

*Final Report*

# Mid-term Review

## Strengthening Local Government Capacity Project (SLGP)

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## Acronyms

ADB	Asian Development Bank
APRM	Annual Project Review Meeting
CCA	Common Country Assessment
CIEM	Central Institute of Economic Management
DNEI	Department of National Economic Issues
DPI	Department of Planning and Investment
DRLE	Department of Regional and Local Economy
DSI	Development Strategy Institute
GoVN	Government of Viet Nam
GSO	General Statistics Office
MARD	Ministry of Agriculture and Rural Development
MOET	Ministry of Education and Training
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment
MTR	Mid-term Review
NA	National Assembly
NCFAW	National Committee for the Advancement of Women in Vietnam
OOG	Office of the Government
PD	Project document (for SLGP)
SAV	State Audit of Vietnam
SBV	State Bank of Vietnam
SEDP	Socio-economic Development Plan
SLGP	Strengthening Local Government Project
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
VWU	Viet Nam Women's Union
WB	World Bank

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## EXECUTIVE SUMMARY

### Key Findings

- ❖ **Overall.** Despite delays in start-up and in providing international experts, SLGP is helping build the capacity (and interest) of sub-national government agencies to change work practices to better deliver public services and infrastructure. SLGP has helped (the much larger) national planning and fiscal reform agenda by providing information on practical sub-national concerns and pilot initiatives, developing training material, and building support for reforms. Project efficiency and effectiveness would have been enhanced by more timely delivery of appropriate international inputs, better coordination and harmonization with other ongoing donor support, and a greater focus on monitoring and evaluation. Timely clarification of UNCDF's role could have helped facilitate effective delivery of international expertise.
- ❖ **Institutional change takes time.** It is unrealistic to expect major immediate outcomes from capacity building initiatives, especially a program focusing on supporting pilot initiatives. Change is likely to be incremental (even after formal changes in institutions/laws). Institutional development depends on internal (national) dynamics: external agencies can help provide the information and skills which may change attitudes, but the path of institutional development is highly dependent on national social, political and economic factors. Donors can transfer experiences, not recipes. Thus, it is important that SLGP retains the flexibility needed to respond to evolving national priorities and opportunities with respect to implementing decentralization initiatives.
- ❖ **Project objectives and design remain relevant.** The implied logic of the SLGP approach for capacity building is sound (see the results chain in the main text). Relevance was enhanced by the introduction of a results based SEDP, and Decision 555 introducing a national results based monitoring system. The Government decision to transfer project management responsibilities to the department responsible for designing and implementing the SEDP results based monitoring and evaluation system should help ensure better linkages with policy makers responsible for national level reforms in planning.
- ❖ **Project design was ambitious** (especially the target indicators in the results matrix). The **national policy/regulatory environment related to SLGP outcomes** is still evolving. Institutional change takes time, and involves complex circular linkages. Raising awareness is essential to developing implementable institutional reforms. This requires sustained effort. SLGP has helped raise both sub-national demand for institutional change, and capacity in pilot provinces to implement improved work practices.
- ❖ **Project start-up was delayed** because of the time needed to establish 5 PMUs and to familiarize project staff with the standard procedures for project operation. Fielding of well qualified short-term international consultants was delayed because of delays in finalizing an agreement between UNDP and UNCDF about implementation arrangements.
- ❖ **Clients were actively involved in identifying capacity building and training needs**, including a time-consuming participatory needs assessment during project start-up. The above factors contributed to substantial delays in implementation of some activities.
- ❖ Despite **delays in implementation** (especially activities relating to financial management and oversight), **SLGP has made solid progress in training activities**, and is beginning to make

progress towards achieving intended capacity building outcomes. While there are also **indicators of changes in workplace behavior** (e.g., in participatory approaches, procurement and planning), SLGP provided less direct support to organizational capacity building.

- ❖ **Sequencing of project activities was generally adequate** given capacity constraints, delays in receiving technical support and that national policies on planning and results based monitoring are evolving/changing as SLGP is implemented. Earlier research findings on local level financing issues may have helped in planning activities. Earlier progress in strengthening provincial oversight capacity and reporting could have helped generate demand for improved planning. More could have been done earlier to pilot planning initiatives at the sub-national level. However, where capacity is limited, it is important to prioritize and not try to do too much.
- ❖ **Provincial level coordination** and information sharing between projects **ranged from adequate to good** (Quang Nam). Officials were informed about the comparative strengths of different project in meeting provincial needs. The effective collaboration between projects in Quang Nam could serve as a model for other provinces.
- ❖ **Central level coordination and collaboration with other projects was mixed**. There were positive achievements, but better collaboration could have reduced duplication, and improved the quality of training material. Formal links should have been established with other UNDP projects supporting improved oversight by elected bodies (at the national and central level). Mechanisms need to be established to disseminate best practices and develop shared guidelines and training material to be used by SLGP and other related projects. Links with civil society organizations in planning and oversight activities remain weak.
- ❖ **Gender issues** were addressed in training courses. Female participation in training has averaged around 24%, which was reportedly in line with sub-national level female participation rates in planning and finance. More gender disaggregated reporting on project activities and sub-national level staffing would have been useful. A greater focus on non-economic planning issues could have been of particular benefit to women. Project should target higher female participation in future activities.
- ❖ **A key management weakness was the lack of progress in developing a system for monitoring project outcomes**. This issue was raised in annual project review meetings (APRMs), but no action was taken. Formal surveys on changes in work practices and behavior could have been useful in better assessing whether individual capacity developed under this project is resulting in capacity development at the institutional level. Interviews with key stakeholders indicate this is happening, but formal surveys might provide more compelling evidence. It is difficult to isolate project impacts from the much broader national level administrative reform processes. Key intended Project outcomes would have occurred in the “without project” situation. Nevertheless, the MTR concludes that project training and other outputs have helped build both pressure for change, and capacity to implement change.
- ❖ **Failure to clearly define division of responsibilities between UNDP and UNCDF** in the PD, and protracted delays in reaching subsequent agreement on a MOU, contributed to delays in implementation and in technical support to improve quality control.
- ❖ There should have been more follow-up by key SLGP stakeholders to ensure action was taken to implement agreed minutes of annual project review meetings. More effective

communications between the project, UNDP and UNCDF may have helped resolved delays and ensure that work plans were implemented as agreed.

- ❖ **Key remaining challenge is to further institutionalize changes** in planning and oversight. Such change must be internally driven and will take time. The ambitious nature of national efforts to improve sub-national planning, and the fact that the legal basis for formal changes are still being finalized (and will need to be implemented) suggests a strong case for medium-term follow-up support.

## Key Recommendations

- ❖ **Overall.** Government and donors should be work together to develop a national medium to long-term program to build the capacity of sub-national agencies, with jointly agreed results based indicators of success (in line with Hanoi Core statement commitments).
- ❖ Ultimately the key aim is to **institutionalize change**. But as recognized in the SLGP design, the project has to work within an “existing institutional framework”. SLGP should continue to use lessons from pilot initiatives to influence the national policy debate, with the aim of institutionalizing improvements in provincial planning and oversight processes. SLGP should also step-up efforts to support the use of pilot initiatives at the sub-national level.
- ❖ **Training/capacity building.** Priority for remaining project resources should be given to further field testing and completing the packaging of training material for use beyond project completion. Support should also be given to develop and/or supply special training material for commune level officials that is commensurate with their needs and prior education levels, and support further extension of training/support activities to non-target districts and communes.
- ❖ Practical training/technical support should be provided to develop new provincial level SEDPs using improved approaches in pilot provinces.
- ❖ Increase the focus on oversight results monitoring and reporting to people’s councils, and introduce SEDP M&E reporting system in pilot provinces (in line with the MPI Minister Decision 555/2007). Draw on international good practices to suggest improvements in systems for reporting on plan outcomes to district and provincial councils. Take account of findings from needs assessments that People’s Councils want less, but more relevant, information. Increase the focus on non-economic aspects and indicators in planning (and M&E).
- ❖ Implement follow-up local needs assessment studies, and use this as a basis for monitoring project outcomes and for developing strategies to sustain improvements in planning capacity.
- ❖ **Coordination.** Establish mechanisms to encourage MPI wide dissemination of best practices and develop shared guidelines and training material from all relevant projects. Ensure that these best practices are brought to the attention to central level policy makers and to officials in other provinces.
- ❖ Organize regular (quarterly) donor information sharing events (one or two more specialized issues papers could be presented at such events to stimulate interest).
- ❖ Quarterly bulletins were useful in dissemination project information. Consider upgrading the quarterly bulletins and project website as MPI products (rather than Project specific products) covering all projects related to decentralized planning.

- ❖ **Extend project duration** to March 2010 (subject to resource availability) to allow completion of remaining planned activities, (should be largely completed by Q3 2009), and to document best practices from this and related projects, and to assess additional capacity building needs.
- ❖ **Extending pilot activities.** Subject to resource constraints, consider requests by target provincial to extend participation in project activities to non-target districts and communes, and possibly to 1 or 2 non-target provinces that have demonstrated interest in SLGP activities.
- ❖ **Project Management and M&E.** Project management needs to monitor progress towards achieving annual work plans, and regularly report on reasons for any delays or change in priorities. There is need for concerted efforts to improve working relationships and communication flows between SLGP, UNDP and UNCDF. Division of responsibility between these stakeholders needs to be clearly defined.
- ❖ Review target outcome indicators and assess what is now desirable and achievable. These indicators should be discussed, formulated and agreed upon by key stakeholders to ensure relevance and ownership (they should not be externally imposed). A more realistic/less ambiguous set of indicators could be considered at the next SLGP review meeting.
- ❖ Management needs to plan and implement data collection to assist in assessing actual versus targeted (revised) Project outcomes. Post-training surveys should be conducted to more objectively assess how training had led to changes in work practices, and to look for ways to adapt training to ensure that training skills helped in achieving organizational goals. There is need to clearly document outcomes from pilot initiatives.

## Lessons Learned

- ❖ **National and sub-national commitment** and ownership of intended project outcomes and outputs were crucial to achieving change. Delegating key decision-making to PPMUs helped ensure provincial level relevance and ownership of project activities. This helped SLGP to sustain momentum and achieve tangible outcomes despite abovementioned difficulties.
- ❖ Training **designs that meet very specific client needs**, and an appropriate institutional and organization context, are important in going beyond developing individual skills to building more effective sub-national institutions. More needs to be done at the national level to formalize changes in the institutional and organizational context for sub-national planning.
- ❖ Implementation benefited from the strong commitment and flexibility shown by the SLGP team. **SLGP objectives were aligned with the ongoing government responsibilities of the project leadership** (at central and provincial levels). This helped ensure their commitment to achieve tangible results.
- ❖ SLGP supported sub-national reforms from an overall system perspective covering the role of the state in planning, monitoring and evaluation. Project complexity increased because of this holistic approach, but key stakeholders at all levels benefited from this broader perspective.
- ❖ The project design benefited from incorporating institutional and organizational learning processes (although processes could be improved via better coordination with other projects, and by giving more attention to State planning impacts on the private sector).
- ❖ National ownership of externally supported initiatives requires initial capacity to engage with external actors. Ownership and commitment to change were stronger in Quang Nam and Vinh



Phuc, where capacity to engage with external actors and experience has developed via sustained interaction with external actors for more than a decade.

- ❖ Achieving tangible outcomes is important in building commune support for change. Where community participation led to action to address priority constraints, commune stakeholders actively supported participatory approaches to planning. Efforts to link capacity building support with projects supporting sub-national investments can be helpful in ensuring that training contributes more directly to institutional capacity building (e.g., in Quang Nam).
- ❖ Collaborative professional relationships between external and national partners are important. Differences of opinions on approaches and priorities exist and are to be expected. Where these exist (and cause friction) concerted efforts are needed to ensure that partners work together to achieve national development priorities.

## INTRODUCTION AND METHODOLOGY

### Description of the program

The project “Strengthening Local Government Project (SLGP)” aims to help achieve overall national poverty reduction goals, via the development of pro-poor and gender sensitive plans and budgets at sub-national levels. The project was formulated collaboratively by the Ministry of Planning and Investment (MPI), UNCDF, UNDP and provincial and donor representatives<sup>1</sup>. In terms of intended outcomes the project documents (PD, p.14) states that “*the project will directly contribute to:*

- ❖ Improve **local capacities in pilot provinces** to undertake socio-economic development planning that is participatory, developed closely with budgets and gender sensitive and to manage public resources effectively and transparently – with a view to improving the quality of social service especially for the poor and marginalized people<sup>2</sup>.
- ❖ **National policy** by ensuring that the lessons learned in three pilot provinces informs the development and improvement of national guidelines on local socio-economic development planning, as well as other aspects of GoVN’s overall policy on decentralization.”

To achieve these outcomes, the project is expected to deliver the following **five key outputs**:

- ❖ More effective, participatory and inclusive planning and budgeting systems are developed and used by local government organizations in the pilot provinces.
- ❖ Investment scheme implementation by local government is more transparent and effective in the pilot provinces.
- ❖ Appropriate local government financial management mechanisms and fiscal arrangements are established and used in the pilot provinces.
- ❖ Oversight, accountability and monitoring mechanisms are enhanced at local levels in the pilot provinces.
- ❖ Experience from SLGP provincial innovations (and other similar government and donor-funded projects) inform and influence national policies (in particular, national guidelines for local socio-economic development planning and budgeting) and is made available to other provinces/donors.

A final component was included to provide overall project support. The project operates at both national and sub-national levels.

- ❖ At the national level, SLGP works with the MPI, Ministry of Finance (MOF) and other related line Ministries and organizations, and donors.
- ❖ At the sub-national level, the project works with relevant local authorities (provincial, district and commune) in four pilot provinces.

The project is planned to be implemented from mid-2005 until mid-2009.

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<sup>1</sup> External donors that have provided resources for this project include UNDP, UNCDF, DFID, DCI and AFD.

<sup>2</sup> “Capacity is at the core of what people do, the skills they develop and the knowledge they acquire. It is the engine to move, the ability to think, to create, to construct, to interpret, to analyse. Not only individuals have and develop their capacities, organisations and institutions do too. Capacity, in brief, is the ability to perform functions, solve problems and set and achieve objectives”. A. Gosses, 2007, “Stop teaching, start learning: The mystery of capacity development”

## Purpose and products of the review

The Project Document (PD, p. 23) states that a mid-term review (MTR) is required “no later than the second year of the project... [to] be conducted by UNCDF, UNDP and GoVN”. Following two and half year of SLGP implementation, the MTR is needed assist in ensuring efficient use of project resources. The objectives of the MTR are to<sup>3</sup>:

- ❖ “review the progress against outputs (where the project stands now, its achievements and problems, challenges, analysis of them); assess its preliminary impacts, particularly those on capacity strengthening for national and sub-national partners;
- ❖ review the coordination between SLGP and other related projects in pilot provinces in terms of supporting capacity strengthening in socio-economic development planning and budgeting for local government cadres<sup>4</sup>;
- ❖ review the management of the project (management model, capacity, efficiency, overall performance, etc.)

Based on the above the review will come up with lessons learnt and recommendations for the project, UNDP (and other donors) and implementing partners for the final phase of project implementation. This should be done with regard to the related Expected CP Outcomes and Output<sup>5</sup>.”

## Review scope

The TOR for the MTR (see Annex 3) defines the scope of the review to include:

- ❖ The relevance of SLGP (its outputs) regarding the SEDP and decentralization process in Vietnam; its contributions to the national and sub-national efforts in improving socio-economic development planning and budgeting.
- ❖ The current status of SLGP 5 outputs (its progress so far) against the Result Framework.
- ❖ Preliminary impact of the project, particularly on capacity strengthening for sub-national partners using the UNDP Capacity Development Framework (which looks at capacity at three levels – system, organization and individual<sup>6</sup>).
- ❖ Coordination: to what extent SLGP’s activities and resources have been coordinated/used together with other projects’ activities and resources in pilot provinces.
- ❖ Review of the quality and up-take of research and training work in pilot provinces.
- ❖ Issues around project management: is the CPMU and PPMU model relevant or not, why? What are the advantages and issues around project management, its performance, etc.

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<sup>3</sup> Revised TOR for SLGP MTR. UNCDF was not involved in planning or implementing the mid-term review.

<sup>4</sup> Another review of the coordination between SLGP and other relevant UNDP-supported projects (ONA, CEBA, Support to SEDP M&E, etc.), and with other donor-funded projects (MOF PFM RP, SPPR, SDC-funded project in Cao Bang, etc.) will be conducted by an UNDP’ Governance team;

<sup>5</sup> Expected CP Outcome 4: Principles of accountability, transparency, participation and rule of law are integrated into Viet Nam’s representative, administrative, judicial and legal systems. Expected CP Output 4.16.ii: Strengthened mechanisms of local government agencies to undertake requisite duties and responsibilities as part of the ongoing decentralization process.

<sup>6</sup> UNDP, Capacity Assessment – Practice Note, Final Draft 14 October 2005

- ❖ Assessment of the quality and timeliness of technical inputs by international and national consultants, and project products (research reports, baseline survey, training courses etc.)
- ❖ Gender equality issues.
- ❖ Answer the question of the readiness of partners in pilot provinces to integrate/apply new knowledge and skills learned into their work within the final phase of SLGP.
- ❖ Lessons learned and recommendations for follow-up in the second phase of the project life.

## Summary approach and methodology

The review team<sup>7</sup> studied project monitoring and technical reports, met with key national stakeholders at the central and provincial level, and participated in a 1.5 day national project workshop where they have a chance to interact with senior provincial leaders. The team visited all target provinces (Bac Kan, Quang Nam, Tra Vinh and Vinh Phuc) where they met with provincial, district, and commune representatives. Written questions were submitted to these representatives in advance of meetings. A simple questionnaire was distributed to relevant meeting participants to gauge their assessments of key Project activities. The team also met with key central level stakeholders and donor representatives. A full list of meetings is attached as Annex 1. Key documents consulted are listed in the Bibliography.

In terms of a preliminary assessment of outcomes, the basic approach (following UNDP guidelines<sup>8</sup>) is to find (a) evidence as to whether intended outcomes (especially improvements in planning processes) have occurred (and/or are likely to occur), (b) how, why and under what circumstances this outcome changes; (c) assess SLGPs contribution to these outcomes; and (d) partnership/coordination issues related to these outcomes. An implicit results chain is presented on the following page.<sup>9</sup>

## Structure of report

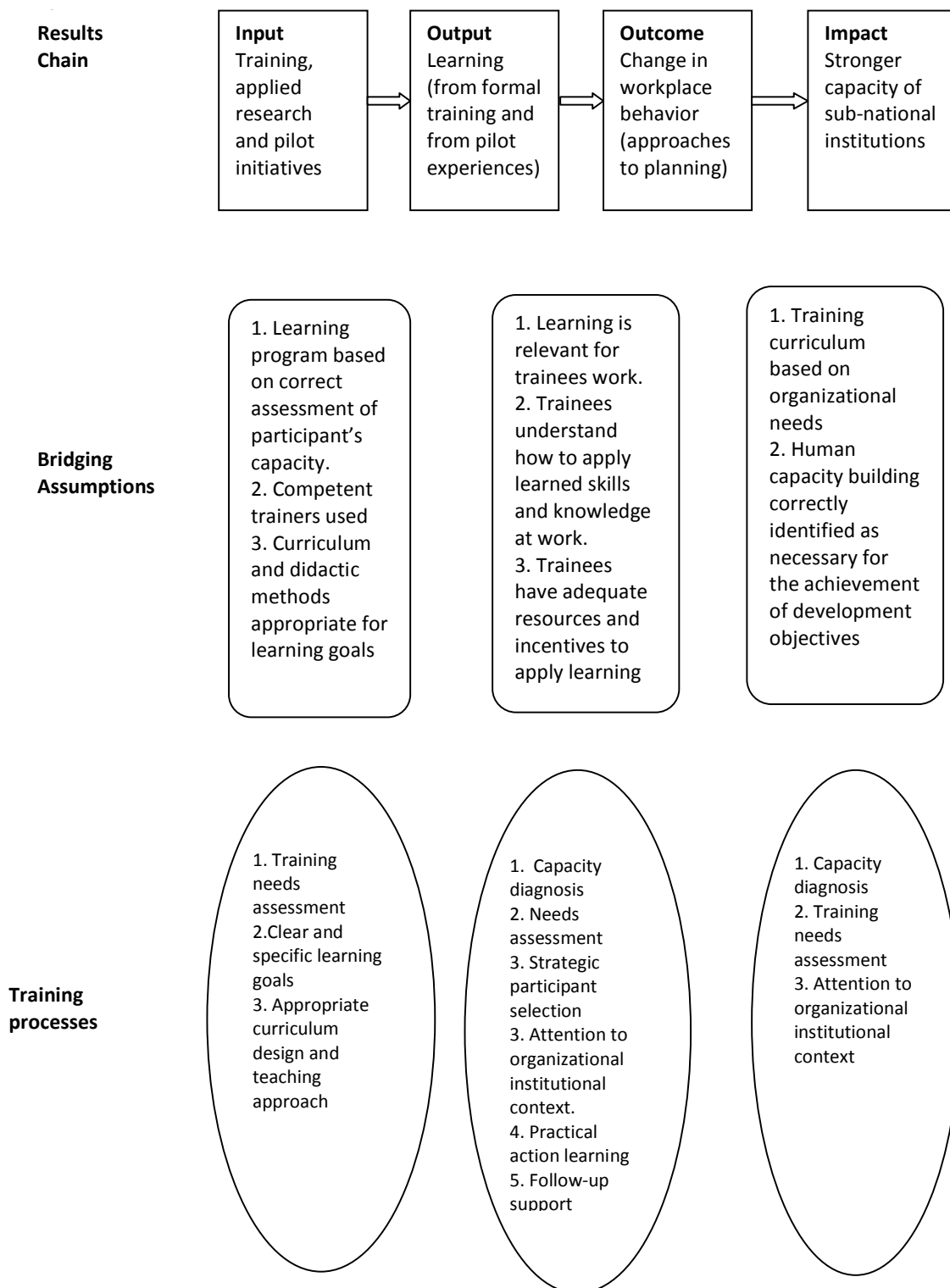
The TOR for the MTR recommended that the team refer to UNDP Evaluation Office's "Guidelines for Outcome Evaluators", and the report is structured along lines suggested in that report. The following section highlights the development context. The subsequent section addresses the key issues identified in the MTR TOR, plus additional issues that arose during the review. The final section includes the overall summary findings, describes key lessons learned, and presents recommendations.

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<sup>7</sup> An international team leader (30 working days) and 2 national experts (30 working days each) were involved in this review during March-April 2008.

<sup>8</sup> UNDP, 2002, "Guidelines for Outcome Evaluators", p. 7.

## SLDP Implicit Results Chain: From Learning to Improved Capacity



Source: Adapted from WB (2008), Using Training to Build Capacity for Development, p. 7.

## DEVELOPMENT CONTEXT

### Links with broad development strategies

The project objectives were consistent with recent national socio-economic development, including the Comprehensive Poverty Reduction and Growth Reduction Strategy (CPRGS), which called for decentralization, greater use of participatory approaches, and improved accountability. The 1998 Grassroots Democracy Decree (and the 2003 amendments<sup>10</sup>) requires local governments to increase participation and accountability; to consult with local people on draft plans and involve them in monitoring expenditure, and to publish information on laws, policies, administrative procedures, budget planning and expenditures. However, progress in implementing these provisions has been slow and inconsistent<sup>11</sup>.

Moves toward decentralization were reflected in the 2002 State Budget Law (implemented from 2004)<sup>12</sup>. This law provided new powers to the Provincial People's Councils: *"provinces are given more explicit powers and duties to prioritize resources, including determining allocations to different sectors and transfers to the two lower tiers. They also are given more explicit powers and duties to mobilize resources. Local planning is being promoted through the agreement of transfers from the centre to provinces for stable periods of three to five years"<sup>13</sup>.*

The subsequent Socio-economic Development Plan SEDP 2006-2010 placed even much stronger focus on improving planning and planning capacity and to move towards more participatory and results oriented planning and monitoring processes. A decree establishing the framework for monitoring SEDP results was issued in May 2007<sup>14</sup>. The SEDP also stressed the need to ensure more equitable gender representation in planning projects<sup>15</sup>. Thus, the approval of the latest SEDP has improved the external climate for delivery of project results (see also MTR findings on relevance). New legislation (revisions to the budget law and new planning legislation are being drafted to implement SEDP priorities. The World Bank, IMF, ADB and bilateral donors are also providing advice on planned reforms to improve the institutional (including legal) framework for more effective decentralized planning and financial management.

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<sup>10</sup> Decrees No 29/1998/ND-CP and Decree No 79/2003/ND-CP.

<sup>11</sup> Joint Evaluation of General Budget Support, 2006, [www.dfid.gov.uk/aboutdfid/performance/files/gbs-vietnam.pdf](http://www.dfid.gov.uk/aboutdfid/performance/files/gbs-vietnam.pdf)

<sup>12</sup> Viet Nam's "budget structure is hierarchical under which national authority is delegated to the lower levels of government, which has to be accountable to its upper level. A system of "dual subordination and accountability" exists, whereby provincial departments, district bureaus and communes report both horizontally across to their local People's Council and vertically up to the relevant parent sector ministry. The reporting chain has each level of government reporting up to the next, so that communes report to districts, districts report to provinces and provinces report to central government. The National Assembly, which plays a supervision role, has the power to suspend inappropriate decisions of the People's Councils. (Pham Lan Huong, 2006).

<sup>13</sup> Pham Lan Huong, 2006, Fiscal Decentralization from Central to Sub-national Government in Viet Nam. [http://www.gdnet.org/pdf2/gdn\\_library/annual\\_conferences/seventh\\_annual\\_conference/Huong\\_parallel\\_2\\_5.pdf](http://www.gdnet.org/pdf2/gdn_library/annual_conferences/seventh_annual_conference/Huong_parallel_2_5.pdf)

<sup>14</sup> Decision 555/2007/QD-BKH.

<sup>15</sup> The SEDP (p. 104) emphasizes the need to "Facilitate women's participation in meetings and planning, implementing and supervising programs and projects in villages, communes and at all levels".

SLGP objectives address key priorities identified in the 2001-2005 UNDAF, the UN's 2004 Common Country Assessment (CCA), and UNDP's 2001-2005 Country Cooperation Framework (CCF)<sup>16</sup>. SLGP is also consistent with the expected outcomes and outputs of the most recent Country Programme (CP).

### Intended beneficiaries

The intended immediate beneficiaries were the government officials, particularly those involved in preparation and implementation of SEDP plans and budgets in the pilot provinces, districts and communes (which include areas with relatively high poverty incidence). It was hoped that these benefits would then spill over to other provinces, districts and communes as SLGP experiences were replicated in other provinces, and as key pilot initiatives were institutionalized in national level planning guidelines. Sub-national level planning officials were to benefit from the transfer of skills and individual capacity building. The overall goal was that better planning would help accelerate socio-economic development and poverty reduction.

### Implementing Arrangements and Key Stakeholders

SLGP is being implemented in accordance with National Execution modalities (NEX), with MPI designated as the National Executing Agency (NEA). A vice-Minister of MPI has acted as National Project Director (NPD). Day to day responsibilities for project management implementation were initially assigned to the Director of the Department of Regional and Local Economy (DRLE), as Deputy National Project Director (DNPD). These responsibilities were transferred to the Director of the Department of National Economic Issues (DNEI) of MPI since January 2007<sup>17</sup>. DNEI has key responsibilities with respect to the development and monitoring implementation of the SEDP. The transfer of project responsibilities to DNEI should ensure closer linkages with national development planning reforms related to decentralizing socio-economic development planning, implementation and oversight to local levels. It reflected an increased emphasis in the SEDP on the need to strengthen sub-national socio-economic planning. While the transfer of responsibilities caused some delays, rational changes in administrative responsibilities are to be anticipated (and welcomed) in a country trying to implement substantive reforms in the planning system.

A separate central project management unit (CMU) was established within MPI to oversee implementation. The CPMU was headed by a full-time Senior National Technical Coordinator<sup>18</sup> with initial support from a full time international senior technical advisor (STA), part-time national experts, and full-time support staff. The role of the CMU was particularly important given delays in securing technical support from UNCDF. After the STA finished his work with the project, a new position called national technical advisor (NTA) was created in May 2007<sup>19</sup>. Following this, the national consultant on planning position was abolished.

Provincial PMUs (PPMUs) were established in target provinces, staffed by a senior department of planning and official (part-time), two full-time local technical experts on planning and finance, and a

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<sup>16</sup> SLGP Project Document (p. 12).

<sup>17</sup> The 2007 annual project review minutes note that following this change "the project continued to follow a sound implementing strategy".

<sup>18</sup> A retired former director of the Department of Science, Technology and Environment at MPI

<sup>19</sup> The former Director of DRLE was appointed as NTA to SLGP.

supporting staff. The work of the PPMUs was overseen by a vice-Chairman of the provincial people's committee (PPC).

A national steering committee (NSC) was established to oversee the overall SLGP orientation and to approve annual work plans. The NSC comprised a vice-Minister of MPI; senior representatives of DLRE, DNEI and the Budget Department (of the Ministry of Finance; and four leaders (vice-Chairman) of the PPC of the target provinces. The NSC met annually to approve work plans and budgets, review project progress, and to help the project respond to changing opportunities and challenges.

UNDP and UNCDF were assigned responsibility to help in identifying and recruiting international technical experts for the project. These agencies (and other donors) also participated in annual project review meetings. As noted elsewhere, delays in reaching agreement between UNDP and UNCDF constrained effective delivery in international inputs.

The project design includes a "partnership strategy" which calls for MPI (as implementing agency) to work in conjunction with other central government agencies and target provinces *"to pilot improved decentralization provision of public goods and services... {and to} provide other stakeholders (at central and local levels) with access to information about project activities/outcomes and engage in consistent dialogue with appropriate GoVN institutions and 'like-minded' projects and programmes..."*<sup>20</sup>

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<sup>20</sup> PD, p. 26.



## FINDINGS AND INTERPRETATIONS

### Ongoing relevance of intervention

The review TOR asks for an assessment of

*“The relevance of SLGP (its outputs) regarding the SEDP and decentralization process in Vietnam; its contributions to the national and sub-national efforts in improving socio-economic development planning and budgeting.”*

#### Increased Relevance under new SEDP

As discussed earlier, the SLGP design was relevant to planning priorities at the time when efforts were being made to decentralize and improve the effectiveness of delivery of public services and investment. The relevance of SLGP to national development priorities was heightened with the approval of the SEDP 2006-2010, which placed even greater focus on decentralization<sup>21</sup> and improving planning and planning capacity<sup>22</sup> and moving towards more participatory and results oriented planning and monitoring processes<sup>23</sup>. For example, the SEDP (p.151) calls for action to:

*Quickly establish a legal and institutional framework for clear assignment and decentralization, creating standardization in planning processes... clearly stipulate the responsibilities of ministries, branches and peoples' committees at provincial and district levels. Push up training, fostering and develop a contingent of responsible and well-qualified professionals to do planning tasks at all levels and sectors.*

*Continue innovating the plan contents (paying attention to sustainable development), plan-making methods, plan adoption and approval methods to make them effective management and guidance instruments, drawing the attention of investors and people. Five-year and annual plans should improve their specificity... Intensify the effectiveness of plans at both central and local levels... Intensify measures of checking, supervising and organizing the plan performance, particularly the participation of people, communities and civil society in planning, implementation and monitoring from central to local levels. Promptly issue the Planning Law to serve as a legal foundation for making and carrying out plans.*

The SEDP (p. 104) also emphasizes the need to *“Facilitate women's participation in meetings and planning, implementing and supervising programs and projects in villages, communes and at all levels”*. Thus, SEDP approval has served to increase SLGP relevance. The key challenge now is to develop the capacity, awareness and institutional framework needed to operationalize these aspirations.

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<sup>21</sup> The SEDP (p. 93) calls for the reform of *“regulations on central-local decentralization and decentralization among different levels of local authorities in order to improve their powers and responsibilities. Link the decentralization of work with that of finance, organization and personnel.”*

<sup>22</sup> The SEDP stresses the need to *“Reform and strengthen planning work and plans on socio-economic development. Submit to the National Assembly the draft Law on Planning which plans the socio-economic development, for approval while strengthen monitoring and evaluation on output-based implementation to ensure effective implementation of targets and socio-economic development with socialist orientation. Strengthen State management through monitoring and supervision measures on the implementation according to master plans, plans, especially compulsory ones.”*

<sup>23</sup> SEDP (p. 134) highlights the need to *“Enhance the community supervision in regard to planning work, ensure publicity of plans, strengthen inspection and examination of construction management and land use plans in selected provinces”*.

## Project Design Issues

While not specifically requested in the TOR, an assessment of the Project design is required as part of the TOR. The project design was generally appropriate in that it established a process oriented actions that have helped to develop capacity, while also developing a better understanding of sub-national constraints relating to the planning, delivery and oversight of public expenditures. The design anticipated growing central level interest in strengthening sub-national capacity in this area (e.g. as set out in the most recent SEDP). A key feature of the design was the substantive effort made to identify local priorities and capacity building needs which fed into planning training activities<sup>24</sup>.

There is some ambiguity in the design (at least in terms of monitoring outcome performance) in statements of project objectives (between the main text and the results framework). The main text of the project document (PD, p. 14) describes the project as a “process project” and stresses the need for flexibility in implementation. The PD notes that “*Although SLGP will only undertake specific pilot activities... the project will explicitly seek to inform the national policy framework*”. Later (p.15) the PD states that the “*SLGP will focus on **institutionalization** of local SED planning and budgeting at all three levels using the best practices from past and ongoing projects*”<sup>25</sup>. The design (e.g. p. 19) stresses that while aiming to influence national policy, that any improvements in planning “*must take place within the framework of existing institutional arrangements.*” Thus, the MTR took the view that it should be looking for indicators of changes in planning processes in pilot provinces and for indicators that pilot experiences were impacting on new policy regulatory documents.

Given limited capacity, and evolving nature of the institutional framework, the sequencing of activities appears generally appropriate. The initial focus was on undertaking the local needs assessment while at the same time moving ahead with basic formal training, and on-the-job training as part of the needs assessment process. While it may have been better for the needs assessment to have been conducted prior to implementation, provincial level constraints have been studied under other donor funded projects<sup>26</sup> (including UN funded projects), so it made sense to move forward to address well known capacity weaknesses. It could be argued that an earlier focus on integrating oversight concerns with inputs to develop training may have been useful (e.g. in helping generate demand for better planning), but the project management concluded that there was a limit to what could be achieved at one time (especially given the competing demands on the time of the officials being trained), and concluded that it was better to first develop basic skills on planning, before shifting focus to monitoring and oversight issues.

There was a considerable degree of ambiguity in the results framework, and some confusion in the specification of outputs and outcomes. Many of the output targets specified in the results framework involve the institutionalization of changes in planning processes, but it is not always clear at what level, and what degree of formality in institutional change is expected as a result of project activities. Given, the more limited aims identified in the main text, the MTR assumes that the targets refer to changes

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<sup>24</sup> The agreed minutes of the 2006 APRM called on the management of SLDP to “*take a less horizontal approach – by doing things differently things in different provinces (in accordance with their differing needs and their differing levels of willingness to experiment and pilot ways of “doing business”, all of which are brought out by the LCA*”

<sup>25</sup> This tends to imply that the project will be responsible for changes in the national policy framework needed to formally institutionalize change. As recognized elsewhere in the PPD, this will take time, many not be achieved during the life of the project, and is beyond the direct scope of project interventions.

<sup>26</sup> Including a previous UNCDF project in Quang Nam.

that have been made on a pilot basis and “*within the framework of existing institutional arrangements*”.

The risk assessment was prepared in a well structured and well thought out manner. The risks of greatest concern in the risk assessment did not materialize. However, the risk of inadequate central level coordination (which was judged as unlikely) emerged as one of the weaknesses of the project. The MTR includes recommendations on improving coordination.

While UNCDF was pro-actively involved in the project design -- and was assigned a prominent role in the PD -- details on division of responsibilities between UNDP and UNCDF were not clearly stated in the PD. The provision of appropriate international inputs and oversight support was delayed because of prolonged disagreements between UNDP and UNCDF about management and implementation arrangements. (Despite UNCDF being given a substantive role in the project design, the MOU operationalizing this involvement was only signed in March 2007). More timely finalization of the MOU between UNDP and UNCDF could have ensured more balanced, and efficient, delivery of project inputs and outputs<sup>27</sup>. As indicated in the table below a very large share of expenditure was devoted to overheads in 2005 and 2006. Very limited resources were allocated to activities aimed at improving transparency and financial management. While project management lacked desired technical support from UNCDF during project start-up, they were able to initiate and implement initial research and training activities with support from the STA.

### Conclusions about relevance

The intended project outcomes and outputs **remain highly relevant**, and are likely to continue to be so for the foreseeable future as new national level policies and regulations governing planning, budgeting and monitoring and evaluation continue to be developed and implemented<sup>28</sup>.

- ❖ Project timing in terms of preparing provincial level agencies for national level changed in planning and fiscal arrangements was excellent. Project outputs (experiences and research findings) are in demand as inputs to the formulation of key policy and regulatory reforms related to decentralized planning, budgeting, monitoring and evaluation.
- ❖ Provincial officials noted that central authorities tell them to move from “top-down” to “bottom-up” planning, but that they lacked concrete guidance on what this means: SLGP was seen as relevant in helping officials to understand what this means in practice (in Viet Nam and in other countries)<sup>29</sup>.
- ❖ Pilot experiences were also relevant in that this helped to demonstrate what was achievable. These experiences then fed into efforts to develop a new legal framework governing decentralized planning (expected to be approved and being to be implemented over the next few years). However, lags at the national level in formalizing policy and institutional changes to planning have been a source of frustration to officials as this hampers efforts apply new skills

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<sup>27</sup> The likely need for technical support from UN specialized agencies for NEX projects was recognized in UNDP’s Country Program Action Plan 2006—2010. UNDP’s Practice Note on Decentralized Governance for Development highlights UNCDF capacity in supporting decentralization initiatives.

<sup>28</sup> The most recent annual project review (2007) also concluded that “*The project was considered relevant to both the needs of the Central Government, and particularly of the authorities in the pilot provinces*” {Agreed meeting minutes}. Similar conclusions were realized at other APRMs.

<sup>29</sup> This point was made by senior officials from all provinces: see meeting notes.

and work practices at the sub-national level. Some frustration is inevitable (and even healthy) as the pilot initiatives help to raise awareness and thus pressure for institutionalization of change.

- ❖ More balanced (and relevant) delivery of project support, and greater efficiency, might have been achieved if the project design clearly defined the roles and responsibilities of UNDP and UNCDF. Differences between UNDP and UNCDF should have been resolved earlier.

## Progress towards key intended outputs

The MTR TOR asks for an assessment of *“the current status of SLGP 5 outputs (its progress so far) against the Result Framework.”* As noted before, the output/outcome indicators specified in the PD are ambiguous. In interpreting the indicators in the results framework, the analysis below recognizes the unambiguous qualification in the PD that the project focus is to trial pilot activities, subject to the limitations of the framework of existing institutional arrangements and, thus, that intended outcomes relate to pilot outcomes in pilot provinces. (See for example, the 2007 annual report confirming that intended outcomes are limited to “pilot provinces”).

The general view of central and provincial agencies was in line with FERD’s (MPI) conclusion that “SLGP is on the right track according to the approved plan, most of the training material provide and adequate basis for implementation”<sup>30</sup>. The most recent minutes of the annual project review meeting (confirmed by UNDP and MPI) concluded that *“the project continued to follow a sound implementing strategy in 2007, addressing issues and constraints related to the broad areas of decentralized socio-economic development (SED) planning, budgeting and implementation, and managing public resources at the local level. The project was considered to be relevant both to the needs of the Central Government, and particularly of the authorities in the pilot provinces”*<sup>31</sup>.

However, there were delays at project start-up, and progress since then has varied between project components as discussed below. Concerns about delayed implementation of Outputs 2 and 4, and in were highlighted in the agreed 2006 and 2007 APRM minutes. The 2007 APRM also highlighted concerns about delays in “finalizing” training materials. Training material can be expected to be adapted, and further improved on an ongoing basis, especially after the finalization of new national guidelines on planning and budget expected over the next few years. The most substantive progress has been made on the planning component, but implementation of other components has accelerated in recent years.

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<sup>30</sup> Meeting with Ms Bac, Head of the Division of International Organizations and Foreign Governments. Foreign Economic Relations Department (FERD) in MPI

<sup>31</sup> MPI/UNDP (2008), Agreed Minutes of the Annual Project Review Meeting (24 December 2007).

**Table 1. Planned and Actual Annual Expenditure by Output.**

		Planned Expenditure by component			Implemented Expenditure by component		
		2005	2006	2007	2005	2006	2007
Output 1	%	0	33	24	0	31	26
Output 2	%	0	3	5	0	3	5
Output 3	%	0	2	15	0	3	16
Output 4	%	0	3	14	0	2	14
Output 5	%	33	5	9	25	4	7
Output 6	%	67	54	34	75	57	32
<b>Total</b>	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total</b>	<b>USD</b>	<b>580,275</b>	<b>967,520</b>	<b>1,000,550</b>	<b>253,439</b>	<b>881,741</b>	<b>818,301</b>

Source: SLGP Project Office Data

### Output 1.

*“More effective, participatory and inclusive planning and budgeting systems are developed and used by local government organizations in the pilot provinces”.*

The initial focus of project activities was on overall work planning, needs assessments, and in initiating activities aimed at achieving this output. Although not specifically envisaged in the original design, project management -- during initial work planning -- determined that progress in raising awareness and acceptance of participatory processes and practices was a pre-requisite for effective implementation of actions in other areas.

Solid progress has been made under Output 1, especially in terms of training and awareness raising in all provinces<sup>32</sup> (and also in informing key central level policy makers<sup>33</sup>). Local capacity needs assessments were completed in early 2006, and provided the basis for subsequent work planning. Decisions were taken to use a UN-HABITAT training package on *“Local Economic Development through Strategic Planning”* as a basis for developing training material relevant to the context of sub-national authorities in Viet Nam. Other international models have been piloted (sometimes with support from

<sup>32</sup> A UNDP, 2006 (p. 36), study on *“Deepening Democracy and Increasing Popular Participation in Viet Nam stressed that “cadres at all levels desperately needed to learn about – and need real training in – the implementation of public participation and how to act a ‘service providers’ and ‘civil servants’ rather than bosses.”* More needs to be done to ensure that the findings from the various UNDP initiatives are shared with relevant project staff.

<sup>33</sup> E.g. Planning experts at CIEM involved in drafting new planning legislation/guidelines noted that SLGP experiences had fed into national policy debate on proposed planning reforms.

other donors) in other provinces. There is no “right” model. The Government will have to study these various experiences to develop national training materials that they feel are most appropriate for Viet Nam. The purpose of SLGP is to provide the pilot experiences that will feed into these decisions.

More recently the focus has been on rolling out training to provincial, district and commune level officials (including officials from non-target areas). Training was initially provided at the central level using a combination of international and national experts. Shorter-term (seminar) training was provided to raise the awareness of central and provincial leaders about international good practices. One-week training courses were organized to help train project officials, national consultants and potential trainers, before shifting focus to the development of Vietnamese language (and Viet Nam specific) training material to be used in provincial level training. Provincial level training was provided in Vinh Phuc and Da Nang (attended by 129 provincial officials in 2006). A special training course for 40 “Master Trainers” from the 4 pilot provinces and 8 pilot districts were conducted in 2007. Additional training was provided on strategic planning. Study tours were conducted to learn best practices from other provinces (e.g. the RUDEP project) and from China, Republic of Korea, Indonesia, and Malaysia (to attend a results-based management course). This has helped raised awareness and facilitated training for additional district and commune staff, both in target and non-target districts and communes. See annual progress reports for details of training provided. The focus of this analysis is more on the outcomes.

In terms of sustainability and replication of pilot initiatives, the ongoing development of training package on Strategic Planning for Local Development is an important (if still incomplete) Project output. More field testing of this package is needed, and more collaboration is needed with other projects, to combine relevant material from other pilot initiatives to ensure that the training material is in line with (the still emerging) national guidelines on planning and budgeting<sup>34</sup>. Other donor projects<sup>35</sup> have promoted alternative training approaches. The project shared draft training material with other donors (e.g. at the annual Consultative Group meeting at the end of 2007). This may be an important first step in facilitating better collaboration to develop national planning guidelines and training material. Officials at all levels saw potential benefits from drawing on other existing training material (especially commune level training material) to improve the relevance of the training package being developed by SLGP. Training materials may also need to be adapted to reflect the shift towards annual medium-term expenditure planning (3-year rolling plans (revised annually) to replace annual plans)<sup>36</sup>.

Project staff and experts complemented formal training with “on-the-job” training in the form of direct support in to prepare annual socio-economic development plans (using participatory planning approaches) in pilot provinces in 2007. Senior Quang Nam and Vinh Phuc officials reported improvements in the quality of plans processes at all levels. The most significant change was that concrete efforts were made to involve local stakeholders in identifying priority concerns (see below). Provincial authorities also noted that local officials were now more likely to suggest alternatives to

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<sup>34</sup> In the end, it likely that the Government will draw on training material developed under the various other donor supported projects aimed at strengthening local government to extend training on a nationwide basis once national planning guidelines are approved.

<sup>35</sup> E.g., a Swiss funded project.

<sup>36</sup> New legislation is expected to be approved this year or by 2009, with nationwide implementation of medium-term expenditure planning expected by 2011.



priorities suggested by higher level planners. They also noted that planners are making better attempts to explain the rationale for plan priorities.

Officials from all target provinces were able to cite concrete examples of how processes and skills transferred with project support had been able to be used in planning activities. For example, commune officials in Vinh Phuc noted that *“the Commune’s People’s Committee is in charge in formulating the annual SEDP based on the orientation of the Communist Party’s Bureau of the commune. The commune PC drafts the plan, and then discussed the draft with communities. They asked representatives of local villages to organize meetings with citizens, and then comments by people will be collected and sent to PC of the commune. The final draft of SEDP then will be submitted to People’s Council”*<sup>37</sup>. Tra Vinh noted that project processes and skills has been used in drafting the annual plan and budget expenditure for the 2007 and 2008 plan year for the whole province and for Tieu Can District. Tra Vinh organized five consultative workshops for the 2008 plan<sup>38</sup>. Some 200 participants attended consultations on Quang Nam’s 2008 draft plans<sup>39</sup>.

Bac Kan stakeholders noted that *“another form of community participation can be seen in the regular meetings of Bac Kan People’s Council delegates with local citizens (organized twice a year). In these meetings, local people propose and recommend to authorities on socio-economic issues of the area, as well as their need in development investment. Based on their proposals, local authority will consider integrating new projects into the investment plan of commune.”* While such consultations were happening to some extent without the project, officials claim that community participation is more effective now because officials are more aware of best practices in using consultative practices.

Commune officials in all provinces noted that interest in participation depends on being able to deliver tangible results. SLGP helped fund participatory meetings: several officials noted that this may be difficult to sustain unless commune stakeholder saw the direct outcomes from participation. Quang Nam officials noted that interest is high when there are investment funds available for distribution to priorities determined by the commune (e.g., CIDA funds for communal infrastructure in Quang Nam)<sup>40</sup>, but less in Bac Kan and Tra Vinh (where commune officials complained that they have limited

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<sup>37</sup> Commune leaders also noted that “land-use plans and list of investment projects under National target program 135 were well discussed with local community (in residential groups/ villages). They also cited a case when a road investment project initiated by the People’s Committee was rejected in favour of alternative road. The investment project plan then was changed according to people’s proposal. The road then was built very quickly, with smooth land clearance. Commune leaders recognize that *“once the plan was well discussed with community, its implementation will be smoothly and successful”*. However, the leaders also noted that for other investment projects, the commune should follow current regulations in term of investment procedures: these do not always involve consultations.

<sup>38</sup> One provincial level consultation, and two consultations each at the district and commune levels. More than 700 people participated in the meetings, with more than 400 comments and suggestions. Some 40% of participants were women. (QN meeting notes).

<sup>39</sup> Participation of the women was recorded at about 20%: (15% at provincial level and more than 30% at lower levels).

<sup>40</sup> Quang Nam officials said that SLGP had contributed to the following changes: (i) change in visions of development and planning process in relation with budget allocation; (ii) mechanism : from top-down to bottom - up with participation; (iii) moves to rolling style of planning, independent of planning “season” as before; (iv) transparency in planning and budgeting was increased thanks to using concrete criteria of financing to realize planning criteria; (v) new procedure for building up the plan and budget expenditure for 2007 and 2008 plan years; (vi) rule on “public monitoring guidelines” issued at lower levels; and (vii) rule for selection of small scale investment priorities based on the MTEF plan that People Committee approved to consult with people / community representatives (see QN meeting notes). Clearly not all these changes can be attributed just to SLGP, but it is an indication of the provincial buy-in to what SLGP is trying to achieve.

investment resources to allocate)<sup>41</sup>. Provincial officials said that they were able to apply skills gained under SLGP in implementing planning activities, such as national programs 134 and 135 and other donor funded initiatives where consultations were required<sup>42</sup>. On the other hand, officials also noted that they are limited in applying new processes by existing (Government and Party) guidelines on planning.

Despite the progress noted above, key investment decisions continue to be made without adequate guidance<sup>43</sup> or clear criteria for deciding between alternative investments<sup>44</sup>. The issuance of revised national planning guidelines will be required to help move towards more transparent mechanisms for making investment decisions. Current guidelines only allow very limited time for communes to develop their plans, making it difficult to institutionalize effective participatory process<sup>45</sup>. The pilot nature of SLGP activities allows for some flexibility in practice. For example, Quang Nam has taken steps to ensure that communes and districts can begin planning processes prior to receipt of official guidance.

Delays in establishing project level impact monitoring systems means that it is difficult to get a clear overview of the overall extent of changes in processes. Nevertheless, commune level accounts suggest that substantive changes in processes are beginning to be realized. And, field discussions revealed that increased awareness of improved planning processes has contributed to strong demand to implement improved planning processes at the sub-national level. Thus, while the implementation of formal changes remains constrained by *“the framework of existing institutional arrangements”*, the project is enhancing the probability that this framework will change and that substantive improvements will be institutionalized.

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<sup>41</sup> SLGP was explicitly designed so as not to inject supplementary investment budget allocations. The design assumes that improving efficiency of resource use is of greater concern than the overall level of resources available.

<sup>42</sup> Tra Vinh Provincial authorities noted that they has used participatory planning processes advocated by SLGP for building up the plan and budget expenditure for 2007 plan year for the province and for Tieu Can District; this was extended in 2008 to Tieu Can district, Tra Vinh City, and Long Duc commune, and Tap Ngai communes,

<sup>43</sup> Preliminary SLGP research on needs for improving provincial oversight argues that oversight agencies need to provide more streamlined, action-oriented guidance in their planning resolutions. Experiences/models from other countries could be usefully disseminated.

<sup>44</sup> A typical response to questions about investment transparency was that *“the province currently does not have official, transparent criteria for selecting competing investment needs. In fact, the decision depends on the top leaders’ opinions. A lot of investment projects were not considered properly. As a result, the limited budget for investment should be devoted to too many projects, which leads to the inefficient use of public capital.”*

<sup>45</sup> Bac Kan officials explained that provinces start the plan formulation process from June to August after receiving a plan framework guideline from MPI (usually in June). Almost all planners met during the evaluation noted that the current official guidelines do not allow sufficient time to follow all the steps suggested in the SLGP training material. DPI coordinates with different departments in province in planning process based on the investment need of province. Because of very high investment demand, sectoral departments and districts often propose investment plan many 5 times higher than capital mobilization capacity. After the Meeting of National Assembly in November, MPI and MOF inform the provinces about their approved budget for investment and current expenditure for the following year. The province amends the draft budget allocation in November-December, and a final draft should be submitted to People’s Council for its approval. Following approval, plans are submitted to sector departments and districts for their implementation.



## Output 2.

*“Investment scheme implementation by local government is more transparent and effective in the pilot provinces.”*

Implementation of this component was substantially delayed<sup>46</sup>. Initial efforts focussed on providing training in the project cycle and better understanding local level needs. The project also helped compile and publish a handbook<sup>47</sup> outlining current laws and regulations related to planning and budgeting. Draft provincial guidelines on managing decentralized investment have been prepared by each province, but have not been officially approved. SLGP plans to ensure that these guidelines will be approved during 2008.

Subsequent training focussed on meeting more specific needs related to the decentralization of implementation of investment projects, with a particular focus on public procurement and bidding<sup>48</sup>, in addition to training on managing the project cycle. There has been tangible progress in institutionalizing improvements in provincial level procurement practices<sup>49</sup>. Quang Nam and Tra Vinh officials noted that their officials were more aware of the need to improve transparency having (i) participated in training courses on “Guideline for decentralization in district public investment” and another on implementing guidelines for the “Procurement Law”; (iii) begun developing financial management mechanism based on MTEF, and using better knowledge on budget forecasting and public finance management; (iv) begun strengthening plan implementation and reporting responsibility monitoring, and control mechanism. The overall impact has been to facilitate decentralized implementation and ensure more consistent and transparent approaches to public procurements and financial management at the district and commune level. This played a tangible role in facilitating the decentralization of project implementation and ownership as envisaged in the results framework, and has helped raise the provincial level profile of the project.

The PPMUs have established multi-sector teams to provide support for the implementation of investment plans. These teams have helped support both annual planning exercises and planning exercises for related provincial level investment projects (including support for national programs and donor supported initiatives<sup>50</sup>).

There is less tangible evidence that project activities have contributed to “*greater community involvement in implementation of investment projects*”. Guidelines have been issued but, given lags between planning and implementation, it is still too early to assess the extent to which this has led to community participation in implementation.

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<sup>46</sup> Concerns about delays were raised in the 2006 and 2007 APRMs. More timely involvement of UNCDF (and provision of appropriate international expertise) could have helped to reduce these delays.

<sup>47</sup> SLGP, “Legal Stipulations on Planning and Budgeting.”

<sup>48</sup> With certification of officials with adequate skills to meet national public procurement guidelines. Some 300 officials were awarded certificates in 2007.

<sup>49</sup> Provincial stakeholders in Vinh Phuc and Quang Nam emphasised the contribution of project training to implementing Decision No 210.

<sup>50</sup> See later section on coordination for examples of these projects.

### Output 3.

*“Appropriate local government financial management mechanisms and fiscal arrangements are established and used in the pilot provinces.”*

Progress in this component was slow in the initial stages, but progress has accelerated since 2007.

The relevance of this output was enhanced under the new SEDP and by the steady build-up in momentum towards extending medium-term expenditure framework (MTEF) activities beyond piloting implementation in four sectors and four provinces. The Project has helped lay the foundations for future roll-out of MTEF reforms in the SLGP target provinces, including support in researching provincial capacity building needs to apply MTEF approaches on a trial basis. While Quang Nam is seen as a leading non-MTEF target provinces in terms of commitment to implementing MTEF, all SLGP provincial level officials met by the MTR were keenly aware of the need for action to begin preparing for implementation of MTEF, and the need to integrate SEDP and budget planning. {WB is the lead donor in supporting MTEF, with a capacity building project (Public Financial Reform Management Project) involving pilot studies in 4 ministries (Transport, Agriculture and Rural Development, Health, and Education) and 4 provinces (Ha Noi, Ha Tay, Vinh Long, Binh Duong). SLGP has cooperated with MOF staff involved in this initiative in implementing MTEP related support in SLGP target areas.} Officials from non-SLGP target provinces have also attended SLGP MTEF training (including Hai Phong and Da Nang). Planned training related to the integration of SEDP and MTEF planning activities have not yet been implemented.

In terms of sustainability, a key output was the draft package of training material on Local Public Financial Management. This package still needs further field testing, and will need to be adapted to reflect final national MTEF guidelines. Nevertheless, the material has been widely distributed and used for training at provincial and district levels. A special training course for 40 “Master Trainers” (from the 4 pilot provinces and 8 pilot districts) was conducted in 2007. Trainers are now being used to deliver training to district and commune level staff, as well as to staff in other projects.

Provincial officials noted that districts tend to underestimate revenue and overestimated budget expenditure to maximize budget support from the province.<sup>51</sup> Despite specific training on financial forecasting, officials from all target provinces said that they still struggle to apply consistent simple revenue and expenditure forecasting models despite several rounds of training. They called for more support to provide training and other support to institutionalize simple forecasting models that could be readily understood at sub-national levels that were also acceptable at higher levels. They also called for increased efforts to identify best approaches to improve mobilization of discretionary investment resources. Officials from all four pilot provinces stressed the need for additional discretionary funding for participatory, decentralized, planning to be effective.

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<sup>51</sup> For example Vinh Phuc officials noted “that previously districts tended to underestimate revenue and overestimated budget expenditure to maximize budget support from the province. Since 2004, budgeting processes were decentralized to different local levels. Local levels are now more active in budgeting process since the target for budget revenue was set to be stable for 3 years. Regarding budget allocation (expenditure), the province based on the norms of budget expenditure for some specific public services and the norms set by People’s Council. Problem in budgeting now is that is difficult to set criteria for budget revenue plan under fluctuating market conditions and frequent trade policy changes...” (A large share of tax revenue in Vinh Phuc comes from the two automobile joint-ventures. When the state’s car import tariff decline, this would significantly affect the province’s total revenue).

Field studies on fiscal decentralization are currently being implemented<sup>52</sup>. These studies will only have limited impact in terms of planning activities under this project, but may be useful in planning follow-up provincial level support for fiscal decentralization. It is still too early to assess the usefulness of this research.

Local authorities are required to disclose investment and current budget data under broader reform initiatives. Districts and provincial budget information is now appears to be readily available in district offices. It is difficult to assess the extent to which SLGP directly contributed to greater transparency (as key reforms would have happened even without the project).

The project has not made any progress on streamlining local level fees and charges. Targets for this output may need to be reviewed, given current provincial priorities.

In summary, the project has not resulted in the realization of all the (at times ambitious) targets specified in the SLGP results framework. However, progress towards intended outcomes is beginning to be made. And in terms of developing capacity to implement MTEF, progress exceeds that envisaged in the design. This should eventually contribute to improvements in local government financial and fiscal arrangements. The change in emphasis is consistent with changes in the national level policy environment (e.g. the SEDP) and with priority needs identified in the needs assessment<sup>53</sup>.

#### **Output 4.**

*“Oversight, accountability and monitoring mechanisms are enhanced at local levels in the pilot provinces.”*

Project management decided to focus more on the earlier outputs in the initial stages of implementation. SLGP funded the participation of five people (3 from pilot provinces and 2 from MPI) to attend training on results based management in Malaysia in 2006, and later that year organized a 10-day course on “Results Based Management and Performance Indicators” which was attended by 30 central and provincial level officials<sup>54</sup>. Project management plans to accelerate implementation of this component in the later stages of the project, building on the findings of needs assessment. At this stage, progress towards achieving component indicators identified in the results framework (see page 30 of PD) has been negligible.

The PD states that the “project will also try to adapt UNCDF’s local government MIS for the pilot provinces, which would provide a comprehensive information management system for local government infrastructure and service delivery.” This did not happen partly because of delays in signing of agreements between UNDP and UNCDF, and partly because of ongoing national initiatives to develop a national results-based monitoring framework. Project activities related to oversight initially focussed on reviewing current guidelines and tools and awareness raising, while also providing general training on results based monitoring. Project management saw the need to develop links with broader national efforts to introduce SEDP results based monitoring at the provincial level. The thrust of national policy on results based monitoring became clear with the release of MPI Decision 555 (May

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<sup>52</sup> SLGP 2007, Assistance for Piloting Improved Fiscal Frameworks at the Local Level – Inception Report.

<sup>53</sup> SLGP, 2006, Report on Local Capacity Assessment in Bac Kan, Vinh Phuc, Quang Nam and Tra Vinh.

<sup>54</sup> See 2006 annual progress report.

2007)<sup>55</sup>. Provincial level officials from Quang Nam have attended training (ADB financed) on results based monitoring of the SEDP<sup>56</sup>. The publication of budget data (discussed under Output 2) is also a key step towards greater accountability.

Activities accelerated in 2007. Following the visit of an international consultant in 2007<sup>57</sup>, a study of current practices and needs for capacity building in this area was launched. Results of this analysis have still to be finalized, but initial results have identified quite specific and practical needs that could be addressed by the project (including the need to improve the system for (two-way) reporting between planning agencies (from the People's Committee) and oversight agencies (People's Councils). People's Councils officials noted a growing interest by people's councils to become engaged in plan approval and monitoring processes, but still lack the tools needed for effective oversight. The needs assessment found that People's Council officials are keen to learn more about systems and reporting formats used to improve sub-national oversight in other successful regional economies. Initial results have stimulated debate among national policy makers directly involved in formulating reforms in planning and reporting processes<sup>58</sup>. An important focus for the remainder of the project should be in helping to develop and implement practical improvements at the provincial level<sup>59</sup>.

More recently, the project has intensified efforts to develop training material on monitoring and evaluation (M&E) and M&E indicators. These training materials are designed to provide training participants: (i) with a sound understanding of the performance and results based management, and of the role of M&E; (ii) understand the importance of practical and relevant indicators in M&E; (iii) with an ability to utilize a practical methodology to monitor and evaluate plan/program and/or service performance; (iv) skills and tools to assess risks and design appropriate responses; and (v) skills in data collection, presentation and analysis for socio-economic planning and management.<sup>60</sup> Training has been provided to 42 provincial and district level officials under 2 training courses. These trainees have then passed on this knowledge to others via provincial level workshops organized by PPMUs. Experimental multi-sector M&E teams have been established to help prepare training materials and implement training activities, and are expected to provide direct support to implementing M&E activities.

The project also plans to develop a manual on "*Transparency and Community Oversight Guidelines and Policies*". These efforts will need to be coordinated with other initiatives piloting improved oversight,

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<sup>55</sup> Senior project leadership were directly involved in developing national policy on results based management and in the drafting of this decision.

<sup>56</sup> ADB TA 2612-VIE, Results Based Monitoring of Poverty Reduction and Growth. Some 400 central level officials and more than 2006 provincial level officials received training on managing for development results under this project.

<sup>57</sup> SLGP, 2007, Mission Report on Strengthening Oversight and Monitoring Systems in Local Governments in Viet Nam.

<sup>58</sup> E.g. as evidenced by the debate at the SLGP workshop in March 2008, and in the national press

<sup>59</sup> Close coordination will be needed with other UNDP project aimed at strengthening the capacity of elected bodies.

<sup>60</sup> Care will be needed to avoid any overlap with training material produced under the ADB TA supporting SEDP monitoring. A report from the ADB TA states that "*The TA prepared a draft set of guidelines for applying the results-based M&E system. These were designed to assist the MPI explain the underlying principles of results based planning to officials in line ministries, provinces and cities in monitoring the SEDP and in understanding the main principles of results based M&E. A draft of the first module was presented at workshops held in August and September 2007.*" See ADB report at <http://www.adb.org/Documents/MfDR/CooperationFund/Vietnam-case-study.pdf>.

and the guidelines should include recognition of the important role of civil society organizations in this process. Quang Nam has already issued initial guidance on public monitoring.

Concerted efforts will be required to achieve the ambitious targets set out in the PD. Project management may need to review these targets and make an informed assessment of what is doable in the remaining period of the project. The appropriateness of existing targets needs also to be reviewed. For example, one target (p.30) is that the People's Councils receive *increased* information and *are performing effective scrutiny and control* over People's Committee and sector department activities (at provincial and lower levels). Preliminary information from the needs assessments suggests that **People's Councils want less, but more relevant, information**<sup>61</sup>. Development partner agencies need to be realistic about how long it will take to build the capacity of People's Council.

#### Output 5.

*“Experience from SLGP provincial innovations (and other similar projects) inform and influence national policies (in particular, national guidelines for local socio-economic development planning and budgeting) and is made available to other provinces/donors.”*

The PD included a strong focus (e.g. see pages 23 and 31) on public information and advocacy, stating that the project *“will engage in routine activities aimed at providing information to national, local, and other stakeholders in the implementation of Viet Nam’s poverty reduction, development and decentralization policies”*. The project achieved some notable successes in this respect -- particularly in terms of the outcome of influencing national policies (planning legislation and amendments to State Budget legislation -- but coordination, collaboration information sharing with other donor projects could have been better.

The project developed a communication strategy during the first year of implementation. SGLP published informative quarterly bulletins of project activities, and project related issues, in a timely manner. A project website was established but not regularly updated and some menu headings do not have any content<sup>62</sup>. MPI may wish to consider whether it would be better to publish these bulletins (and the Website) as MPI publications covering all related donor projects to help reduce duplication and facilitate information sharing.

Key documents (research reports, local capacity assessment reports, drafts of training material, etc.) were printed and widely distributed (e.g. to the 2007 Consultative Group meeting).

Coordination between MPI and MOF appears to have been generally satisfactory. Key central level stakeholders are directly involved in steering committees responsible for drafting new legislation on

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<sup>61</sup> Preliminary SLGP research has found that most local government planning and evaluation reports now are too general, too long, and not action oriented. Strict guidelines are needed to limit number of pages, and improve presentation of key data and trends. Sub-national oversight/M&E reports need to make greater use of tables and graphs and to present trend (rather than static information). Training needs to also include focus on improving quality of report presentation. Need to compile and disseminate information on regional/international experiences with respect to reporting to oversight agencies. This research also argues for more structured guidelines to ensure oversight agencies (provincial people's councils, etc.) receive more useful planning, policy and monitoring documents. SLGP should link with UNDP support to strengthen the capacity of elected representatives.

<sup>62</sup> The central level web site is at <http://slgp.thongtindubao.gov.vn>. Quang Nam includes SLGP material and work plans at [http://dpiqnam.gov.vn/index.php?option=com\\_content&task=blogcategory&id=100&Itemid=374](http://dpiqnam.gov.vn/index.php?option=com_content&task=blogcategory&id=100&Itemid=374).

national planning<sup>63</sup>, development of guidelines on the results based M&E of the SEDP, and drafting of amendments to the Law on the State Budget<sup>64</sup>. Stakeholders met by the MTR noted that pilot experiences from the SLGP (and similar projects) was valuable in learning about local level needs and capacity, and also in assessing what could be achieved at the sub-national level. However, they also suggested that more could be done to develop systematic mechanisms for sharing information about the various provincial level pilot initiatives.

Central level collaboration between related donor projects was mixed. Some successes were noted (e.g. in collaborating and sharing practical experiences with related projects (RUDEP, PFMRP SDC-funded Cao Bang project, CIDA-funded project in Tra Vinh) and other agencies (UN-Habitat)), and in sharing draft training material with other donors.

However, weak central level collaboration has resulted in duplication of effort and sub-optimal quality of some training material (e.g. more central level collaboration with Chia Se and CBRIP may have led to more relevant commune level training material as discussed in Output 1). SLGP/MPI should consider establishing formal mechanisms (e.g. regular quarterly meetings between technical experts) to encourage substantive collaboration between projects and experts.

## Preliminary Project Impacts

The MTR TOR asks for an assessment of the

*“Preliminary impact of the project, particularly on capacity strengthening for sub-national partners using the UNDP Capacity Development Framework (which looks at capacity at three levels – system, organisation and individual)”.*

First, it is important to recognize that institutional development takes time. There are no general recipes for improving institutions<sup>65</sup>. It is unrealistic to expect major immediate outcomes (at the system and organizational level) from capacity building initiatives, especially a program focusing on supporting pilot initiatives. Change will be incremental, even after formal changes in institutions (including laws). Institutional development depends on internal national dynamics: external agencies can help provide the information and skills which may change attitudes, and help encourage greater transparency and openness in policy making, but the path of institutional development is highly dependent on national social, political and economic factors. Thus, it is important that SLGP retains the flexibility needed to respond to evolving national priorities and opportunities with respect to implementing decentralization initiatives.

Secondly, it is important to recognize that the ongoing national program of public administration reform would have very likely resulted in improved capacity in the pilot areas even in the “without”

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<sup>63</sup> Originally, CIEM was assigned to draft a planning law for approval by late 2007. Following the Party Congress in 2006 and decision to re-organize the National Assembly and Government, the planning law was put on hold. MPI is now considering the need to submit unified planning guidelines (decree) for different administrative levels. CIEM officials involved in the drafting process noted that SLGP experiences and guidelines had proved useful to their work in drafting national planning guidelines. CIEM recognizes implementation will be a challenge, and there will be need to combine many different provincial level pilot experiences.

<sup>64</sup> Amendments to the 2002 State Budget Law are expected to be approved by 2009; provisions with respect to broad based application of MTEP are expected to take effect from 2011 (at least in the more developed provinces).

<sup>65</sup> WB. 2008(b), p. 3.



project situation. The well known difficulties in isolating project impacts from much broader national level administrative reform processes need to be recognized in any assessment of SLGP, especially given the relatively small contribution of SLGP to the overall decentralization efforts<sup>66</sup>.

Thus, the MTR tried to look for both indicators of change, and indicators of the value added provided by SLGP which may be helping accelerate/improve capacity building and change. Indicators of increased skills and awareness, and increased support for more open and transparent planning processes will be an important start. The MTR also attempts to assess the continuing validity of causal linkages between project activities, outputs and outcomes in the project design. In this respect, it is important to recognize that causality from project activities is not linear. Project training and other inputs feed into pressure for, and capacity to implement, change; but institutionalized change has to come from within the system. The MTR was also looking for evidence of the use of changes in work practices.

### Capacity building

- ❖ **Capacity building** to date has focused on **individual skills and awareness raising**. The project has made contributions in this respect, with most respondents rating training quality and relevance very highly in post training evaluation surveys. For example, the survey of participants in the MTEF training found that: *“94% participants thought that the course provided them new knowledge & skills for work; 92% participants felt that they could use such knowledge and skill for their work and share them with colleagues and other people in their office; 94% agreed that the course reached their expectation; 94% participants thought that the lessons learnt in the course could be applied well to the situation in Viet Nam; and 100% had a strong desire to apply MTEF in their provinces.”* For the training on financial analysis and projection: *“95% participants think that the course has provided them new knowledge & skills for their work; 83% participants think that they could use such knowledge and skill for their work and share them with colleagues and other people in their office; 95% agreed that the course reached their expectation; and 89% thought that the lessons learnt in the course could be applied well for Vietnam situation”<sup>67</sup>.*
- ❖ Enhanced skills have contributed to increased demand for more substantive institutional changes. As discussed below, greater awareness has led to the adoption of improved planning practices at the sub-national level.
- ❖ The MTR surveyed<sup>68</sup> several stakeholders in Bac Kan, Tra Vinh and Quang Nam about their assessment of the impact of training (See Appendix 2). Some 15/16 commune level officials surveyed by rated the training as useful or very useful. 22/26 of provincial/district level officials rate the training as useful or very useful. Others rate the training as of some value. The effort that went into assessing needs and preparing/adapting training material were important in

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<sup>66</sup> In his presentation to the international managing for development results conference in Hanoi in 2007, MPI Vice Minister, Cao Viet Sinh MPI, noted that *“with the increasing transparency of Vietnam’s budgeting process had come increased accountability. Grassroots democracy, he said, has strengthened dialogue and created a foundation for consensus building, while participatory processes have improved public accountability.”*

<sup>67</sup> Source: SLGP training evaluation records.

<sup>68</sup> This was an informal survey to gauge reactions. Sample size was small. The survey was not random, was not field tested, and was conducted during small group meetings. It is **not** an unbiased survey.

delivering training, and transferring skills that was applicable in counterpart agencies. The needs assessment demonstrate a clear demand for the type of training provided<sup>69</sup>.

- ❖ **Indicators of progress with building institutional and organizational capacity.** The high ratings given to the relevance of training material to participant's workplace activities is an important indicator of practical relevance of the training program, and the needs assessment<sup>70</sup> that fed into the design of the training programs. All 26 provincial/district level officials said that they had been able to use the skills gained in their work. Provincial leaders emphasized the impact of SLGP training on work practices, highlighting more frequent and substantive consultations<sup>71</sup> with local stakeholders during the planning process<sup>72</sup>.
- ❖ Because these individual skills were directly targeted at meeting workplace needs (identified by sub-national agencies in local needs assessments), individual skills are being applied in sub-national institutions. It is not yet possible to assess whether this is leading to improvements in planning and public service delivery.
- ❖ Some innovations have been "informally" institutionalized (improved bidding and more substantive commune/district inputs to planning) to various degrees in all provinces. Formal institutionalization of other changes will depend on changes in central level policies and regulations (project pilot experiences are contributing to the development of these regulations). Commune officials said that after participating in training they felt they were more confident in fulfilling key planning tasks without support from district officials. Most commune officials (14/16) said that they had more (or much more) contact with district level officials now, and 15/16 said that they expected to become more involved in making decisions about the commune budget.
- ❖ **Links with civil society organizations in planning and oversight activities remain weak.** More attention should be given to involving civil society organizations in future activities, particularly with respect to improving oversight capacity. Better reporting on plan implementation will be an important step towards increasing civil society pressure on officials to deliver public services. Involving the Vietnam Women's Union could be important in reducing continuing gender imbalances in planning processes.
- ❖ The individual capacity built in the project is also laying the foundations for implementing other institutional and organizational capacity building initiatives (most notably by cooperating with MOF in helping lay the foundations for introduction of MTEF in target and non-target provinces).
- ❖ Provinces which already had stronger capacity (and better trained individuals) appear to have made more progress in terms of **building institutional capacity** (Quang Nam and Vinh Phuc)

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<sup>69</sup> A recent WB (2008) evaluation study of the role of training in capacity building concluded that the "most important factors driving training success are good design and targeting of training content, a supportive organizational context for implementation of knowledge and skills learned and a strong client commitment to training goals."

<sup>70</sup> SLGP, 2006, Report on Local Capacity Assessment in Bac Kan, Vinh Phuc, Quang Nam and Tra Vinh

<sup>71</sup> In his report to the SLGP National Workshop on Strategic Planning for Local Development, Mr. Pham Hai, National SLGP Advisor emphasized the potential benefits of institutionalizing people's participation in planning and plan implementation (slides 22-28).

<sup>72</sup> A WB (2008) study concluded that while most WB training projects strengthened individual capacity, they "improved the capacity of client institutions and organizations to achieve development objectives only about half the time". In other words "only about half resulted in substantial changes to workplace behavior or enhanced development capacity."



than those with weaker individual and institutional capacity (Tra Vinh and Bac Kan), but change was reported by officials in all provinces.

- ❖ SLGP mobilized -- and further developed -- solid capacity in the PMUs: the challenge is to ensure that this institutional capacity can be sustained after project completion.
- ❖ SLGP's **process approach to capacity building** was a key design strength. Research, studies, training material and other project outputs were developed in response to local priorities and demand. They were largely implemented by national officials and experts, with international inputs largely limited to the transfer of international skills and advice on the design of studies, training material and other activities. Formal training courses are complemented with hands-on support in implementing activities. This combination of interventions has helped in institutionalizing changes in planning.
- ❖ Sustained medium-term support will be needed to further build the **institutional and organizational capacity** needed for effective decentralization. Project stakeholders need to recognize that such changes take time (and indeed this is an ongoing process, even in developed countries). Central and provincial authorities need to recognize that officials need appropriate incentives and the authority (and resources) to implement change. Project activities should include follow-up needs assessment to document evolving priority needs for possible future funding.

## Other Impacts

- ❖ **Changes in awareness.** The Government has been promoting participatory and decentralized planning, including enactment of the degree on grassroots democracy<sup>73</sup>, but implementation has been modest. The project has helped the Government in moving beyond general principles to raise awareness about practical steps that can be taken to improve planning processes. Training and on-the-job support to implement these steps (on a pilot basis) have helped build more substantive awareness.
- ❖ **Increased demand for reforms.** Experience gained in implementing pilot activities appears to have helped officials and local communities to value proposed changes in planning. And this has helped in building the apparent growing grass roots demand for changes in approaches to planning<sup>74</sup>. This increase in demand increased the probability that planning reforms will be institutionalized in formal policy/regulatory documents and guidelines.
- ❖ **Efficient and effective delivery of sub-national services.** It is still too early to identify specific Project outcomes in terms of more efficient resource use, better public service delivery, or improved living conditions. Follow-up needs assessments studies could help in assessing outcomes at project completion.
- ❖ **Spillover impacts on similar projects.** The project training materials were used by other ODA projects with similar objectives. For example, an ADB project supporting strengthening of a local government used SLGP training material and trainers to train planning officers.

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<sup>73</sup> First approved in 1998, and amended in 2003.

<sup>74</sup> Discussants at all levels noted these changes, but it would be useful to have more concrete evidence. An aim of a follow-up needs assessment should be to confirm these findings with firm data.

## Summary of SLGP Training Courses in 2006-2007

2006

Name of training course	No of participants	Male	Female	Planners	Financial staff	Others
Strategic planning	95	74	21	40	29	26
MTEF	96	69	27	16	18	62
Financial analysis and forecasting	42	34	8	16	14	12
Project management	36	27	9	9	0	27
Investment and enterprise law	55	37	16	8	6	41
Result based management	27	13	14	5	6	16
Others	153	131	24	63	40	50
<b>TOTAL</b>	<b>504</b>	<b>385</b>	<b>119</b>	<b>157</b>	<b>113</b>	<b>234</b>

2007

Name of training course	No of participants	Male	Female	Planners	Financial staff	Others
Public investment planning	337	205	132			
MTEF	105	73	32			
Local Financial analysis and management	60	46	14			
Result based management	22	17	5			
Public procurement	231	157	74	60	38	49
Others	336	248	3			
<b>TOTAL</b>	<b>1091</b>	<b>746</b>	<b>260</b>			

## Coordination

The MTR TOR asks for an assessment of the

*“extent to which SLGP’s activities and resources have been coordinated/used together with other projects’ activities and resources in pilot provinces.”*

Coordination issues have been discussed in different parts of this report. This section summarizes some of the key points.

- ❖ Coordination at the provincial level was adequate to good (in Quang Nam)<sup>75</sup>. Provincial project leadership were generally will informed on what other projects were doing, and were often involved in implementation of related projects<sup>76</sup>. The close and effective collaboration between projects in Quang Nam could serve as a model for provinces where collaboration between

<sup>75</sup> E.g. See notes of meetings with Mr. Tran Minh Ca, Vice Chairman of PPC and Mr. Tran Kim Hung Vice Chairman of PPC of Quang Nam and Mr. Ba Tao, Director of Tra Vinh DPI and Chairman of Tra Vinh PPMU

<sup>76</sup> Links with the CIDA, CBRIP and GTZ projects in Quang Nam and Tra Vinh; and IFAD in Tra Vinh. A proposed new Irish aid funded project in Bac Kan aims to build on SLGP training to provide commune level infrastructure and livelihood support using local budget systems. There were also strong links with initiatives funded under national program 135, especially in the poorer provinces ( Bac Kan and Tra Vinh).

projects was less firmly established<sup>77</sup>. {Quang Nam officials highlighted (i) collaboration (via SLGP) with the WB/MOF supported MTEF project; (ii) use of the results from GTZ project in training Enterprise Law, Investment Law, State Budget Law; (iii) implementation of participation in small scale infrastructure development decision making for communes within the CIBRIP Project; and (iv) the use of the results of ADB project in local planning. In Tra Vinh, PPMU officials cited the following examples of collaboration with other projects: (i) used results from IFAD projects in allocation of funds through Bank for Poor; (ii) helped implement participation in small scale infrastructure development decision making for communes within the CBRIP Project; (iii) implement new approaches in financial management of the CIDA Canadian supported project on capacity building (professional training, management of urban development planning); (iv) exchange lessons learned with the RUDEP project in Quang Ngai, and; (v) exchange the lessons learned with the other SLGP pilot provinces {Tra Vinh meeting notes}. While a CIDA representative also appreciated SLGP's role in developing planning capacity, they noted that they would like to develop more formal linkages between the CIDA project and SLGP support.}

- ❖ The degree of coordination at the central level appears to have been mixed. Coordination with the Ministry of Finance has been effective. There was useful sharing of practical experiences with related projects and agencies. However, weak central level collaboration has resulted in duplication of effort and sub-optimal quality of some training material. More formal mechanisms may be needed to encourage more substantive collaboration (see also discussion of Output 5).
- ❖ The large number of donor projects “piloting” and promoting different approaches adds to complexity and increases difficulties in securing consensus on a national approach, but may help in the learning process and the development of a nationally owned approach. However, more systematic sharing of project information and experiences is needed to help reduce duplication of effort. The project website could have been more effectively utilized to facilitate information sharing.
- ❖ Greater efforts could be made to coordinate with other UNDP initiatives. For example, UNPD support to strengthen elected representatives at the sub-national level could have been usefully linked to efforts to improve oversight and accountability in targeted provinces<sup>78</sup>.

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<sup>77</sup> But even in Tra Vinh, PPMU officials cited the following examples of collaboration with other projects: (i) used results from IFAD projects in allocation of funds through Bank for Poor; (ii) helped implement participation in small scale infrastructure development decision making for communes within the CBRIP Project; (iii) implement new approaches in financial management of the CIDA Canadian supported project on capacity building (professional training, management of urban development planning); (iv) exchange lessons learned with the RUDEP project in Quang Ngai, and; (v) exchange the lessons learned with the other SLGP pilot provinces {Tra Vinh meeting notes}. While a CIDA representative also appreciated SLGP's role in developing planning capacity, they noted that they would like to develop more formal linkages between the CIDA project and SLGP support.

<sup>78</sup> The Foreign Economic Relations Department of MPI specifically requested the need for SLGP activities to be more closely integrated with “*MOLISA projects on commune development and ethnic minorities; project of GSO on socio-economic monitoring; PAR in order to make strong recommendations {on legal documents related to planning}*”.

## Quality of research and training

The MTR TOR asks for a

*“review of the quality and up-take of research and training work in pilot provinces”.*

The project supports research to better understand sub-national issues and constraints, to allow more targeted efforts at capacity building. The local needs assessments<sup>79</sup> have helped identify the different concerns of the pilot provinces, and helped steer and prioritize training needs and target subsequent training interventions. The needs assessment was in itself useful in raising awareness about key planning issues, and in building capacity to use participatory process. As discussed below, most participants assess the training to be highly relevant to their work, suggesting that the local needs assessment was useful in identifying training needs. The development of provincial planning and financial management training manuals and other material<sup>80</sup> has helped increased the probability that the benefits of training activities will be sustained. This material has been used by other institutions and donor projects, and the project aims to further improve this material taking account feedback received.

Results of more recent research are yet to be realized. Delays in implementing research activities (especially on sub-national finance and oversight issues) meant that support was not as targeted as it might have been. Delays were largely due to delays in UNDP and UNCDF reaching agreement on technical support.

In terms of reviewing the quality of training, the MTR was looking for evidence that: (i) training resulted in the acquisition of new knowledge and skills; (ii) are these skills been applied in the workplace in a manner likely to contribute to improved planning and broader development goals; and (iii) is there evidence of improved performance of sub-national institutions in pilot provinces. The MTR found compelling evidence of progress towards (i) and (ii), but it is still too early to assess whether these developments have substantially improved the performance of sub-national institutions in delivering public services and investment to local communities.

Key MTR finding are:

- ❖ SLGP followed international good practices<sup>81</sup> in linking applied research (local needs assessment) to design targeted training materials.
- ❖ The local capacity needs assessments<sup>82</sup> played a key role in identifying local level priorities. The participatory approaches in undertaking these assessments also helped in raising awareness of these processes, and building the capacity of those involved in the assessments.

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<sup>79</sup> SLGP, 2006, Report on Local Capacity Assessment in Bac Kan, Vinh Phuc, Quang Nam and Tra Vinh

<sup>80</sup> Especially SLGP, 2007, LAP KE HOACH CO TINH CHIEN LUOC PHAT TRIEN KINH TE DIA PHUONG; and NANG CAO NANG LUC QUAN LY TAI CHINH CONG O DIA PHUONG.

<sup>81</sup> WB (2008, p. xiv) concluded that *“Targeting of training content was found to be the most important design factor driving training success. For training to be well targeted, organizational and institutional capacity gaps need to be correctly diagnosed, specific training needs must be assessed, and participants should be selected in a strategic manner”*, and that *“training succeeded when its design was good and the organizational and institutional context was adequately addressed in conjunction with training”*.

<sup>82</sup> SLGP, 2006, Report on Local Capacity Assessment in Bac Kan, Vinh Phuc, Quang Nam and Tra Vinh

- ❖ There were substantive delays in initiating key research on sub-national financing and oversight issues.
- ❖ Most (at least 90%) participants rated the quality of various training courses very highly, and directly relevant to their work (at least 90%)<sup>83</sup>. See Annex 4 for more details.
- ❖ The above perceptions were reinforced during MTR field discussions. Most discussants (14/16 of those surveyed during the MTR) rated the quality of training and training material as useful to very useful. Most noted that the training had changed their way of think about planning, particularly with respect to the use of participatory approaches).
- ❖ SLGP provided both formal and on-the-job training (in undertaking applied research and in supporting implementation of new planning and management approaches). District and commune officials indicated that they would welcome additional on-the-job support in preparing plans. They viewed learning by doing as crucial in building practical local institutional capacity.
- ❖ Getting national staff and local consultants to implement applied research activities (such as the initial needs assessment) -- with international experts sharing international experiences and playing a guiding role -- may result in slower delivery, and “lower quality” reports, but this is offset by more effective capacity building and sustainable project outcomes.
- ❖ Quality of research output might have been enhanced with more strategic external inputs into research design and supervision.
- ❖ Provinces have involved officials from non-target districts and communes in training activities, and have attempted to transfer new approaches beyond target districts and communes. And the MTR team were advised that training material developed by SLGP has been used by other donor funded projects<sup>84</sup> and national training institutes<sup>85</sup>. Thus, the impacts of training activities have extended beyond target districts and communes. The project should systematically document the use of training material by other projects and institutions.
- ❖ Useful training material has been developed is expected to feed into national training manuals. However, more needs to be done to incorporate teaching experiences and material from other projects. The final content of any nationally accepted training material will depend on the details of the legislation on planning and any amendments to the State Budget Law.
- ❖ Commune level training was seen by key stakeholders as too theoretical and complicated. More needs to be done to adapt training material to better meet the different needs of different levels of Government. SLGP needs to explore opportunities to use/adapt community level training material produced by other projects focused on commune level capacity building.
- ❖ SLGP needs to focus more on implementing improved work practices (using skills transferred) in sub-national agencies during the remainder of the project.

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<sup>83</sup> This is similar to worldwide ratings for donor supported training. A recent WB study on Using Training to Build Capacity for Development (p.xix) reported that “While over 90% of survey respondents found their training to be interesting and lecturers to be of high quality, half stated that course length was too short for the topics covered, and that the course did not devote significant time to practical exercises and projects”

<sup>84</sup> E.g., ADB support to strengthen capacity in Hue and other central provinces.

<sup>85</sup> E.g. In courses conducted by the National Economic University, and National Institute for Public Administration.

- ❖ No follow-up tracer studies were conducted. This, and formal surveys of changes in work practices and behavior, might have provided useful insights into the extent to which skills transferred were contributing to capacity building at the sub-national level.

## Project Management

The MTR TOR asks for an assessment of project management issues:

*“is the CPMU and PPMU model relevant or not, why? What are the advantages and issues around project management, its performance, etc.”*

The centralized management structure established was seen as necessary during project start-up, but it delayed implementation and limited responsiveness to provincial needs. Project management responded by decentralizing decision making during the second year of implementation. Relative responsibilities of central and provincial level management units were clearly defined to avoid ambiguity and duplication. Once decentralized procedures were established, the project management team was flexible in responding to differing emerging needs in each province. The establishment of separate PPMUs with decentralized SLGP planning and implementation powers was a key factor in building national ownership, and in ensuring that the project management led by example in terms of decentralization.

The CPMU/PPMU model appears to have worked relatively well because of the close integration between PMU staff and staff from the line agencies at the both central and district level. The PMU structure also had the advantage of saving busy senior DNEI and DPI officials from the day-to-day hassles of managing a donor funded project and complying with new bureaucratic procedures. They were able to focus their inputs on more substantive issues. While the CPMU was located in a separate office from DNEI, the PMU offices were in the same MPI compound and in relatively close proximity, and there were close personal links between staff. The PPMUs were located with DPIs office buildings, and the work of PPMUs directly supports the day-to-day work activities of counterpart agencies. Thus, common PMU problems of lack of government ownership, and PMU staff working in isolation, appear to have been largely avoided.

A strong commitment by project management to ensure that SLGP addressed priority practical concerns of sub-national officials was reflected in the efforts that went into (i) the needs assessment; (ii) changing work plans, priorities, and implementation arrangements to ensure that the specific practical concerns of individual provinces were addressed<sup>86</sup>; (iii) preparing focussed terms of references for training and research activities.

The National Steering Committee (NSC) was effective in bring provincial concerns to the attention of central authorities, both at formal meetings and via informal contact throughout the year. The NSC could have played a more effective governance role by ensuring that action was taken to implement the M&E system and to ensure that management took action on actions agreed at annual project reviews. The ad hoc nature of the committee is a concern. Ideally, there should be some national agency overseeing all initiatives aimed at strengthening sub-national capacity.

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<sup>86</sup> This was in line with guidance provided at the 2006 APRM which called on SLDP to “take a less horizontal approach – by doing things differently things in different provinces (in accordance with their differing needs and their differing levels of willingness to experiment and pilot ways of “doing business”, all of which are brought out by the LCA ”

Perhaps surprisingly, ongoing coordination within and between central government agencies appears to be better than the coordination between donor funded PMUs. Effective examples of collaboration were noted earlier, but such collaboration happened on an ad hoc basis. There was no effective structure within MPI (which implements many of these projects) or UNDP for systematically collecting, synthesizing and disseminating information, materials and best practices developed under the various provincial pilot initiatives (funded by SLGP and other projects). Collaboration between some projects was weak despite there being overlaps in MPI staff involved in these various projects and the close proximity of project offices. This issue needs to be addressed (see recommendations).

While national and provincial commitment to project outcomes suggests key results are sustainable, there is a concern about what happens to the institutional capacity developed in the PMUs<sup>87</sup>. Donors and the Government are committed (under the Hanoi Core Statement) to using national systems for providing and monitoring development support. This can help build ownership, and better ensure that ODA funded resources are used for priority activities<sup>88</sup>. This would be the ideal situation: it is important that the CPMU begin to develop strategies to integrate ongoing activities into government systems. For example, the project should look at whether the scope of the SLGP quarterly bulletins and website could be extended to provide information on all MPI interventions aimed at sub-national capacity building. There is also need for donor support to develop national systems for monitoring the overall impact of all support to strengthen local government capacity, and assessing the relative strengths on alternative approach.

A key management weakness was the delays in implementing a formal system for monitoring SLGP outcomes as required in the project design, and as raised in annual project reviews<sup>89</sup>. Monitoring capacity building outcomes are especially difficult, but formal surveys on changes in work practices and behaviour could have been useful in assessing the extent to which the individual capacity developed under this project was leading to capacity development at the institutional level.

Several discussants noted the importance of good professional relationships and communications<sup>90</sup> between the project and external funding and technical support agencies in managing implementation a project of this nature. More effective communications between SLGP, UNDP and UNCDF could have helped in addressing delays and bottlenecks<sup>91</sup>. The delay in signing the agreement between UNDP and UNCDF was unfortunate as this contributed to delays in implementation of key activities.

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<sup>87</sup> The Hanoi Core Statement states that *“A fully integrated PMU is a desirable model from an institutional development perspective: The implementing ministry where the PMU is located takes full responsibility and implements projects using the existing ministry structure, procedures, and staff. In some cases, the ministry may reassign some staff to carry out project activities by releasing them from other ministry functions. Such a PMU may be supported by limited technical assistance for specific areas that require additional skills or expertise.”*

<sup>88</sup> For example, it is reasonable to hypothesize that Government officials using budget resources through the State budget system may have been more careful in avoiding duplication of effort and resources in producing training material.

<sup>89</sup> E.g. see p2 and p. 3 of the minutes of the 2006 APRM.

<sup>90</sup> UNCDF noted that it had not been consulted about the mid-term review. UNDP raised concerns that it was not always easy to get copies of draft SLGP research output.

<sup>91</sup> Relations between the STA and UNDP were reportedly less than optimal because of STA perceptions that UNDP attempts at micro-management of the project were undermining his position (interview with UNCDF).



Other project management issues that were raised during the MTR include:

### **Project leadership and support**

- ❖ All provincial level discussants highlighted the strong and flexible support provided by the SLGP management team. A willingness to respond to emerging needs was highlighted as important in building effective team work and local ownership of project activities. More timely provision of international expertise would have helped the national team in responding to needs.

### **Project monitoring and evaluation**

- ❖ Formal M&E system envisaged in project document has not been implemented. The initial needs assessment studies will provide a basis to help assess changes.
- ❖ The PD (p.24) states that the MTR should have been conducted *“not later than the end of the second year of the project”* and that the MTR *“will be conducted by UNCDF, UNDP and GoVN”*. The MTR was late and UNCDF experts said that they were not consulted about the MTR. It is especially important that best practices in M&E be applied in a project of this nature.
- ❖ The ultimate objective should be to develop a national system for monitoring overall improvements in the capacity and service delivery of all sub-national government agencies (which could also be used by donors to jointly assess the results of their interventions). See also the later section on *“SLGP and the Hanoi Core Statement”*.

### **Project cost norms**

- ❖ All PMUs complained that project cost norms were now well below market rates, making it difficult to attract the best staff and national consultants. Rising inflation and a tight labor market will make this situation worse unless adjustments are made.
- ❖ Sustainable development will be enhanced by the development of a stronger national consulting profession. National consultants should be provided adequate incentives to further develop their skills and experience.

## **Quality of Inputs and Project Products**

The MTR TOR asks for an assessment of the

*“quality and timeliness of technical inputs by international and national consultants, and project products (research reports, baseline survey, training courses etc.)”*

Quality of some products (e.g. training material) could have been improved if greater effort has been made to learn from, and share project and other development experiences. The technical quality (at least by international standards of analysis and report writing) of the needs assessment and other research material could have been improved with greater and more timely international inputs. However, the pivotal role played by national experts in preparing these assessments ensured that local concerns were identified, helped build national capacity, and helped build national ownership. Developing the capacity of national experts is an important goal in itself as they can become more



effective national advocates of change. Regular inputs from a suitably qualified international technical advisor could have helped improve quality control over key project outputs<sup>92</sup>.

Quality issues are addressed throughout this report, and are synthesised below.

## Quality of consultant inputs and other project products

- ❖ **International advisor:** The senior technical advisor (STA) was well qualified, committed and developed relationships with key national stakeholders. However, the project may have benefitted by having an international consultant with broader development and investment planning experience. Project management decided that a full time international STA was not an effective use of limited project resources. Instead UNCDF agreed to help identify short-term consultants to meet specific needs identified during implementation. A national senior advisor<sup>93</sup> was appointed to assist project management.
- ❖ Following the decision not to renew the contract of the long-term STA, it would have been useful to recruit a part-time senior advisor to assist with work planning, activity design and to assist in transferring international experiences. A part-time STA could have helped to sustain project momentum and innovation, develop monitoring and evaluation systems, address quality control issues, and facilitate a better flow of information on international experiences.
- ❖ The Government noted that activities involving international inputs were often delayed because of complicated procedures. With highly competent international experts/consultants involved in the project heavily committed, procedural delays meant that the timing for their missions had to be changed in many circumstances.
- ❖ Delays in fielding appropriate consultants were also caused by delays in finalizing agreements between UNDP and UNCDF about the division of responsibilities<sup>94</sup>.
- ❖ Some of the international experts were employed for relatively short inputs to address difficult issues (e.g., the initial input for oversight and monitoring was only one week). Longer, or more frequent inputs, may have helped in better understanding local issues, transferring experiences, and providing direct support to help accelerate implementation
- ❖ **National Project Coordinator, Senior Advisor and Staff.** Provincial level stakeholders all complemented the flexibility and support provided by the central level project management team. Decision making was accelerated with decentralization of provincial level activities to provincial management units.
- ❖ **National consultants.** Outputs of the national consultants were generally well appreciated. Local needs assessments<sup>95</sup> were considered to be particularly useful, as was the Vietnamese language training material<sup>96</sup>. It is still too early to assess the impact of ongoing research by

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<sup>92</sup> The agreed APRM minutes concluded that “Mechanisms for quality control of project outputs needs to be strengthened”, but not guidance was provided on the nature of such mechanisms.

<sup>93</sup> A retired former senior MPI official previously working on sub-national development issues.

<sup>94</sup> The Prodoc states (p.21) that “UNDP and UNCDF will – as and when necessary and in accordance with SLGP annual work plans – provide short term international technical assistance to the project.”

<sup>95</sup> SLGP, 2006, Report on Local Capacity Assessment in Bac Kan, Vinh Phuc, Quang Nam and Tra Vinh

<sup>96</sup> Especially SLGP, 2007, Lap Ke Hoach Co Tinh Chien Luoc Phat Trien Kinh Te Dia Phuong; and Nang Cao Nang Luc Quan Ly Tai Chinh Cong o Dia Phuong.

national consultants, but the research topics are of direct relevance to the work of provincial stakeholders. Training consultants could have done more to adapt training to local realities when it became apparent that training material was too theoretical for commune officials.

- ❖ **Training courses and material.** Most discussants emphasized the valuable training provided by the project. But officials found it difficult to apply all what was learned because of the slow pace of institutional reform. They also noted that training materials not always adequately adapted to different needs at different levels of authority, stressing that it was important to avoid just translating foreign training material. Less theoretical, more applied training is needed for district and commune level officials. Commune and provincial stakeholders argued that support is needed to lead commune officials throughout the full cycle of the planning process.
- ❖ Provincial officials emphasized the need for training to cover more districts, communes and sector planning officials. Central level officials stressed that such capacity building will be required at the provincial level for some time to achieve sustained improvements in planning and public service delivery.
- ❖ Follow-up support has been useful in helping officials to apply skills in their work place. Support linked to planning for other projects (with resources for investment expenditure) was particularly effective in Quang Nam province. Other provinces may benefit from studying Quang Nam experiences.
- ❖ **Study tours** (national and international) exposed provincial leaders to practical approaches to planning and oversight used in other provinces and other countries<sup>97</sup>. Study tour reports indicated a keen interest by participants to apply study tour experiences. Summary reports appeared in SLGP bulletins. Study tour participants contributed to seminars to present international experiences to other officials. Provincial leaders argued that study tours to countries with an established record of success in effective sub-national planning helped raised awareness and build commitment among national and provincial policy makers and helped build momentum for further reform<sup>98</sup>
- ❖ **Workshops.** Workshops were useful in sharing information and experiences. But the aims and target audience need to be clearly defined for each workshop. Summaries of discussion were reported in SLGP quarterly bulletins. Workshops to present information on comparative provincial experiences may benefit from including experiences from non-target provinces and projects. More research oriented material should be presented at separate workshops (target audiences likely to be different) with adequate time for peer review. Need to allow more time at workshops for substantive discussion. Disseminate papers in advance and require presenters to focus on key messages (and allow time for discussion).

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<sup>97</sup> Study tours were organized for participants to study about “Decentralization, planning and local government reform” in China, Republic of Korea, Indonesia. Five staff (3 from pilot provinces and 2 from MPI also participated in a results based management course in Malaysia

<sup>98</sup> One of several perceptive recommendations made following a study tour to South Korea was that “*For Viet Nam, a lesson drawn is that we should not wait until the people’s education level, socio-economic development, and management capability of local government officials have reached their full capacity before starting decentralization and empowerment. In South Korea the National Government acts on the motto: **trust and empower local governments**. Shortcomings will be identified and resolved, and gaps will be filled. In other words decentralization and empowerment must be closely connected with training for local government officials and staff*”. This provides a strong argument for the approach taken in the SLGP design.

- ❖ **Research results.** The initial needs assessments have fed well into activity planning. Due to delays in finalizing and MOU between UNDP and UNCDF, results from the more substantive research are only just beginning to be realized and yet to feed into project activities. These delays were unfortunate.

## SLGP and the Hanoi Core Statement

The Hanoi Core Statement builds on the 2005 Paris Declaration<sup>99</sup> and includes clear commitments by the Government and donors to take concrete steps to improve the effectiveness of development assistance; including greater use of programme approach and shared systems of results based management. Commitments in the Hanoi Core Statement<sup>100</sup> include:

- ❖ *19. Donors rationalise their systems and procedures by implementing common arrangements for planning, design, implementation, M&E and reporting to Government of Vietnam on donor activities and aid flows (Indicator 10).*
- ❖ *20. Government of Vietnam and donors increasingly use programme based approaches (Defined in Box 3.1, Chapter 3 “Sector Approaches” of Harmonising Donor Practices for Effective Aid Delivery, Volume 2 (OECD, 2005))2 (Indicator 11).*
- ❖ *25. The Government of Vietnam and donors jointly use results-oriented performance assessment frameworks to maximise aid effectiveness and manage implementation of the SEDP and related national, regional, provincial and sectoral plans (Indicator 13).*
- ❖ *26. Donors link country programmes and resources to achieve results that contribute to, and are assessed by, Government of Vietnam performance assessment frameworks, using agreed indicators.*

There is both need an opportunity for the Government and donors to use pilot experiences from the various donor supported initiatives to strengthen to sub-national capacity to deliver public services and investment, to develop a national program for strengthening local government capacity. Such a program could be jointly supported and monitored by Government and donors<sup>101</sup>. This could help reduce the transaction costs of aid delivery, and with better sharing of good practices, help increase the effectiveness of technical support. The UN has committed itself to such approaches under the Hanoi Core Statement. UNDP (and other donors) has been supporting public administration reform, efforts to improve sub-national delivery of public services, and reforms to improve accountability for

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<sup>99</sup> The 2005 Paris Declaration on Aid Effectiveness stresses that t”he capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.

Partner countries commit to integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed.

Donors commit to align their analytic and financial support with partners’ capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly.

<sup>100</sup> <http://www.aidharmonization.org/download/256123/HanoiCoreStatementfinalversion2July.pdf>

<sup>101</sup> While recognizing that “The belief that it is possible for donors to control the process and yet to consider the recipients to be equal partners must be abandoned”, Gosses (2007, p. 115).

more than a decade. It is unfortunate that national systems of indicators have still not been developed to assess comparative performance of different provinces in public service delivery.

## Gender Issues

The project aimed to ensure that planning and budgeting processes were “gender sensitive” (PD. p. 14), and the MTR TOR asks for an assessment of gender equality issues. Key findings are given below.

- ❖ Most discussants were aware of the importance of aiming for an appropriate gender balance in project activities. Women accounted for 20-30% of trainees in provincial level training, roughly in line with the number of female officials<sup>102</sup>. Overall women accounted for about 24% of training participants in 2006 and 2007. Women accounted for about 40% of participants in commune level planning consultation meetings in Tra Vinh.
- ❖ Most training activities included content on gender issues, and the value of including gender targeting in planning activities, but more could be done. Gender issues have been raised in drafting new planning and budget guidelines. Gender issues could have been more clearly included in all relevant TORs.<sup>103</sup>
- ❖ Improved linkages with civil society organizations (such as the Viet Nam Women’s Association) could help in assuring that gender specific issues in planning are better addressed.
- ❖ More focus could have been made on including non-economic targets in planning and monitoring exercises. Many key non-economic SEDP targets are of particular benefit to women and children.
- ❖ Project reporting on outputs and outcomes should include more gender disaggregated data (e.g. ratios of females attending training courses at different levels).

## Sub-national ownership (buy-in)

The MTR TOR asks for an assessment of the

*“readiness of partners in pilot provinces to integrate/apply new knowledge and skills learned into their work within the final phase of SLGP.”*

Sub-national ownership of project is reflected in the personal involvement of senior provincial officials in SLGP activities, the commitment of provincial of resources to PPMUs, and the extension of project activities to non-target districts and communes. Provincial leaders from all four target provinces indicated a strong desire to extend project activities to all districts and communes in their provinces. Decentralization of responsibilities for work planning and implementation to provincial management units have helped build ownership of project activities. The process approach to capacity building and determining priority activities for each province has been a key factor in building capacity<sup>104</sup>.

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<sup>102</sup> Women are well represented in project leadership and other project positions (up to 80% of project staff in Bac Kan see meeting notes).

<sup>103</sup> For example, gender issues are not included at all in the TOR for the development training material on SED M&E, and not all training courses include specific mention about gender issues in the training TORs.

<sup>104</sup> The agreed minutes of the APRM concluded that the project had decentralized about 2/3 of the project’s total expenditure to the provincial level, and this partly “reflected greater ownership of pilot provinces over the project”

Local ownership is reinforced by a clear and sustained national commitment to (i) (gradually) introduce more participatory and decentralized planning and implementation of community investments, and (ii) to improve oversight and accountability at all levels (including the introduction of results based monitoring systems).

While there is clear ownership and commitment to reform, districts and communes in poor provinces (such as Tra Vinh and Bac Kan) remain heavily dependent on central funding (for 80-90% of their revenue) and -- apart from special programs (especially Program 135, but also other donor funded initiatives) -- have limited or no discretionary funds to allocate for investment. Much of the investment in these communes is still allocated according to nationally established norms. Project activities should be directly linked to developing the capacity needed to effectively plan and utilize these discretionary resources. Thus, project management needs to collaborate with other (national and donor-funded) initiatives to develop appropriate commune level training programs and material.

Overall, there is a demand for change in pilot provinces<sup>105</sup>. Project partners have demonstrated (to varying degrees) their readiness to apply new knowledge and skills learned. With provinces beginning preparations for the next SEDP (2011-2015), there will be new opportunities to apply knowledge and skills during the final phase of SLGP. The major immediate constraint is the time needed to approve and implement the formal changes to the planning and budgeting system needed to institutionalize changes in work practices. There is also the medium-term challenge of whether participatory practices can be sustained after SLGP is finished and extra budgetary support for participatory meetings may not be available. This is a risk, but experience suggests that provided they are able to influence investment decisions, there will be community leaders willing to spend the time to ensure more effective investment decision making.

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<sup>105</sup> SLGP, 2007, Piloting Planning and Budgeting Innovations at the Local Level.

## RECOMMENDATIONS

### Training and Capacity Building

- ❖ Priority for remaining resources should be given to further field testing and completing the packaging of training material for use beyond project completion. Targeted commune level training material that is commensurate with the needs and prior education levels of provincial officials still needs to be developed/supplied. SLGP should draw on the training material produced by other projects (e.g. Chia Se) in preparing this material. Avoid jargon in training material. Consider the need to translate training material into local ethnic minority languages.
- ❖ Actively explore avenues for directly incorporating anticipated MTEF requirements in all training material for planning. The aim should be to integrate SEDP and MTEF planning and ensure that all SEDP training material is consistent with MTEP provisions.
- ❖ Include more practical exercises as part of training programs (especially for district and commune officials).
- ❖ Provide more “on-the-job” training activities to help selected communes and districts produce “model” plans. More focus is needed to help local officials develop visions that go beyond thinking about projects that need financing. (e.g., what will be the key socio-economic developments over the next decade: what jobs are likely to be available for young people, and what skills they will need to get these jobs). Provide training in direct support to support development of new provincial level SEDPs.
- ❖ Explicit attention should be given to developing capacity to assess the impact of State plans and policies on private sector development.
- ❖ Ensure that gender issues are included in all relevant terms of reference for training and the provision of training material.
- ❖ Increase the focus on results monitoring and reporting (e.g., to people’s councils) and introduce SEDP M&E reporting system in pilot provinces (in line with the MPI Minister Decision 555/2007). Draw on international good practices to suggest improvements in systems for reporting on plan outcomes to district and provincial councils. Improved reporting will be essential for better accountability, and will increase pressure on officials to prepare and implement plans more effectively<sup>106</sup>.
- ❖ Increase the focus on non-economic aspects of planning and M&E. Need to move away from the continuing emphasis on physical infrastructure and production targets, and to pay greater attention to non-economic indicators at the sub-national level (e.g., social, environmental and public service delivery indicators). SLGP could benefit from greater linkages with civil society organizations in efforts to improve oversight capacity.
- ❖ Implement follow-up local needs assessment to provide information needed to:
  - identify the needs and possibly formulate a follow-up phase to build-on the foundations (particularly in terms of awareness, skills and guidelines) and affect more substantive institutional and organizational capacity building;

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<sup>106</sup> The report on the SLGP Study Tour to China correctly notes that “together with stronger decentralization, it is necessary to have a framework for monitoring local performance. This helps avoid the situation where “the central government has policies and the local governments have counter-policies””

- develop plans to extend local government strengthening activities to more provinces.
- provide insights for assessing project outcomes.
- ❖ A greater focus on supervision and oversight functions could help generate increased demand for better planning from local political leadership. Awareness raised and skills improved, but more to transform this to institutionalized action.

## Coordination issues

- ❖ Central level collaboration. Establish mechanisms to disseminate best practices and develop shared guidelines and training material to be used by SLGP and other related projects. Ensure that these best practices are brought to the attention to officials drafting new planning and budget legislation and guidelines. MPI should consider initiating a comprehensive review of all efforts to strengthen sub-national capacity, to identify and package lessons learned and best practices.
- ❖ Organize regular (quarterly) donor information sharing events (one or two more specialized issues papers could be presented at such events to stimulate interest).
- ❖ Consider using the quarterly bulletins and project website as MPI-wide products covering the work of all projects related to decentralized planning.
- ❖ UNDP staff should be pro-active in ensuring substantive collaboration with related projects (e.g. support to strengthen sub-national oversight agencies).

## Project Management/Administration Issues

- ❖ Project M&E. Project management needs to plan and implement data collection to assist in assessing actual versus targeted Project outcomes. Post-training surveys should be conducted to more objectively assess how training had led to changes in work practices, and to look for ways to adapt training to ensure that training skills helped in achieving organizational goals. A follow-up needs assessment is needed for planning future support, and could provide useful insights in assessing SLGP outcomes towards project completion.
- ❖ Project management should review all target outcome indicators and assess what is now desirable and achievable. It is important that these be selected and agreed upon by all stakeholders<sup>107</sup>. Ideally, the indicators should be directly linked to existing national targets (e.g. under SEDP or the PAR program<sup>108</sup>. A more realistic/appropriate set of indicators could be considered at the next multilateral donor review. As OECD advises *“What is needed is major effort to strengthen local results frameworks and local accountability, building on existing local initiatives, not imposing new ones... Improved trust and mutual accountability for results should go together. This should be helped by a general move from an excessive focus on measurement*

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<sup>107</sup> The international managing for development results held in Hanoi in 2007 concluded that *“Having managers design, monitor, and evaluate their own programs can significantly contribute to better results and learning. Regular involvement of civil society in the design, implementation, and monitoring of development programs is key to policy-level improvement and achieving results”*. [http://www.mfdr.org/RT3/SOP/SummaryofProceedings\\_web.pdf](http://www.mfdr.org/RT3/SOP/SummaryofProceedings_web.pdf). Donors should avoid the temptation to externally impose targets and indicators.

<sup>108</sup> The recent (2007) international conference on managing for development results in Hanoi noted a demand for the *“development of results frameworks at the sectoral level. These frameworks could then serve as a basis for harmonizing donor efforts to monitor and evaluate specific interventions, replacing donors’ multiple and partial monitoring systems with a single one that monitors overall sector performance.”* [www.mfdr.org/RT3/SOP/SummaryofProceedings\\_web.pdf](http://www.mfdr.org/RT3/SOP/SummaryofProceedings_web.pdf)



*of inputs to an open dialogue, owned by the country, about the desired outcomes and results and the resources required, national and external, to achieve them.”<sup>109</sup>.*

- ❖ Project management and UNDP should actively monitor and follow-up to ensure action is taken to implement agreements reached at annual review meetings. Where there are substantive deviations from annual plans, the reasons for deviations should be clearly stated. There is need for concerted efforts to improve working relationships and communication flows between SLGP, UNDP and UNCDF. Division of responsibility between these stakeholders needs to be clearly defined.
- ❖ Project duration should be extended to March 2010 to allow completion of remaining planned activities and to develop mechanisms for documenting best practices from this and related projects. Major project activities should be completed by 3<sup>rd</sup> quarter 2009, with the remaining time used to review and evaluate experience, and assess the need for follow-up support. A follow-up needs assessment, taking account the results of ongoing research activities, will be required to plan future assistance needs.
- ❖ Extending pilot activities. Continue to favorably consider requests by target provincial to extend participation in project activities to non-target districts and communes (subject to resource constraints)<sup>110</sup>. More attention should also be given to involving civil society and private sector representatives in planning and oversight processes.
- ❖ Subject to resource availability, consider extending project support to pilot (on a limited basis) more effective, participatory, inclusive, and transparent system of planning and M&E system in **one or two strongly committed** provinces which have a demonstrated a sustained interest in the experiences in the pilot provinces. This could help lay the foundations for more sustained follow-up support.
- ❖ The ambitious nature of the support, and the fact that the legal basis for formal changes in planning processes are still being finalized (and will need to be implemented) suggest a strong case for sustained medium-term support (to existing provinces (expanding to all districts and communes); and additional provinces).

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<sup>109</sup> OECD (2008), Predictable Aid linked to Results, [www.oecd.org/dataoecd/52/37/40298524.pdf](http://www.oecd.org/dataoecd/52/37/40298524.pdf)

<sup>110</sup> Leaders from all provinces called for a rolling-out of training and other support to all districts and communes in the village to provide the foundations for province wide reforms.

## LESSONS LEARNED<sup>111</sup>

### Needs Assessment and Targeted Training

The attention given to needs assessment was an important, if time-consuming, process. The needs assessment was an important learning exercise. Central and sub-national officials involved in the processes learned about using participatory approaches to identify practical needs, and this helped raise awareness of the practical benefits of the approach. It also helped in building ownership of project activities.

The needs assessment contributed to the development of training programs that were specifically targeted at providing practical skills that were needed by provincial officials and their superiors<sup>112</sup>. Training designs that meet specific client needs – combined with an appropriate institutional and organization context -- are important in going beyond developing individual skills to building more effective sub-national institutions. Targeted training under SLGP has contributed to changes in workplace behaviour. Some training activities could be applied immediately in the workplace (e.g. the procurement training). Others training activities were directly related to pilot or proposed changes to workplace practices (planning and MTEF training). In the later case, the skills transferred are helping lay the foundations for more substantive changes, once the policy framework for change has been clearly established. More needs to be done at the national level to formalize changes in the institutional and organizational context for sub-national planning.

### Institutional Context

#### Importance of Ownership at all Levels

National and sub-national ownership of intended project outcomes and outputs was key contributing factor to SLGP success in building momentum and making progress towards achieving tangible outcomes.

The relevance and ownership of project activities was been enhanced after the lead role in preparing and implementing annual provincial level project work plans was transferred to the provinces. However, ownership of externally supported initiatives does require capacity to engage with external actors. Thus, ownership and commitment to change were stronger in Quang Nam and Vinh Phuc, where capacity to engage with external actors and experience has developed via sustained interaction with external actors (especially donors and foreign investors) for more than a decade. This capacity is only beginning to be developed in the more isolated provinces of Tra Vinh and Bac Kan.

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<sup>111</sup> A recent review (Gosses (2007)) of capacity development notes that “*the search for how to improve operations and how to monitor and assess capacity development processes continues. The growing consensus on the lessons learned and the do’s and don’ts includes the following ten principles (i) Do not rush; (ii) Respect the value system and foster self-esteem; (iii) Scan locally and globally: reinvent locally; (iv) Challenge mindsets and power differentials; (v) Think and act in terms of sustainable capacity outcomes; (vi) Establish positive incentives; (vii) Integrate external inputs into national priorities, processes and systems; (viii) Build on existing capacities rather than creating new ones; (ix) Stay engaged under difficult circumstances; and (x) Remain accountable to the ultimate beneficiaries*”.

<sup>112</sup> SLGP, 2007, LAP KE HOACH CO TINH CHIEN LUOC PHAT TRIEN KINH TE DIA PHUONG; and NANG CAO NANG LUC QUAN LY TAI CHINH CONG O DIA PHUONG

Commune support for reform depends on achieving tangible outcomes. Where community participation leads to action to address priority constraints, they will support participatory approaches to planning.

### **Pro-active Project Leadership**

Project implementation benefited from the strong commitment and flexibility shown by the project management team. The national coordinator was involved in the design and throughout implementation. The National Project Director and Chair of the project steering committee are leading efforts to develop and implement a nationwide system of improved planning and results based management. The project objectives were aligned with the key responsibilities of the project leadership. This helped ensure their commitment to achieve tangible results.

Strong understanding and commitment to planning reforms by provincial leaders is critical to effective implementation of change. This understanding and commitment was clear in Quang Nam. Middle level officials in other provinces indicated that more work was needed to ensure that key leaders fully understood the nature and potential benefits of proposed reforms.

### **Holistic Approach to Planning and Oversight**

Project complexity increased because of this approach, but key stakeholders at all levels benefited from this broader perspective<sup>113</sup>. The project supported sub-national reforms from the context of the overall system of role of the state in planning, monitoring and evaluation, with a focus on increased use of participatory processes in planning and oversight. The project design incorporated institutional and organizational learning processes (although these processes could have been improved via better coordination with other projects at the central level).

### **Process approach**

SLGP is an ambitious project. Implementation was made even more difficult by an evolving national policy and regulatory environment governing project activities. The process approach adopted in the design, and committed leadership by project management, helped in responding to changing circumstance and different provincial level needs. It contributed to the design of training that was directly linked to sub-national institutional needs (e.g., training on procurement, planning and MTEF). A key challenge now is to extend that process to better involve civil society organizations and the private sector in these processes (as discussed earlier).

### **National experts**

Use of national experts was effective both in undertaking applied research, and developing the capacity of national advocates of change. The probability that project experiences will feed into

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<sup>113</sup> E.g., A recent (March 2008) case study of ADB support to results based monitoring in Viet Nam concluded: *“The project has focused its attention on the concepts and tools in results-based monitoring. Relatively little attention has been accorded to evaluation, to data quality, or to the overall reform of the planning system. In the future, there is a need to further reform the overall system of planning, monitoring and evaluation so that it is more participatory, results-oriented, and builds in institutional and organizational learning processes. In addition, there is a need to strengthen linkages between results-based planning, monitoring and evaluation and the budget process, and between performance assessment and the way in which the Government defines its role and manages its efforts.”*  
<http://www.adb.org/Documents/MfDR/CooperationFund/Vietnam-case-study.pdf>.

national policy making processes has been enhanced by the use of national consultants who are involved in national policy debates on planning reform, decentralization, and result based management.

Training quality could be enhanced by using national experts with commune level experience in providing training to prepare training materials; such experts are well placed to understand commune level capacity to absorb training material. Requiring national experts to teach what they have learned from international experiences (sometimes with additional international coaching) encourages national experts become more pro-active learners.

There will continue to be a key role for short-term international experts to improve quality control over the design of research and training activities, in transferring regional and international experiences, and in helping sustain SLGP momentum.

### **Professional relationships**

Collaborative professional relationships between external and national partners are important. Differences of opinions on approaches and priorities exist are to be expected. Where these exist (and cause friction) concerted efforts are needed to ensure that partners work together to achieve national development priorities.

## KEY PROJECT AND RELATED PUBLICATIONS

### **Project Management Reports**

UNCDF/UNDP/MPI, 2005, SLGP Project Document

SLGP, 2005, Inception Report

SLGP, Quarterly Bulletins, 7 issues to date.

SLGP, Progress Reports, various issues

- 2005: Annual progress report

- 2006: Annual progress report, plus 3 quarterly reports

- 2007: Annual progress report, plus 3 quarterly reports

SLGP Annual plans for 2006, 2007 and 2008

### **Consultant Reports**

SLGP, 2006, Report on Local Capacity Assessment in Bac Kan, Vinh Phuc, Quang Nam and Tra Vinh

SLGP, 2006, Results of Survey on Local Capacity Assessment

SLGP, 2007 Mission Report on Strengthening Oversight and Monitoring Systems in Local Governments in Viet Nam (Suresh Balakrishnan).

SLGP, 2007, Report on Monitoring and Evaluation by Local Government in Vietnam: Issues, Problems and Ideas for Improvement (Tran Hung and Nguyen Thi Hong)

SLGP 2007, Assistance for Piloting Improved Fiscal Frameworks at the Local Level (Draft Report by Juan Luis Gomez Reino, Tran Thi Tran Anh, and Nguyen Hai Anh).

SLGP, 2007, Report on Planning (Jill Engen).

SLGP, 2007, SLGP-Piloting Planning and Budgeting Innovations at the Local Level (Report by Mike Winters).

SLGP, 2008, Draft Report on Monitoring and Evaluation Analysis (Dang Duc Dam)

SLGP, Terms of Reference, Training Evaluation Reports, Mission Reports, Study Tour Reports, and other project files.

### **SLGP, 2007, Training Materials:**

- SLGP. Training material on Strategic Planning for Local Development

- SLGP. Training material on Capacity Building on Public Financing at Local Levels

- SLGP. Training material on mMonitoring and Evaluation.

- Setym. Training Material on Results Based Management

- Crown Agent. Training Material on Project Cycle Management

## Other Review Reference Material

DCD/DAC/GOVNET (2005), The challenge of capacity development: working towards good practice. DAC Network on Governance, ([www.oecd.org](http://www.oecd.org))

Gosses, Antoinette (2007) “Stop teaching, start learning: The mystery of capacity development”, [capacity.undp.org/indexAction.cfm?module=Library&action=GetFile&DocumentAttachmentID=2267](http://capacity.undp.org/indexAction.cfm?module=Library&action=GetFile&DocumentAttachmentID=2267)

Hausmann Ricardo, Dani Rodrik and Andrés Velasco (2006). Getting the Diagnosis Right. Finance and Development 43(1). IMF, Washington.

Joint Evaluation of General Budget Support, 2006, Viet Nam Country Report, [www.dfid.gov.uk/aboutdfid/performance/files/gbs-vietnam.pdf](http://www.dfid.gov.uk/aboutdfid/performance/files/gbs-vietnam.pdf)

OECD (2008), Predictable Aid linked to Results, [www.oecd.org/dataoecd/52/37/40298524.pdf](http://www.oecd.org/dataoecd/52/37/40298524.pdf)

Pham Lan Huong, 2006, Fiscal Decentralization from Central to Sub-national Government in Viet Nam, Paper presented at Seventh Annual Global Development Conference, St. Petersburg, Russia, [http://www.gdnet.org/pdf2/gdn\\_library/annual\\_conferences/seventh\\_annual\\_conference/Huong\\_parallel\\_2\\_5.pdf](http://www.gdnet.org/pdf2/gdn_library/annual_conferences/seventh_annual_conference/Huong_parallel_2_5.pdf)

UNDP, 2002, Guideline for outcome evaluators. UNDP, New York

UNDP (2006), Capacity Development Practice Note ([www.capacity.undp.org](http://www.capacity.undp.org)), New York.

UNDP, 2005, Capacity Assessment – Practice Note

UN, 2005, UNDAF Viet Nam’s 2006-2010

UNDP CPD and CPAP (2006) 2006-2010

WB. 2005, East Asia Decentralizes: Making Local Governments Work. WB, Washington.

WB, 2008, Using Training to Build Capacity for Development, “An Evaluation of the World Bank’s Project-Based and WDI Training” Washington.

WB, 2008(b), “Governance, Growth, and Development Decision-making. Reflections by Douglass North, Daron Acemoglu, Francis Fukuyama, and Dani Rodrik” Washington.

## ANNEX 1: LIST OF PEOPLE MET BY MTR TEAM

In addition to the people listed below, team members were fortunate to sit in on a 1.5-day workshop (in March 2008) which included presentations on project progress and outputs. During this workshop, team members learned from the formal presentations by senior central and provincial officials and some national and international consultants, and were able to interact more informally outside formal presentations.

### VINH PHUC PROVINCE

- Mr. Cuong, Vice director of DPI, Director of PPMU
- Mr. Loi, DPI Staff, National consultant, PPMU
- Mr. Phu, DPI staff, PPMU Project officer
- Mr. Hai, Deputy Chief of Budgeting Division- Department of Finance (DOF)
- Mr. Hung, Division Chief on Planning and Finance, Tam Dao District
- Mr. Trung, Chairman of People's committee, Bo Ly Commune - Tam Dao District
- Mr. Thanh, Chairman of People's committee, Yen Duong Commune-Tam Dao District
- Mr. Huy, Chairman of People's Committee, Huong Son Commune- Binh Xuyen District.
- Mr. Luong, Vice chairman of People Committee, Gia Khanh Commune- Binh Xuyen District.
- Mr. Chien, Chief of Finance and planning Division, Binh Xuyen District.

### BAC KAN PROVINCE

- Mr. Trieu Ngoc Lieu, Vice director of DPI, Director of PPMU
- Ms. Hoang Thu Trang, Department of Planning and Investment's Staff, Assistant to PPMU on planning.
- Ms. Hai Yen, Department of Finance, Assistant to PPMU on finance.
- Mr. Lang, Officer of Ngan Son District
- Mr. Chu Duc Huynh, Chairman of Van Tung Commune's People Committee -Ngan Son District ;
- Mr. Ha Van Quyet, Chairman of Trung Hoa Commune's People Committee-Ngan Son District ;
- Mr. Dinh Thanh, Chairman of Thuan Mang Commune's People Committee -Ngan Son District ;
- Mr. Pham Kim Hieu, Vice Chairman, Ngan Son town (non-targeted) People Committee
- Mr. Ta Xuan Bac, Chairman of Cho Moi Town People's Committee-Cho Moi District;
- Mr. Ha Van Chin, Vice Chairman, Tan Son Commune People's Committee-Cho Moi District;
- Mr. Linh Tam Luyen, Chairman of Tan Mai Commune People's Committee-Cho Moi District;
- Mr. Ha Van Qui, Chairman, Hoa Muc Commune People's Committee (non- targeted)-Cho Moi District;
- Mr. Hung, Division of Planning and Finance, Cho Moi District People's Committee.



## **Tra Vinh**

Mr. Tran Van Khieu, Vice Chairman, People Committee, Tra Vinh Province

Mr. Tran Hoan Kim, Chairman, People's Committee, Tra Vinh Province

Mr. Huynh Van Tao, DPI Director, PPMU Head

Mr. Pham Van Re, Vice Chairman, People's Committee, Tra Vinh City

Mr. To Long Dinh, Vice Chairman, People's Committee, Tra Vinh City

Mr Nguyen Minh Phuong, People Committee, Tra Vinh City

Mr. Nguyen Nhat Thien, People Committee, Tra Vinh City

Mrs. Huynh Thi Bach Mai, Head of Financial Sector, Precinct 8, Dist. Duyen Hai, Tra Vinh (non-targeted)

Mr. Khan, Deputy Head of Financial Sector, Precinct 8, Dist Duyen hai, Tra Vinh City

Mr. An, Head of Planning Sector, Precinct 8, Dist Duyen Hai, Tra Vinh City

Ms Nguyen Thanh Em, Financial Sector, Dist. Duyen Hai, Tra Vinh

Mr. Trinh Khuong Thoi, Deputy Sector Head, Dist. Duyen Hai, Tra Vinh

Mr. Bui Van Luc, Secretary of the Commune Party, Long Duc Commune (targeted)

Mr. Thach My, Chairman, People Council, Long Duc Commune

Mr. Bui Van Mung, Chairman, People Committee, Long Duc Commune

Mr. Le Van Manh, Vice Chairman, People Committee, Long Duc Commune

Mr. Quach Van Tam, Chairman of the People Council, Precinct 8, Tra Vinh City

Mr. Hoang Van Tri, Chairman, People Committee, Precinct 8, Tra Vinh City

Mrs. Nguyen Thi Bich Thao, People Committee, Precinct 8, Tra Vinh City

Mr. Huynh Van Man, Head of Administrative Sector, Precinct 8, Tra Vinh City

Mr. Huynh Van Ngo, Head of Administrative Sector, DoF, Tra Vinh

Mr. Tran Van Thong, Head of State Budget Sector, DoF, Tra Vinh

Mr. Phan Van Trinh, Head of Current Expenditure Sector, DoF, Tra Vinh

Ms Doan Hai Van, Finance Assistant, PPMU

Mr. Loc, Head of Administrative Sector, DPI Tra Vinh

Mr. Dzung, Head of the General Section of Tra Vinh DPI, Coordinator of Tra Vinh SLGP.

Mr. Doanh, Planning Assisstant, PPMU of Tra Vinh

Mr. Tieu Nghia Dung, Deputy Director of State Budget Sector, DoF, Tra Vinh

## **Quang Nam**

Mr. Tram Kim Hung, Vice Chairman of Quang Nam People's Council

Dr. Tran Minh Ca, Vice-Chairman, Provincial People's Committee, Quang Nam

Mr. Phan Luat, Deputy Sector Head of Planning and State Budget Sector, DoF, Quang Nam

Mr. Do Van Ba, Deputy Head, Planning and State Budget, Department of Health, Quang Nam Province

Mr. Tran Van Tri, Director of DPI, Quang Nam, PPMU Head, Quang Nam province

Mr. Nguyen Hoang Thanh, Head of Culture and Social Affair, DPI, Quang Nam

Tran Van An, Deputy Director of Administrative Sector, DPI Quang Nam

Mr. Cao Van Thang, Dep. Head of Sector Finance-Planning

Mr. Nghiem Ngoc Tien, Head of Sector Finance-Planning

Mr. Tuan, Director of Education Department, Quang Nam province,

Mr. Co, Staff, Education Department, Quang Nam province,

Mr. Hai, Coordinator of CIBRIP project, Quang Nam

Mr. Vinh, Staff, Community Communication, Quang Nam SLGD,

Mr. Hao, Technical assistant, PPMU

Mr. Linh , Financial Sector Tien Phuoc Dist. (targeted)

Mr. Thanh, financial sector Tien Phuoc Dist.

Mr. Tuan , Vice Chairman of Tien Chau Commune People Committee, Tien Phuoc Dist. (non-targeted)

Mr. Phu Chairman of Tien Phong Commune People Committee, Tien Phuoc Dist(targeted)

Mr. Phong, Tien Phong Commune People Committee, Tien Phuoc Dist(targeted)

Mr. Thinh, Vice Chairman of An Xuan Precinct People Committee, Tam Ky City (targeted).

Mr. Hoang, Head of Planning and Financial Sector, Nui Thanh Dist. (non-targeted)

Mr. Kiem, Planning and Financial Sector, Nui Thanh Dist. (non-targeted)

## **Donor Agencies**

Ms. Kirsty Mason, DFID, Central Building, 31 Hai Ba Trung

Ms. Vu Thuy Huong, Irish Aid, Floor 8, Building B, Vincom tower, 191 Ba Trieu

Ms Jacqueline Delima Baril, CIDA, 31 Hung Vuong

Mr. Trinh Tien Dung, Assistant Country Director, UNDP

Mr. Tran Le Tra, Program Officer, Chia Se, Viet Nam/Sweden

Mr Vu Ngoc Anh, Governance Specialist

Mr Jay Wysocki, UNDP Governance Advisor

Mr. Roger Shotton, UNCDF Regional Technical Adviser (telephone interview)

Mr. Michael Winters, UNCDF Technical Adviser (telephone interview)

### **Central SLGP Officials and Staff**

Mr. Bui Ha, NPD, Director, DNEI

Ms Pham Thu Huong, National Project Coordinator

Mr Hai, National Project Advisor

### **Central Level Officials**

Mrs. Dao Trinh Bac, Division Head, FERD, MPI.

Dr. Le Viet Thai, Director of Institution Department, CIEM

Mr. Tran Van Hoi, Deputy Head, Local Finance Division, Department of State Budget, MoF.

### **Project Consultants**

Mr. Do Thanh Trung – Planning National Consultant (SLGP).

Dr. Dang Duc Dam – Institutional National Consultant, Research Institute for Business Development

Mrs. Nguyen Thi Kim Dung – National Consultant on Institutions (CIEM - MPI)

Mrs. Ngo Thi Hoai Thu – Fiscal Planning National Consultant (Academy of Finance – MOF)

## APPENDIX 2: REPOSES TO RAPID INFORMAL SURVEY OF DISCUSSANTS

Responses to a rapid informal survey of discussants in Bac Kan, Tra Vinh, and Vinh Phuc. Please note this survey is only intended to provide an indication of attitude to outcomes. It was not field test. The samples are not random. Surveys were completed at meetings attended by peers and project and other officials. It is not a formal statistical survey.

### A. Commune Level Responses

1. During the last 3 years have local official involved/consulted people in your commune more (or less) often when planning budget expenditure for this locality? Please circle one of the following?

Much more	More	No change	Less	Much less	Not sure
0	14	2	0	0	0

2. During the last 3 years have you had more contact with district level planning officials? Please circle one of the following?

Much more	More	No change	Less	Much less	Not sure
1	13	2	0	0	0

3. Has the training and other support provided by SLGP been useful. Please circle one of the following?

Very useful	Useful	Some value	No	Don't know about the activities
3	12	1	0	0

4. Do you hope/expect to become more involved in making decisions about what the commune budget is used for? Please circle one of the following?

Much more	More	No change	Less	Much less	Not sure
11	4	1	0	0	0

**B. Provincial/District Level Responses**

1. During the last 3 years, has this province/district involved/consulted communities more (or less) often when planning budget expenditure for this locality? Please circle one of the following

Much more	More	No change	Less	Much less	Not sure
1	20	5	0	0	0

2. During the last 3 years have you had more contact with community stakeholders when planning expenditure and activities for your province/district? Please circle one of the following:

Much more	More	No change	Less	Much less	Not sure
1	19	6	0	0	0

3. Has the training and other support provided by SLGP been useful. Please circle one of the following?

Very useful	Useful	Some value	No	Don't know about activities
11	11	4	0	0

4. Have you been able to use skills gained from SLGP training activities in your work with this agency? Please circle one of the following?

Often	Sometimes	Rarely	Never	Not sure
17	9	0	0	0

5. Have there been any major improvements in planning processes in this area over the last 2 years? Please circle one of the following?

Yes, major improvement	Yes, some improvement	No change	Not yet, but staff are better trained	Not yet any improvement	Not sure
9	16	1	0	0	0

## ANNEX 3: FEEDBACK ON KEY SLGP TRAINING COURSES

**Notes:** The following is information about the participations' assessment about different training courses organized by SLGP projects during the last two years.

### **Course title: Medium Term Fiscal and Expenditure Framework- MTEF (October 2006)**

- ❖ 94% of participants (34/36) think that the course has provided them new knowledge and skills for their work.
- ❖ 100% of participants appreciated the knowledge of the teachers, and 100% also thought that teachers presented the lectures in a clear and understandable manner.
- ❖ 92% of participants think that they could use such knowledge and skill for their work and share them with colleagues and other people in their office.
- ❖ 94% agreed that the course reached their expectation;
- ❖ 94% participants think that the lessons learnt in the course could be applied well to the situation in Viet Nam.
- ❖ 100% have strong desire to apply MTEF in their provinces.
- ❖ 25% thought that the training was too short to convey all contents.
- ❖ Several participants suggested that more time should be allocated for practical assignments so that they had a change to apply the training knowledge and skills in a practical way. Several also suggested allowing more time for group discussion.

### **Course title: Financial Analysis and Projection: information skills for local governments**

- ❖ 95% participants think that the course has provided them new knowledge & skills for their work.
- ❖ 83% participants think that they could use such knowledge and skill for their work and share them with colleagues and other people in their office.
- ❖ 95% agreed that the course reached their expectation;
- ❖ 89% participants think that the lessons learnt in the course could applied well for Vietnam situation.

### **Course title: Strategic planning for local governments**

(A formal evaluation sheet was not used. However, an informal evaluation was conducted during the tea breaks)

- ❖ Participants highly appreciated the course, particularly, the new model learnt, the simplicity of the model was considered as an advantage;
- ❖ They wonder about the applicability of the model under the context of rigid planning/legal environment in Vietnam. The model is best to be applied at the commune and district levels rather than at national level.

## ANNEX 4: REVISED TERMS OF REFERENCE FOR MID-TERM REVIEW OF SLGP

### 1. BACKGROUND

The UNDP/UNCDF/DFID/DCI/AFD-funded project “Strengthening Local Government Capacities in Planning, Budgeting and Managing Public Resources (SLGP)” has been formulated and implemented in close partnership between the Ministry of Planning and Investment, participating provinces and donors (UNDP, UNCDF, DCI, etc). The project is planned to be implemented from Mid-2005 until Mid-2009.

Aiming to achieve the overall goal of pro-poor and gender sensitive plans and budgets at sub-national levels, the project is expected to deliver the following **five key outputs**:

1. More effective, participatory and inclusive planning and budgeting systems are developed and used by local government organizations in the pilot provinces.
2. Investment scheme implementation by local government is more transparent and effective in the pilot provinces.
3. Appropriate local government financial management mechanisms and fiscal arrangements are established and used in the pilot provinces.
4. Oversight, accountability and monitoring mechanisms are enhanced at local levels in the pilot provinces.
5. Experience from SLGP provincial innovations as well as from other similar government and donor-funded projects inform and influences national policies (in particular, national guidelines for local socio-economic development planning and budgeting) and is made available to other provinces/donors.

The project is operated at both national and sub-national levels. At the national level, SLGP works with the Ministry of Planning and Investment (MPI), Ministry of Finance and other related line Ministries and organizations, and donors. At the sub-national level, the project works with relevant local authorities (provincial, district and commune) in four pilot provinces.

A Mid-term review of SLGP is scheduled for the first half of year 2008, and a team consisting of an international consultant and two national consultants will be recruited to conduct the review.

**2. RATIONALE:** After two and half year of implementation, it is imperative to conduct a mid-term review of SLGP in order to assess its progress against outputs and problems/issues, its relationship with other related UNDP-funded projects and partners, management aspects in order to draw/suggest necessary follow up measures for the project implementation in the remaining period 2008-2009.

### 3. OBJECTIVES OF THE MID-TERM REVIEW

The objective of the mid-term review is to:

- i) review the progress against outputs (where the project stands now, its achievements and problems, challenges, analysis of them); assess its preliminary impacts, particularly those on capacity strengthening for national and sub-national partners;



- ii) review the coordination between SLGP and other related projects in pilot provinces in terms of supporting capacity strengthening in SED planning and budgeting for local government cadres<sup>114</sup>;
- iii) review the management of the project (management model, capacity, efficiency, overall performance, etc.)

Based on the above the review will come up with lessons learnt and recommendations for the project, UNDP (and other donors) and IP for the final phase of project implementation. This should be done with regard to the related Expected CP Outcomes and Output<sup>115</sup>.

### 3. SCOPE OF THE REVIEW

- The relevance of SLGP (its outputs) regarding the SEDP and decentralization process in Vietnam; its contributions to the national and sub-national efforts in improving socio-economic development planning and budgeting.
- The current status of SLGP 5 outputs (its progress so far) against the Result Framework.
- Preliminary impact of the project, particularly on capacity strengthening for sub-national partners using the UNDP Capacity Development Framework (which looks at capacity at three levels – system, organisation and individual<sup>116</sup>).
- Coordination: to what extent SLGP's activities and resources have been coordinated/used together with other projects' activities and resources in pilot provinces.
- Review of the quality and up-take of research and training work in pilot provinces.
- Issues around project management: is the CPMU and PPMU model relevant or not, why? What are the advantages and issues around project management, its performance, etc.
- Assessment of the quality and timeliness of technical inputs by international and national consultants, and project products (research reports, baseline survey, training courses etc.)
- Gender equality issues.
- Answer the question of the readiness of partners in pilot provinces to integrate/apply new knowledge and skills learned into their work within the final phase of SLGP.
- Lessons learned and recommendations for follow-up in the second phase of the project life.

### 4. PRODUCTS EXPECTED FROM THE REVIEW

Key output of the review is a final report with analysis of the findings, some lessons learnt and suggested doable recommendations to take the project forward to a successful completion. To that end, the following intermediate semi-products are required:

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<sup>114</sup> Another review of the coordination between SLGP and other relevant UNDP-supported projects (ONA, CEBA, Support to SEDP M&E, etc.), and with other donor-funded projects (MOF PFMRP, SPPR, SDC-funded project in Cao Bang, etc.) will be conducted by an UNDP Governance team;

<sup>115</sup> Expected CP Outcome 4: The principles of accountability, transparency, participation and rule of law are integrated into Viet Nam's representative, administrative, judicial and legal systems.

Expected CP Output 4.16.ii: Strengthened mechanisms of local government agencies to undertake requisite duties and responsibilities as part of the ongoing decentralization process.

<sup>116</sup> UNDP, Capacity Assessment – Practice Note, Final Draft 14 October 2005

- Workplan
- Questionnaire
- Draft report outline
- Draft Report on the findings and recommendations.
- Facilitation of a half-day workshop in Ha Noi to present mission findings and recommendations to, and to collect comments and recommendations to finalise the draft Report from relevant stake holders.
- Transcriptions of interviews.

## 5. METHODOLOGY

The review mission is expected to conduct the below approach to deliver the expected products described above:

- Desk study of existing project documents (see the list in the annex 1) with support and inputs from UNDP PO and Policy Adviser on Local Governance.
- Field visits (4 pilot provinces) and interviews with relevant local stakeholders (both groups, one key implementers and the other one, beneficiaries - those who are not involved in the project implementation but benefit from the project). using semi-structured questionnaires.
- Interview of national stakeholders (see the list of suggested interviewee in the annex 2);
- Interview of donors (see the list of suggested interviewee in the annex 2) – this should be done after the field work and interviews of national stakeholders.
- Participation of stakeholders and/or partners (through interviews and the debriefing workshop at the end of the mission).
- The MTR team should cooperate and make best use of both CPMU's and PPMUs' staff and experts.

## 6. THE REVIEW TEAM

The team will consist of three consultants:

One team leader – international consultant

Two team member – national consultants

### Required qualifications:

The team members should be selected from those, who have not been involved in the project in one or another form, be it project formulation or implementation.

### Specific requirements:

Team leader:

- post-graduate degree in economics, development and/or related fields
- at least 15 years' experience of working on decentralisation, SEDP and M&E in developing and/or transitional countries;
- international recognised expertise in project M&E;
- sound knowledge of decentralisation and issues around SEDP in Viet Nam;
- proven track record of delivering high quality work;

- high analysis, facilitation and communications skills
- ability to facilitate discussions at the highest levels.

Team members:

- post-graduate degree in economics and/or a related discipline;
- 10 year experience and in-depth knowledge of SEDP issues in Viet Nam;
- excellent knowledge of relevant software (Excel, statistical packages);
- ability to facilitate discussions at the provincial and national levels;
- excellent command of spoken and written English;
- good networking skills.

The team leader will have the responsibility for overall coordination of the mission and for ensuring coherence of the final report in terms of both content and presentation. The team leader will furthermore design a detailed methodology framework, decide on the division of labor within the evaluation team, manage and conduct the review as described above, provide leadership to the team member, and ensure quality and coherence of the final document.

## 7. IMPLEMENTATION ARRANGEMENTS

Please also add a paragraph on reporting line: UNDP is to supervise this as part of its role in monitoring and quality assurance. The suggested specific tasks and their timeframe are as follows. The whole exercise is expected to finish by end of April, 2008.

Tasks	Timeframe and responsible party
Review design and workplan	1 day, review team with UNDP's inputs
Desk review of existing documents	3 days, review team
Briefing with UNDP Viet Nam/MPI	0.5 day, UNDP and the evaluation team
Field visits	10 days (split missions), review team
Interviews with partners	3 days, review team
Drafting of the review report	5 days, review team
Debriefing with UNDP Viet Nam and government partners	0.5 day, UNDP and the review team
Finalization of the review report (incorporating comments received on the first draft)	5 days, review team
<b>Total working days</b>	<b>30</b>

### **Annex 1: Suggested documentation**

- Guideline for outcome evaluators (UNDP publication)
- UNDP, Capacity Assessment – Practice Note, Final Draft 14 October 2005
- UNDP CPD and CPAP 2006-2010
- Project Document (Prodoc)
- Inception Report
- Progress and Financial Reports by PPMUs and CPMU (quarterly and annually)
- APR Meeting Minutes
- LCA Report
- Consultants Reports (Research/Studies/Training)
- Training Materials
- Study Tour Reports
- Any other materials if deemed useful and necessary

### **Annex 2: Suggested Interviewees**

- Local stakeholders and beneficiaries in pilot provinces (People's Committees and Councils, DPIs, DOFs, DOHA, local officials – People's Committees and Councils, Planning and Finance in pilot districts and communes; PPMU members)
- Ministry of Planning and Investment (National Economic Issues Department, Department of Regional and Local Economy, Foreign Relations Department)
- Ministry of Finance (State Budget Department, International Relations Department)
- SLGP (NPD and DNP, Senior National Coordinator)
- UNDP (DCD (P), Head of Governance Cluster, PO)
- DFID, Irish Aid, UNCDF (telephone interviews with Mr. Roger Shotton and Mr. Mike Winter), SDC, JICA, CIDA, WB...
- ....