



Final Report

Contract:

Mid-term review of the Public Administration Reform project in the Ministry of Home Affairs (MoHA) – MoHA PAR project

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**Public Administration
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**Mid-Term Review of the Public Administration Reform project in the
Ministry of Home Affairs (MoHA)**

Final Report

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Executive Summary

Part I of the Report, in a customary manner for UNDP Medium Term Reviews (MTRs), provides first a summary of the context – the Public Administration Reform (PAR) Project (Section 1.1).

It outlines the history of the process in Vietnam as a comprehensive renovation of the state and the two Master Plans since 2001, the second of which, from 2011 to 2020, is about to start. It identifies key decisions in the policy framework as well innovations from the donor side (One UN Fund). The four key outcome areas of the current PAR Project of UNDP/Ministry of Home Affairs (MoHA) are itemised, together with the project rationale and results to date, which include a Government-initiated Independent Review. The many challenges that still face PAR implementation are also summarised.

Section 1.2 outlines the Terms of Reference (TOR) of the UNDP External MTR, stressing its forward-looking nature. It is followed by Section 1.3 on MTR Methodology. Key points here concern the fairly limited coverage in terms of both central and local level stakeholders and the need to meet the requirement to start producing a translated draft as early as the second week of the mission. These are some of the limitations itemised in Section 1.4. Nevertheless, they were to some extent mitigated by some important direct insights, such as seeing the One Stop Shop (OSS) up and running in Trac Ninh and by undertaking an extremely thorough review of all documents and reports which enabled the review team to make the case in terms of the relevance, effectiveness/ efficiency and sustainability of all activities undertaken, being done or to be done.

No exotic analytic tools were therefore required for this mission.

Section 1.5 examines project management arrangements - steering body/task force and Project Management Unit (PMU), wider stakeholders and project finance. The budget has been hugely under spent and the project started four months late – seen by MoHA as a prima facie case for extension.

Part II of the report presents, first, a framework for analysis of key findings. This comprises the following elements: (a) It conducts the analysis by each of the four components/result areas in turn, plus the last domain of project management; the latter is important in terms of “process” issues. (b) In each case it does this in terms of the relevant One Plan Indicator (OPI) or Results and Resources Framework (RRF) output/target – what was expected in each case (see table in next section).

Thus the findings reported concern: (a) main project results to date, both positive and negative. (b) The conclusions/recommendations in terms of what should/could be done (where needed) to improve. (c) What can/should also be done in the remainder of the project period, especially in terms of new approaches/directions and/or activities.

Under **Component 1**, PAR management/policy development and monitoring and evaluation (M & E), the largest number of activities (seven) has taken place under M & E Output 1.1. These range from system design through study tours to piloting. A number of important key findings have been made on institutional framework design aspects from international experience and consultants' proposals are on the table for establishing the framework. Whilst this is a very relevant and needed project output, the MTR concludes that the consultant output has not been developed with the necessary consultation with potential users at central and local levels, nor bearing in mind the need to relate substantively to PAR specific indicators.

Under Output 1.2, PAR Master Plan (MP) 2011-2020, key outputs are assessed to date, especially the findings of the Independent Review Report conducted by an independent company DEPOCEN, the workshop thereon and the draft Decision of the Prime Minister. The MTR is in agreement with the main thrust of these outputs which point to a more focussed PAR Master Plan (MP) with emphasis on service delivery of various kinds. The MTR concludes with an itemisation of the key directions for the next PAR period, the rationale for the same and calls for timely holding of the proposed final national workshop on future directions for the next PAR period, to be chaired by the Prime Minister.

Under **Component 2**, (Alternative Public Service Delivery (PSD) and Ministry/ Provincial Performance Management Systems), the MTR reports on three PSD pilots conducted by three stakeholder Ministries in

2. Key findings

2.1 **Component 1 (3.2.1 Result 1) – PAR management/policy development: M & E and PAR Master Plan**

Under One Plan OPI 4.1.1, there are expectations regarding “Strengthened planning, steering, coordination and overall management of the second phase of PAR Master Plan Programme (national level)”.

What have been the main results to date under this Component?

Under Output 1.1 (Monitoring and Evaluation system and indicators for PAR designed, piloted for putting into regular use later on), so far, in terms of documentary output and related outputs, these have been: (a) Reaching consensus on the PAR M & E system in Vietnam; (b) Review of existing M & E institutional framework and practices in Vietnam; (c) Desk review of international best practices regarding M & E in PAR; (d) Organization of study tours to two countries with good PAR M & E system; (e) Consultation workshop for receiving feedback on the proposed M & E system and indicators; (f) Finalization of system and indicators for PAR M&E system and indicators; (g) Conduct of pilot application of the M & E system and indicators; and (h) Finalization of guidelines for preparing, implementing and reporting PAR plans.

Findings

The key findings from the “Assessment on the PAR M & E institutional framework and practices in Vietnam for a proposed PAR M & E framework”, the “Desk Review of M & E experiences from different countries” and reports from the study tours are:

- Even before carrying out the “Assessment on the PAR M & E institutional framework and practices in Vietnam for a proposed PAR M & E framework”, it has been clear to MoHA that in the national PAR MP as well as annual PAR programmes and plans of the agencies, there has been an almost complete absence of criteria and indicators for M & E of implementation progress and results. Many concerned stakeholders have not understood the clear distinction between the concepts of monitoring, oversight/supervision and evaluation, and are not familiar with the terminologies of targets, indicators and criteria.
- The “Assessment on the PAR M & E institutional framework and practices in Vietnam for a proposed PAR M & E framework” has helped to understand the importance of the assessments of PAR achievements as the one way to recognise positive efforts. Through such assessments, provinces can learn their own shortcomings as well as how they rank vis-a-vis their peers elsewhere. The assessment has also shown the limitations in self-assessment systems.
- The “Desk Review of M & E experiences from different countries” has helped MoHA to gain experience in monitoring and evaluation of PAR from other countries and made a good selection of the countries for study tours. The study tours were organized with careful preparation and the study tour reports have shown that participants have learnt many good lessons from them. The first important message they have received is that “a country’s PAR M & E system is usually not a stand-alone system but forms part of a wider Government system for monitoring and assessing results”. The study tour members have made the recommendation that a centrally designed M & E system may be more relevant to Vietnam. They have learnt clearly that, in order to design a centrally managed M & E system, it is important to foster ownership of line Ministries and lower levels of Government in the design stage to ensure smooth implementation in later phase. Participation of experts and evaluators is critical. The next important message is that “an effective PAR M & E system is simple, user-friendly and practical with a limited number of indicators”.
- The study tours have given the participants not only the experience in PAR M & E, but also information and ideas about Government structuring and human resource management. They learnt that good M & E requires a Government structure with its agencies equipped with specific, adequately accountable, relevant, empowering and clear functions and mandates. A specific unit in charge of monitoring, supervising and evaluation should be established in each agency. Sufficient budget should be allocated for the system. Much attention should be paid to training and coaching work in order to ensure the quality of staff involved.

- A successful M & E system would generate information for multiple stakeholders and for various purposes – information to managerial staff for better management, evaluation findings for better planning and decision making, and information for citizens and businesses to ensure transparency and accountability.
- Although the Review shows clearly that “a centrally designed M & E system has to ensure ownership of line Ministries and lower levels of Government from the design stage to ensure smooth implementation in later phases”, the process of setting PAR M & E indicators by Viet Insight has not been participatory. Viet Insight’s consultants appear not specifically experienced in PAR. Therefore, the PAR M & E framework and the list of indicators recommended by Viet Insight have not been to the satisfaction of MoHA.
- PAR is concerned with the performance of the whole Government. Therefore, expertise on governance in each major sector is very important to M & E. There have been various agency/programme performance M & E initiatives and experiences in a number of Ministries and agencies, such as the Ministry of Agriculture and Rural Development (MARD), the Ministry of Health (MoH) and the Ministry of Education and Training (MoET), that the Consultant can mobilize to guide developing the PAR M & E system for MoHA. However, the experience in PAR related M & E has not been described adequately in the report.

Conclusions/recommendations

- **Relevance:** Developing a PAR M & E framework and building PAR M & E capacity will help to strengthen PAR management and improve policy development. It is relevant to the goals set by the Government as one of four overall objectives in the 2011 - 2015 Socio-Economic Development Plan (SEDP) and the National Development Strategy to 2020. It is also relevant to the priorities given by the UN for assistance to Vietnam.
- **Cost-effectiveness:** The survey to assess the M & E practice and institutional framework is not very useful. The budget could be used for participatory training on M & E to enable national, local and sector stakeholders to establish an M & E system.
- **Impacts:** The initiative of helping MoHA to develop a PAR M & E system has helped to raise awareness of PAR monitoring and evaluation by various leaders and staff.
- **Sustainability:** If the PAR M & E system is developed by the relevant stakeholders themselves with the facilitation and guidance of good PAR M & E experts, its sustainability can be ensured. Although the transaction costs for running M & E system are high they are worth it. M & E has an important role, say, in anti-corruption and in improving public investment efficiency. To ensure affordability of the M & E system, the number of indicators should be small.

Lessons:

The M & E system and indicators, as designed, should focus on three levels: MoHA, Government Ministries and provinces. The project has developed its own M & E system used for monitoring and evaluation of project activities.

- PAR project M & E should be considered as part of the M & E system for the whole Government.
- Designing the PAR M & E system should be done by the relevant Government leaders and staff, not by consultants based on surveys and desk reviews.
- Training on M & E and preparation guidelines should not be separate activities from designing the M & E system and selecting indicators.

Under Output 1.2 (“Master Plan PAR for 2001 – 2010 reviewed and PAR MP for 2011 - 2020 orientations”)

What have been the main results to date under this Sub-Component?

So far, in terms of documents produced and related outputs, there have been: (a) Initial findings from the Independent Review on the Implementation of the PAR Master Plan 2001-2010 and Proposal of PAR Master Plan 2011-20 Orientations; (b) Independent Review Report on the Implementation of the PAR Master Plan 2001-2010; (c) Workshop Report on the same; (d) draft Prime Minister's Decision on Approving the Public Administration Reform (PAR) Programme 2011-2020. The project also supported the Government of Vietnam (MoHA) to review the implementation of PAR MP 2001-2010 and formulation of the PAR MP 2011-2020. A final report was issued and submitted to the Government.

A final workshop on all of the latter was due to be held under the Prime Minister's Chairmanship in March 2011, following MoHA support under the project to the Government Task Force.

Findings

The key points of the Independent Review Report documents, with which this MTR is in agreement, are:

- a) the need to be more innovative and focused in the second PAR period - fewer objectives within range of actual capacities;
- b) continue to strive for a monitored and evaluated approach but with a better data base;
- c) in line with a) above, a central objective of quality service delivery responsive to citizen needs and based on measurable performance indicators. This should include provincial/municipal services delivery (decentralization issues) and expanding space for civil society participation.

The workshop report on the above Review:

- a) first endorses some of the lessons of the first PAR MP: need to improve awareness of PAR at all levels;
- b) calls for more rigour in the approach to piloting: need for better guidelines, need for proper review, evaluation and timely lesson learning;
- c) stresses the need for continued support through PAR in clarifying appropriate functions, tasks and responsibilities of each administrative level, decentralization, responsibility between levels of authority, between urban and rural Government and between collective and heads of administrative bodies;
- d) finally, it notes continued persistence of fundamental systemic flaws: corruption and weak ethics; formalism, authoritarianism, red tape, low civil service skills and qualifications and an "administration lagging behind the average level in the region and the world".

Finally, the (draft) Decision of the Prime Minister on Approving the PAR Programme 2011-2012 makes a number of key points of relevance to the future this project:

- General focus of PAR on reform from the point of view of service delivery by administrative units and non-business public service providers.
- Specific attention, inter alia, to more compact and rational Government organizational structure from Ministries and agencies to local governments and attached units.
- Autonomy and self-responsibility for public service units on a large scale, especially in education and health, taking into account user organization and citizen satisfaction.
- Dissemination of OSS by 2015.

Conclusions/recommendations

In terms of relevance to Government policy priority, the following would appear to the MTR team as being the key directions for second PAR period:

- The choice of UNDP project support to key directions should take into account MoHA capacity as the implementing agency.

- MoHA's strengths (despite the weaknesses reported on the HR Review (see Result Area 5)) lie in its networking capacity vis-a-vis service delivering line Ministries (Education, Health, Culture) and provinces/local government and its key role in approving organization structures and personnel.
- Realistically, therefore, the main thrust of project activity in the last phase of implementation should be on:
 - Result Area 3 - agentification/autonomy of service delivery in higher education and hospitals, as pilots, but with a proper policy review at the end of the pilots, with appropriate learning and policy adjustment.
 - Result Area 4 - creation of a performing unified, modern executive system at the local administrative level.
 - In the latter connection, OSS dissemination should be supported but under Result Area 5 in terms of providing best practice inputs into the PAR data base/web.
- As the Independent Review has also rightly pointed out, under the next PAR MP, support should be delivered on a more focused and integrated basis. Pursuing major issues such as procedural reform, salary reform, civil service training, job descriptions across the board is unlikely to get very far unless linked to major changes which are needed in substantive/functional areas. Focus on educational and health system reform will have obvious opportunities as these services represent a major portion of state employment. Any reforms achieved in the context of introducing performance management and autonomy in major employing social sectors will demonstrate a major effect.
- Economic reform has been underway since Doi Moi in the mid 1980s. The economy in terms of investment and exports is clearly performing, whilst this cannot be said with any confidence for public administration performance and its management. OSS has been one break through. Now is the time for social policy delivery improvement to ensure, for example, a healthy and well educated work force for the future, albeit in the context of growing fiscal difficulty.

These considerations should be taken into account by the Task Force under 1.2.3 and in the final national level workshop thereon. Agreement needs reaching with MoHA on how to make the case for prioritization and the need for new directions/approaches.

2.2 Component 2 (2.2.1 Result 1) – Alternative Public Service Delivery (PSD) and Ministry/Provincial Performance Management Systems

Under One Plan OPI 4.1.2, there are expectations regarding “Improved mechanisms for administrative and public service delivery responding to local needs and realities (local level)”.

What have been the main results to date under this Component?

Under subcomponent 2.1 (PSD), three baseline documents have been produced by the three participating service delivering Ministries:

- a) In the education sector, a Survey and Evaluation of the actual situation of public service provision in the public higher education sector and a Proposal for Piloting the Mechanism for Autonomy and Self Responsibility in Public Universities;
- b) In the health sector, a report on Assessment of the Implementation of Decree 43 and Proposal for Autonomy Mechanisms application in the treatment service areas of public hospitals; Ministry of Health Summary progress report Project supported by PAR Project of MoHA/UNDP;
- c) In the culture sector, Survey Results and Evaluations of Real Situation of Public Libraries' Service Delivery and Proposals for new models of Public Services.

- d) Finally, the study tours to the UK and the Netherlands were arranged to study alternative service delivery mechanisms in health, education and culture (for the UK) and to look at the public service delivery in public hospitals and public universities in the Netherlands. Post-study tour reports were produced.

A. Education

The two key documentary outputs from MoET provide a sound conceptual and analytic basis for applying the autonomy strategy to key business processes in higher education management. Through the survey and evaluation on the actual situation of public service provision in the public higher education sector and the proposal on piloting, MoET has shown the positive impacts on the application of the Decree 43/2006/ND-CP on autonomy given to public service delivery institutions and the legal gaps of the Decree to ensure the desired impacts.

Most of the autonomy principles have been followed by many universities. These are: professional autonomy, including autonomy in organizational planning, introducing teaching curricula, recruitment of staff, student enrolment, entering into partnership with other institutions and enterprises, setting the remuneration system. These have been applied to organizational autonomy and financial autonomy. Most of universities have moved from a single disciplinary to a multi-disciplinary system. Universities can develop joint training programmes with other training institutions through in-service training or contract-based training. School-industry partnership has been developed by various universities, helping to improve the relevance of the training programmes to industrial needs. Most of the universities have transferred from the subsidised mode into the self-accounting mode, balancing funds from the state budget with professional revenue sources and tuition fees. The survey has also shown the problems and difficulties suffered by autonomous universities in applying the Decree 43/2006/ND-CP.

Many universities in less developed localities or in technical areas depend heavily on state budget funding. With revenue constraints and poor cooperation with industry, many technical universities have suffered difficulties in providing practical training for their students. Decentralization in many professional areas, such as setting staff remuneration norms and extra-working time payments, for example, has not taken place. With the requirements of having to get permission from MoET for opening new training areas, many universities complained about the delays experienced in getting permits. Financial mechanisms in education are still ineffective/inefficient and not in line with the requirements of a dynamic education and training sector fit for increasing quality and meeting the developmental needs of the country. The norms of budget allocation for education are not tied to quality assurance criteria. There is also still lack of a mechanism to support disadvantaged students in places outside the scope of Program 135.

The positive impacts from application of Decree 43 have justified the need for piloting autonomy in universities. It is very clear in the Proposal what areas should be piloted for autonomy, how to select the universities for piloting, the responsibilities of the agencies involved in piloting and the risks which may happen in the process of piloting. However, the coordination between the concerned agencies, such as between the Ministry of Finance (MoF), MoET and MoHA, has not been mentioned in the Proposal. The responsibilities of the Ministry of Planning and Investment (MPI), MoHA, the Ministry of Labour, Invalids and Social Affairs (MoLISA) and other line agencies and local government have been also overlooked.

The scope of the autonomy pilot has been not very specific in terms of clarifying the responsibilities of each concerned agency in the process. For example, the responsibilities of MoLISA have been omitted. This may have resulted from the fact that the Proposal failed to indicate specifically that the tuition fees exemption or reduction policies would be revised to ensure equality between schools in the poor regions with those in the better off regions.

Conclusions/recommendations

- **Relevance:** Improving the quality of the education service as one of the objectives of the PAR project is fully in line with the orientations identified in the draft 2011- 2020 Socio-Economic Development Strategy (SEDS) and 2011- 2015 Socio-Economic Development Plan (SEDP) for human resource development.
- **Cost-effectiveness:** With the support from the project, MoET has obtained a comprehensive assessment of the benefits, gaps and difficulties in application of Decree 43/2006/ND-CP in making the

higher education system autonomous. Financial support for this activity is not high, but with the direct involvement of the MoET's leader and relevant staff, the awareness of corporate governance in higher education has been raised.

- **Impacts:** Positive impacts can be realised if autonomy principles can be followed by higher education institutions. A finding from the Survey is that autonomy (even as yet still not completed), leads to gains by higher education institutions under Decree 43/2006/ND-CP. A key gain is improving the education service quality and performance of the institutions.
- **Sustainability:** The outcomes from piloting the autonomy principles are sustainable. This is because most of the autonomy principles have been included in Decree 43/2006/ND-CP already. The active involvement of the MoET's leaders up to now is a further guarantor that the autonomy principles can be scaled up to other institutions.

B. Health

The two key documentary outputs from MoH provide a sound conceptual and analytic basis for applying the autonomy strategy to a key business process in hospital management: treatment service areas. They are relevant and, if pursued further in the present manner, are likely efficiently and effectively to produce the intended outcomes on a sustainable basis – with one or two caveats.

The 2010 (March) MoH Proposal is a solid document, and sets out a clear impact assessment of the autonomy concept on the professional services of the range of hospitals. It does this from the relevant points of view: economic management, organizational management and personnel; and constraints and difficulties in each case. It is also refreshingly critical of the universal application of Decree 43 (the “one size fits all argument”). It thus recommends appropriate adjustments to the model and categorises hospitals into four – mostly on the basis of size/range of services and institutional affiliation. The development of these ideas has been as a result of internal task forces and consultations with stakeholders.

The February 2011 progress report lays out some recommendations for further action: more national consultants, allowances for (overtime?) for participating staff, a project extension, better PAR communications and a need for a pilot road map.

In considering this under UNDP support to MoHA, care will need to be taken from a sustainability point of view that: a) in considering the request for more consultants, implementation feasibility analysis and risk assessment is undertaken (given the general issues of public administration capacity in Vietnam) and that consultant inputs are well managed and matched by staff counterpart inputs; b) in terms of communications, the broadest range of stakeholders is consulted, including doctors, nurses, hospital administrators and patients/public; and c) the road map is realistic and documented from the outset by (i) measurable indicators of progress and concrete arrangement for same; (ii) performance indicators for the reformed health care delivery system – worked out with patients/users (the profession, administration and public).

There should be a review of the implementation of the adjusted new model after two years of implementation, involving central authorities (Office of Government (OoG), MoHA, MoF), and relevant provincial and local authorities. Lessons should be drawn for further policy refinement.

C. Culture

Similar to the higher education and health sectors, in the culture sector two reports (Survey and Proposal for Piloting the Mechanism for Autonomy and Self Responsibility in Public Libraries) have been produced. The reports make a preliminary review of the situation of public libraries in regard to academic, organizational and financial autonomy and make suggestions for UNDP-financed PAR project support for measures to improve the performance of public libraries.

With regard to academic autonomy, the report does not indicate what the situation in public libraries is. The situation is not made at all clear, for example, making statements such as “the academic autonomy of public libraries is limited because of various reasons”. No reasons are given for the suggested limits to academic autonomy. The information provided that amongst all libraries, 98% of district libraries have no independent legal status and most of the provincial and national public libraries have no organizational autonomy is more

helpful. The financial autonomy of public libraries is also very weak. The library with the highest level of autonomy can afford 50% of its total expenditure at most and the library with lowest level of autonomy can afford only 0.53% of its total expenditure.

Given low levels of autonomy in the public library system, the recommendations made in the Proposal are reasonable. Instead of piloting application of Decree 43/2006/ND-C, new solutions are proposed for the improvement of the performance of public libraries. The Proposal has laid out three principles that public libraries have to follow to be piloted in raising autonomy. However, not many libraries can follow all of the three principles. Therefore, the recommendations are to classify the public libraries into two groups, one of which should get subsidies from the state for their operation.

Conclusions/recommendations

- **Relevance:** Improving performance of the library service has been considered one of the ways to improve the quality of life of the people. It is consistent with the orientations identified in the draft 2011-2020 SEDS and 2011-2015 SEDP for building a knowledge-based economy in the long run.
- **Cost-effectiveness:** With the direct involvement of the Ministry of Culture, Science and Technology's (MoCST) relevant staff in carrying out the Survey and preparing the Proposal for Piloting the Mechanism for Autonomy and Self Responsibility in Public Libraries, awareness of the need for improving the quality and efficiency of culture and sport services has been raised.
- **Sustainability:** The proposed inter-ministerial circular can only be issued after careful analysis of the specific problems and opportunities of public libraries in moving towards any kind of autonomy and setting the good governance principles relevant to public libraries. The performance of public libraries can be improved only if they have clear and relevant guidelines on running on autonomous lines. The positive impacts of any changes in legal framework can then be sustained.

Sub-Component 2.2 OSS

Output 2.2 requires that “(a) Comprehensive review report of OSS and inter-agency OSS mechanisms (is) prepared and approved”.

Under this sub-component, two documentary outputs have been produced by the MoHA PAR Department:

- a) Report of Development of Evaluation Index for Performance of District-Level One Stop Shop – DOSSI with Annex III – Microsoft Excel Software to Synthesise and Process Survey data;
- b) Report on Results of Field Trip on Provision of Public Administration Services by District-level One Stop Shops in Nine Provinces and Centrally-run Cities.

On the way forward and in terms of any approval, the Prime Minister in the meanwhile has instructed an evaluation be carried out of OSSs. Presumably, the above reports will be taken into account during this evaluation.

The DOSSI evaluation instrument, though it refers at outset to the importance of being “clear, easy to understand and simple”, provides a most complex framework for both data collection and analysis, requiring Excel software for the latter. One of the strengths of the evaluation instrument, however, is that it includes customer survey cards.

Nevertheless, the Results of Field Trip do indicate positive achievements to be built on in terms of accelerated documentary processing in the short-term and, in the longer term, on civil servant sense of responsibility. Lessons are also to be learned with regard to: a) non-compliance of some districts/agencies with new procedures/benchmarks; b) uneven impact on civil servants' work attitude; c) persisting inter-level

coordination problems; d) poor communication of PAR/OSS; d) poor facilities, equipment and budget for communications.

Conclusions/recommendations

In terms of sustainability, the MTR team's recommendations are that there should be planned inter-provincial workshops on successful story telling for replication of approaches, including indicators and benchmarks and addressing the issues outlined in (a) to (d) of the paragraph above. The workshops should be hands-on and of several days' duration in order to come to grips fully with the issues of and solutions to process re-engineering and change management in the cases concerned.

MoHA should later standardize common indicators for all OSSs and follow up on replication of the OSS model by provinces attending workshops.

2.3 Component 3 (3.2.3 Result 3) – Local Government Capacity/Reform

Under One Plan OPI 4.1.2, there are expectations of "Improved mechanisms for administrative and public service delivery responding to local needs and realities (local level). Component 3 of this project firstly aims to support pilots for non-establishment of People's Councils at district level; and secondly to make recommendations and proposals for improvements in the role and responsibility of heads of local administrative bodies.

What have been the main results to date under this Component?

There have so far been three substantive reports, reported related training materials and the 2011 Work Plan.

First, there is the Index on Review of the results in implementing the pilot for abolition of People's Councils. This sets out a highly complex assessment instrument, including nine indices and thirty-four criteria (fourteen of them "hard") and a seven-page questionnaire. Further information would be useful on how this was actually applied, given the limited capacities of MoHA and its local counterparts. The AWP 2010 refers to support provided to operationalise evaluation indicators in 2010. The project has decided not to support the evaluation of the pilot of non-establishment of People's Councils at district and ward level. The project provided a national consultant to help the Department of Local Government, MoHA to carry out the evaluation. In addition, the National Assembly of Vietnam has decided to extend the period for the pilot by one more year. The mid-point evaluation will be during the second half of 2011.

Second, the Report on Implementation of the Pilot(s) makes a positive assessment of pilots so far and calls for continued implementation, dissemination of policy and results and development of legal framework. It also proposed support activities, including from UNDP: study tour, legal drafting, training and capacity building and evaluation of results under the indicator set.

Third, AWP 2010 states that Training of Trainers courses were to be provided. Copies of reports on two Training of Trainers courses were supplied to members of the evaluation team.

Fourth, the other major project contribution has been the Proposal on Assignment of Power and Responsibility for the People's Committee in general and the chairman of the People's Committee in particular. The document sets out comprehensively and professionally the very valid objectives (to create a performing, unified, modern executive system at the local administrative level), a situation analysis since the 2003 Law, weaknesses in the latter and causes; recommendations (principles/directions) and detailed clause-by-clause recommendations; and arrangements for implementation.

Fifth, the 2011 draft Work Plan of MoHA includes a survey of results after two years. A further seven activities amount, inter alia, to hiring a consultant as the principal input. The evaluation team has commented elsewhere on the practice of hiring consultants.

Three groups of tasks are envisaged:

(a) Technical support to evaluate the supervision of performance after PCs are abolished, which the consultancy will also help to design. This includes workshops for comments on the latter as well (importantly) for citizen surveys;

(b) Recommendations for the enhanced role and responsibility of heads of local administrative agencies. The approach to this, again, is mostly surveys and questionnaires.

In regard to both the latter activities, it is suggested that the approach be more dynamic with more interface between the consultant and local government administrators. Consultants should sit down and have more open-ended discussion with the latter about what kinds of arrangements could work effectively and these should be designed together.

(c) Under the sub-component on Local Government Reform, a revised law on organization of PCs and People's Committee and elections to these bodies is to be assisted.

A proposed international study tour should come early so that lessons can be incorporated in to the design of Vietnam's reforms – where appropriate.

Bearing in mind the lessons of project implementation to date:

- a) Any consultant hired should fully engage on a team basis with counterparts at operational levels (with MoHA, local governments and units concerned);
- b) Donors' general concerns about citizens' voice in the absence of People's Councils: under non-elected bodies - who acts for citizens? The response to this question given to the MTR Team by Vinh Phuc province is that "this is the role of mass organizations". This is not satisfactory per se;
- c) Given its importance, there is a need in local government reform in all countries, including Vietnam, to involve peer review and international experience in proposals;
- d) Whilst the proposals for local administrative heads are quite sound so far, they might also benefit from such an approach.

3.2.4 Result 4 – PAR Communications/Partnership

The AWP 2010 includes as outputs: a) Designing of a partnership strategy; b) organization of an annual Partnership Forum; c) Information system upgrading and data base creation.

To this we recommend adding OSS as best practice case studies for publication on the internet. Such case studies could be created by facilitated inter-provincial workshops to introduce success stories for replication of OSS, including the indicators and benchmarks.

Partnership Strategy (Output 4.1):

Although in the AWP partnership embraces also civil society (citizens and business groups), historically the strategic focus has been on the role of Government in international mobilization of donor inputs into PAR. With regard to the non-Government elements, the consultancy report produced under the project (and not to PMU satisfaction) refers to "limited openness, goodwill and equality in partnership..." Furthermore it is remarked that hitherto, PAR donors have tended to make their own selection of region, area or organization for partnership, with Government (MoHA) playing a more passive role.

For the period 2011-20, the Partnership Strategy paper calls for more visibility to all partners in society and (by implication) more *inclusiveness (our emphasis)*. The paper does however mention that real partnership takes time to build up in terms of the need to learn from each other. There are no quick fixes, as OECD countries have learned from policy experiments with public-private partnerships.

The MTR team finds the overall objectives proposed for the Partnership Strategy satisfactory, especially objective 2 "strengthening and extending PAR Partnership..." However, the proposal to establish an Advisory Council, while a start, is not likely to get very far in terms of the longer term embedding a broader concept of partnership and the sustainability of the same.

Relevance of project output 4.1: Partnership is key but has been applied too narrowly hitherto to Government-donor relations. The 2011 AWP includes civil society/business but this needs factoring into project activity. This should be via user/stakeholder input into service delivery reform as well as user feedback on services delivered by the reformed system on an ongoing basis. Better partnership is also needed between consultants and MoHA and target government Ministries/provinces. The proposed action

plan is also very generic and the familiar legalistic/formalistic approach proposed is hardly relevant to the underlying problems, which are systemic.

The proposal for a move towards genuine sharing amongst PAR participants is relevant. These should also include beneficiaries (citizens). It should also extend not just to partnering between central and local Government but amongst districts and provinces (as proposed hereunder with regard to OSS). Civil society should also be invited to experience sharing events, but not in the usual formalistic ways such as “mass organizations”.

Data base (output 4.2.2)

TORs have been drafted for developing a data base to upgrade the information system.

The TORs appear to approach the task in sensible ways: proceeding through brainstorming with PAR/MoHA (why not all MoHA Departments involved in PAR?); participative workshops with Ministries, branches and localities; trial; drafting of implementing regulations. A good feature is the initial desk review into what exists now on the ground as this will avoid re-inventing the wheel regarding the contracted work on M & E and indicators.

The scope of the data base is to include PAR documents, reports, statistics and examples. There will be a link to the PAR M & E system. The MTR team suggests that special emphasis should be placed not just on “photos” and “clips” of reform models succeeding in Vietnam but full cases of how they succeeded, along the lines of the OSS suggestion.

The feedback mechanism will not be addressed until the “next phase”, which is a pity as better feedback, especially from citizens, service users and participating state entities at all levels, but especially local, is needed now.

Partnership Forum

The last meeting held in the autumn importantly witnessed a presentation by the UN Country Director which stressed the importance of a service delivery focus for the last part of the UNDP PAR support project. Partners will no doubt need reconvening once this MTR has produced acceptable recommendations for the new directions of the project and the need for coordination, if any, with other donors under the One Fund.

3.2.4 Project Management

The current Work Plan lists six activities under 3.2.4:

(a) 5.1.1. Training workshop; (b) 5.1.2 Capacity strengthening of project staff; (c) 5.1.3 Planning and preparation for project mid- term review; (d) 5.1.4 Salaries payable to PMU personnel; (e) 5.1.5 Office equipment; (f) 5.1.6 Miscellaneous expenses.

The Project Management component of the project, according to the DPO and the 2010 Work Plan, calls, inter alia, for strengthened **team work** and coordination of project deliverables, capacity building activities to enhance staff performance, skills and job descriptions.

Independent mid-term evaluation has been conducted (see above 1.2. The international Chief Technical Adviser (CTA), however, has been terminated because of poor performance and a replacement by national consultant(s) proposed.

According to the PMU, the project has developed a Capacity Building Plan but it has not yet been implemented.

The project does not organize training courses, except one held in September 2010 on project management. This focused on resulted-based management; project planning and skills for TOR formulation. The course was one day, with thirty participants from PMU, departments of MoHA and three other Ministries. Additionally, UNDP has organized various training courses on M&E, bidding procedures and PMU sent staff to attend. Finally, under Project result 3.1 (local governance), the project organized two training of trainers events for officials at provincial and district levels. The idea was capacity building for heads of local administrative bodies, where the pilot of non-establishment of People’s Councils at district and ward levels was carried out. The plan was also to improve capacity building for project staff and project partners.

An HR Review of MoHA PMU and related Departments has rated performance as "average", with the Local Government Department (the largest) as highest and the important PAR Department as "average". A call is made for a "new regulation on PMU organisation and operations" and three more local staff, including a communications specialist.

It is not clear if the "regular staff meeting" targeted in the 2010 AWP takes place and, if so, how effective it is. Coordination appears to be a major problem.

Regarding longer term effectiveness and sustainability, MoHA Project Management administration has various strengths and weaknesses:

(a) Strengths – are that MoHA has a network in Ministries and provinces and "clout" as a result of its control over organisation and personnel matters;

(b) Weaknesses: it is only one line Ministry inter alia in the Government structure and needs to work also in tandem with MoF, MPI and OoG and engage with other line Ministries and provinces.

III. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, on the basis of the findings reported in the last section, a number of questions are posed:

- a) What has worked, what has not and why? And has the MoHA project made any real difference to the condition of Vietnam's public administration in rendering it more fit for purpose as an agent of both accelerating economic development as well as public service delivery on a broader social basis?
- b) What is still relevant in the original project design for activity for implementation in the remaining period and how?; and
- c) What should the new directions of the project be?

An initial caution in making this assessment is that it is obviously difficult to evaluate any project in the absence of outcome indicators – as was the case with the DPO and subsequent AWP of this project and as remains the case. Only delivery targets are given in the RRF.

1. Result Area 1: PAR MP and M & E

PAR MP

What has worked

PAR MP is clearly now more oriented and the first ever Independent Review for Government, conducted through the project. PAR MP, is now more focussed on relevant aspects, namely service delivery.

What has not worked

MoHA is soon to meet the contractor in connection with some reservations about the rigour of the report of the Independent Review.

Recommendations for the future arising point to the need to take various actions, some immediate:

1. For the Prime Minister to Chair the launch workshop (understood to be under planning for April).
2. For the signing of the draft decree by the Prime Minister as a sign of political will.
3. These two actions should be a precondition of a second project phase, particularly if new directions are to be taken.
4. If the foregoing can be accomplished satisfactorily, a final precondition should be to add outcome indicators to the DPO and the AWP – whether new directions are taken or not.

The rationale for these recommendations is that: a) the time for general or macro level master plans in PAR has now passed in Vietnam (except as a gauge of political commitment at the top of and across Government at all levels); b) traditional PAR focus on, for example, procedures per se as under the old MP is no longer meaningful except in the context of particular micro or institutional reforms (e.g. OSS and streamlining of business licensing procedures).

Nevertheless, the PAR MP process was significant in the sense that Government, for the first time, did agree on an Independent Review of a major policy programme. It is therefore an important learning process for Government in programme evaluation at the Government level which could be a model for sectors and their Ministries/agencies.

A second significant aspect touched upon in the PAR MP Independent Review was to try to shift the focus towards assessing the role of the state in service delivery vis-a-vis other actors (private, NGO and local) and

between various Ministries and their agencies. In this connection, the creation of autonomous agencies is the subject of Outcome Area II. This implies more rigorous policy analysis capacities. It would also in due course imply structural/functional analyses of Ministry–agency relations, the need to redefine residual Ministry structures, missions, tasks and the resultant requirements of budget reforms linked to those restructured tasks.

All of the foregoing will require policy review at the end of piloting, calling for additional capabilities.

Monitoring & Evaluation

What has worked under this sub-outcome area are a number of aspects: a) the project has helped MoHA and other stakeholders to at least make a start on developing an M & E system; b) in doing so it has raised awareness of the same; c) important lessons were learned on the study tour because relevant countries were chosen; d) whilst the transaction costs were high (this was one of the busiest and most consultant-intensive of the project components), these were worth it because of the potential payoffs down the road¹. For example, there could be payoffs in terms of public investment efficiency, anti-corruption and public service quality.

What has not worked has been in terms of delivery (or non-delivery) of quality outputs.

Although there has been much work, the M & E framework, for example, was largely drawn from UNDP manuals and templates, as required for all project management. There also seems to be confusion between this level of (programme/project) M & E and M & E at the service delivery level within Ministries, agencies and provinces. But even at the PAR M & E level, the indicators developed by the contractor are generic and not really outcome indicators specific to public administration and its reform. Public administration indicators need to be related to the mandates and functions of agencies. Indicators are not SMART (as was found by MoHA in its review of the consultant's draft) and there was no participation by stakeholders in design. Oddly, the review of the project drafted M & E framework points to the importance of this.

In conclusion, a number of **recommendations** are made:

1. A whole of Government approach is needed.
2. Government staff should lead, not consultants.
3. M & E should be job related. Training in connection with the preparation of M & E guidelines should include actual examples of indicators applicable to the trainees' functional domain.
4. In particular, special emphasis should be paid to M & E applications to Government restructuring for more autonomous service delivery and local Government reform.
5. Links should be developed with parallel M & E initiatives (Provincial Competitiveness Indicators (PCIs) etc) and appropriate coordination developed.
6. The project should support MoHA staff to go to the field to work with agencies and provinces on M & E to develop indicators together with them.
7. Forthcoming MoHA capacity development workshops should have broadened participation to include other Ministries and possible selected provinces.
8. Provincial funds might be offered to reward good performers.
9. There is need to reconsider the current contractor in favour of another with more public administration experience. It is understood that a meeting between MoHA/UNDP and existing contractor will be held shortly.

¹ In public administration, impacts cannot always be charted. Benefits are sometimes secondary and tertiary and make themselves apparent in more subtle and less mechanical ways over time –especially at the level of culture change.

2. RESULT AREA II: PSD

Overall conclusions:

1. Education and Health are relevant services in terms of the economy as well as raising fiscal and equity issues (need for self-financing but also issue of fees for the poor).
2. These components are just starting and only at (a) proposal stage, having also been supported by the project (b) survey; and (c) workshop.
3. However, there is already a learning point, that policy initiatives over agency models (for financial/other autonomy to meet both fiscal and delivery objectives) need analysing in terms of the agency/service situation – “no one size fits all”.
4. The next point (in this case to be learned) and also from international experience in the need for a partnered approach on the part of MoHA towards major line Ministries such as Education and Health.
5. Likewise with regard to other stakeholders (MoLISA, MPI, MoF, citizens and Ministry staff and sector professionals).
6. In the latter regard (staffing), Health and Education are large public sector employees and hence raise major issues of civil service reform (HRM and salaries) – still unresolved under PAR MP.
7. This raises in turn the need (as shown by international experience) for a more joined up approach across different PAR areas – as well observed by the PAR Independent Review.

Output 2.1 Alternative PSD – Higher Education (HE)

What has worked

- Contributions of stakeholders to results: MoET has involved these actively in carrying out the survey and preparing the proposal. The leader (Vice Minister) has supervised closely.
- Cost effectiveness - with the financial support from the project, MoET has got the comprehensive assessment of the achievement, gaps and difficulties in application of Decree 43/2006/ND-CP to make the high education system autonomous. With the direct participation of the MoET staff the awareness of corporate governance in higher education has been raised.
- The good and weak aspects of Decree 43/2006/ND-CP have been shown clearly.
- Consensus on the need for piloting autonomy to universities.
- The Proposal gives directions for piloting, the role of the state, universities, Ministries; laid out the objectives, principles and scope of piloting autonomy; defining five benchmarks that pilot universities need to achieve to be included in the piloting list, including school management capacity, organizational and personnel capacity, infrastructure, research capacity and fund raising capacity.

What has not worked

- the coordination between the agencies involved, such as between MoF, MoET and MoHA, has not been mentioned in the Proposal.
- The responsibilities of MPI, MoHA, MoLISA and other line agencies and local government have been also omitted.
- The scope of the autonomy pilot has been not very specific about clarifying the responsibilities of each agency in the process of piloting, e.g. the responsibilities of MoLISA have been omitted.