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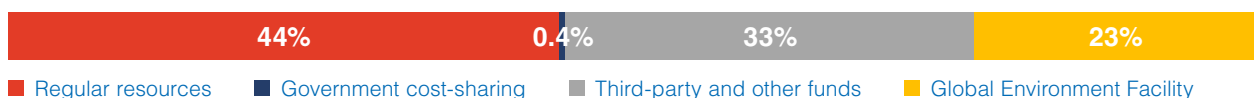
## UNDP IN VIET NAM

Viet Nam has achieved remarkable progress in improving the well-being of most of its people. With political stability and effective leadership, it undertook critical economic and political changes, doubling the size of its economy. Yet the next reforms are likely to be more challenging. New problems are emerging, such as increasing economic disparities, unsustainable use of natural resources and stiffer competition from trading partners.

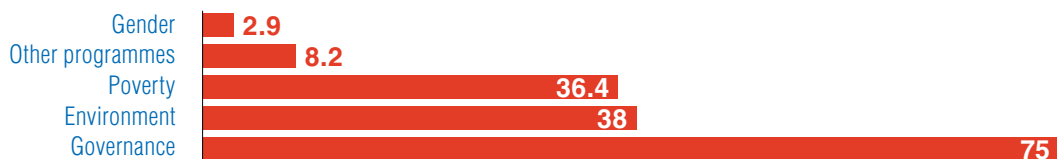
UNDP has provided support related to private sector and rural development, governance reforms, human development and the rational use of natural resources. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 1997 to 2003, while also taking into account the intended results of the Country Cooperation Framework (2002-2005).

### TOTAL PROGRAMME BUDGET, 1997-2006: \$160.4 MILLION

#### FUNDING TARGETS BY SOURCE, CCF II (2002-2005)



#### RESOURCE ALLOCATION BY THEMATIC AREA, 1997-2006 (\$ MILLIONS)



## FINDINGS AND CONCLUSIONS

UNDP has pursued some of the most strategic opportunities for assistance to Viet Nam, responding to issues at the heart of the unfolding reform process—a more open economy, reform of the institutional framework for a socialist market economy, and capacity development for the executive and legislative branches of Government. UNDP managed to stay in step with the emergence of major development concerns and was a ‘first mover’ in areas that have since gained increasing attention on the part of other development partners.

Nevertheless, support would be more effective with a more compact programme portfolio focused on targeted areas. Maintaining a strategic position with increased leverage also depends on using coordination mechanisms effectively, give the number of entities offering assistance in Viet Nam.

Perhaps the most critical policy shift made possible through the *doi moi* reforms introduced in 1986 was a recognition of the crucial role of the non-state sector. Land reforms and the removal of quotas for private initiatives kicked off an impressive period of economic growth. UNDP put its comparative advantage to use by influencing the governmental framework and encouraging measures to support the private sector. Future efforts to support private sector development need to focus on

ensuring that the gains of recent years can be sustained and that further privatization does not disadvantage the poorer segments of society.

Governance reform has been broad, covering administrative, legal, judicial and legislative changes. UNDP’s leading role in promoting public administration reform was significant, but progress was no consistent. The most crucial output was a master plan to coordinate various reform components. Pilot initiatives also led early attempts at decentralized governance, which now need to be broadened in all provinces.

Since the advent of *doi moi*, the rule of law has been steadily replacing rule by administrative decree. Key UNDP achievements included support in strengthening the National Assembly, capacity-building for the courts and the prosecutor’s office, and completion of the Legal Needs Assessment. In the past 15 years, twice as many laws have been promulgated as during the preceding 40 years. The judicial system, however, does not yet meet the requirements of a market-oriented economy. A key challenge is the effective sharing of information. UNDP’s plan to study people’s perceptions concerning access to justice and the rule of law is an excellent step towards a clearer focus for judicial reform.

UNDP advocated the concepts of human develop-

ment and poverty eradication, which are now firmly embedded in national policies, primarily in the 10-year Socio-Economic Development Strategy for 2001-2010, as well as in the Viet Nam Poverty Reduction Strategy Paper. Formulation of the Viet Nam Development Goals represented an excellent example of a serious and successful effort to adapt the Millennium Development Goals to specific national circumstances.

UNDP played a strategic and highly valued facilitating role in improvements in the monitoring of poverty, particularly with regard to the national development strategy. Clear linkages between localized programmes and poverty alleviation were difficult to demonstrate, however. Expectations on how local projects can shape national policy should be realistic, and systems are needed to measure such linkages and ensure learning. A strategy to ensure policy dialogue should be in place from the outset.

Many pilot initiatives on local planning and participation were led by UNDP and the United Nations Capital Development Fund, with particularly positive results in changing the mindsets of local planners. While administrative decentralization is moving relatively rapidly,

however, it is not matched by effective mechanisms for citizen involvement and transparency at the local level. More active participation in setting development priorities would give poor people a voice in decision-making.

Through its emphasis on environmental concerns within the larger picture of sustainable development, UNDP contributed to increased awareness of environmental protection issues. Important policies and laws have been passed, a new Ministry of Environment and Natural Resources was recently established, and a national Disaster Management Unit is operational.

As Viet Nam enters the new millennium, it confronts a very challenging situation in terms of the pace, scale and complexity of economic and social reforms. Some of the greatest value that UNDP can offer entails capacity-building strategies that open doors and share knowledge on international experiences otherwise not available in Viet Nam. With an immense and ambitious reform challenge, and limited time and resources, more attention to strategies and prioritization at an earlier stage would increase chances for success in implementation, especially through the sequencing of reforms.

## RECOMMENDATIONS

- UNDP should systematically but gradually enhance its capacity for policy advice and upstream engagement. It needs to develop further capacity in areas such as legal and judicial reforms, decentralization and poverty reduction strategies, rural development, sustainable development and information technology.
- UNDP should focus its work around the key organizing principle of governance for poverty reduction. It should apply its comparative advantage in governance to promote pro-poor policies and capacity enhancement at decentralised levels of government. This would bring improved coherence to current strategies dealing with interconnected issues such as public administration reforms, People's Councils and courts, local private sector development, targeted poverty programmes and sustainable use of local natural resources.
- Promotion of advanced methods of communication, information-sharing and learning should be part of all UNDP activities, to help: enhance access to information by the public and local bodies; establish mechanisms to support horizontal learning and replication, in coordination with the Government and other development agencies; and to move towards integrated information systems coupled with participatory mechanisms.
- The traditional delivery of services and projects may be expected to change due to the increased influx of official development assistance and the more complex environment for development aid. UNDP needs sufficient flexibility to meet the new demands and succeed in its resource mobilization strategy. This could be reinforced by: more selectivity in project planning, with attention to the replication of successful pilot projects, policy dialogue arising from strategic interventions, and more explicit targeting and learning strategies for locally based projects; strengthening the network of partnerships; establishing flexible funding mechanisms that can be used to respond rapidly to problems and needs identified by national authorities or local agencies and also to facilitate participation by development partners; and ensuring the operational flexibility needed for client orientation, greater efficiency and enhanced accountability through innovation in programme portfolio management.

## ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

See the full reports at the Evaluation Resource Centre, [erc.undp.org](http://erc.undp.org)