommendations should be integrated into M&E system.
<b>Output</b>	Use of indicators for monitoring	Assessment of this is not yet practicable, but will be assessed in the course of Phase 3 as part of the preparation for each planning cycle.
<b>Output</b>	Extent monitoring identifies implementation bottlenecks.	Progress chasing (monitoring) meetings have been led by the PMU which have effectively identified bottlenecks and solutions.
<b>Output</b>	Adoption of replication plan for pilots	Not appropriate yet.



## 5.2 Result Area 2: Improvement of the local administrative and socio-economic service delivery systems

### 5.2.1 Intended Results

The TFF describes the intended results of **Result Area 2** as follows: seeks to bring about improvement in public administrative & socio-economic services targeted by the planning system as priority areas. In line with national PAR concerns, it will pilot various options and approaches to service delivery at Provincial level and below. These pilots will be based on an institutional appraisal of service delivery in priority areas, followed performance improvement action plans. On an incentive basis, these will be eligible for CDF support to implementation. TA will be available to deal with any PAR issues arising out of implementation. A replication strategy will be developed based on the evaluation of pilot experiences.

### 5.2.2 Planned Activities<sup>18</sup>, Main Results and Comments

Planned Activities and Main Indicators	Results and Comments
<b>Start-up – mid 2009</b>	
<b>Sub-result Area 2.1. : Building on/completing Phase 1 administrative service delivery</b>	
Activity 2.1.1.: Undertake assessment of province wide experience with OSS in administrative service areas Budget Line: A/02/01	PSD Consultants have been procured and an assessment has been made of OSS in Can Tho and Hau Giang province – what services have been integrated, how and what the benefits have been to users. The assessment also included identification of shortcomings and how these may be dealt with.
Activity 2.1.2.: Support preparation of possible implementation of additional administrative components (e.g. ISO type quality management concepts/models) in Phase 2 building on relevant lessons Budget Line: A/02/02	ISO consultants have been recruited and quality management models identified using outputs of Activity 2.1.1 have been developed.
Activity 2.1.3.: Support implementation and evaluation of the same Budget Line: A/02/03	This is ongoing. Work includes establishment of documentation system (completed), support to IT applications, internal audits and an evaluation by an independent auditor. Actual timing of activities is on plan with the aim of the first certification in September in all 3 pilot districts. IT hardware has been provided but software will provided after certification requiring further training.
Activity 2.1.4.: Provide related training and capacity building under Component 3 of the project Budget Line: A/02/04	Training has been provided on setting up ISO 9001:2000 in the 3 pilot districts (completed). Training on operating systems and internal audits has also been completed. Further training is planned to support the certification process and to ensure sustainability / system maintenance. This latter activity is very important and will need emphasis in the project program beyond mid-June 2009.
<b>Sub-result Area 2.2.: Piloting approaches to social and economic public services delivery</b>	
Activity 2.2.1.: Institutional appraisal of service delivery Budget Line: A/02/05	PSD Consultant has been recruited and a PSD Appraisal has been undertaken which identifies who provides what kind of service, to whom and how (or does not) in the chosen service delivery areas and identifies shortcomings / constraints. The Report (Roles and Tasks of Government at all levels” is an extremely useful document.
Activity 2.2.2.: Study Tours (national) to interesting models of socio-economic public service delivery Budget Line: A/01/05	This has not yet been undertaken. Please see MTE comments for Activity 1.2.1.

<sup>18</sup> The planned activities are as stated in the TFF under “Sub-result Area” headings.

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Planned Activities and Main Indicators	Results and Comments
<p>Activity 2.2.3.: With the relevant provincial and district authorities, develop a service delivery improvement plan in social and economic sectors Budget Line: A/02/06</p>	<p>M&amp;E and Planning consultants were recruited and the commune SEDPs formulated in 2008 for 2009 implementation were assessed and improved by inclusion of service delivery initiatives. This is an acknowledgement that SEDP and service delivery are integrated – a feature of the PPB process not altogether recognised in the TFF.</p>
<p>Activity 2.2.4.: Action planning and budgeting workshops Budget Line: A/02/07</p>	<p>M&amp;E and Planning consultancy services have been procured and cost estimation has been introduced to the 6 commune SEDP preparation with a series of meetings and workshops.</p>
<p>Activity 2.2.5.: Train officials involved in the 2 pilot districts / town and their constituent communes pilots Budget Line: A/02/08</p>	<p>Consultant services have been procured and a TNA has been conducted in 3 Districts and 6 pilot communes in February 2009. A Training Plan was produced in April 2009 and training which preceded this was ad hoc and provided on a “demand” basis. Training has been conducted based on the plan (see also Activity 3.3.1).</p>
<p>Activity 2.2.6.: Establish CDF rules, criteria and procedures Budget Line: A/02/09</p>	<p>CDF rules were outlined in the Inception Report and supplemental rules and procedures for the use of CDF were established in Decision 270 of the provincial government.</p>
<p>Activity 2.2.7.: CDF support to implementation of action plans for service delivery in key areas Budget Line: A/02/10</p>	<p>There is some concern about a potential difference between the intended use of the CDF and the actual use of the CDF. The wording in the TFF is not precise but appears to say that the CDF is not an investment fund with allocations of funds to specific investments (but rather, to commune budgets)<sup>19</sup>. The Inception Report acknowledges the TFF intention<sup>20</sup>. In effect however it appears that although identified investments have flown from the general planning activities (no separate planning and setting of priorities), budget has been allocated by source: (i) District budget; (ii) Commune budget; (iii) CDF; and (iv) citizens contribution. This is discussed further in Section 4.2.3, including an analysis of SEDP investments.</p> <p>A Commune Development Fund has been set up (900,000 Euros including counterpart funding of 100,000 Euro). It was intended that the CDF fund would support the SEDP process in the 6 pilot communes with overall allocations to each commune (for expenditure over as many years of the project as decided by the commune). Disbursement of expenditure has been slower than planned in 2009 mostly for various reasons directly attributable to the lack of experience with the process. The key issue is whether the CDFs role as a catalyst for PPB reform has been successful or whether the availability of funds to provided essential improvements to basic infrastructure has been the paramount use made of the CDF. Sustainability and replicability of the new planning process may be difficult to achieve without the incentive of a development fund. A transition strategy from the use of CDF to the allocation of budget to communes within the provincial financial management system is required in Phase 3.</p>
<p>Activity 2.2.8.: Related technical support for PAR issues arising out of management of implementation of service delivery actions Budget Line: A/02/11</p>	<p>This activity was intended to ensure support which might include: management and institutional PAR issues arising out of follow up to implementation, such as underlying service delivery structures, staffing, their internal management and procedures etc. It may be possible to identify activities following the MTE review at district and commune level, if not, the budget could be re-allocated.</p>

<sup>19</sup> Para. 7.3, page 41, TFF

<sup>20</sup> Section 4.3, page 62, PARROC Inception Report

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Planned Activities and Main Indicators	Results and Comments
Activity 2.2.9.: Evaluate implementation impact (annual communal performance assessment) and develop models for replication Budget Line: A/02/12	This MTE is seen as one opportunity to evaluate impact although with limited implementation of the SEDPs the evaluation is mostly oriented to the planning process. An evaluation of the whole process needs to be undertaken when more experience has been gained with implementation and this can be used as an input to consideration of acceptance of the approach by the provincial government and possibly replication. The indications are that the provincial, district and commune governments appreciate the value of the innovations supported by the project.
<b>Sub-result Area 2.3.: Replication strategy dissemination of pilots through province</b>	
Activity 2.3.1.: Hold a series of consultative workshops with target districts and communes, their respective technical / sectoral departments and other key stakeholders in and users of services Budget Line: A/02/13  Activity 2.3.2.: Provide advice, as required to replication No budget allocated.	This work has not yet been undertaken and assumes that the provincial government endorses replication. Although there is informal support for limited replication (and within the existing pilot districts) there is not yet a formal endorsement. Also see comments for Activity 1.5  See above.

**5.2.3 Log Frame Indicators**

Type of Indicator	Indicator	MTE Comments
Impact	No indicators	Project monitoring must be strengthened to identify impact.
Outcome	No indicators	Project monitoring must be strengthened to identify outcomes.
Output	Priority services identified in local plans and budgets.	Initial round of participatory SEDP preparation in 6 pilot communes has successfully prioritized services. The initial round needs to be consolidated.
Output	Key constraints identified and measures adopted in action plans.	Constraints to the planning process have not proved significant but there are various constraints to implementation of plans all concerned with financial management.
Output	CDF support for implementation mobilized.	CDF support has been mobilized. The impact of the use of CDF on sustainability will be assessed in the second round of SEDP formulation when the balance of CDF funds remaining is very small.
Output	Key pro-poor related services delivered to users on-time in cost-effective manner.	Pro-poor services were intended to be identified through the careful selection of poor communes as pilot communes. However the project might have achieved more with more focus on poverty reduction and economic growth. The pro-poor orientation in the PRA processes is not consistently applied – for example village participants are sometimes treated as a homogenous group. Similarly gender issues may not be adequately identified and addressed.
Output	User feedback mechanisms providing usable data for further service improvement.	The PPB approach has achieved some improvements to feedback mechanisms. There is scope for more development of more intensive and inclusive participatory mechanisms. The database software may offer opportunities for user feedback.

### 5.3 Result Area 3: Improvement of the capacity of training institutions in providing PAR and project related training

#### 5.3.1 Intended Results

The TFF describes the intended results of **Result Area 3** as follows: aims at the building up of institutional training capacity to continue training in participatory planning and service delivery on a sustainable basis. This will be achieved by associating local trainers in project relating training (coaching) as well as by way of an institutional capacity building program to further to develop the resources (trainers, curricula and materials) of local partner schools and colleges.

#### 5.3.2 Planned Activities<sup>21</sup>, Main Results and Comments

Planned Activities and Main Indicators	Results and Comments
<b>Start-up – mid 2009</b>	
<b>Sub-result Area 3.1. : Training areas and delivery arrangements identified</b>	
Activity 3.1.1.: Conduct capacity assessment of local training providers Budget Line: A/03/01	Training consultant has been recruited and a capacity assessment of local training providers undertaken, focusing on the Political School and Community College. Vocational schools were also considered as potential participants but the decision was taken to focus attention on the Political School and Community College. These institutions show a strong willingness to participate.
Activity 3.1.2.: Develop training plan The budget for this activity is included in the budget for 3.2.1	A training plan has been developed.
<b>Sub-result Area 3.2.: Training resources developed</b>	
Activity 3.2.1.: Prepare training manuals Budget Line: A/03/02	Training manuals have not yet been prepared (also see notes on Activity 2.2.5).
Activity 3.2.2.: Train Trainers Budget Line: A/01/05	Trainers have been trained on new methods and technical support has been provided to local trainers on training methods.
Activity 3.2.3.: Support necessary IT Budget Line: A/03/03	Support has been provided to the Political School for web-site development. Equipment needs have been discussed with the Political School and Community College and agreement reached on equipment to be provided by the project to enhance the capacity of the training institutions.
<b>Sub-result Area 3.3.: Training related to participatory planning and improved service delivery delivered</b>	
Activity 3.3.1.: Series of training courses organized in the two principal project areas for leaders, technical staff and ,mass organizations, in accordance with training plan Budget Line: A/01/03 and A/02/05 and A/02/08 Activity 2.2.5	Training has been provided on documentation required for construction works in the pilot communes (SEDP implementation). Further training on other topics (M&E, Grassroots Democracy, OSS) is in progress.
<b>Sub-result Area 3.4.: Sustainable training delivery</b>	
Activity 3.4.1.: Assess local training institution capacity building for sustainable results Budget Line: A/03/04	Not yet undertaken – but will be undertaken as training activities proceed.

<sup>21</sup> The planned activities are as stated in the TFF under "Sub-result Area" headings.

### 5.3.3 Log Frame Indicators

Type of Indicator	Indicator	MTE Comments
Impact	No indicators	Project monitoring must be strengthened to identify impacts.
Outcome	No indicators	Project monitoring must be strengthened to identify outcomes.
Output	Training plan in place incorporating needs assessment and resource requirements	Achieved, but needs to be updated regularly to be sustainable.
Output	Local providers endowed with training resources and materials to conduct quality training on a continuing basis.	Ongoing.

## 5.4 Result Area 4: Dissemination of lessons learned from the project

### 5.4.1 Intended Results

The TFF describes the intended results of **Result Area 4** as follows: aims to disseminate lessons learned both within the Province (via networking/web and best practice case studies) as well as at a national level by way of experience sharing and learning with other Provinces/projects on PAR in Vietnam.

### 5.4.2 Planned Activities<sup>22</sup>, Main Results and Comments

Planned Activities and Main Indicators	Results and Comments
<b>Start-up – mid 2009</b>	
<b>Sub-result Area 4.1. : Prepare a communication strategy for the dissemination of lessons learned</b>	
Budget Line: A/04/01	<p>A Communication Strategy has been prepared which is a high-quality report. Although useful, the Report needs to be operationalized in an Action Plan for communications.</p> <p>The experience of PARROC as a pilot-project could be very useful for the new policy period. It would therefore be useful to take this dimension into account in the implementation of new communication tools and channels. One important new objective is to enhance communication to key ministries in charge of the reform, in order to show the results achieved.</p> <p>Recommendations include: (i) make current communication more coherent through one main message; (ii) prioritize information; (iii) show results; (iv) initiate synergies with other BTC projects (SPR, VWU, others?).</p>
<b>Sub-result Area 4.2.: Establish a network between pilots</b>	
Budget Line: A/04/02	<p>A network has been established through the workshops and training conducted for other aspects of the project. PMU has also participated in some national meetings and meetings with other provinces. Overall networking is weak however and will need to be strengthened if replication is to be undertaken.</p>

<sup>22</sup> The planned activities are as stated in the TFF under "Sub-result Area" headings.

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Planned Activities and Main Indicators	Results and Comments
<p><b>Sub-result Area 4.3.: Design a web and other communication tools</b> Budget Line: A/04/04</p>	<p>Training courses have been provided in editing and photography and web-pages are maintained regularly. The website is a part of the overall Hau Giang web-site which encourages sustainability for a site concerned with PAR innovations. A project newsletter is produced quarterly although attention should be given to the value of this method of dissemination of project / province information.</p> <p>It is difficult to identify one single message in the various communications. The information is widespread without prioritization. Website, newsletters and posters contain very useful information but their access is difficult at first sight. The tools used are more designed to give information than to motivate people to participate. More emphasis could be put on engaging people in the reform by demonstrating the benefits they can gain being part of it.</p>
<p><b>Sub-result Area 4.4.: Prepare best practices</b> Budget Line: A/04/04</p>	<p>Not yet undertaken</p>
<p><b>Sub-result Area 4.5.: National dissemination workshop</b> Budget Line: A/04/05</p>	<p>Not yet undertaken</p>

**5.4.3 Log Frame Indicators**

Type of Indicator	Indicator	MTE Comments
Impact	No indicators	Project monitoring must be strengthened to identify impacts.
Outcome	No indicators	Project monitoring must be strengthened to identify outcomes.
Output	Incorporation of lessons from other pilots and projects into ongoing improvements of planning and service delivery.	Networking is weak currently. With relevant national policy analysis intensifying in the run-up to the next 5-year SEDP more opportunities should arise for more provincial / national and provincial / provincial dialogue on PAR and PPB initiatives and lessons learned.

**5.5 Project Expenditure**

**Table 5.1** provides details of budget, expenditure to June 2009, and committed expenditure by activity (using an activity reference code which corresponds to the codes provided in the Results assessment provided in this Chapter).

Overall the estimate is that some Euro 542,268 remains uncommitted for additional / revised Phase 3 activities. Taken together with the balance shown in **Table 3.1** suggests that sufficient funds exist for an extension of the active period of the project, if the provincial government confirms that this would be useful.

**Table 5.1 Project Budget, Expenditure, Committed Expenditure and Balance for the 4 Result Areas (BELGIAN CONTRIBUTION)**

Unit: EURO

Budget Code	Description	Revised Budget	Expenses to June 2009	Committed	Balance
<b>Part A</b>	<b>Improve capacities and performances of local gov.</b>	<b>1,574,000.00</b>	<b>236,331.21</b>	<b>795,400.00</b>	<b>542,268.79</b>
<b>Result 1</b>	<b>Improve planning system</b>	<b>257,500.00</b>	<b>22,659.88</b>	<b>113,000.00</b>	<b>121,840.12</b>
A/01/01/COG	Study & Assessment	19,000.00	6,143.94	-	12,856.06
A/01/02/COG	Study tours	40,000.00	-	-	40,000.00
A/01/03/COG	Planning manuals & organisation of training	15,500.00	5,984.00	5,000.00	4,516.00
A/01/04/COG	Building up database	135,000.00	2,000.00	108,000.00	25,000.00
A/01/05/COG	Organise training on PPB	9,500.00	6,000.00	-	3,500.00
A/01/06/COG	Implementation of participatory planning method	10,000.00	2,531.94	-	7,468.06
A/01/07/COG	Assessment of implementation & development	9,500.00	-	-	9,500.00
A/01/08/COG	Replication of the model	19,000.00	-	-	19,000.00
<b>Result 2</b>	<b>Improve service delivery</b>	<b>1,145,500.00</b>	<b>185,778.23</b>	<b>658,000.00</b>	<b>301,721.77</b>
A/02/01/COG	Undertake assessment of province	34,000.00	2,985.12	-	31,014.88
A/02/02/COG	Support planning of further improvement of administrative service	7,500.00	103.37	-	7,396.63
A/02/03/COG	Support implementation & evaluation	29,000.00	4,346.60	18,000.00	6,653.40
A/02/04/COG	Improvement of capacity building	2,500.00	167.95	-	2,332.05
A/02/05/COG	Institutional appraisal of service delivery	23,000.00	8,500.00	-	14,500.00
A/02/06/COG	Develop a service delivery implementation plan	25,000.00	2,859.38	-	22,140.62
A/02/07/COG	Action planning and budgeting workshops	14,500.00	3,610.89	-	10,889.11
A/02/08/COG	Train officials involved in pilot districts and communes	39,000.00	3,000.00	-	36,000.00
A/02/09/COG	CDF's rules, criteria and procedures establishment	20,000.00	204.92	0.00	19,795.08
A/02/10/COG	CDF support for implementation of action plans	800,000.00	160,000.00	640,000.00	-
A/02/11/COG	Technical support for implementation of service delivery action plan	100,000.00	-	-	100,000.00
A/02/12/COG	Evaluation implementation (annual commune performance)	48,000.00	-	-	48,000.00
A/02/13/COG	Hold consultations with districts and communes	3,000.00	-	-	3,000.00
<b>Result 3</b>	<b>Improving capacity of training institutions</b>	<b>74,000.00</b>	<b>12,053.87</b>	<b>24,400.00</b>	<b>37,546.13</b>
A/03/01/COG	Conduct capacity assessment of local training providers	8,500.00	7,053.87	-	1,446.13
A/03/02/COG	Prepare materials	25,500.00	5,000.00	3,400.00	17,100.00
A/03/03/COG	Support necessary IT	25,000.00	-	21,000.00	4,000.00
A/03/04/COG	Assess the quality of training inputs	15,000.00	-	-	15,000.00
<b>Result 4</b>	<b>Lesson learned dissemination</b>	<b>97,000.00</b>	<b>15,839.23</b>	<b>-</b>	<b>81,160.77</b>
A/04/01/COG	Communication strategy	15,000.00	13,393.27	-	1,606.73
A/04/02/COG	Establish network with other pilot districts and communes	17,000.00	1,598.71	-	15,401.29
A/04/03/COG	Website design & networks	40,000.00	847.25	-	39,152.75
A/04/04/COG	Prepare best practices series & case studies (publication, ...)	5,000.00	-	-	5,000.00
A/04/05/COG	Dissemination workshop (national)	20,000.00	-	-	20,000.00

## 6 OVERALL FINDINGS

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### 6.1 Project Relevance

*Project Relevance: the extent to which PARROC is consistent with beneficiaries' requirements, country needs, and donors' policies.*

- The project is increasingly relevant to national government as policy analysis and formulation intensifies in advance of national 5-year SEDP (2011-2015) formulation including reformulation of approaches to PAR and provision of guidelines on SEDP formulation by MPI. The potential importance of the role of PARROC as a demonstration of decentralized SEDP planning and implementation should not be underestimated. Dissemination of Hau Giang's experience could be a key feature of Phase 3 of the project.
- The analysis of Hau Giang's development characteristics which was undertaken in the project identification activities appears slight and this may have limited the effectiveness of the project to date. There is little analysis and information available on the economic development and poverty reduction characteristics of the province and it is difficult to be sure that the project's approach is responsive to provincial development imperatives. This shortcoming is mitigated to some extent by the quality of the 2009 commune SEDPs prepared in the pilot communes which do contain perceptive analysis of local development issues (and this will be further enhanced with the construction and use of the proposed data bases). But overall there is a lack of an understanding of Hau Giang's development characteristics and especially economic development potential and constraints to growth.
- The project design responded to the generally agreed set of problems with the planning system. The project design also responded to specific problems with the process experienced by Hau Giang. Further work on problem analysis confirmed and expanded the analysis made at project identification stage. It is not clear why the project design did not attempt to provide support in more than one of the PAR priority areas identified by the province. It may be possible to support some of the other areas in the final two years of the project if these remain priority areas for the provincial government and if the provincial government wishes the project to do so. In particular it may be possible to provide support in areas which could lead to the promotion of economic growth – enhancing the project's capacity to achieve its development objective.
- The development objective responded to national and provincial development imperatives although the links between the project's development objective and the project purpose is not explicit. Vietnam is affected by the international recession and the development objective has become even more relevant over the past year of the project. The project has not been directly responsive to changed circumstances i.e. what kind of public administration response is required to better enable the province to weather the financial / economic storm.
- Over the course of project implementation the relative influence of DPI and DOHA has shifted from one to the other. This reflects the increasing emphasis being given to Result Area 1.

### 6.2 Project Design

- The experience gained in Phase 1 with participatory rural planning provided valuable guidance to the design of PARROC and PARROC has been able to build on this experience. In particular the experience gained in Hiep Hung and Hoa An Communes in Phase 1 was particularly useful as this commune continued to participate in PARROC.



- The Result Areas are not discrete and this leads to overlapping budgets and activities and unnecessary administrative complexity.
- The scope and pace of change of the project takes into account the limited local organizational capacities. The project strategy selected is appropriate, with its pilot approach at district and communal levels, in conjunction with step by step capacity building at the provincial level. It is important however to recognise the links between the provincial, district and commune levels of government across the 4 project components.
- A key aspect of project strategy is the process approach being taken. The policy environment of Vietnam is an evolving one and work planning will need to retain a degree of flexibility – as indeed it was found under Phase 1 in Can Tho. Activities identified are therefore indicative and will have to be re-examined and possibly adapted in the Inception Phase. However, the strategic choices and principles made during the formulation shall not be changed.
- DOF is not shown in the TFF as a member of the PMU but it is and is a very active member.
- The Task Force is an excellent device which increases the potential for the sustainability of the projects initiatives and approach. The Task Force role could be strengthened in Phase 3 to reinforce this.
- The project design has not emphasized the importance of adapting institutions and organizations to suit changing circumstances – a process of continuous responsiveness. Consolidating the capacity to manage this will need to be part of the exit strategy of the project over the next two or more years. It is the essence of sustainability.

### 6.3 Efficiency of Implementation

*Efficiency of Implementation: a measure of how identified resources / inputs (funds, expertise, time etc) have been converted to results.*

- Although only 21% of project funds have been disbursed at this time, the project is efficient as much of the work of year one and two has been to prepare the approaches to participatory planning and linked budgeting and improved public service delivery.
- The PSC has met 3 times and has worked effectively. The PMU has worked effectively to yield good results in terms of delivery of the project's outputs.
- There have been major problems with recruitment of international staff and in particular the STA. Slow recruitment and lack of continuity has constrained the achievement of project results with some contracts running behind schedule, staff training not complete and lack of liaison with other projects. The BTC Coordinator has worked hard to compensate for the lack of planned inputs by the STA. To some extent the problems were created by an unfortunate coincidence of events: the simultaneous change in BTC Resident Representative resulting in there being no Resident Representative for 5 months at crucial period for this project.
- The recruitment process for consultants has been difficult in some cases with no clear distinction between Vietnamese regulations and Belgian regulations. The availability of a procurement specialist to provide advice would be helpful. Even so, the quality of consultants recruited has been generally very high and with many additional links / benefits (i.e. the planning consultants are also contributing to the formulation of the Planning decree at national level).
- A question which remains unanswered is whether the SPMUs "belong to" the PMU or to the Districts? At commune level there is no formal PMU organization and there is a debate about whether there should be a PMU at this level. The consensus appears to be that this is not necessary.

- Although only 21% of project funds have been disbursed at this time, the project is efficient as much of the work of year one and two has been to prepare the approaches to participatory planning and linked budgeting and improved public service delivery.

## 6.4 Effectiveness

*Effectiveness: the extent to which the PARROC objective is achievable, or can be expected to be achieved.*

- Activities in three of the four Result Areas are substantially under way and substantial progress has been made in achievement of the anticipated results.
- It would enhance the project's effectiveness if links could be established for the project with appropriate technical departments within MOHA and MPI, and perhaps the MOHA and MPI representatives on the PSC could help to establish these links. This will be increasingly important in Phase 3 of the project from mid-2009 onwards.
- Given the overall development objective of the project it is surprising that DOLISA is not better represented and that the Department of Industry and Commerce (DIC) is not represented at all. It is recommended that DIC is nominated as a member of the provincial Task Force<sup>23</sup>. The arrangement of Task Force Working Groups could also be considered – perhaps Working Groups which are more oriented to the development objective of the project would be appropriate.
- The Target Groups could perhaps be specified more clearly and the links between the groups specified and the development objectives of the project should be clarified i.e. there is no reference here to any associations of economic enterprises. The achievement of the development objective of the project will be difficult without more focus of this kind.
- The action-planning approach (actual implementation of project activities with the catalyst of a local development fund) has worked well to date. However continued consolidation of the projects initiatives in planning, budgeting and service delivery may be inhibited by the diminution of the local development fund in the second planning cycle (2009) and likely exhaustion of the fund by the third planning cycle. There will be no local development fund for any additional communes coming into the project beyond mid-June. The question of whether the local development fund has inhibited sustainability will be evident in the course of the second and third planning cycles.
- It is also noted that there are fundamental problems with implementing decentralizing projects: (i) there are no coherent national or local action plans for decentralization; (ii) there are no connections between financial decentralization, management decentralization and political decentralization; (iii) accountability systems are weak especially official partnerships with civil society organizations and community-based organizations. This project's experience may contribute to addressing some of these policy issues.
- The decision was taken early on that the project would focus on 3 districts and 6 pilot communes from the start instead of the planned 2 districts and 4 pilot communes and this has contributed to less attention being paid to the whole planning provincial planning and service delivery system. Phase 3 should strengthen provincial – district – commune connections in selected areas of activity.
- A key aspect of the project strategy is the process approach being taken. Activities identified in the TFF are indicative and have been adapted as the project has proceeded but without change to the objectives or project principles.
- The 6-monthly Work Plans have been useful guides for project implementation. The work plans could be enhanced by a more participatory approach to their formulation and especially to the determination of "who does what," including Task Force

<sup>23</sup> In discussion with DIC this suggestion was welcomed.

members and other stakeholders. This could be a useful PAR tool to apply which would encourage inter-sector coordination.

- PARROC Monitoring and Audit – the purpose of the improved planning system is to improve PSD. It is therefore imperative to measure whether the changes to the plans and the planning processes can be measured in the quality of the service delivered. To date the indicators available are mostly output indicators and are useful for progress chasing but not for measuring outcomes and subsequently impacts. These indicators need to be developed urgently.
- SEDP / PSD Monitoring - the SEDP M&E indicators are also mostly output indicators – outcome and impact indicators are also needed to ensure that commune (and district / province) development objectives are being achieved. Here again the commune development objectives tend to be too general (i.e. “the commune socio-economy will sustainable develop”).
- The indicators identified in the Planning Manual and for application in the data base (with associated software) will provide opportunities to refine the M&E systems. These systems will need to be constantly refined over time and the institutionalization of this (who does what and when) will need to be emphasized in Phase 3.

## 6.5 Impact

*Impact: the likely positive and negative, primary and secondary long-term effects which will be produced by the PARROC, directly or indirectly, intended or unintended.*

- The project is beginning to demonstrate the value of the new approach to SEDP formulation at commune level – the commune SEDPs are better quality plans than had been used previously by the communes, including being produced by an inclusive process. The value of improved service delivery is more demonstrable and is appreciated by local communities.
- Although the project makes a small contribution to economic development and poverty reduction as planned, more could be achieved with more focused support. The link between PAR and economic development is not adequately spelt out. More attention to this would address DARD’s expressed concern about the lack of an adequate rural development strategy in the province which coordinates and integrates the inputs of concerned agencies. It will be difficult to achieve the overall project objective if this link between PAR and economic development is not clarified in the balance of the project.
- The project is not adequately aligned to public policy debate. For example the project has not yet emerged as a contributor to debate about future PAR reform and the details of the planning decree which is being drafted now. To be successful the project needs to not only be aligned to existing policy but also to be alive to emerging trends and a contributor to debate.
- Alignment to government financial management systems is not complete (i.e. a budget support approach has not been taken to the project as a whole) and use of Vietnamese systems is complemented often uncomfortably, with BTC systems. This could be reviewed more thoroughly in the course of the balance of the project and as part of the exit strategy a greater degree of alignment could be attempted.
- The project has done well to appoint planning consultants who are also (until now at least) directly involved in providing advice on the formulation of the planning decree. This enables the province and project to be confident that processes being developed in Hau Giang are in all likelihood very compatible with the processes to be proscribed in the planning decree. In other areas the project is not so well connected. Close links have not been established with a network of other provinces nor with central government. The project has much to offer central policy makers and other experiments and should be supported to do this in Phase 3.

- The project's design was right to take into account the local organizational capacities and to provide support to a small number of pilot districts and communes. Evidence for this is the fact that after two years only one SEDP planning formulation has been completed in 6 communes and implementation is not yet complete. The capacity of the participating stakeholders has been enhanced but is not yet optimal or sustainable. As the project continues the processes will need to be consolidated and there is little scope (some but not much) to expand the projects activities into more communes.
- The project has made some institutional progress to date. There is considerable scope for the project to provide more support for organizational reform linked to Result Areas 1 and 2 and human resources development (and especially with staff stabilization which is a key concern of provincial senior management).
- The selection of pilot communes is considered by DOLISA to be effective as the selected communes are generally amongst the poorest in the province, thus increasing the potential of the project to achieve its development objective. For the selection of a second "batch" of communes to participate (as part of a replication strategy in Phase 3 for example) the selection criteria may need to be revised.

## 6.6 Potential Sustainability

*Sustainability: the continuation of benefits from PARROC*

- The project is in contact with the preparation process of the national guidelines on SEDP preparation and is aligned with the core principles.
- It is recommended that consolidation of district activities in the new planning process will be enhanced if by the end of the project a whole district is supported (i.e. all communes use the new planning approach and the district is thus given the opportunity to develop its capacity to manage the new planning process without having to operate two planning systems. This is an essential feature of a demonstration project like PARROC. To date PARROC has been designing and testing its approaches and is only now beginning to acknowledge that the new planning process in particular has useful lessons for other communes and districts within Hau Giang and for other provinces as well as central government policy analysts.
- There is some concern about a potential difference between the intended use of the CDF and the actual use of the CDF. The wording in the TFF is not precise but appears to say that the CDF is not an investment fund with allocations of funds to specific investments (but rather, to commune budgets). In effect however it appears that budget for SEDP investments of the 6 pilot communes has been allocated by source: (i) District budget; (ii) Commune budget; (iii) CDF; and (iv) citizens contribution. The CDF has not been treated as "budget support" at commune level, but as an additional resource stream. The key issue is whether the CDFs role as a catalyst for PPB reform has been successful or whether the availability of funds to provided essential improvements to basic infrastructure has been the paramount use made of the CDF. Analysis of CDF investments in the 2009 SEDPs of the 6 pilot communes (distribution of CDF funded investments by sector) <sup>24</sup>suggests that the CDF funds have been used to supplement economic investments (68% of roads and bridges investments, 26% of market investments and 66% of job creation investments as examples) and nearly all expenditure on selected social investments (93% of communications / broadcasting and 98% of public service delivery). Although in absolute terms of course the bulk (69%) of CDF funds have been allocated to economic investments in the 2009 SEDPs of the pilot communes, the indication is that the CDF has not been seem to be simply a means to build infrastructure faster.

<sup>24</sup> Please refer to Annex XX

## MID-TERM EVALUATION

Public Administration Reform and Roll-Out of CPRGS in Hua Giang Province ("PARROC")

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- Sustainability and replicability of the new planning process may be difficult to achieve without the incentive of a development fund. A transition strategy from the use of CDF to the allocation of budget to communes within the provincial financial management system is required in Phase 3.
- More time is needed than originally planned to consolidate the new approach to participatory planning and linked budgeting at district and commune levels.
- Provincial endorsement of the approach and agreement to a replication strategy will be required when more information is available on the success of the implementation of the first round of commune SEDPs (end 2009).

## **7 LESSONS LEARNED**

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### **7.1 Project Organization**

1. The Task Force role could be strengthened in Phase 3.
2. Given the overall development objective of the project it is surprising that DOLISA is not better represented and that the Department of Industry and Commerce (DIC) is not represented at all. It is recommended that DIC is nominated as a member of the provincial Task Force<sup>25</sup>. The arrangement of Task Force Working Groups could also be considered – perhaps Working Groups which are more oriented to the development objective of the project would be appropriate.
3. The Target Groups could perhaps be specified more clearly and the links between the groups specified and the development objectives of the project should be clarified i.e. there is no reference here to any associations of economic enterprises. The achievement of the development objective of the project will be difficult without more focus of this kind.

### **7.2 Project Implementation**

4. It is important to recognise the links between the provincial, district and commune levels of government across the 4 project components.
5. The project design has not emphasized the importance of adapting institutions and organizations to suit changing circumstances – a process of continuous responsiveness. Consolidating the capacity to manage this will need to be part of the exit strategy of the project over the next two or more years. It is the essence of sustainability.
6. The decision was taken early on that the project would focus on 3 districts and 6 pilot communes from the start instead of the planned 2 districts and 4 pilot communes and this has contributed to less attention being paid to the whole planning provincial planning and service delivery system. Phase 3 should strengthen provincial – district – commune connections in selected areas of activity.
7. The 6-monthly Work Plans have been useful guides for project implementation. The work plans could be enhanced by a more participatory approach to their formulation and especially to the determination of “who does what,” including Task Force members and other stakeholders. This could be a useful PAR tool to apply which would encourage inter-sector coordination.
8. PARROC Monitoring and Audit – the purpose of the improved planning system is to improve PSD. It is therefore imperative to measure whether the changes to the plans and the planning processes can be measured in the quality of the service delivered. To date the indicators available are mostly output indicators and are useful for progress chasing but not for measuring outcomes and subsequently impacts. These indicators need to be developed urgently.
9. SEDP / PSD Monitoring - the SEDP M&E indicators are also mostly output indicators – outcome and impact indicators are also needed to ensure that commune (and district / province) development objectives are being achieved. Here again the commune development objectives tend to be too general (i.e. “the commune socio-economy will sustainable develop”).
10. Alignment to government financial management systems is not complete (i.e. a budget support approach has not been taken to the project as a whole) and use of Vietnamese systems is complemented often uncomfortably, with BTC systems. This could be reviewed more thoroughly in the course of the balance of the project and as part of the exit strategy a greater degree of alignment could be attempted.

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<sup>25</sup> In discussion with DIC this suggestion was welcomed.

11. The selection of pilot communes is considered by DOLISA to be effective as the selected communes are generally amongst the poorest in the province, thus increasing the potential of the project to achieve its development objective. For the selection of a second "batch" of communes to participate (as part of a replication strategy in Phase 3 for example) may need to be revised.
12. It is recommended that consolidation of district activities in the new planning process will be enhanced if by the end of the project a whole district is supported (i.e. all communes use the new planning approach and the district is thus given the opportunity to develop its capacity to manage the new planning process without having to operate two planning systems. This is an essential feature of a demonstration project like PARROC. To date PARROC has been designing and testing its approaches and is only now beginning to acknowledge that the new planning process in particular has useful lessons for other communes and districts within Hau Giang and for other provinces as well as central government policy analysts.
13. A replication strategy will need to include:
  - (i) demonstration of how the approach can be introduced to communes (using the examples of one additional commune in each of the three participating districts in 2010);
  - (ii) based on this experience formulation of an agreed strategy for longer term introduction of the approaches throughout the participating districts;
  - (iii) demonstration of the ways in which districts can adopt the new approaches by supporting one district and all its communes in the processes (ideally a district with a small number of communes);
  - (iv) based on this experience formulation of a replication strategy for longer term introduction of the new approaches to other districts.

### **7.3 Result Areas 1 and 2**

14. Overall there is a lack of an understanding of Hau Giang's development characteristics and especially economic development potential and constraints to growth. It may be possible to provide support in areas which could lead to the promotion of economic growth – enhancing the project's capacity to achieve its development objective.
15. The action-planning approach (actual implementation of project activities with the catalyst of a local development fund) has worked well to date. However continued consolidation of the projects initiatives in planning, budgeting and service delivery may be inhibited by the diminution of the local development fund in the second planning cycle (2009) and likely exhaustion of the fund by the third planning cycle. There will be no local development fund for any additional communes coming into the project beyond mid-June. The question of whether the local development fund has inhibited sustainability will be evident in the course of the second and third planning cycles.
16. The project is beginning to demonstrate the value of the new approach to SEDP formulation at commune level – the commune SEDPs are better quality plans than had been used previously by the communes, including being produced by an inclusive process. The value of improved service delivery is more demonstrable and is appreciated by local communities.
17. Although the project makes a small contribution to economic development and poverty reduction as planned, more could be achieved with more focused support. The link between PAR and economic development is not adequately spelt out. More attention to this would address DARD's expressed concern about the lack of an adequate rural development strategy in the province which coordinates and integrates the inputs of concerned agencies. It will be difficult to achieve the overall project objective if this link between PAR and economic development is not clarified in the balance of the project.

18. The project's design was right to take into account the local organizational capacities and to provide support to a small number of pilot districts and communes. Evidence for this is the fact that after two years only one SEDP planning formulation has been completed in 6 communes and implementation is not yet complete. The capacity of the participating stakeholders has been enhanced but is not yet optimal or sustainable. As the project continues the processes will need to be consolidated and there is little scope (some but not much) to expand the projects activities into more communes.
19. The project has made some institutional progress to date. There is considerable scope for the project to provide more support for organizational reform linked to Result Areas 1 and 2 and human resources development (and especially with staff stabilization which is a key concern of provincial senior management).
20. There is some concern about a potential difference between the intended use of the CDF and the actual use of the CDF. The wording in the TFF is not precise but appears to say that the CDF is not an investment fund with allocations of funds to specific investments (but rather, to commune budgets). In effect however it appears that budget for SEDP investments of the 6 pilot communes has been allocated by source: (i) District budget; (ii) Commune budget; (iii) CDF; and (iv) citizens contribution. The CDF has not been treated as "budget support" at commune level, but as an additional resource stream. The key issue is whether the CDFs role as a catalyst for PPB reform has been successful or whether the availability of funds to provided essential improvements to basic infrastructure has been the paramount use made of the CDF. Analysis of CDF investments in the 2009 SEDPs of the 6 pilot communes (distribution of CDF funded investments by sector) <sup>26</sup>suggests that the CDF funds have been used to supplement economic investments (68% of roads and bridges investments, 26% of market investments and 66% of job creation investments as examples) and nearly all expenditure on selected social investments (93% of communications / broadcasting and 98% of public service delivery). Although in absolute terms of course the bulk (69%) of CDF funds have been allocated to economic investments in the 2009 SEDPs of the pilot communes, the indication is that the CDF has not been seem to be simply a means to build infrastructure faster.
21. Sustainability and replicability of the new planning process may be difficult to achieve without the incentive of a development fund. A transition strategy from the use of CDF to the allocation of budget to communes within the provincial financial management system is required in Phase 3.
22. More time is needed than originally planned to consolidate the new approach to participatory planning and linked budgeting at district and commune levels.
23. Provincial endorsement of the approach and agreement to a replication strategy will be required when more information is available on the success of the implementation of the first round of commune SEDPs (end 2009).

## 7.4 Result Area 4

24. The potential importance of the role of PARROC as a demonstration of decentralized SEDP planning and implementation should not be underestimated. Dissemination of Hau Giang's experience could be a key feature of Phase 3 of the project.
25. It would enhance the project's effectiveness if links could be established for the project with appropriate technical departments within MOHA and MPI, and perhaps the MOHA and MPI representatives on the PSC could help to establish these links. This will be increasingly important in Phase 3 of the project from mid-2009 onwards.

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<sup>26</sup> Please refer to Annex 6



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26. It is also noted that there are fundamental problems with implementing decentralizing projects: (i) there are no coherent national or local action plans for decentralization; (ii) there are no connections between financial decentralization, management decentralization and political decentralization; (iii) accountability systems are weak especially official partnerships with civil society organizations and community-based organizations. This project's experience may contribute to addressing some of these policy issues.
27. The project is not adequately aligned to public policy debate. For example the project has not yet emerged as a contributor to debate about future PAR reform and the details of the planning decree which is being drafted now. To be successful the project needs to not only be aligned to existing policy but also to be alive to emerging trends and a contributor to debate.
28. The project has done well to appoint planning consultants who are also (until now at least) directly involved in providing advice on the formulation of the planning decree. This enables the province and project to be confident that processes being developed in Hau Giang are in all likelihood very compatible with the processes to be proscribed in the planning decree. In other areas the project is not so well connected. Close links have not been established with a network of other provinces nor with central government. The project has much to offer central policy makers and other experiments and should be supported to do this in Phase 3.

## 8 RECOMMENDED PHASE 3 ACTIVITIES

A detailed Work Plan for mid-June to end December 2009 is presented separately. This report focuses on an overall Project strategy from 2010 until the extended project completion at end 2012. The recommended strategy is proposed for approval in principle by the PSC of mid-June 2009. With this approval it is proposed that the details of the strategy are prepared jointly by the PMU and project stakeholders in the course of the next 6 months, for approval in detail by PSC in December 2009.

### 8.1 Principles of an Overall Project Strategy, 2010 - 2012

#### 8.1.1 Availability of project funds

An estimate has been made of the balance of project funds after actual expenditure and committed expenditure has been deducted from the original (revised) project budget. This analysis shows that significant resources are available to enhance the project's activities and to achieve the project's objectives. In total some €850,122.84 is uncommitted, comprising €82,783.40 from the BTC budget and €797,339.44 from the Co-managed budget.

**Figure 8.1: Overall Budget, Actual and Committed Expenditure and Balance Available**

Description		Revised Budget	Expenses to June 2009	Committed	Balance
Totals	BTC own management (REG)	404,934.26	121,150.86	201,000.00	82,783.40
	Co-management (COG)	2,065,565.00	404,825.56	893,400.00	797,339.44
<b>Total</b>		<b>2,470,499.26</b>	<b>525,976.42</b>	<b>1,094,400.00</b>	<b>880,122.84</b>

#### 8.1.2 Elapsed period

The Specific Agreement stipulates that the Agreement shall remain in force until 60 months after the date of recruitment of the BTC Coordinator.<sup>27</sup> The Agreement took force from June 18<sup>th</sup> 2007. Although it is understood that time is needed to close all project accounts it is recommended that the active period of the project is extended beyond the 48 month plan. This would allow up to 9 months of further activities (with a 3 month period for closing accounts).

#### 8.1.3 Rationale of Proposed Activities 2010 -2012

Based on the findings and lessons learned of this Mid-term Evaluation a rationale has been prepared for the recommended strategy for the project 2010-2012. The rationale is also consistent with the guiding principles of the PARROC as specified in the TFF. First the strategy needs to ensure that achievements to date in strengthening local government capacity are consolidated. In terms of Result Area 1, the pilot districts / communes have so far only partially completed one planning, budgeting, implementation cycle and are about to start another annual cycle in June/July 2009. Experience suggests that these districts and communes will need to continue to consolidate their skills, including the incorporation of additional features of the new approach as they come on-stream (the planning data base for example).

Although it was the intention to begin to shift project attention more to provincial level in the last two years of the project, there appears to be a consensus that continued support is necessary at district and commune level with more limited development of more project focus at provincial level. It is still important to consolidate links between levels of government. It is suggested that the project's development objective can better be achieved in terms of the promotion of economic growth if the links between PAR and economic development are the focus of project attention at provincial level. DARD suggests that project support might be provided to the PAR aspects of rural economic development strategy formulation. This would enable the project to provide support to provincial government SEDP 2011-2015 formulation.

<sup>27</sup> Article 10, Clause 10.1

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Techniques for ensuring alignment with policy frameworks are increasingly important as the policy context may change in ways which are very relevant to the project over the next 18 months. One of the techniques is the establishment and maintenance of closer links with other experiments and national policy analysis.

At some stage in the project (as soon as practicable) the provincial government will be asked to confirm its intention to replicate selected aspects of PARROC. In the case of commune and district level SEDP this will be dependent on the scope and content of the expected Planning Decree. If the decree is published it may be that the preferred role of the project will be support to disseminate the new Decree including harmonizing the projects recommended approach to SEDP with the requirements of the Decree.

Overall the aim of Phase 3 will be to exit the project leaving high impact sustainable innovations with the provincial, district and commune governments.

## 8.2 Summary of Proposed Activities 2010 - 2012

**Table 8.1 Recommended Activities 2010-2012**

	4 year program will end in Q2 2011								Specific Agreement allows possibility of 60 month project				
	2009			2010				2011		2012			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Recommended Activities</b>													
<b>District - Commune Activities</b>													
>Consolidate PPB and service delivery in current 3 districts and 6 communes													
>Develop strategy for PPB and service delivery reform roll-out to more communes													
>Extension of PPB and service delivery reform to one more commune in two districts													
>Develop strategy for PPB and service delivery reform roll-out in one whole district (Nga Bay)													
>Start PPB and service delivery reform in selected district													
<b>Provincial Activities</b>													
>Review PPB lessons learned with provincial government and confirm intention to roll-out PPB including assessment of consistency with new Planning Decree (if available)													
>Support 5-yr SEDP preparation - focus on strengthened provincial rural development planning for economic growth and poverty reduction through PAR (policy coordination)													
>Support provincial regulatory reform in support of PPB and service delivery													
<b>Dissemination Activities</b>													
>Dissemination of lessons learned to other provinces and to national level													
>Use lessons learned for input to new national PAR reform strategy and possibly Planning Law													
<b>MID-TERM EVALUATION</b>													
<b>PROJECT COMPLETION AT 48 MONTHS</b>													
<b>PROJECT COMPLETION AT 60 MONTHS</b>													

### 8.2.1 Result Area 1 – Indicative Activities 2010-2012

Activity	Description	Notes
A/01/02	Support a series of study / dissemination visits	
A/01/03	Continue to support the refinement of planning manuals (including adaptation to Planning Decree if appropriate)	
A/01/04	Continue to consolidate and improve data-base to support planning at commune level	
A/01/05	Continue to support training to target groups, with broader definition of target groups	
A/01/06	Continue to consolidate participatory planning method	

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Activity	Description	Notes
NEW	SUPPORT PROVINCIAL REVIEW OF PPB LESSONS LEARNED AND CONFIRMATION OF INTENTION OF PROVINCIAL GOVERNMENT TO ROLL-OUT PPB INCLUDING ASSESSMENT OF OF CONSISTENCY WITH NEW PLANNING DECREE (if available)	
A/01/08	DEVELOP STRATEGY FOR PPB FOR SERVICE DELIVERY REFORM ROLL-OUT TO MORE COMMUNES	
NEW	EXTENSION OF PPB AND SERVICE DELIVERY REFORM TO ONE OR MORE COMMUNES IN TWO DISTRICTS	
NEW	DEVELOP STRATEGY FOR PPB AND SERVICE REFORM ROLL-OUT IN ONE WHOLE DISTRICT (NGA BAY)	
NEW	START PPB AND SERVICE DELIVERY REFORM IN SELECTED DISTRICT (NGA BAY)	
NEW	PROVINCIAL LEVEL – SUPPORT 5-YEAR SEDP PREPARATION AT PROVINCIAL LEVEL WITH FOCUS ON STRENGTHENED PROVINCIAL RURAL DEVELOPMENT PLANNING FOR ECONOMIC GROWTH AND POVERTY REDUCTION THROUGH PAR (POLICY COORDINATION)	
NEW	SUPPORT PROVINCIAL REGULATORY REFORM IN SUPPORT OF PPB AND SERVICE DELIVERY	

**8.2.2 Result Area 2 – Indicative Activities 2010 -2012**

Activity	Description	Notes
A/02/03	Continue support to implementation of and maintenance of ISO standards in existing districts	
A/02/04	Continue to support training for PSD	
A/02/05	See A/01/02 – activities to be combined	
A/02/06	Continue to support preparation and maintenance of service delivery improvement plans.	
A/02/07	Continue to support workshops.	
A/02/08	Continue to support updating training and implementing training plans	
A/02/09	Adapt CDF rules for planning cycles 2 (2009), 3 (2010), 4 (2011), and 5 (2012) as appropriate and until funds are exhausted	
NEW	Review impact of CDF after CDF funds exhausted and planning cycles are being supported without use of CDF	
A/02/11	Provide support to assessment of organizational implications of PPB and PSD.	
A/02/12	Support evaluations of experience annually with commune performance assessments.	

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Activity	Description	Notes
A/01/08 (see above) and A/02/13	DEVELOP STRATEGY FOR PPB FOR SERVICE DELIVERY REFORM ROLL-OUT TO MORE COMMUNES	
NEW (see Result Area 1)	EXTENSION OF PPB AND SERVICE DELIVERY REFORM TO ONE OR MORE COMMUNES IN TWO DISTRICTS	
NEW (see Result Area 1)	DEVELOP STRATEGY FOR PPB AND SERVICE REFORM ROLL-OUT IN ONE WHOLE DISTRICT (NGA BAY)	
NEW (see Result Area 1)	START PPB AND SERVICE DELIVERY REFORM IN SELECTED DISTRICT (NGA BAY)	

**8.2.3 Results Area 3 – Indicative Activities 2010-2012**

Activity	Description	Notes
A/03/01	Continue support to capacity assessments of training providers	
A/03/02	Continue to support refinement of training materials	
Activity 3.2.2	See Result Area 1 Activity A/01/05	
A/03/03	Continue to support assessments of equipment requirements for training institutions (for government budget request)	
Activity 3.3.1 (see A/01/03 and A/02/05 and A/02/08 Activity 2.2.5.	Continue to support training delivery	
A/03/04	Support the assessment of local training institutions as a routine annual procedure	

**8.2.4 Result Area 4 – Indicative Activities 2010-2012**

Activity	Description	Notes
A/04/01	Operationalize the Communications Strategy with modifications as noted in the Results Assessment	
A/04/02	Support consolidation of network	
A/04/04	Continue to support development and implementation of communications tools, but with decreasing project branding.	
A/04/05	National Dissemination Workshop – possibly more than one	
NEW	USE LESSONS LEARNED FOR INPUT TO NEW NATIONAL PAR REFORM STRATEGY AND POSSIBLY PLANNING LAW	

# ANNEXES

## **Annex 1 - MTE Terms of Reference**

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### **1 BACKGROUND**

#### **1.1 Context**

- PARROC is based in the province of Hau Giang, where the BTC had already provided support to CPRGS roll-out as part of the "Support to the Public Administration Reform Program in Can Tho Province" Project. This is considered as Phase 1. After the establishment of the city of Can Tho as a separate administration in 2004, the balance of what had previously been known as Can Tho province became the new province of Hau Giang (also in 2004) and Phase 2 of BTC support focuses attention on the new province.
- PARROC builds on lessons learned from Phase 1. Key lessons learned included: (i) experience with participatory rural planning and the development of a PRA tool to identify local priorities in infrastructure; and (ii) experience with improvement of administrative services through the one-stop-shop tool. The evaluation of Phase 1 identified a number of other key lessons learned which were also applied to the design of Phase 2.
- Phase 2, the current phase and the phase which is the subject of the Mid-term Evaluation, provides for continued co-operation between Belgium and Vietnam in the four key areas of the Government's Public Administration Reform, with an emphasis on assisting with planning reform at local levels, the Master Plan of PAR for 2001-2010 and the Direction and Tasks of PAR for Period II (2006-2010).
- Phase 2 was designed to address specific perceived problems with public administration concerning the planning system and service delivery. The problems were considered to inhibit the capacity of provincial, district and commune government in the new province of Hau Giang to meet the development challenges facing the province. Problems to be addressed by Phase 2 included: (i) continuing organizational weaknesses (including lack of popular participation and coordination among planning units); (ii) institutional weaknesses (including dated planning methods and lack of decentralization in planning); (iii) inadequate qualifications and numbers of cadres leading to a lack of necessary knowledge and skills; (iv) public finance problems including limited mobilization of local contributions; (v) poor links between planning and budgeting; and (vi) un-modernized government including lack of IT for the collection of statistics needed for effective development planning and management.
- Poverty reduction and economic growth remain important issues in the Government of Vietnam's development agenda as reflected in the current national Socio-economic Development Plan (2006-2010) which incorporates the CPRGS. The current downturn in the national (and international) economic performance may require re-emphasis on these aspects of national and regional development.

#### **1.2 Description of PARROC**

##### **1.2.1 Development objective**

- The development objective of PARROC is to promote pro-poor socio-economic development and poverty reduction through public administration reform at provincial, district and commune levels.

##### **1.2.2 Project purpose**

- The project purpose is to improve the institutional and human capacities, the organizational set-up and the performances of local governments in the fields of development planning and public service delivery, management and monitoring.

### 1.2.3 Expected results

- The focus of PARROC is on strengthening local government capacity to promote pro-poor growth, poverty reduction and socio-economic development through the reform of the planning system and management of public service delivery. There are four Result Areas:
  - Improvement of the planning and budgeting process and system at the provincial, district and commune level
  - Improvement of the local administrative and socio-economic service delivery systems
  - Improvement of the capacity of training institutions in providing PAR and project related training
  - Dissemination of lessons learned from the project

### 1.2.4 Other information

- Implementation period: The Specific Agreement between the Government of the Socialist Republic of Vietnam and the Government of Belgium was signed on June 18th 2007 and the Technical and Financial File (TFF) was attached as an integral component of the Specific Agreement.
- Cost: The total cost of the project is estimated to be 2,750,000 EURO with a BTC commitment of 2,500,000 EURO. The project (Phase 2) started in July 2007 for the duration of 4 years. The end date of the project is June 2011.
- Management: The Project Steering Committee was established in October 2007. The PMU was established by the People's Committee of Hau Giang Province in June 2007.

## 2 DESCRIPTION OF THE MID-TERM EVALUATION

### 2.1 Overall objective

- In accordance with the Monitoring and Evaluation specification for PARROC in the TFF a Mid-term Evaluation (MTE) is to be undertaken 24 months after the start of the project's activities.
- The MTE will make an overall assessment of the past performance of the project, paying particular attention to the continued relevance, efficiency and preliminary indications of effectiveness, sustainability and impact of the project against its objectives. The MTE will identify key lessons and will propose practical recommendations for any required actions to support the achievement of objectives (i.e. changes to project scope in terms of objectives, duration, financing, management arrangements etc.) to be undertaken until the end of the project, as well as any future interventions.
- The MTE will be submitted to members of the PSC which will take appropriate decisions on the proposed recommendations. It is intended that the MTE is undertaken in late April and May 2009 for submission of a report to PSC in early June 2009 (24 months from project start-up).



## 2.2 Specific Objectives

- To provide a constructive assessment of the project's continued relevance and quality of design, efficiency of implementation, effectiveness, impact, potential sustainability and to identify lessons learnt which can be applied in the subsequent activities of the project mid-June 2009 – to end June 2011. PARROC was designed with three implementation phases: (i) preparatory phase (up to December 2007); (ii) Gradual increased implementation phase (2008 – mid 2009) which included two stages: (a) District and Commune focus and (b) Provincial focus; and (iii) Accelerated implementation and initiate capitalization exercise (2009- 2010, as specified in TFF). The MTE was intended to take place at the end of Phase (ii) with the main purpose of using lessons learned to guide the design of Phase 3.
- The MTE will also provide more general lessons of applicability which may be of more general use to GoV and to BTC.

## 2.3 MTE Scope of Work

- The TFF specifies that an external short-term consultant will undertake the MTE. In view of the fact that a new Senior Technical Adviser has just been appointed (with take-up of duties from end March 2009) it has been agreed by PMU and BTC that the MTE will be led by the STA. This brings a “fresh-eye” to the MTE and also serves as an effective induction for the new STA. It is proposed that the STA is supported by one national consultant who will focus on project activities to date in pilot communes and districts. The team will hold discussions with the key participating agencies of the Project Steering Committee (Ministry of Planning and Investment and Ministry of Home Affairs), the Project Management Unit, the participating agencies of the province and of the pilot districts and communes, other relevant GoV institutions, and local stakeholders / beneficiaries.
- The evaluation team will conduct an assessment of the project using the following criteria:

### 2.3.1 Relevance and quality of design of the program

- To assess the continued relevance of PARROC, that is the extent to which the project correctly addresses the identified problems, specifically:
  - Does the project help solve the problems identified;
  - Is the project still relevant to the priorities of Vietnam and regional levels;
  - Is the project relevant to the BTC strategy in Vietnam;
  - Are there complementarities and coherence with related GoV and other donors activities;
  - Is there an impact of governance changes, particularly decentralization, on resource management;
  - Is there flexibility/adaptability of PARROC in responding to changed priorities and circumstances in PAR and within GOV / Ministry of Home Affairs policy?
- Consideration of these questions may lead to further questions arising about project preparation, design, and to what extent the design was undertaken as a collaborative effort between GOV and the BTC, including:
  - Were the policies of the Home Affairs and other relevant Ministries been taken into account in project design;
  - Are the project and its components realistic and internally consistent;
  - To what extent were different stakeholders involved in the design of the project;

- To what extent were the implementation capacities of partner institutions taken into account;
- Was the institutional framework been sufficiently considered;
- Suitability of institutional setting to achieve stated projects' objectives.

### 2.3.2 Efficiency of implementation

- To assess if the results are being obtained at a reasonable cost, i.e. how well means and activities are being turned into results, and the quality of the results being achieved. This also includes:
  - Is the project approach to achieving its objectives the best means of intervention;
  - How suitable are BTC procedures in achieving projects' objectives in Vietnam;
  - Is communication between projects, government institutions, the BTC effective to co-ordinate project and overall project strategy;
  - Have the correct target groups/counterparts been identified to deliver project interventions;
  - Have the monitoring and evaluation systems been used to guide project implementation and can this be improved;
  - How has the continuing process of devolution of responsibilities between central and local governments affected the project's efficiency and what are the likely medium and long term effects.
  - Review the structure of the technical expertise in the international and national team.

### 2.3.3 Potential Effectiveness

- To assess the extent to which project results contribute to the achievement of the project's purpose. Progress shall be reported, as far as possible, **following the structure of the TFF's logical framework** and reasons for any over – or under-achievement should be analyzed. This will also include:
  - To what extent the results of the project have been used by the intended beneficiaries;
  - To what extent ownership of the project has been achieved by relevant stakeholders;
  - To what extent the project affects the development of institutional capacity at local level;
  - The effectiveness of co-operation between the project and the Home Affairs department at central, provincial and district levels as well as other relevant departments (DPI, others);
  - How have the achievements of the project been measured and how has this information been used;

### 2.3.4 Potential Impact

- To evaluate the extent to which the planned overall objective contained in the logical framework is being achieved:
  - Have the capacity and conditions of the targeted institutions been improved;
  - Has the project had an impact on a wider number of potential beneficiaries beyond those targeted directly;
  - Could the desired impact have been achieved in other ways;

- To what extent has the project influenced the policies and programs of the GoV and other donor agencies;
- What economic and social benefits have been generated by the project?
- To what extent has the pilot phase changed the general culture of planning (from top-down to more participative) at the different government levels and between the different government levels?

### **2.3.5 Potential Sustainability**

- It is important to gauge to what extent the positive outcomes of the projects are likely to continue after the project ends. The aspects that need to be taken into account are:
  - Continuing consistency between relevant GoV policies and projects objectives, results and activities;
  - Whether the activities that are planned to continue after project completion will be financially sustainable;
  - Is the data-base technology proposed by the project considered sustainable;
  - Review the level of involvement of local government agencies and local communities and evaluate to which extent the project has generated a sense of local ownership;
  - In light of the progress of the project to date, identify any problems that are likely to arise in term of replication/expansion of the project by the host institution, and highlight any potential limitation for expanding the user/institution;
  - Assess and make recommendations as to the potential sustainability of the results generated by the project;
  - Identify detailed maintenance needs of CDF financed investments;
  - To what extent will the positive outcomes of the project continue after external funding stops;
  - Institutional capacity: the degree of commitment of all parties involved; the extent to which the objectives of the projects have been adopted by the different levels of government; whether institutions will be able to continue the work of the program after the program ends;

### **2.3.6 Lessons learned and recommendations**

- The team will review the lessons learned and will make recommendations for the design of the project's activities in the balance of the projects life (approximately two years). As noted above, PARROC was designed with three implementation phases and the intention is that the MTE assesses lessons learned from Phases 1 and 2 and on the basis of lessons learned will make recommendations on the design of Phase 3.
- Specifically, the recommendations will focus on the overall PARROC work plan for the remaining time of the project and a detailed work plan for the balance of 2009.
- The MTE lessons learned and subsequent recommendations may also be useful as inputs to PAR by the GoV as well as to BTC planning of related activities in the future.

## **2.4 Methodology and activities**

- The STA and national consultant will work closely with the BTC Coordinator, PMU, staff, relevant counterparts and beneficiaries in Hau Giang province and pilot districts and communes.

## MID-TERM EVALUATION

Public Administration Reform and Roll-Out of CPRGS in Hoa Giang Province ("PARROC")

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- The MTE will start with a briefing meeting at the BTC in Hanoi. Within 3 days of the start of the MTE the MTE team will confirm a work plan to the BTC and PMU. This will include a schedule for field visits and meetings with other relevant parties. The MTE team will require a review of reports and key project documents, field visits, meetings with key stakeholders. The PMU and BTC will provide the main project documents. Specific documents will be provided by the project staff<sup>1</sup>.
- The MTE team's work will include not more than 2 days in Hanoi but most of the MTE will take place in Hoa Giang. In Hanoi the MTE team will hold discussions with the key central government agencies represented in the PSC and possibly agencies conducting similar work in other parts of Vietnam. In Hoa Giang the MTE team will hold discussions with the PMU and project staff, provincial and sub-provincial stakeholders. The project is to be evaluated not only from the GoV and project staff angle, but from the angle of the beneficiaries' as well. Consequently, interviews and surveys will include civil society (beneficiaries and other affected groups beyond beneficiaries).
- A key methodological issue is whether observed or reported change can be partially or entirely attributed to the project, or how far the project has contributed to such change. The evaluation team will identify attribution / contribution of problems where relevant and carry out analyses accordingly.
- The main language used for the MTE will be English. However most meetings will take place in Vietnamese.<sup>2</sup>
- Finalization: Towards the end of the MTE, the MTE team will submit a draft MTE Report for discussion with PMU in a Workshop in Vi Thanh (Hoa Giang province). A second presentation will be made of the Draft MTE to the PSC / BTC at the bi-annual PSC meeting in mid-June. Following these workshops a Final MTE will be produced, incorporating comments from the Workshops.

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<sup>1</sup> In view of the fact that the new STA is leading the MTE it will be possible to prepare documents well in advance and especially it will be possible to confirm a meeting schedule in advance of MTE implementation. This will be important if meetings with key stakeholders are to be confirmed within the MTE period.

<sup>2</sup> The project may provide some translation / interpretation services but these may need to be supplemented by external resources.

MID-TERM EVALUATION

Public Administration Reform and Roll-Out of CPRGS in Hua Giang Province ("PARROC")

MTE Work Plan																																										
		April										May																														
Week	1					2					3					4				5																						
Week beginning	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29		
<b>Public holidays</b>																																										
<b>Task</b>																																										
<b>Inception Period</b>																																										
BTC briefing																																										
PSC agency meetings																																										
Inception Report																																										
<b>Hau Giang Field Work</b>																																										
Provincial Government Meetings																																										
District Meetings (Pilot Districts)																																										
Commune Meetings (Pilot Communes)																																										
Focus Group Discussions (in hamlets of pilot communes)																																										
<b>Reporting Period</b>																																										
Draft MTE																																										
Submit MTE to PMU																																										
PMU meeting																																										
PSC Workshop																																										
<b>STA Input</b>																																										
National Consultant Input																																										

to be specified  
June 11th

## 2.5 Outputs

- An Inception Report outlining the MTE work plan and methodology, within 3 days from the start of the MTE.
- A Draft Report reviewing progress and recommendations, in accordance with the requirements provided in section 2.3. Further details on reporting are included in **Annex 2**.
- A preliminary workshop to discuss the Draft Report with the PMU and provincial stakeholders in Vi Thanh.
- A Workshop to discuss the Draft Report with the PSC / BTC in Vi Thanh (linked to the bi-annual PSC due to be held in mid-June 2009).
- A Final MTE which includes comments made by the Workshops.

## 2.6 Beneficiaries

- The Peoples Committee of Hau Giang Province shall benefit from the project lessons learnt on provincial PAR and recommendations to consolidate the impact of the PARROC;
- Project stakeholders (including communities, private sector and local government agencies) shall benefit from the lessons learnt and recommendations to consolidate the impact of PARROC.
- The Ministry of Home Affairs and Ministry of Planning and Investment shall benefit from the project's lessons learnt on provincial PAR;
- The BTC which will use the lessons learned from the evaluation and the recommendations for future actions in the project and in future BTC activities.

## 3 NATIONAL CONSULTANT PROFILE

### 3.1 National Consultant – ToR

The National Consultant will be primarily responsible for the District and Commune interviews and Focus Group Discussions with representatives of hamlets in pilot communes. It is proposed that the national consultant will be required for 17 person (work) days. Requirements for the National Consultant are as follows:

- Primary university degree or higher in a socio-economic or related discipline.
- At least 10 years experience in institutional and organizational arrangements in public administration and / or rural development, including participatory planning.
- Knowledge of local (sub-provincial) institutional mechanisms (including public finance) and organizational arrangements.
- Previous experience in monitoring and evaluation
- Experience in the use of Logical Framework approach. .
- Excellent command of both oral and written English.
- Good coordination and communication skills.
- Thorough understanding of Government approach to PAR

## **4 LOCATION AND DURATION**

- Tentative MTE starting date: April 20th 2009
- Duration and end date: The assignment will have a maximum overall duration of 33 calendar days (including two public holidays). The draft MTE will be concluded by May 22nd. Work beyond that date (PMU and PSC meetings / workshops to discuss the MTE and final revision of the MTE) are outside this planned MTE preparation period.
- The location of the MTE will be Hanoi and Vi Thanh / Hau Giang. Most of the MTE will take place in Hau Giang province. 2 days will be spent in Hanoi at the start of the MTE for meetings with relevant institutions.

## **5 REPORTING**

The team will submit the following reports in English and Vietnamese:

- An Inception Report of maximum 5 pages to be produced within 3 working days from the start of the MTE. The main objective of the Inception Report is to provide a work plan and a methodology. It should also describe the foreseen degree of difficulties in collecting data, other encountered and / or foreseen difficulties and other relevant information considered appropriate by the consultants.
- A comprehensive draft evaluation report: the 1st draft report will be submitted by May 22nd for discussion initially with the PMU.
- The draft evaluation report will then be submitted to PSC at least one week before the scheduled PSC meeting (June 11th).
- The Draft MTE will be presented and discussed at the PSC meeting.
- A Final MTE will be prepared incorporating results of discussions on the Draft Report.
- Distribution of all the reports will include an electronic version and hard copies.

## **6 ADMINISTRATION**

### **6.1 Reimbursable costs**

- A budget shall be allocated for the national consultant (local travel, including domestic flights and taxis, per diems and accommodation).
- Budget allocation may also be required for the services of an interpreter/ translator.
- Domestic flights will include 2 return tickets Hanoi – Can Tho – Hanoi for the national consultant.
- Support will be provided by the project for local transportation.

### **6.2 Other**

- The project will organize the team's travel arrangements within Vietnam, transport and support/secretarial services to the team. Office space will be provided by the project.
- Project staff will facilitate the task of the MTE, providing explanations and documentation and assisting in setting up meetings.

## **Annex 2 Field Report – Participating Districts and Communes**

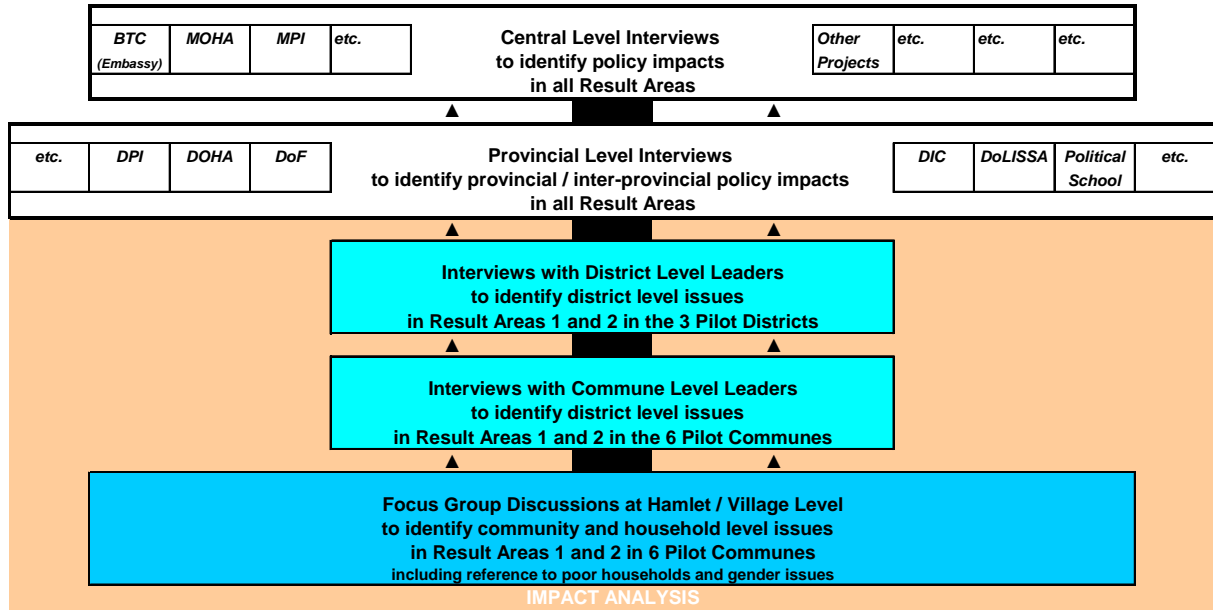
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## Annex 3 Evaluation Strategy

**Figure 3A – 1: Evaluation Strategy**



## **Annex 4 List of Persons Met**

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- ◆ **MPI**  
Do Xuan Thong, Head of European Division, Foreign Economic Relations Department, MPI
- ◆ **MOHA**  
Luong Quang Luyen, Deputy Director, International Co-operation Department, MOHA
- ◆ **DPI**  
Mr.Nguyen Ngoc Dien, DPI Vice Director – Cross-sectoral Task Force Leader
- ◆ **DOHA**
  - 1) Mr.Ngo Van Gam, DOHA Vice Director – Vice Project Director for PSD-Training
  - 2) Mr.Vo Thanh Chinh, Vice Manager of PAR Division
  - 3) Mr.Nguyen Thanh Giang, Manager of Training Division
- ◆ **DARD**
  - 1) Mr.Pham Hoai An, Vice Director
  - 2) Mr.Huynh Van Thanh, Manager of DARD Office
  - 3) Ms.Nguyen Thi Kim Trang, official of DARD Office
- ◆ **DOLISA**
  - 1) Ms.Tran Thi My Dung, Director
  - 2) Mr.Nguyen Trung Liet, Manager of Labour & Salary Division
  - 3) Mr.Chau Minh Khai Hoan, Vice Manager of Social Sponsor Division
  - 4) Ms.Phan Thi Dao, expert of Generalisation Division
- ◆ **DOF**
  - 1) Mr.Tran Minh Hoang, DOF Director- PMU Member
  - 2) Ms.Le Thi Thu Hang, Vice Manager of Budget Management
  - 3) Ms.Nguyen Thi Kim Loan, Vice Manager of DOF Office
- ◆ **STATE TREASURY**
  - 1) Nguyen Thi Hanh, Vice Manager of Accounting Division
  - 2) Mr.Le Phuoc Thai, Vice Director
  - 3) Mr.Truong Canh Tuyen, Vice Director of POPC
- ◆ **POLITICAL SCHOOL**
  - 1) Ms.Nguyen Thanh Thuy, Rector
  - 2) Ms.Phan Huu Hanh, Vice Rector
  - 3) Mr.Nguyen Hoang Khai, Vice Rector
  - 4) Mr.Phan Van Sanh, Manager of Training Division
  - 5) Ms.Le Thi Hong Thanh, Deputy Dean of Party Build-up & People Mobilisation Faculty
  - 6) Mr.Nguyen Hoan Hai, Dean of State & Law Faculty
  - 7) Mr.Nguyen Hiep Trung, Teacher
  - 8) Mr.Lam Duy Thien, IT official
  - 9) Ms.Nguyen Ngoc Tuyet Phuong, Teacher
  - 10) Mr. Le Thanh Tam, Vice Director of IT Centre – POPC

## MID-TERM EVALUATION

Public Administration Reform and Roll-Out of CPRGS in Hua Giang Province ("PARROC")

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◆ **COMMUNITY COLLEGE**

- 1) Ms. Tran Thi Tu, Vice Rector
- 2) Nguyen Huu Dong, Vice Manager of Training Division
- 3) Nguyen Tri Thanh, Vice Manager of International Cooperation Research Division
- 4) Ho Quoc Dung, Dean of Pedagogical Faculty

◆ **DIC**

- 1) Mr. Huynh Thanh Hoang, Vice Director
- 2) Mr. Doan Quoc Viet, Vice Director
- 3) Mr. Ngo Van Tu, Manager of Finance & Planning Division
- 4) Ms. Huynh Thanh Dieu, Vice Manager of Environmental Safety Technique Division
- 5) Mr. Nguyen Hoa Vinh, office expert
- 6) Mr. Nguyen Van Tham, office expert

◆ **BTC**

Dirk Deprez, Resident Representative – Belgian Technical Cooperation

◆ **Embassy**

Peter d’Huys – First Secretary, Royal Embassy of Belgium

## **Annex 5 List of Documents Consulted**

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1. Specific Agreement, June 18<sup>th</sup> 2007
2. Technical and Financial File VIE 004 03 01
3. Socio-economic Development Plans of 6 pilot communes for implementation in FY2009
4. Inception Report, PMU, June 2008
5. PARROC – VIE 04 030 11 Annual Report 2008
6. Public Financial Management – Research Project on Addressing Governance and State Management Effectively – UNDP January 2009
7. Corruption, Public Administration Reform and Development – Challenges and Opportunities – UNDP January 2009
8. Government Structure, Organization and Excellent Public Services: the case of Viet Nam and some recommendations for change – UNDP January 2009
9. Public Administration and Economic Development in Viet Nam: Remaking the Public Administration for 21<sup>st</sup> Century – UNDP January 2009
10. Institutional Reform for Public Administration, UNDP January 2009
11. Government Structure, Organization and Excellent Public Services: the case of Viet Nam and some recommendations for change – UNDP January 2009
12. Training Plan 2009 – for the implementation of Socio-economic Development Plans in 6 Pilot Communes and Wards
13. Local Trainer Support Plan to Develop Trained Subjects for Hau Giang Province – March 2009
14. List to be completed.....

## Annex 6 Analysis of CDF Investments

### Analysis of Commune SEDPs

#### Distribution of Investments by Sector

*VND millions*

	Hoa An	%	Hiep Thanh	%	Hiep Loi	%	Vinh Vien	%	Thuan Hung	%	TOTAL	%
Roads & bridges	2.524,00	72,67%	1.010,00	32,38%	420,00	12,67%	600,00	24,14%	1.075,00	52,72%	5.629,00	39,00%
Markets	0,00	0,00%	300,00	9,62%	130,50	3,94%	500,00	20,12%	551,00	27,02%	1.481,50	10,27%
Agriculture	179,00	5,15%	601,00	19,27%	945,00	28,50%	550,00	22,13%	41,00	2,01%	2.316,00	16,05%
Job Creation (laborers)	18,00	0,52%	138,00	4,42%	290,00	8,75%	175,00	7,04%	30,00	1,47%	651,00	4,51%
Health	560,00	16,12%	113,00	3,62%	413,00	12,45%	170,00	6,84%	14,00	0,69%	1.270,00	8,80%
Education (nurseries and Community Study Centers)	39,00	1,12%	155,00	4,97%	46,50	1,40%	40,00	1,61%	76,00	3,73%	356,50	2,47%
Broadcasting System	89,00	2,56%	169,00	5,42%	125,00	3,77%	70,00	2,82%	45,00	2,21%	498,00	3,45%
Public service delivery	46,00	1,32%	388,00	12,44%	105,00	3,17%	160,00	6,44%	163,00	7,99%	862,00	5,97%
Environmental Sanitation	13,00	0,37%	87,00	2,79%	809,00	24,40%	200,00	8,05%	21,00	1,03%	1.130,00	7,83%
Social Security	5,00	0,14%	88,00	2,82%	32,00	0,97%	20,00	0,80%	8,00	0,39%	153,00	1,06%
Commune Governance	0,00	0,00%	70,00	2,24%	0,00	0,00%	0,00	0,00%	15,00	0,74%	85,00	0,59%
	<b>3.473,00</b>	<b>100,00%</b>	<b>3.119,00</b>	<b>100,00%</b>	<b>3.316,00</b>	<b>100,00%</b>	<b>2.485,00</b>	<b>100,00%</b>	<b>2.039,00</b>	<b>100,00%</b>	<b>14.432,00</b>	<b>100,00%</b>

## The Abbreviations

ADB	Asian Development Bank
CPC	Commune People's Committee
CDF	Commune Development Fund
CDP	Commune Development Plan
CIEM	Central Institute of Economic Management
CPMU	Commune Project Management Unit
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
GoV	Government of Vietnam
LDF	Local Development Fund
LPMD	Local Planning and Management for Development
MTE	Mid- term Evaluation
PAR	Public Administration Reform
PARROC	Public Administration Reform and Roll-out of CPRGS in Hau Giang Province
PPB	Participatory Planning and Budgeting
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
SEDP	Socio- Economic Development Plan
SIDA	Swedish International Development Agency
SPMU	Sub- Project Management Unit
TA	Technical Assistant
TFF	Technical and Financial File
ToT	Training of Trainer

## **Mid-term Evaluation PARROC in the Pilot Districts and Communes**

### **Report 1 - Findings and Lessons Learned**

#### **1. Introduction**

The project VIE/004/03/01: The Public Administration Reform & Roll Out of CPRGS (PARROC) was designed to continue phase I of continued cooperation between Belgium and Vietnam in PAR. Taken into account of experience in phase I in participatory rural planning and the improvement of administrative services through the One Stop Shop, the overall objective of designed project is to promote pro-poor growth, poverty reduction and socio-economic development through the reform of the planning system and management of public service delivery at provincial, district and commune levels. The focus of the project is on strengthening local government capacity on participatory planning and budgeting (PPB) and improved public service delivery. The project comprises of four result areas of (i) Improvement of the planning and budgeting process and system at the provincial, district and commune level; (ii) Improvement of the local administrative and socio-economic service delivery systems; (iii) Improvement of the capacity of training institutions in providing PAR and project-related training; and (iv) Dissemination of the lessons learned from the project. In order to achieve the objectives, the project provides an additional incentive fund through the Commune Development Fund with the purpose of encouraging improvement of planning and service delivery at local level.

The PARROC commenced on July 2007, as design the project implementation process consists of three sequential integrated phases (i) A preparatory phase; (ii) Gradual increased implementation phase; and (iii) Accelerated implementation and initiate capitalization exercise. An independent mid term evaluation will be undertaken 24 months after the start of the project activities. This mid- term evaluation aims to (i) make an overall assessment of the past performance of the project, paying particular attention to the continued relevance, efficiency and preliminary indications of effectiveness, sustainability and impact of the project against its objectives; and (ii) identify key lessons and will propose practical recommendations for any required actions to support the achievement of

objectives to be undertaken until the end of the project, as well as any future interventions.

The mid- term evaluation is carried out by independent consultant team which comprises of one international expert as team leader and two domestic institutional consultants. This report is prepared by domestic consultants. It provides crucial findings in respect of result- area 1 and 2 which are used as inputs to complete the final report by Team Leader. The findings and recommendations in this report are made based on participatory assessment process with involvements of stakeholders at district, commune, village and community level

## **2. Main achievements & challenges**

### *2.1. Achievements*

- Awareness and knowledge of staff & local people have been improved.
- A network of trainers and task force team in new planning approach – PPB- have been established at all 3 levels
- The participation of local people has been mobilized in priority setting
- Commune budget has been supplemented/ supported through CDF funds, which leads to considerable improvement in infrastructure & public services.
- The province has issued legal documents<sup>1</sup> to decentralize for 6 pilot communes, empowered commune as Investment Owner and to implement activities under the project.
- A CDF Manual and SEDP Manual for commune level) have been developed.
- Coordination, cooperation among departments and various levels has been considerable improved, towards active, supportive, and more efficient approach, although at various communes, the levels are different.

### *2.2. Challenges*

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<sup>1</sup> Letter no. 2643/QĐ- UBND date 26 Nov 2008 of Hau Giang People's Committee on decentralization in decisions of investment fund, funds for public services for 6 pilot communes under the PARROC; Decision no. 270/QĐ-UBND dated 10 Feb 2009 of Hau Giang People's Committee on promulgation of procedures, payment of Commune Development Fund – CDF under project VIE 004/03/01; Decisions no. 440/QĐ-UBND dated 26 Feb 2009 of Hau Giang People's Committee on supplementary allocation of state budget revenue and local budget expenditure for districts & towns in Hau Giang province area.



- Project activities are not actually “pro-poor”/given priority to the poor<sup>2</sup>
- Although the PPB approach has been highly appreciated by all levels, but it has not been institutionalized and approved for pilot communes to apply in their general SEDP planning process in the locals. The new approach has only been enforced in planning under the project. Therefore, in each pilot communes, there exists 2 parallel plans concurrently with weak integration
- A large portion of CDF was allocated for the first year (about 50% of the total fund). Although this fund’s allocations are totally initiated from the local demand, such an imbalance fund allocation may lead to the following consequences: (i) ineffective usages of resources because capacity and experiences of cadres in pilot communes are inadequate in the first year. (ii) Implementation progress can’t be secured. (iii) This will be a challenge if the project wants to replicate the pilot models in later years.
- CDF fund allocation for public service is not balanced, most of them are used to upgrade, rehabilitate infrastructure works & equipments purchases. It is noted that there is a great demand on improvements & upgrade of rural traffic works (roads, bridges) and irrigation schemes in Mekong delta provinces. Improved infrastructures have great contribution on transportation and production but also in increased education and culture exchange. However, other public services such as job creation through promotion of off-farm trade, development of small & medium enterprises or development of market oriented production will contribute to the sustainable & long-term economic growth of the province.
- The establishment of Commune PMU at pilot communes is still an issue<sup>3</sup>.

### **3. Relevance of PARROC to the Districts and Communes Relevance**

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<sup>2</sup> Although in Technical & Financial File of the project, its overall objective is stated as: “Promote pro-poor socio-economic development and poverty reduction through public administration reforms at provincial, district & commune levels”, some activities has not shown clearly pro-poor features. Those activities are, for example, the selection of pilot communes, PRA implementation method to identify priorities; CDF allocation & usage.

<sup>3</sup> CPMUs are established in all pilot communes. In fact, CPMU comprises of crucial members of exsiting GoV’ s administrative system at commune level. In Long My district, Chairman of CPMU is also the Chairman of PPC; at the rest 2 districts, Chairman of CPMU are Vice Chairman of PPC.

The PARROC project for Hau Giang province is cooperation between Vietnam & Belgium in PAR, it is continued the phase I of the project in Can Tho City & Hau Giang Province. Current situation in term of socio-economic context and policies has not much changes compared to the time of writing the TFF except the expectation of new law on planning. At the time of writing the TFF it was expected that a new law on planning would be approved, but, in fact, there is a change. In stead of preparation for the launch of Planning Law, now, the MPI is developing a decree on Planning. We may hope that it will be promulgated soon in 2009/2010. As a result, project's relevance is still in valid<sup>4</sup>. In this report, we will focus only on project relevance at district and commune levels.

The TFF has clearly stated: *“strategic objective is to contribute to the decentralization process by strengthening local government capacity to promote pro-poor growth, poverty reduction and socio-economic development. This will be achieved through the reform of the planning system and the management of public services delivery”* with three level of emphasis, in which pilots at district & commune levels are combined with capacity and institutional strengthening at provincial level. These strategies & approaches are totally appropriate to actual context of province, especially at commune level where the poorest capacity in the planning system of the province<sup>5</sup>. Planning reform starts at commune level where all activities are implemented. Therefore, commune planning reform will greatly and directly effects on implementation of GoV's polices and Communist Party's Directions, especially poverty reduction policies. As a result, this is the easiest way for the project to attract the direct participation of local people & the community in the planning process. It is also highly appreciated by local people. Increased participation of community in planning at commune level also achieve decentralization, democracy and empowerment of at grassroots level which is in line with GoV's pilicies.

The trend of strong decentralization to commune level in management of socio-economic development, of national target programs and of investment projects requires further capacity building for commune key cadres in planning and financial management. While in current planning system, the commune level less involves in planning process. It exists a perception that

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<sup>4</sup> Refer to the Inception Report) (June 2008) to understand more about relevansr of the project.

<sup>5</sup> Report on current situation of planning in Hau Giang- April, 2008

that planning capacity at commune level are weak, district level usually helps commune by doing everything on behalf of the commune level (in planning, decentralization of investment management). This, in many cases, leads to the fact that decisions on planning target, or capital construction at commune are usually made by their upper level. Planning reform at commune level is a way to build their capacity & to concurrently enhance decentralization, empowerment to commune level, gradually help them to confirm their capacity in making their own decisions for socio-economic development in their local. Therefore, this approach will quickly receive strong support & high commitment from many commune leaders.

The project provides an additional incentive fund through the Commune Development Fund with the purpose of encouraging improvement of planning and public service delivery at local level. With CDF, commune can overcome one of the weaknesses in current planning system of Vietnam – poor link between planning and budgeting in traditional planning process. It is an important financial resource to poor commune where almost its budget comes from transfer system, i.e its budget depends on allocation from upper level. On the other hand, through CDF, the project has provided a significant supplementary resource for communes and the community to meet their essential demand of infrastructure and other public services delivery.

Project implementation at commune level based on current GoV administration system & CDF as an additional support to commune budget, which operates under current regulations of the Vietnamese government, are totally appropriate with Hanoi Core Statement on Aid Effectiveness. Area of commune level is usually small, making it simple to coordinate among stakeholders in terms of both horizontal and vertical. In the first stage of planning reform, where all efforts are still experimented by “learning by doing”, this seems to be a suitable scale to pilot model of new PPB approach, in which all reform aspects are experimented such as participatory, strategic, result-based approach, and with monitoring & evaluation system as well then lessons-learnt are concluded before expanding the model. However, establishment of CPMU at pilot communes is still an emerged, especially in the case of PAR project like the PARROC and in a context that the Government of Vietnam is in an effort to streamline & refine our administration machinery towards simply & effectiveness.

Project strategy which includes a pilot approach focused on selected local government units together with a flexible, process and phased approach

based on the evolving capacity and needs are relevant, especially with limited resources of the project. On the other hand, the approaches are suitable to current actual context of the province, where capacity of grassroots level, especially commune level are low, and Vietnamese policy environment are changing towards improvements. Pilots in some communes, with experiences & lesson-learned concluded, then the model is summarized, institutionalized and extended; this is a right way to ensure success of the project, as well as the process of changes - from piloted action (at commune level) to thinking (at all level) and policy making (at provincial & central level). With regard to State Budget resource, according to State Budget Law in term of decentralization and allocation norms on investment and current expenditure for the stable budget period of 2007-2010, the provincial government can clarify for district level and district level shall clarify for commune level how much state budget is at each levels so that commune can actively do their planning. Therefore, the bottom-up approach, gradually from lower to upper level is possible. In initial stage, reform efforts should be focused on planning at commune level. In this process, district level should commit to provide all adequate supports for their communes. Field visits show that all three project districts have provided significant support activities for pilot communes such as providing supplementary budget, training, and guidelines on budget-related procedures. It is clear that when planning in all communes are improved, it will, in turn, emerge a new demand, from the bottom, which requires respective changes at district level. During the planning reform process at commune level, at the same time, leadership & staff at district level will be provided with new required skills & knowledge, with a view that turning into phase 2 of the project, when district planning undergoes comprehensively reform, it is supposed that district level, then, be ready for these changes. Therefore, success in district planning reform will be secured. The MTE Team found that this is an appropriate approach in planning reform, considered the practical situation of planning in Vietnam. If the approach is well-implemented, further steps in planning reform at district & provincial level will have sustainable development.

#### **4. Effectiveness of PARROCs Activities at District and Commune Levels**

Most activities under Result Area 1 & 2 have been implemented as various level, however, some are implemented behind schedule<sup>6</sup> as compared to initial plans. It is too early to evaluate the effectiveness of these activities, but achievement so far worth recognition. The most recognized success is the development of a legal framework by local authority for application of new method & approach under the project, through provincial decisions on decentralization of investment ownership to commune level; pilot implementation of PPB. However, this legal framework is just a necessary condition for piloted communes and not yet institutionalized for local planning process. Consequently, although SEDP plans developed under new approach had been approved by local authority at pilot communes, the integration between the project's SEDP and the general SEDP of the commune is weak, showing in the fact that two plans co-exist in some communes or simply a combined plan with the other plan added as an appendix. There are many reasons why these two plans co-exist at commune level (i) Coverage of the project's SEDP has not included all aspects of the commune's general local SEDP, these plans were made in different time; (ii) their planning targets are not coincident, in which many targets of the commune's general SEDP were set by traditional approach, with top-down imposition.

Based on studies supported by the project<sup>7</sup>, training programs have been designed & carried out in appropriate with various stakeholders, in combined with effective pilots in communes. Capacity of staff at all level, especially at commune has been considerably improved. Supportive role of district line agencies towards commune level are much more visible. Involving in the participatory planning process, local people's awareness is improved, grassroots democracy has been mobilized, coordination among line agencies, mass organisations in local planning shown great improvements<sup>8</sup>, if compared to previous situation.

As for public service, the roles, functions & responsibilities at all levels and among line agencies in public service provision have been clearly

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<sup>6</sup> Up to now, Building up database system to support planning & public service has not been implemented, although this activity is planned to complete in the end of the start-up phase.

<sup>7</sup> Studies on current planning situation in Hau Giang; Training needs assessment; Public service delivery- the roles, tasks of local authority levels.

<sup>8</sup> In the past, at commune level, there was usually 2-3 staff (chairman/vice chairman, administrative-statistic staff and & accountant) involved in the commune planning process. With participatory planning approach, not only local peoples took part in priority ranking, key staff of departments, mass organizations also joined the planning process right from the start.

distinguished; facilities have been improved, administrative procedures are transparent, service attitude has been changed positively, towards service quality improvements. Changes in public service provision, especially in administrative procedures are highly appreciated by local people.

## **5. Efficiency of implementation of PARROC Activities in the Pilot Districts and Communes**

Although the project started from July, 2007, in the beginning, major activities are project start-up. Not until Apr 2008 that project activities, such as studies, training, were officially implemented. CDF was just started since early 2009, and mainly focused on infrastructure rehabilitation and upgrade. Thus it is too early to evaluate their efficiency, because there are no specific results so far. Although quantitative assessment could not be made, some qualitative judgment on efficiency of project activities is as follows:

- Capacity of district & commune staff has been improved, especially at commune level. At district level, there is a change in line agencies, in stead of doing the work on the behalf of the commune as in the past, they have supported the communes by providing guidelines, training for commune staff. At commune level, staff directly involved in planning, procedures of investment ownership gradually became familiar to communes. Although changes are shown only in activities under the project, this marked positive changes in decentralization, in capacity and roles of various level, which is a cushion for stronger evolvment in the inevitable trend of decentralization and empowerment.
- A network of trainers and task force team in participatory planning has been established at all level.
- PPB approach and a logical framework for planning have been applied in the project. Content of the SEDP plan shown many reforms as compared to tradition planning, in which roles & functions of stakeholders who involved in implementation of the plan have been clearly distinguished; planning targets are linked with allocated budget and identified based on demand of local people. The quality of SEDP at upper level, after all, will depend on the quality of planning at grassroots level. Therefore, (i) if SEDPs at commune level were reformed (in planning approach, in the system of planning targets and M& E indicators), these would be the most important inputs, setting up a foundation for SEDP planning reforms at district & later on,

- SEDP Manual for commune level has been developed, although this is just a necessary condition, but it is a basic step for success of local SEDP planning reform. Thanks to pilot of PPB approach with support from CDF for 6 pilot communes, six SEDPs in new approach have been completed.
- CDF has been a great additional funding for commune budget, enable communes to improve infrastructure & other public services in the local.

## **6. The Impact and Potential Sustainability of PARROCs interventions at District and Commune Level**

Though the project was designed three years ago, its suitability remains valid due to its close linkage with central policies and planned reforms of the planning system. However, the MTE team views that current reform efforts of planning system are still at early stage, it is hard and challenging to demand for breakthrough changes in planning systems at all local levels at the same times as there exist many institutional bounds that a single project can not solve itself. Changes in planning methodology are essential so as to promote a broad-wide participatory approach and make local planning agencies fully aware of the availability of local resources before any socio-economic development plan is prepared. Therefore, time is needed to verify results of the new approach as well as enhance acquired achievements.

The MTE team found that the PPB approach received high appreciation from local people, district and communal authorities; moreover, this was strongly enhanced by financial resources provided by the CDF that enabled local authorities to strengthen their ability to conduct PPB. However, there is also a risk about project sustainability when it finishes. Hence, determination and confirmation of local authorities (at provincial level) to the enforcement of this approach is much necessary. Decision No. 2643 is currently a legal foundation to facilitate the pilot implementation in 6 communes in compliance with government regulations. However, to broaden the project coverage, permission of the PPC is required. Similarly, extraordinary policy changes will require permission from higher level authority (for example, to

widen the application of Decision No. 270 regulating estimation and disbursement procedures of funds provided by CDF under project VIE004/03/01, approval of higher level authority is required). Therefore, besides above mentioned strengths, there are also weaknesses that a lot of institutional regulations and functional mechanism are required in practical implementation.

Planning and budgeting reforms with the supporting of CDF has helped overcome one of weaknesses of the traditional planning approach that plans are weakly linked to resources. It means the application of the new approach requires that's communes should have significant budget commitments early in the planning process, so that commune's objectives can be identified using participatory approach to prioritize their needs and mobilize external resources. In details, commune need sufficient information from districts; districts in turn require information from provincial authorities and provincial authorities need information from central level. In the current context, it is hard and challenging to obtain breakthrough changes in local planning due to institutional bindings required by the central level, but it can be localized by provincial and district levels within their authority.<sup>9</sup>

## **7. Lessons learnt**

These lessons are applicable not only for the next phases of the project but also for future designing of similar project/programs.

- a. Planning and budgeting reforms in parallel with public service delivery reforms: The delivery of public services is one of important tasks of any government. Achieved results justified that socio-economic development planning and public service delivery are two faces of a coin, which can not be split and separately considered. In fact, planning are arrangements and priotisation of needs. This means that socio-economic development planning for a province/district/commune is the planning of a key and integral part of government activities namely public service delivery.
- b. Commitment of local authorities: As designed, project implementation are divided into 3 phases that are bottom-up (commune-district-province) and ascending (pilot – speed up – replication) while stakeholders' commitment are one of key critical success factor. In the first phase when reform supporting efforts

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<sup>9</sup> Study on current planning situation in Hau Giang province (April 2008)



were focused at communal level, commitments to provide sufficient supports by higher level were necessary. District authorities in all three pilot districts have done well in supporting the communes such as being committed to provide additional budget; supporting to organize training courses; providing guidance to implement government policies on budget and delegating investment ownership to communes. The provincial authority has also proved to be cooperative in creating a legal foundation for pilot communes to implement project activities.

- c. The involvement of provincial officials in provincial project management unit has facilitated the coordination, cooperation among relevant stakeholders as well as conveyance of ideas, sharing of experience in local planning practice.
- d. It should be aware that this is a reform to planning system rather than a complete substitution. Planning reform covers four areas (i) reform in awareness and thinking; (ii) reform in procedure; (iii) reform in planning methods and tools and (iv) reform in the contents of plans.
- e. Training should be provided in conjunction with financial supports to create “incentives”, so as to ensure the success of pilot implementation. However, in order to ensure sustainability and the success of replication, there should be frequent reviews, drawing of lessons learnt and incorporation of acquired experience in local guidance, policies to create legal foundations for the application and replication of the approach.

## The Abbreviations

ADB	Asian Development Bank
CPC	Commune People's Committee
CDF	Commune Development Fund
CDP	Commune Development Plan
CIEM	Central Institute of Economic Management
CPMU	Commune Project Management Unit
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
GoV	Government of Vietnam
LDF	Local Development Fund
LPMD	Local Planning and Management for Development
MTE	Mid- term Evaluation
PAR	Public Administration Reform
PARROC	Public Administration Reform and Roll-out of CPRGS in Hau Giang Province
PPB	Participatory Planning and Budgeting
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
SEDP	Socio- Economic Development Plan
SIDA	Swedish International Development Agency
SPMU	Sub- Project Management Unit
TA	Technical Assistant
TFF	Technical and Financial File
ToT	Training of Trainer

## **REPORT 2: EVALUATION REPORT**

### **I. Introduction :**

The project VIE/004/03/01: The Public Administration Reform & Roll Out of CPRGS (PARROC) was designed to continue phase I of continued cooperation between Belgium and Vietnam in PAR. Taken into account of experience in phase I in participatory rural planning and the improvement of administrative services through the One Stop Shop, the overall objective of designed project is to promote pro-poor growth, poverty reduction and socio-economic development through the reform of the planning system and management of public service delivery at provincial, district and commune levels. The focus of the project is on strengthening local government capacity on participatory planning and budgeting (PPB) and improved public service delivery. The project comprises of four result areas of (i) Improvement of the planning and budgeting process and system at the provincial, district and commune level; (ii) Improvement of the local administrative and socio-economic service delivery systems; (iii) Improvement of the capacity of training institutions in providing PAR and project-related training; and (iv) Dissemination of the lessons learned from the project. In order to achieve the objectives, the project provides an additional incentive fund through the Commune Development Fund with the purpose of encouraging improvement of planning and service delivery at local level.

The PARROC commenced on July 2007, as design the project implementation process consists of three sequential integrated phases (i) A preparatory phase; (ii) Gradual increased implementation phase; and (iii) Accelerated implementation and initiate capitalization exercise. An independent mid term evaluation will be undertaken 24 months after the start of the project activities. This mid- term evaluation aims to (i) make an overall assessment of the past performance of the project, paying particular attention to the continued relevance, efficiency and preliminary indications of effectiveness, sustainability and impact of the project against its objectives; and (ii) identify key lessons and will propose practical recommendations for any required actions to support the achievement of objectives to be undertaken until the end of the project, as well as any future interventions.

The mid- term evaluation is carried out by independent consultant team which comprises of one international expert as team leader and two domestic institutional consultants. This report is prepared by domestic consultants. It provides crucial findings in respect of result- area 1 and 2 which are used as inputs to complete the final report by Team Leader. The findings and recommendations in this report are made based on participatory assessment process with involvements of stakeholders at district, commune, village and community levels.

## **II. Methodology of Mid-term Evaluation at District and Commune Levels:**

In order to achieve the MTE objectives mentioned above, the MTE used methodologies including (i) Study and review relevant secondary materials and (ii) Collect the primary information and data based on participatory assessment.

The derived/secondary materials include project document, project's activity reports such as Inception report, MTE inception report, manual for commune socio-economic development planning, the report on real state of planning in Hau Giang; the socio-economic development plans of pilot communes/districts.

The consistent and cross-cutting methodology used for MTE is a participatory assessment, of which some tools of PRA used like group discussion, in-depth interview with structured questionnaires (See Annex 1) prepared for both district and commune levels.

At district level, the group discussion and in-depth interview with structured questionnaires were used for sub-project management unit of PARROC project and for Project related key units such as the Division of Planning and Finance, State Treasury of District.

At commune level, in-depth interview was used for the officials of commune, including commune project management unit, the key group discussion was conducted for one village from each pilot commune<sup>1</sup>. Two community groups of the selected village consist of 8 – 10 people per each group. Among the invited interviewee were women and representatives of poor households living within 6 pilot communes.

(The list of units and individuals interviewed under MTE PARROC project are given in Annex 2)

## **III. Project Organization**

Given in the Technical and Financial Files of PARROC project, the organizational structure consists of Project Steering Committee, Provincial

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<sup>1</sup> Village 4 of Hoa An commune, Huy Thanh Village of Hiep Hung commune, Village 9 of Thuan Hung commune, Village 11 of Vinh Vien commune, Xeo Vong Village of Hiep Loi commune, Zone 6 of Hiep Thanh Ward

Project Management Unit and Sub-project management units in 3 pilot districts.

The members of sub-project management unit (district level) include a chairman of People Committee as a director of SPMU, other members are heads or vice-heads of related divisions, based on the current organization of district governance. This is very advantageous for project implementation ensuring, efficient delivery and transfer of project ideas and proposal to the local governmental system.

The district SPMU has been currently facing the personnel instability problem due to Vietnam Government policy of personnel/officials circulation. Although the Technical – Financial Files did not include the establishment of Commune project management unit (CPMU), during the implementation of the PARROC project in 6 pilot communes (from February to March 2009), the CPMU was established by Commune People’s Committee. Based on the each commune conditions, CPMU composes of 6 to 8 members, including a leader of Commune People’s Committee (A Chairman or Vice-Chair), an official in charge of finance and accounting, official in charge of Office and statistics, official in charge of agriculture, official in charge of irrigation and transportation, official in charge of land and construction, official in charge of budgeting and accounting, official in charge of juridical and residency registration etc. These are the commune major post related to the 8 public services given in the Decision No. 2643/QĐ-UBND dated on 26/11/2008 of Hau Giang People’s Committee on decentralization of investment and fund decision making in public service sector to the 6 pilot communes of PARROC. There have been some explanations of establishment of CPMU, but the MTE team view is that the establishment of CPMU is not necessary, since the allocation of fund to CDF and directed to the commune budget and guided by current regulation of Vietnamese government; in addition to that the members of CPMU are right the officials of current commune government.

#### **IV. Project Implementation:**

The Report 1 has confirmed that the PARROC design has ensured its relevance and effectiveness. As required in Technical – Financial Files, the study on current planning situation in Hau Giang and study on Public service delivery- Roles, task of governmental levels were conducted, based on the outcomes of the review and study, the project activities have been identified and adjusted<sup>2</sup>. With regard to planning reform, the Inception Report also

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<sup>2</sup> See Inception Report of the Project (June 2008)

proposed progress schedule for so called “roll-in” planning process with the activities relevant to district and commune levels. Up to now, in general, the activities have been performed well and achieved remarkable results as mentioned in Report 1 and Report 3. However, the following issues have to be paid attention:

With regard to participation and priority identification by citizen:

- The meeting with people was organized in the villages of 3 pilot communes; PRA was used for participants to identify their priorities for the 8 public services. At the meetings, the participation of poor households and women was ensured. However due to the time constraint, at meetings organized in the villages, the participants have been split into two general groups unlike groups of the similar interest; also as normally, the group of people having higher income usually have more time to participate and more confident than group of vulnerable citizens, so the MTE team has agreed with recommendation given in page 13 of Inception Report June 2008: “we must use more accurate tools to surveillance when conducting the consultation on the year 2010 socio-economic development plan”. This means that at the meetings used PRA tools, the participants should be divided into target groups having similar interest, particular the social groups or organizations; on one hand, attract their involvement, on other hand to identify their more accurate needs and priorities

- The activity of development of database and database system, serving the planning reform as well as public service delivery has not been done.

## **V. Results by Result Area:**

**Result Area 1:** Improvement of Planning and Budgeting process at district and commune levels.

**Sub-result Area 1.1:** A clear and detail picture of real planning situation (basic study)

*Activity 1.1.1:* The review of real planning situation:

This review of real state of planning in Hau Giang province was conducted by consultant team from Central Institute of Economic Management (CIEM) in April 2008. The review gave comprehensive and detail situation of real planning at three management levels – provincial, district and commune - in Hau Giang province. Based on it, some steps and activities were

recommended for further improvement and reform of local planning. These recommendations include:

- To establish legal framework on planning reform for Hau Giang province (this recommendation for provincial People's Committee): It was clearly stated that while the Central level has not yet promulgate the Law on socio-economic development planning (according to the knowledge of MTE team, this Law shall be replaced by the Government Decree on Planning) the provincial People's Committee under its mandatory power can make the Decision on the issues related to the planning reform (for example, about planning contents of all levels, the planning process, the monitoring and evaluation of planning, capacity strengthening for officials etc.). This Decision should first applied for the areas of PARROC project (for the pilot purpose).
- To define the structure and contents of three level planning: In order to achieve this objective, there is very important to train the officials on the planning methodology. This assures the improved quality of a plan.
- To define an appropriate planning process for each level of local government, including allocation of sufficient time for plan preparation:

The first prerequisite for quality improvement of planning is to develop the appropriate process of planning for each level. If the planning reform includes four areas namely renovation of awareness and ideology, process reform, tool and method renovation and reform of planning contents, the most critical area currently is the process reform because of its linkages with institutional issues. The planning process reform is also a question example of the unclear solution for the currently several implemented projects enhancing the planning capacity for a number of provinces, with a new planning approach.

- To improve the linkages between socio-economic plans and budgets:

The improvement of the relation between socio-economic planning and budgeting, practically is a dispute resolution between development needs and the constraint local resources in order to ensure high feasibility of planed goals and targets. The best solution is to get very clear identification of ranked priorities among the goals and targets

(strong need of broader participation of relevant stakeholders of planning); better use of non-financial measures.

- To intensify the monitoring and evaluation activities.
- To enhance the organizational and capacity building issues for the officials of planning sector.
- To improve the logistic conditions for planning.

Based on these recommendations, the study and assessment of real state of planning in Hau Giang province also proposed responsibility, tasks and schedule of incoming activities to ensure realization of the objectives of “planning reform” (included: content, budget and monitoring & evaluation) with focus on public services delivery (see the page 48 of the Report on Real State of Planning in Hau Giang). Basically, these activities aiming to achieve two major objectives as follows:

- To develop the new planning institution in province, including promulgation of legal documents, organizational improvement and design of the implementing mechanism for reform of planning process.
- To implement the appropriate training programme for the officials to catch the new needs of planning activities.

With the regards to the development of new planning institution in province, the Hau Giang People’s Committee already made the decisions as follows:

- Decision No. 2643/QĐ-UBND dated on 26/11/2008 of Hau Giang People’s Committee on decentralization of investment and fund decision making in public service sector to the 6 pilot communes of PARROC.
- Decision No. 270/QĐ-UBND dated on 10/02/2009 of Hau Giang People’s Committee, issued the guidance on budget apportionment and reimbursement of CDF under PARROC project (VIE 004/03/01)
- Decision No. 440/QĐ-UBND dated on 26/2/2009 of Hau Giang People’s Committee on the year 2009 additional budget allocation, the revenue and expenditures, for districts and town of Hau Giang province.

These three decisions are legal documents on decentralization of ownership and decision making to support 6 pilot communes under PARROC project. This is in line with current regulations of Vietnam’s Government.



**Sub-result area 1.2:** Development of participatory planning manual and database

- *Activity 1.2.1:* Study visits to other similar projects to get lesson learned and sharing experiences. This activity has not yet been carried out until the working duration of MTE team.

- *Activity 1.2.2:* Development of participatory planning manual and based on it to conduct the training courses.

The “Manual on Commune Socio-economic Development Planning” was prepared by consultant team from Central Institute of Economic Management and completed on March 2009. In early June 2009 there will be held a workshop on this Manual to collect the comments from various provincial relevant agencies and stakeholders of PARROC project. Based on these comments, the team will improve this Manual on Commune Socio-economic Development Planning.

The finalization of Manual on Commune Socio-economic Development Planning is a key factor for institutionalization of local development planning towards new approach, that is participatory, bottom-up, result-based and resource-based planning.

**Sub-result area 1.3:** Training of major stakeholders on participatory planning.

*Activity 1.3.1.:* Conducting training course on participatory planning for 4 target groups

**Sub-result area 1.4:** Planning as a very effective tool of management.

*Activity 1.4.1.:* Implementation of participatory planning

**Sub-result area 1.5:** Lesson learned and integrated into replication strategy for entire province.

*Activity 1.5.1:* Implementation review and designing further steps

*Activity 1.5.2:* Broad replication of the models according to designed strategy

**Result Area 2: Improvement of local administrative and socio-economic service delivery systems**

Given in the Technical and Financial Files, the Result Area 2 focuses on the improvement of public delivery of administrative and socio-economic services as well as planning process. This area was given high priority. This is

consistent with priority concerns of National Administrative Reform Programme.

Public service delivery is one of very important functions of any Government. The activities done by PARROC project and its results have shown that the socio-economic development planning and the public service delivery are both sides of a coin, they are inseparable, dependant and can not be treated individually. In practice, all governance activities relate to public service delivery. Development planning is to plan all things linked with organizational arrangement and priority ranking. So the local socio-economic development planning is practically the planning of a major bulk inseparable from public service delivery.

**Sub-result Area 2.1:** Based on the results of Phase 1, continue to support the improvement of administrative services.

*Activity 2.1.1:* Review and draw lessons learned from “one-stop-shop” administrative service delivery of Phase 1 and replicate on the whole province.

*Activity 2.1.2:* Support to plan preparation for administrative service improvement (for example, the ISO standard quality management as planned)

*Activity 2.1.3:* Implementation and evaluation support

*Activity 2.1.4:* Organization of relevant training courses and capacity building as a component given in Part 3 of PARROC’s document. This is a required condition to ensure the participatory bottom-up process for identifying the real and exact needs and target selection as well as the implementation of participatory planning. However this is not yet enough for improvement of a system defining the plan contents at provincial and district levels. Therefore the institutionalization of documents related to planning reform, within mandatory power of People’s Committee, is still a need.

**Sub-result Area 2.2:** The pilot implementation of approaches for socio-economic service delivery at district and commune

*Activity 2.2.1:* The institutional review of public services delivery: This activity was carried out in August 2008 (see Annex 2: Public Service Delivery, Role and Tasks of Government at all levels, System of Related Planning Indicators and the Planning Process)

*Activity 2.2.2:* Study visit to learn good model of socio-economic service delivery.

There are given in the Technical and Financial File the study visit to learn participatory planning (activity 1.2.1.) and public service/socio-economic delivery (activity 2.2.2), however until working period of MTE team (end of May 2009) these activities have not been performed.

*Activity 2.2.3: Development of plan improving socio-economic service delivery.*

To perform this activity, as above mentioned (in Sub-result area 1.1, activity 1.1.1), the Decision No. 2643/QĐ-UBND dated on 26/11/2008 of Hau Giang People's Committee on decentralization of project management and decision making of funds of investment and non-investment (public services) onto 6 pilot communes of PARROC. In this Decision were given 8 public service areas with major goals and targets in system of district and commune planned targets, aiming at implementation of PARROC.

Based on the Decision No. 2643 of People's Committee and results of training courses on participatory socio-economic development planning, 6 pilot communes, with the support from SPMU, PMU and the trainers, have developed the year 2009 socio-economic development plan. The 8 areas of public services given the 2009 development plan of commune are:

1. Infrastructure: Rural road network, maintenance and up gradation
2. Agricultural and rural development: Irrigation, canal dredging, agricultural extension, veterinary etc.
3. Health care
4. Education
5. Job creation and profession support
6. Information support
7. Environment: Use of sanitary water and sanitary toilets
8. Public administrative services

The interview and discussion with relevant target groups (including district related divisions, commune officials in charge, community groups from villages of 6 pilot communes, SPMU, commune project management unit) have revealed:

The general assessment of 8 public services made by groups participated the MTE meetings, is positive. Thank to the Government policy reform towards

agricultural and rural development, the public services have been improved. However the citizen satisfaction is different depends on time and locality:

### **1. Infrastructure:**

Due to geographical conditions of Mekong river delta - the dense network of a lot of rivers, canals, people earning and living right on the banks of rivers and canal – the goods transportation, people traveling for health care, pupils go to schools (poor households, women, children), labour service, cultural exchange, technique adaptation, technology transfer for improvement of business and production, people literacy increase etc. depend heavily on the transportation network. At the group discussions arranged by MTE team, the ordinary people as well as officials (of district and communes) have the same comment that the roads connecting villages and the roads linking communes have been improved, better than they were in the past. However there are still many things have to do in the future in order to maintain the rural transportation network in good conditions. So the maintenance, repairation and upgradation of roads and little bridges cross the canals must be done every year. This is an urgent need always raised by citizens from 6 pilot communes during the participation of preparation of the year 2009 socio-economic development plan.

### **2. Agricultural and rural development**

According to the current organizational structure, in each commune there are the civil servant in charge of agricultural extension, veterinary. In each village there is a man serves as a member of network of agricultural extension, veterinary supporting the transfer of the livestock raising techniques, farming skills and veterinary service delivery to the farmers. Thank to these services the animal and plant diseases have been reduced, consequentially improved harvests.

The most urgent problem raised by participants at the group discussions arranged by MTE team, related to low quality of fertilizers and plant protection chemicals or pesticides while their prices usually increase. In addition to that the farmers have expressed their wishes to get the rice strains or species adaptable to local soil conditions and high pest resistance. These wishes need to be met by the efforts made by research institute of agricultural sector.

### **3. Health care**

The highest assessment given to the preventive people health care such as improved children vaccination. The health care assurance certification is well done and is approaching the nearly-poor households. However, the quality of

health examination and illness treatment in the medical station is not good due to the limit skill and knowledge (there is still some communes do not have any doctor). So in order to approach to the better medical services the people usually by-pass and try to access the upper level, that is district-level medical centre. There is still an argument on the discrimination between immediate paid services and assurance paid ones (services paid later on by an assurance company). The people wish is to have improved medical equipments and the doctor for each commune medical station so that they can be confident to use the health care service at commune medical station.

#### **4. Education**

In all communes there are some primary schools and 01 basic secondary school. The people recognized the improvement of local kindergartens and nursery schools. Every commune has got remarkably good kindergarten. This is a big change in education service delivery at commune level, the situation that other locality do not have. In addition to these schools, there have been established the community education centre, all these contribute to the people knowledge raising.

Although the education quality has been improved, there is still constant wish of people for continuous improvement of education facilities for their children.

#### **5. Job creation and profession support**

In rural area, the job creation and profession support mainly done at provincial and district levels through the provincial and district vocational education establishments. The commune level play a role as information provider and administrative supporter, creating favourable conditions for easy access to the labour employers.

One of current difficulties of locality is that locally job opportunity is very low, the production and business establishments are not developed, is a newly established province with its infrastructure below the investors requirements.

Although the local authority (district and commune) have made remarkable efforts for vocational training (short and long term) of labours and help them to identify the labour market (domestic and overseas) through information provision, the results are still limited, due to low competitiveness of rural labours, simple skill labours. On the other hand, the income from working for industrial establishments also low, far from home, consequently a lot of people give up the job at industrial zone located on other province and return home to continue the farming practice.

The labour export is not so easy, because of the World and regional economic crises increasing unemployment rate. Besides that, the high initial investment cost and the certain skill and qualification requirement have narrow the access of rural labours to labour export market.

In order to create good conditions for rural labours in finding non-agricultural job opportunities, the best intervention measure is to enhance their competitiveness through vocational training with respect to the today local labour market needs; and to develop the incentive mechanism helping the poor to participate the vocational training courses. This is the wish of people expressed during MTE consultation. The incentive policy for small and medium enterprises development within the Province is the best orientation to solve the job creation problem for local labours.

## **6. Information support**

Information service delivery and information exploration not only help people to develop their production and business but also improve their knowledge of Governmental policies. Results of survey have showed that all the communes have got installed speaker system, except remote village or households very far from commune centre can not benefit this service. However the quality of this information broadcasting is not so good and the people wish for its sooner improvement.

## **7. Environment**

Given in the socio-economic development plan of National level as well as local level, the environment is a third pillar of sustainable development plan. Right, this is also a development goal of Vietnam.

The environmental service is a public service of all level governments from Central level down to local one.

The survey has shown that the highest concern of people is the pollution of water resources (rivers, canals) is increasing due to major abuse of pesticides, waste from aquatic farming and waste water from local production establishments.

The lack of sanitary domestic water for households and the far below standard toilets are the constant urgent problem raised by people. Therefore the planning measure should focus on the environmental issues to maintain the sustainability of development process, and should based on the indicators like the increased number of households having hygienic domestic water, sanitary toilets. The pollution reduction of water resources integrated with minimum

abuse of plant protection chemicals and pollution control of production and business establishments for their wastewater treatment.

## **8. Public administrative services**

In line with comprehensive programme of National administrative reform (for period of 2001 – 2010), the one-stop-shop or one-gate-service has facilitated individuals and organizations for doing their livelihood, production and businesses, enabled them to understand and comply with regulations and rules

Among the 8 public services supported by PARROC, according to the people's assessment, the highest rank is given to public administrative service due to its more simple and easier access. However the people still have the wishes for its more better state particularly with regard to the granting construction permission and the transfer of land use right.

In summary, the introduction of 8 public services into prioritized and essential targets of system of socio-economic development plans of pilot district and communes, in short-term especially served for provincial administrative reform project, but in long-term these will be basic development goals and targets of socio-economic development plans along the three economic, social and environmental axes/dimensions

## **VI. Conclusions and Recommendations**

### **1. Conclusions**

- The project design given in Technical and Financial Files is in line with local needs and Central policies as well as strategies
- Almost the project's activities have been performed in line with the schedules and achieved the expected results, highly appreciated by local peoples and authorities. Although it is very soon to confirm the project's impact and effectiveness, the project's activities have contributed to the improvement of public services delivery.
- The activities of PPB have made remarkable results; the training courses on the participatory planning approach have been conducted and the learned experience have been applied into preparation of socio-economic development plan under the framework of Project with 8 mentioned public services. This methodology has been highly appreciated in pilot areas; the manual on participatory planning has been developed. However there is a need to have comprehensive assessment and final conclusion of methodology application, institutionalize its application for pilot areas as well as for its wider replication.

## **2. Recommendations**

### ***2.1. Recommendations for planning reform***

- The participatory planning process should be accepted and approved for pilot areas and be applied for preparation of the year 2010 socio-economic development plan. As an expected result, the socio-economic development plan be approved and it has integrated the activities supported by the Project. For its realization, concrete recommendations are as follows:
- To improve the manual for commune planning, with participation and contribution from relevant stakeholders, especially the provincial financial and planning sectors, in order to be approved and applied in the every commune, or at least in the pilot communes for preparation of the year 2010 socio-economic development plan, to avoid parallel existence of two plans as presently
- To revise the planning process, particularly the priority defining process in commune/villages towards the enhanced participation of vulnerable groups (the poor, women, ethnic minorities) through the target group meetings for better, more accurate and more appropriate to the various target groups so that we can ensure the socio-economic development plan toward the poor.
- To assess and finalize the pilot models, to documentarize and institutionalize the achieved results as the basis for wider replication
  - The planning, progress schedule and replication of pilot model:

Based on the assessment and finalization of lessons learned from pilot model, there is a need to prepare the progress schedule and plan to widen the pilot area. This plan should be adopted and approved by local authority. Within the limit sources of CDF, for each district, there should be 01 more commune selected for the pilot; however the training activities on the participatory planning should be carried out for all remained communes of district. This is a step in equipping knowledge and skill about planning reform, ready for exercise of new Governmental Decree on Planning.

- The activities contributed to the preparation of 5 year, 2011 – 2015 period, the socio-economic development plan: These activities include (i) To conduct participatory planning training and support to all communes within the Province to



- The activities on strengthening and improvement of monitoring and evaluation of plan implementation: The lessons learned within PARROC project for this area are very useful and contributed to the improvement of current Decision No. 555 made by Ministry of Planning and Investment on Monitoring and Evaluation Framework.

## ***2.2. Recommendations for improvement of local public service delivery***

- The allocation of CDF sources should be improved toward priority for the poor. It will be achieved by the adjustment of priority identifying process toward the enhanced participation of vulnerable groups as mentioned above for various target groups
- In coming period, CDF should focus on improvement of public service delivery directly to the poor such as vocational training, job creation, better access of the poor to the markets (goods, labour, capital etc...), sanitary environment.

## ANNEX 1.

### **The discussion contents at the village**

#### **1. Participatory planning**

- Do you know about the socio-economic development plan of the Commune? How do you know? Through what form of communication?
- Have you involved in preparation of Commune the socio-economic development plan? How and who involved? When and what content?
- Do you see the differences between current the socio-economic development planning and the past one? Is the way of doing a plan at present OK? Why not? What improvement have to be done?
- When there is a certain dispute among the various target groups (for example between men and women, poor and better households etc.) about a target or whatever activity, how to solve this dispute? Who would be final decision maker?
- Who is responsible for monitoring the plan implementation (progress? Fulfillment level?)

#### **2. Public services delivery and administrative reform**

##### *a. The administrative procedures and one-gate-mechanism*

- Comparing to the past, how is the current administrative procedure? Please say an concrete example of the difference?
- How do you know about one-gate-service in your commune/district? When you need, do you receive the detail guidance? Who guides you?
- How long do you have to wait at one-gate-service to see the person in charge? How does he behave to you? At one-gate-service do you see the information board with the clear guidelines? What is your comment on the fee rate at one-gate-service?
- If do you have a claim how do you do and who do you meet?
- Is your claim solved? How long? If not solved, have you received any response or explanation?
- What has to be done for the improvement of one-gate-service (say concretely)?

##### *b. The district/commune public service delivery*

- How do you assess the district/commune public services (infrastructure, education, health care, land management, agricultural extension, veterinary, legal support etc.)? accessible degree? Quality of service? Skill, capability and behaviour of person in charge? How is facility condition? The procedures?
- Do you know all information about these services? Through whom and what form?
- What are your assessment about the capacity change of commune officials since the project has been implemented?

#### **3. Commune Development Fund (CDF)**

- Do you know about CDF?
- Who is a decision maker of spending of CDF? What for? Does the commune publicly inform the annual expenses of CDF? and how?
- How does village and community get involved in monitoring CDF?
- When you need information about CDF, whom do you meet to ask for?
- How can be done for better use of CDF (efficient and right objective)?

## **The discussion contents with commune**

### **1. Planning**

- How do you compare the past planning process and methodology with the present ones?
- What are the role and how do the authority, mass organization and citizen participate the planning process?
- Based on what, the commune does propose the annual plan targets?
- What are the support from PARROC and upper level to the commune for the participatory planning? What supplementary support does the commune need from PARROC and upper level?
- What are the commune's comments on the presently applied planning process and methodology? Advantages and disadvantages? Strength and difficulty? What are the conditions need to be maintained in order to disseminate this planning process and methodology? From Central Government, local authority (province, district), the commune and community?

### **2. Public services delivery and administrative reform**

#### *a. The administrative procedures and one-gate-mechanism*

- When did the commune initiate the one-gate-service? What are the services offered?
- What are the commune's comments on the equipment, facility of one-gate-service?
- What are the constraint and difficulty of the unit in charge of one-gate-service?
- What are the effectiveness of one-gate-service for commune as well as the community?
- What improvement have to be done for better functioning of one-gate-service?
- What are particular support from Hau Giang provincial administrative reform project for the commune one-gate-service? What are the effectiveness of that support?

#### *b. The public service delivery*

- What are the public service offered by the commune? What public service newly decentralized to the commune? What public service need to be more decentralized? Why? What public service need to be centralized and why?
- What public service could be opened for more private participation?
- Self-assessment (strength, weakness, advantage and disadvantage) on the public service implemented by the commune, in terms of:
  - Quality of public service offered?
  - Skill and capability of the officer in charge?

- Equipment, facility and working conditions?
  - The readiness, availability? Convenience/appropriation?
  - The procedures?
  - The budget allocated to this service?
- What are the challenges and obstacle for the commune to improve the quality of public service delivery? How to improve it?
  - What are the support from PARROC? How this support contribute to eliminate the obstacle and challenge?
  - What the support from PARROC need to be improved for coming period? What is the commune expectation from PARROC?

### **3. CDF**

- How does the commune use the CDF? For what purposes? What are the fund allocation proportion for various objectives?
- What benefits does the CDF contribute to the commune and community? What is the commune's assessment on the present use of CDF?
- Describe the operational mechanism of CDF? Is there any difficulty during the CDF operation and disbursement?
- What is the commune's assessment on the PARROC support through the CDF?
- When the PARROC terminate, the CDF cease how to maintain the activities supported by CDF?

### **4. The assessment of PARROC impact on the official capacity strengthening**

- How do the skill and capability of commune's official change for the activities: (i) participatory planning. (ii) public service delivery and (iii) coordinating the units and mass organizations within commune?
- What are the benefits for citizens from the enhance of skill and capability of commune's official

## **The discussion contents with district**

### **1. Participatory planning process**

- What are the changes of district's planning? The difficulties and advantages when implementing the new planning methodology?
- What are the changes of role, function and assignment of relevant divisions, authority for the old and new planning?
- What are the district's experience when mobilizing the participation of relevant stakeholders?
- What are the difficulty and obstacle for the district when helping the commune to implement new participatory planning process and methodology?
- Are there any differences between the plan made by pilot commune and the one made by commune outside PARROC? If yes how to overcome?
- What the conditions (institutional, manpower, finance etc.) needed in order to disseminate this planning process into all communes?
- What are the support from PARROC for the district? What are the district's assessment about PARROC activities? Further improvement or not? How?

### **2. Public services delivery and administrative reform**

#### *a. Public service delivery*

- What are the public service offered by the district? What public service decentralized from the province and what public service has the district decentralized to the commune/ward? Is appropriate that decentralization? What public service need to be more decentralized or more centralized? What public service could be opened for more private participation? If that what support does the district implement in order to enhance the State management?
- Self-assessment (strength, weakness, advantage and disadvantage) on the public service implemented by the district, in terms of:
  - Quality of public service offered?
  - Skill and capability of the officer in charge?
  - Equipment, facility and working conditions?
  - The readiness, availability? Convenience/appropriation?
  - The procedures?
  - The budget allocated to this service?
  - The support role of the district for the commune/ward?
- What are the challenges and obstacle for the district to improve the quality of public service delivery? How to improve it?
- What are the support from PARROC? How this support contribute to eliminate the obstacle and challenge?

- What the support from PARROC need to be improved for coming period? What is the district’s expectation from PARROC?

*b. The administrative reform and one-gate-mechanism*

- When did the commune initiate the one-gate-service? What are the services offered? What are the advantage and disadvantage? What are the effectiveness of one-gate-service for the stakeholders?
- What improvement have to be done for better functioning of one-gate-service?
- What particular support from PARROC does the district receive for one-gate-service? What are the effectiveness of that support?

**3. CDF**

- What is the district’s comment on transferring the ownership of CDF to the commune? What are advantage and disadvantage?
- What the role of district in helping the communes?
- Comment on the effectiveness, transparency, accountability of the commune’s ownership of CDF?
- When the PARROC terminate, the CDF cease how to maintain the activities supported by CDF? For the communes outside of PARROC project, how can they do the similar activities like pilot commune?

**4. The assessment of PARROC impact on the official capacity strengthening**

- How do the skill and capability of the district’s official change for the activities: (i) participatory planning. (ii) public service delivery and (iii) horizontal and vertical coordinating the relevant units and mass organizations?
- Except the communes under PARROC, how do the communes outside of PARROC benefit from the enhancement of skill and capability of district’s officials

**ANNEX 2**

**LIST OF PARTICIPANTS AND ORGANIZATIONS FOR MID-TERM ASSESSMENT IN HAU GIANG PROVINCE**

No.	Name	Address/ position/ organization
<b>PHUNG HIEP DISTRICT</b>		
<i>An Hoa commune</i>		
1	Tran Van Nghiem	Chairman of commune people's committee
2	Vo Van Ket	Deputy-chairman of commune people's council
3	Vo Hoang Phong	Administration and Statistics staff
4	Nguyen Thi Le Quyen	Head of commune women's union
5	Nguyen Van Thuan	Commune accountant
6	Tran Van Minh	Deputy chairman of Commune Fatherland Front
7	Le Kim Phung	Deputy chairman of commune Red Cross
8	Nguyen Thi Thanh	Deputy president of women's union
9	Le Thien Em	Official on cultural and social affairs
10	Nguyen Van Cop	Secretary of commune Youth union
11	Tran Hoang Anh	Deputy chairman of Association of Farmers
12	Vo Van Hoa	Official on agricultural extension
13	Nguyen Van Hoa	Official on judicial issues
14	Vo Hoang Nam	Official on land management
15	Tran Phuoc Hue	Head of Hoa Duc village
16	Nguyen Minh Hien	Head of Hoa Phung C village
<i>Village 4 – An Hoa commune</i>		
<i>Group 1</i>		
1	Vo Van Buol	Deputy head of Village 4 – Poor household
2	Tran Van Loc	
3	Ly Vung Mien	
4	Ho Vu Phuong	
5	Le Van Trong	
6	Nguyen Van Nghe	
7	Le Van Tuoi	
8	Nguyen Van Chinh	
9	Ly Van Den	
10	Le Van Cuong	
11	Nguyen Van Tho	
12	Ly Van Ut	Nearly-poor household
13	Vo Van Lanh	Nearly-poor household
<i>Group 2</i>		



1	Nguyen Thi Hoa Hue	Head of village
2	Le Thi Nhan	Poor household
3	Nguyen Thi Chinh	
4	Le Thi Be	Poor household
5	Nguyen Hoang Yen	Poor household
6	Le Thi Danh	
7	Bui Thi Nuong	Poor household
8	Truong Thi Tieng	Poor household
9	Tran Thi Bay	Poor household
10	Nguyen Thi Binh	Poor household
11	Nguyen Thi Ut	
<b><i>Hiep Hung commune</i></b>		
1	Le Hoang Viet	Party committee secretary
2	Nguyen Van Thong	Chairman of people's committee
3	Nguyen Thi Tuyet Van	Head of women's union
4	Nguyen Hoang Dung	Commune accountant
5	Tang Hong Phuc	Official on land management
6	Nguyen Van Muoi	Chairman of farmers' association
7	Nguyen Van Tho	Official on judicial
<b><i>Hung Thanh village – Hiep Hung commune</i></b>		
<b><i>Group 1</i></b>		
1	Vo Thanh Mung	Head of village
2	To Thanh Quan	
3	Dang Van Tai	Poor household
4	To Van Kham	
5	Tran Van Tuan	Poor household
6	Vu Hoang Son	
7	Nguyen Van Thuong	
8	To Van Tam	
9	Phan Thanh Than	Poor household
10	To Phuong Danh	Poor household
<b><i>Group 2</i></b>		
1	Nguyen Thi Thanh Huong	Member of village women group
2	Nguyen Thi Tu	Poor household
3	To Thi Ngoc Anh	
4	Nguyen Thi Ut Nga	Nearly-poor household
5	Tran Thi Thanh	Nearly-poor household
6	Le Thi Nhieu	Nearly-poor household
7	Huynh Thi Thu	Nearly-poor household
8	Nguyen Kim Thanh	Nearly-poor household
9	Phan Thi Kim Hoa	Nearly-poor household
10	Le Thi Dang	Poor household
11	Doan Ngoc Le	Nearly-poor household
<b><i>Phung Hiep district</i></b>		

1	Huynh Van Chon	Chairman of district people's committee
2	Ky Hieu Thanh	Vice-Chief of the district People's Committee Office
3	Huynh Van Vu	Head of division of Finance and Planning
4	Tran Khong Dan	Head of division of industry and commerce
5	Truong Quang Vinh	Head of division of internal affairs
6	Duong Thanh Hung	Head of division of agricultural and rural development
7	Tran Van Thi	Head of division of judicial
8	Huynh Viet Thuan	Head of division of labour, invalid and social affairs
<b>LONG MY DISTRICT</b>		
<b><i>Thuan Hung commune – May 22, 2009 – Morning</i></b>		
1	Tran Van Mau	Deputy chairman of people's committee
2	Le Van Cau	Official on transportation and irrigation
3	Phan Thanh Sang	Official on agricultural extension
4	Nguyen Minh Luan	Chairman of Fatherland front
5	Nguyen Thanh Hung	Official on administration and statistic
<b><i>Village 9 – Thuan Hung commune – May, 22 2009 – Afternoon</i></b>		
<b><i>Group 1</i></b>		
1	Huynh Giai Phong	Head of village 9
2	Le Van Tau	
3	Tran Van lam	Poor household
4	Tran Van Toan	
5	Tran Van Vo	
6	Lam Van Khoi	Poor household
7	Huynh Van Sum	
<b><i>Group 2 – Women</i></b>		
1	Duong Be Hai	Poor household
2	Nguyen Thi Ba	Poor household
3	Luong Thi Hanh	Poor household
4	Nguyen Thi Sau	
5	Ho Thi Tot	
6	Pham Hong Suong	Nearly poor household
<b><i>Vinh Vien commune – May 23, 2009 – Morning</i></b>		
1	Duong Van Ngo	Deputy chairman of people's committee
2	Bui Thi Hong Yen	Official on administration and statistics
3	Le Xuan Lot	Official on agricultural extension
4	Huynh Thanh Dat	Official on transportation and irrigation
<b><i>Village 11 – Vinh Vien commune – May 23, 2009 - Afternoon</i></b>		
<b><i>Group 1</i></b>		
1	Huynh Ngoc An	Head of village 11

2	Cao Thanh Tri	Official on transportation issues
3	Bui Van Kiem	Deputy head of village
4	Huynh Phong Luu	
5	Nguyen Van Chinh	
6	Pham Thi Doan	
7	Nguyen Tuyet Mai	
8	Nguyen Thi Be Hai	Poor household
9	Nguyen Thi Tuyet	Poor household
10	Nguyen Thi Xuong	Poor household
11	Bui Thi Tuyet	Poor household
12	Nguyen Thi Nhi	Poor household
13	Nguyen Thi My Nhan	
14	Dang Luu	
<b><i>Long My district – May 25, 2009 – Morning</i></b>		
1	Nguyen Hoanh Sen	Chief of the district People's Committee Office
2	Doan Dong Khoa	Head of Division of Labour, Invalids and Social Affairs
3	Vo Quang Trung	Head of Divison of Internal Affairs
4	Bui Thi Oanh	Head of Divison of Judiciary
5	Huynh Thanh Truyen	Deputy head of Division of Agrisultural and rural development
6	Dang Hoang Khoi	Deputy hed of Divison of Health
7	Trinh Van Xe	Deputy head of Division of Industry and Commerce
8	Nguyen Tam Thao	Expert of Division of Industry and Commerce
9	Truong Thi Hang	Deputy head of Division of Education and Training
10	Nguyen Quoc Thang	Chief of Division of Inspection
11	Le Van Khoi	Head of Division of Finance and Planning
12	Tran Tat Dang	Official on Finance and Planning
13	Tran Hai Quan	Director of District State Treasury
14	Dinh Thanh Hung	Deputy head of Divison of Culture, Sport and Tourism
15	Nguyen Van Thong	Head of agricultural extension station
<b><i>Division of Finance and Planning and State Treasury of Long My District May 25, 2009 – Afternoon</i></b>		
1	Le Van Khoi	Head of Division of Finance and Planning
2	Le Thi Anh Dao	Expert of district State Treasury, on payment for capital construction invesment

3	Tran Tat Dang	Expert of Division of Finance and Planning
4	Ngo Van Dinh	Accountant of Division of Finance and Planning
<b>NGA BAY TOWN</b>		
<b><i>Hiep Thanh ward – May 26, 2009 – Morning</i></b>		
1	Nguyen Van Nam	Party committee secretary
2	Nguyen Thanh Hieu	Deputy chairman of People’s Committee
3	Nguyen Thanh Phuong	Official on administration and statistic
4	Nguyen Minh Nho	Deputy chairman of people’s council
5	Truong Minh Doan	Deputy party committee secretary
6	Huynh Van Phuoc	Chairman of veterans’ association
7	Ho Thuy Hanh	Commune accountant
8	Do Ngoc Suot	Official on agricultural extension
9	Pham Thi Thu Huong	Head of commune clinic
10	Nguyen Van Hiep	Official on poverty reduction
11	Truong Huu Duc	Official on land management
12	Nguyen Van Kha	Official on radiobroadcasting
13	Nguyen Tan Phat	Head of zone 1
14	Nguyen Van Hien	Head of zone 2
15	Nguyen Thanh Hai	Head of zone 3
16	Nguyen Van Khoan	Head of zone 4
17	Bui Van Muoi	Head of zone 5
18	Le Nhat Nam	Head of zone 6
19	Duong Van Tinh	Head of zone 7
20	Huynh Ba Dong	Head of zone 8
21	Nguyen Van Luan	Deputy chairman MTTQ
<b><i>Hiep Loi commune – May 26, 2009</i></b>		
1	Truong Minh Duc	Party committee secretary
2	Pham Van Tam	Chairman of people’s committee
3	Duong Thanh Hoang	Deputy Party committee secretary - Chairman of People’s council
4	Diep Thang	Deputy chairman of People’s Council
5	Nguyen Thanh Tung	Deputy chairman of people’s committee
6	Nguyen Van Tu	Chairman of veteran association
7	Tran Thi Nhieu	Deputy chairman Fatherland Front
8	Bui Thi Minh Trang	Deputy chairman women’s union
9	Nguyen Minh Thiep	Head of commune clinic
10	Luu Chi Thong	Official on agricultural extension
11	Tran Van Hung	Official on transportation and irrigation
12	Le Huu Thinh	Official on land management – construction
13	Duong Hoang Linh	Official on labour, invalids and social affairs

14	Do Thi Ut	Cashier
15	Tran Thanh Son	Official on poverty reduction
16	Doan Huu Hung	Official on judiciary and births, deaths and marriages
<b><i>Zone 6 – May 26, 2009</i></b>		
1	Le Nhat Nam	
2	Le Hung Phuoc	Poor household
3	Duong Van Hoang	
4	Nguyen Van Xinh	
5	Nguyen Thi Ba	
6	Tran Van Xuong	Poor household
7	Vo Thi Tuoi	Poor household
<b><i>Xeo Vong village – Hiep Loi commune– May 26, 2009</i></b>		
1	Le Van Vo	Head of village
2	Huynh Ba Thuan	
3	Nguyen Van Sang	Poor household
4	Nguyen Hoang Minh	
5	Thach Thi Thu Thuy	Poor household
6	Nguyen Thi Bich Thuan	Head of village women’s group
7	Doan Thi Man	Poor household
8	Le Thi Lan	Poor household
9	Nguyen Thi Ut	
10	Tran Thi Hoa	Poor household
11	Thai Thi Thu Tho	Poor household
12	Thach Bich Thuy	
13	Nguyen Thi Dong	
14	Duong Thanh Hoang	Deputy Party committee secretary - Chairman of People’s council
15	Nguyen Thanh Tung	Deputy chairman of people’s committee

## The Abbreviations

ADB	Asian Development Bank
CPC	Commune People's Committee
CDF	Commune Development Fund
CDP	Commune Development Plan
CIEM	Central Institute of Economic Management
CPMU	Commune Project Management Unit
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
GoV	Government of Vietnam
LDF	Local Development Fund
LPMD	Local Planning and Management for Development
MTE	Mid- term Evaluation
PAR	Public Administration Reform
PARROC	Public Administration Reform and Roll-out of CPRGS in Hau Giang Province
PPB	Participatory Planning and Budgeting
PPC	Provincial People's Committee
PRA	Participatory Rural Appraisal
SEDP	Socio- Economic Development Plan
SIDA	Swedish International Development Agency
SPMU	Sub- Project Management Unit
TA	Technical Assistant
TFF	Technical and Financial File
ToT	Training of Trainer

## REPORT 3

### 1. Main Achievements of PARROC (as in Report 1, Section1)

- Awareness and knowledge of staff & local people have been improved.
- A network of trainers and task force team in new planning approach – PPB- have been established at all 3 levels
- The participation of local people has been mobilized in priority setting
- Commune budget has been supplemented/ supported through CDF funds, which leads to considerable improvement in infrastructure & public services.
- The province has issued legal documents<sup>1</sup> to decentralize for 6 pilot communes, empowered commune as Investment Owner and to implement activities under the project.
- A CDF Manual and SEDP Manual for commune level) have been developed.
- Coordination, cooperation among departments and various levels has been considerable improved, towards active, supportive, and more efficient approach, although at various communes, the levels are different.

### 2. PARROC compared and contrasted with selected similar projects in Vietnam

#### 2.1. CHIA SE Programme

CHIA SE Programme is funded by SIDA for period 2003- 2008, it comprises of 3 provincial projects in three provinces of Ha Giang, Yen Bai and Quang Tri and 1 national project. There are two selected districts in each province and it is implemented across 10 poor communes in each district.

The objective of the provincial project is summarized as Poor households have good access to poverty alleviation resources. To reach the province objectives, provincial outputs and activities has been specified including effective systems and management structures, establishment of Local Planning and Management for Development (LPMD) and Local Development Fund (LDF), and effective policies for poverty alleviation.

The Programme has 4 major components:

*Component 1: Decentralized Planning system*

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<sup>1</sup> Letter no. 2643/QĐ- UBND date 26 Nov 2008 of Hau Giang People's Committee on decentralization in decisions of investment fund, funds for public services for 6 pilot communes under the PARROC; Decision no. 270/QĐ-UBND dated 10 Feb 2009 of Hau Giang People's Committee on promulgation of procedures, payment of Commune Development Fund – CDF under project VIE 004/03/01; Decisions no. 440/QĐ-UBND dated 26 Feb 2009 of Hau Giang People's Committee on supplementary allocation of state budget revenue and local budget expenditure for districts & towns in Hau Giang province area.

CHIA SE develops and supports efficient and technically sound and participatory planning mechanisms and systems that are fully integrated into the existing GoV's planning systems

*Component 2: Decentralized Management system*

CHIA SE supports the set up of comprehensive and effective structures and systems for management of development with specified roles and responsibilities of villages, communes, districts and provinces. Support includes planning facilitation, training and technical services.

*Component 3 : Decentralized Financial System*

A key operational mechanism of CHIA SE is the Local Development Fund (LDF). The fund channels development funds to district, communes and villages. The LDF will not be restricted to pre-defined investments but will enable local choices, and provides for meaningful local planning, programming and budgeting, as well as for related capacity building.

*Component 4: Local Planning and Management for Development (LPMD)*

In conjunction with LDF, the second core mechanism of the CHIA SE Programme is the LPMD. These two tools, LPMD and LDF, are the foundation of the programme to achieve decentralization and local democracy, empowerment of local levels.

During implementation, the provincial projects supported decentralized planning, management and financial system within project framework, i.e it has not been integrated into local SEDP yet. At that time, VDPs and CDPs have been developed at commune/village level by using participatory planning approach. Until 2007-2008 – last year of the Programme, the Programme adjusted to be tailored with the tendency on planning reform. The programme supported to apply new planning approach in development of local SEDP. Then the project had a bottom-up and rolling approach which focused on planning reforms at communal level as a break through in the reform of planning system at local levels.

To fulfill this objective, the project established technical assistance teams at district level including representatives of functional departments involving in planning process such as finance and accounting department, economic department, agriculture department, infrastructure etc., training this team to be a core team (via ToT) to provide supports to communes. Apart from pilot communes, the project also provided training to other communes in the districts on the new participatory planning approach.

This project developed a commune planning manual which provided a comprehensive overview of participatory planning approach and introduced resource-linked and result-based PRA tools. In the commune planning manual, focuses were made to develop forms and formats to collect information from villagers, prioritize needs and prepare commune budget targets and plans.



Regards to planning process at communal level, Chia Se project developed a 10 step process starting from information collection at villages in end April or early May, ending with the approval by commune people's council in end December and the plans would be implemented in January of the following year.

After the application of the new approach in project communes, Commune Socio-Economic Development Planning Manual was put into use in all other communes in the districts and the new planning approach was piloted at district level.

Up to date, no assessment on how Chia Se project has affected and contributed to changes in the socio-economic development plans of the three project provinces is available. However, developed commune socio-economic planning manual received high respects and proved to be a good reference documents for similar projects.

In comparison with PARROC, what most different from Chia Se project is the reforms were implemented at the ending phase of the project, therefore, LDF was not sufficient to provide additional funds for commune budget (especially poor communes in Ha Giang, Yen Bai province) as provided by CDF in 6 pilot communes in PARROC; as a result, needs prioritization and resource balance to fulfill set objectives and targets were not clearly reflected as those of 6 pilot communes under PARROC.

A common feature of the two projects is plans of the pilot communes which were developed using the new participatory planning approach were not incorporated into district and provincial socio-economic development plans. In PARROC, it might be the fact the planning process in pilot communes started in 2009 after provincial and district socio-economic development plans have completed.

## ***2.2. ADB Technical Assistant Projects in Quang Tri, Thua Thien Hue and Dak Nong provinces (2006- 2007)***

It is TA project for 3 aforesaid provinces. The objectives of the TA projects is capacity building support to provinces for sustainable poverty reduction and growth within SEDP framework. Its purpose is to assist the PPCs and DPIs in (i) training key officials in strategic SEDP; result- based management; (ii) implement the SEDP, particularly through the preparation of annual socio-economic development plans, taking into account gender and ethnic dimensions, and formulating targeted programs for the poor and vulnerable; (iii) Undertaking sector studies and conduct policy and institutional analyses to identify and address bottlenecks in resource flows and service delivery

Because it is TA projects, the projects mainly focus on providing training key officials on new planning approach ( strategic SEDP, result- based management, resource mobilization); support sector studies in order to help the provinces to identify their strengths, weakness, opportunities and threads in poverty reduction and economic growth. The approach to the implementation of the TA projects is capacity building through “on-the-job” or “learning-by-doing” at exactly the right times in the cycle of annual plan preparation activities.

The project’s constraints include (i) Project life is very short in 1 year (ii) the projects mainly focus on capacity building through theoretic training provision without financial fund for practice therefore it is less efficiency.

### **3. Recommended strategy for disseminating PARROC to other provinces.**

Achievements and lessons learnt of PARROC project were presented in Assessment Report 1. A general assessment is that the project has proved to be more successful compared to similar projects in other provinces. Hence, lessons learnt from project implementation should be shared with other provinces. We also have the following recommendations:

1. The project should conduct an early review of model implementation in pilot communes, draw lessons learnt so as to (i) finalize and revise the participatory planning and budgeting approach to make it more practical and suitable with specific conditions; (ii) propose with the provincial authority to institutionalize this approach for pilot implementation at commune/district level; (iii) make contributions to the development of a Decree on Planning of the Ministry of Planning and Investment.
2. Develop a plan and time schedule to replicate the model in other pilot locations
3. Support the province in developing provincial five year plan for the period 2011-2015.
4. Share lessons learnt from this project with other provinces