Ministry of Home Affairs

United Nations Development Programme

Viet Nam

External Evaluation of
Support to Implementation of the Public Administrative Reform 2001 –
2010 Master Programme
VIE/01/024

Findings, lessons learnt and recommendations

November 2006

3   Findings

3.1   Outcome One: Improved capacity to steer and monitor PAR MP implementation

Outcome target one builds directly on the lessons learned, stated in the PD as a 'need to support MoHA and related agencies in their advisory function of the Government and PAR Steering Committee in implementation of the PAR Master programme.'[5] And the purpose is stated as realising effective steering and monitoring of the PAR MP. The approach is based on enhancing the capacity of the agencies, responsible for steering and monitoring and here MoHA is the key actor.

The outcome target was formulated against a baseline, defined by four elements and operationally defined by four indicators as shown in the table below.

Table 3-1: Outcome target one - Steering and monitoring

Outcome Targets		Baseline		Indicators
1. Enhanced capacity of the Ministry of Home Affairs and the related ministries and agencies for effective steering and monitoring the implementation of the PAR Master Plan.	1	The need for strengthened reform management strongly recognised by Government.	1	Functioning MoHA and related Ministries/Agencies through effective PAR professional support units to support the Government Steering Committee for PAR.
	2	Insufficient professional support of the MOHA and related Ministries/Agencies.	2	A monitoring, reporting and evaluation system established and used by the Government Steering Committee and by ministerial and provincial PAR committees.
	3	No funds earmarked to facilitate management of the reform process.	3	MoHA and related Ministries/Agencies are well-resourced to effectively facilitate management of the reform process.
	4	No system for systematic monitoring and evaluation of Master Programme implementation in place.	4	A performing inter-departmental co-ordination mechanism in place.

Focus in this outcome target is very clearly capacity enhancement to co-ordinate, steer and monitor – not to implement or execute the PAR MP, which is focus in outcome target

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[5] PD section IV and V

three. The outcome target and the indicators for this are further elaborated in the outputs – the results that the project shall deliver:

Table 3-2: Outputs under outcome target one

OUTPUTS UNDER OUTCOME ONE	OUTPUT INDICATORS
1.1 Capacity of MoHA and related agencies to manage implementation of PAR MP assessed and development plan to strengthen capacity formulated and implemented.	MoHA and agencies responsible for implementing PAR Master Programme strengthened, well-equipped and resourced
	MoHA's advisory function and mandate of its Minister clearly defined.
	PAR Master Programme's long-term implementation plan developed and implemented.
	Annual work plan approved and efficiently implemented.
	Information sharing and monitoring system with appropriate evaluation indicators and benchmarks developed and put in use.
1.2 An effective mechanism to utilise support from the Project established	Not defined

Reported achievements and deliverables under outcome target one

During first year of implementation only a limited number of activities were reported under this outcome target. They related mostly to supporting the management units for the action programmes in MoHA, OOG and MoJ and the PAR SC. Initial capacity building initiatives for MoHA were supported.

Reported results include:

- The Secretariat of the PAR SC was established with full-time staff;
- PMBs with secretariats established in the co-implementing agencies;
- The PAR SC is in place and operating;
- An M&E system developed for the PAR SC, based on monthly progress reporting.

Regarding capacity enhancement for MoHA the AR 2003 mentions that a formal capacity assessment of MoHA has not been undertaken. This could establish the baseline for systematic capacity development activities and would as such be considered a prerequisite for capacity building activities. Apparently, there has been no follow-up on this.

AR 2003 observes under lessons learned that too many expectations are placed on the project without considering other factors affecting the PAR process. Consequently the project proposes to undertake an objective and rational evaluation of the role and influence of the project on the management of the PAR MP implementation.

The mid-term review in 2004 included an analysis and evaluation of the role of the project.[6] The mid-term review pointed to the structural limitations of the project and discussed the role of the project as (a) an aggregator and (b) as an enabler.

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[6] Section III: Redefining the Role of the Project in Mid-Term Review Report, May 2004

As an aggregator the project could assist the PAR SC in identifying priorities, sequencing and pacing initiatives under the seven national action plans and assist integrating these into one integrated master plan, also showing resources needed and consequently assist the PAR SC in setting priorities. Hereby the project would also know which areas to work on.

As an enabler the project could assist the GoV to implement priority action plans, for example by carrying out studies and surveys to improve formulation of policies and development of meaningful performance indicators to measure effectiveness of the action plans.

MoHA resolved that the discussion along the aggregator/enabler dimension was unacceptable and the proposals prepared by the mid-term review team were not consequently followed-up.[7] This could be seen as a 'missed opportunity' to better define the role of the project and consequently also the expectations regarding the changes that the project could accomplish. The project mostly serves as an enabler in the terminology of the review team, but the prioritisation and sequencing of the national action plans has not been carried out and even as an enabler the project continued within the structural limitations.

During second year of implementation, 2004, the project has supported capacity building for the PMBs within MoHA, OOG and MoJ as well as the PAR SC Secretariat by arranging study tours and change management training, monthly meetings between the PAR SC Secretariat and the three PMBs. The project also supported inspection of PAR implementation in 15 ministries and 35 agencies.

The project has supported establishment of a network of PAR specialists, mainly in the DOHA administrative units.

Direct deliverables, supported by the project, comprise three thematic reports on (i) Three years implementation of the PAR MP; (ii) PAR progress after 20 years renovation; and (iii) The Party's leadership over the administrative system during 20 years of renovation. The reports served as input to the Xth Party congress in 2006.

The progress reporting system for the PAR SC was further elaborated by formats for rapid reporting on OSS implementation, block grant and the financial mechanism for income generating public service agencies.

Year 2005 was the last year of implementation of the SEDP 2001 – 2005 and planning for 2006 – 2010 and priority action for the project consequently was integration of the PAR MP into this next SEDP. Key result areas for outcome one were formulated in the work plan and comprise:

- PAR assessment and formulation and policy research contributing to a long-term PAR MP and SEDP;
- PAR MP management and coordination tools developed and capacity improved;
- M&E system developed and operated.

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[7] MoHA: Responses of the Ministry of Home Affairs to the Independent Review Report of Project VIE/01/024 (Document for the project meeting with UNDP and donors on July 2, s004)

The project played a major role in preparing the review of the PAR implementation 2001 – 2005 and formulation of the action plan for 2006 – 2010 by providing international consultants, organising and funding an international conference. Direct deliverable of this support was the review report and the action plan, submitted by the PAR SC to the Cabinet in December 2005.

Support continued within key result area two (monthly meetings and monitoring visits) as well as an international study tour and conference attendance in Seoul and Brisbane respectively.

The Annual Project Review Meeting March 2005 concluded that design and operationalisation of a comprehensive, objective and standardised M&E system should be main priority for the project during 2005. This M&E system should include indicators to measure progress against the targets of the nine objectives of the PAR MP. This was not realised and shifted into the work plan for 2006.

Other activities under outcome target one comprise (i) facilitation of a study on the structure of Government for the 12th legislature, for which the report was not finished by year end; and (ii) support to international PAR thematic seminars, which was realised with some delay; as well as (iii) a number of thematic studies on PAR issues. Here the project only supported development of some few concept papers.

For 2006 first half the project reports results under outcome target one in the 2006 project six months review report.

- The Prime Minister approved the PAR review 2001 -2005 and the action plan for 2006 – 2010 on April 27, 2006.
- A plan for the development of a result-based M&E system for the second phase of PAR until 2010 was agreed in quarter two and an international consultant has been contracted. According to the work plan the consultant will be mobilised for two months, starting in September 2006.
- Emphasis during quarter two has been given to the formulation of a multi-donor support programme for the second phase PAR, and the Prime Minister has approved the PAR Secretariat as focal point for negotiations of this new support programme.
- The project has supported a conference to develop a Provincial Performance Index and the project is aiming at outlining a potential system by the end of 2006.
- A study tour is scheduled and planned for implementation during 3rd quarter 2006.

Conclusion regarding outcome target one

In relation to the original indicators for outcome target one and the specified outputs we conclude that expectations by and large have been met. Implementation structures are in place and operating. Capacity development has taken place although in a less targeted manner as specific baselines were not developed. We offer only limited observations regarding resources, but note that the PAR Department in MoHA appears understaffed in relation to implementation responsibilities for action plans and PSF activities. We have also learned that the PAR SC Secretariat holds only three permanents staff, which probably would be somewhat below the optimal level, given the importance of the task of the PAR SC.

The project has evidently been underperforming regarding the core tool for the ability of the PAR SC to steer and monitor PAR MP implementation as the comprehensive M&E system; enabling result-based monitoring, initiation of early corrective actions etc has not been developed. We have no objective assessment of why this has not happened. The project informs that main reason is lack of interest and priority from the PAR SC and consequently development has been shifted from one annual work plan to the next for finally to end as an action to be included in the new support programme. This underperformance has been a constant source of dispute during APR and one main reason also for the donor perceptions regarding the performance and success of the project.

We note that project has prepared a plan and will provide consultants to assist in outlining this system for the next phase support. If the observation regarding lack of interest and priority from the PAR SC is correct, we suggest that strong prior commitment should be requested as part of the negotiations regarding next phase support.

The missing monitoring system for the PAR MP is reflected also in the project. The project itself does not monitor on indicators for results, but on activities. Throughout the life span of the project reporting and follow-up is shifting more and more towards activities, resulting in an approach where the project appears as activity-driven rather than output or result-driven. Clear and consistent prioritisation is difficult on activity level if targets are not clear. This has been another issue for dispute and dissatisfaction between the project and the development partners. Project management is focussing efforts on realising activities, which in many cases probably is difficult, given also the structural constraints of the project, and development partners are focussing on results, which can hardly be documented and reported without a result-based monitoring system.

The Evaluation Team has not evaluated financial management and budgeting systems in any detail as this does not form part of the TOR for the evaluation. We do, however note that budgeting and actual disbursement under this outcome target has constantly shown a misbalance. Regarding the budgets for 2006 we express concerns as implementation of the six months work plan has only requested 11% of the year total budget.

Table 3-3: Outcome target one - budget and expenditure (USD)

Year	Planned	Disbursed	Disbursed / planned (%)
2003	34,000	82,000	241
2004	367,000	89,000	24
2005	168,000	179,000	107
2006	174,000	19,000	11

Note: Disbursement 2006 includes quarter I and II only.

The national review of results of the first five years concludes that specific budgets for PAR activities are still insufficient and incoherent.

We consequently conclude that relative to the indicators for outcome target one, two out of four success criteria have not been fulfilled.

Outcome targets deal with impact or signs of change. Even taking the less positive observations into account we do overall conclude that there also are significant signs of change. Implementation structures for the PAR MP are in place and have been exposed to international experiences, change management approaches, management tools (reporting systems). Important studies and documents regarding evaluation of the ongoing PAR phase and perspectives for the next phase have been prepared, discussed and decided by the GoV. Inputs have been supported as background to the Party Congress and as such we find that the project under outcome target one has provided significant inputs to the overall PAR process.

3.2 Outcome Two: PAR MP advocacy and dissemination

Outcome target two was formulated against a baseline situation, stating that up to project start information about PAR had been confined to the administrative system and that PAR is poorly understood by the public. Consequently there is a need to enhance the dialogue between GoV and civil society. In the outcome target this is formulated as full dissemination of content and objectives of the PAR MP and development of a comprehensive advocacy strategy.

The achievement of this outcome will be measured by four indicators, which are (i) advocacy strategy developed and approved; (ii) awareness enhancing, using different information and communication tools; (iii) GoV officials and the general public well informed and actively supporting PAR; and (iv) enhanced women's representation in management positions. Indicator (iv) is quite strange as success criterion for a project, which includes no direct interventions regarding women's representation.

Table 3-4: Outcome target two - baseline and indicators

Outcome Targets		Baseline		Indicators
2. Contents and objectives of the PAR Master Programme fully disseminated and mainstreamed through effective advocacy measures	1	Advocacy and dissemination of PAR information have not been carried out in a systematic manner.	1	Advocacy strategy for PAR developed and approved.
	2	PAR Newsletters issued and a PAR web-page under development at MOHA, but in need of further improvement.	2	Awareness raising conferences held, translated books, brochures and booklets on PAR published, mass-media campaigns conducted, newsletters and web-pages developed to promote common understanding about PAR.
	3	People's participation in PAR to be further promoted.	3	Government officials and the public well informed of PAR and actively supporting the reform process.
	4	Resistance to change can be seen in various PAR activities such as enterprise law, downsizing among others		

Outcome Targets		Baseline		Indicators
	5	National Action Plan for Advancement of Women shows Government's commitment to strengthen women's role in the Civil Service	4	Enhanced women's representation in management positions

The outcome target and the indicators for this are further elaborated in the outputs of the project. We note that enhanced women's representation has not been considered.

Table 3-5: Outputs under outcome target two

Outputs	Output indicators
1. Advocacy strategy for PAR approved	1. An adopted strategy document highlighting the ways and means to reach out with information and to mobilize support for PAR.
	2. Effective information dissemination activities.
	3. Quality and intensity of feedback
2. A PAR information/dissemination mechanism for different target groups established and implemented	4. Depth, coverage, and participation in a number of conferences.
	5. Active participation of all stockholders in PAR information exchange/dissemination ensured.
3. General public and mass media regularly served with PAR information	6. Books, brochures, and booklets on PAR published.
	7. Newsletter regularly produced and circulated to all PAR steering committees.
	8. Mass media furnished with articles, press releases and participated in press conferences.
	9. Special programmes on PAR-related issues regularly conducted by mass media.
	10. Web site established, operated and serviced.

Reported achievements and deliverables under outcome target two

Overall, all activities implemented by the project are in line with the outputs/outcomes mentioned above, and the project can note a number of successful achievements, described in project's annual review reports.

During 2003 the project assisted the PAR SC and MoHA to prepare an advocacy proposal, which was successfully realised as an approved advocacy strategy in September 2003 in the decision by the Prime Minister (Decision 178/2003/QD-TTg). The project supported preparation and publication of the PAR Newsletter[8], books on PAR and PAR folders. The AR 2003 mentions that the activities to support PAR advocacy mainly targeted central level users.

During 2004 the project offered support to MoHA's PAR Department of MOHA to launch the PAR Web-site, which came into operation in December 2004, somewhat later than planned. The PAR Web-site is continuously being improved. The web-site provides information and opens a forum to facilitate the dialogue between state and the public.

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[8] The PAR Newsletter is also supported by the Konrad Adenauer Stiftung

Some significant activities from the work plan were not implemented during 2004. An Information and Communication plan did not materialise; studies on information needs of different target groups regarding PAR information and feed-back studies on effectiveness and relevance of provided PAR information to different targets groups were not carried out this year. Information dissemination on PAR MP, especially in mountainous and remote areas was not realised. The AR 2004 notes that communication activates during 2004 focused mostly on urban and delta area.

During 2005 the project organised training activities and meetings relating to PAR advocacy with civil servants, Youth Union members, Ministry of Defence, Ministry of Culture and Information and Vietnam Television Station. This sparked PAR contests organised at central and local levels and a weekly PAR programme, broadcasted by Vietnam Television.

During first and second quarter of 2006 communications efforts focused on two strategic areas: (i) gathering information to assess the effectiveness of PAR communications activities and (ii) strengthening the PAR MP's communication capacity. To date most activities of the project have been focused on gathering information to assess the effectiveness of PAR communication activities, which basically was launched first time in the work plan for 2004. As demonstrated by the work plan a number of important activities are still pending for 2006, and here most notably (a) enhancing the functionality of the PAR Website, (b) review of 3 years implementation of Decision 178 and (c) improved PAR advocacy in provinces.

Conclusion regarding outcome target two

Comparing achievement to baseline situation the project has met expectations. Comparing results to output indicators we conclude that most of the indicators have been achieved, although with some variations.

*   The advocacy strategy for PAR is in place; activities and measures for disseminating PAR information are ongoing; brochures and Newsletter on PAR have been published and distributed to concerned parties.
*   The PAR website is providing services and special programmes on PAR-related issues have been broadcasted and distributed by mass media.

However, the project has not fully realised the targets for depth and nationwide information dissemination activities. There are still issues relating to dialogue – i.e. feed-back mechanisms:

*   Information activities have covered urban and delta area and here mostly at central level. Mountainous and remote areas are still not fully covered.
*   The PAR website is in service; it is, however, not user-friendly, not efficient and with respect to lay-out not very attractive. Regularly updated information mostly relates to new decrees, while other elements in the web-site are somewhat outdated and imprecise.[9]

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[9] Information regarding applications to the PSF is in the English version placed under general documentation for VIE/01/024, not under the PSF sheet. The user can, however, view the file. In the Vietnamese version the user can not view the application file; it can however be printed. Additionally, the PSF information was posted on the web-site late 2004. The website does not include any details on how to apply nor information about eligibility and selection criteria.

- Preparation of the publication of 'Questions and Answers regarding PAR' started 2004 and editing is apparently still in process. Finalisation and publication does not form part of the work plan.

Understaffing could be a major cause for these drawbacks. The project has experienced staff changes and difficulties in replacing international communication specialists and interpreters.[10] The position of the international I&C specialist was empty during second half of 2005, and the MoHA PAR Department, which is responsible for several recurrent activities under this outcome target – for example the PAR web-site – appears overloaded/understaffed compared to the significance and importance of ensuring active support to the PAR by citizens and civil servants.

Understaffing and overload could probably be somewhat mitigated by an effective information and communication strategy, setting priorities and defining communication approaches more clearly. We consider the missing strategy and I&C plan a major drawback when evaluating overall performance under this target.

Concerning the expenditure regarding outcome target two we note that budgeting and actual disbursement have shown unbalance in year 2003 and 2006. Regarding the budgets for 2006 we express a concern as the six months work plan only has requested 16.5% of the year total budget.

Table 3-6: Budget and disbursement under outcome target two (USD)

Year	Planned	Disbursed	Disbursed / planned (%)
2003	56,000	82,000	147
2004	200,000	213,000	106
2005	172,000	165,000	95
2006	185,000	30,000	16

Note: Disbursement 2006 includes quarter I and II only.

Overall the Evaluation Team finds significant signs of change established under outcome target two. Notable signs include the approval of the advocacy strategy, the PAR web-site offering a channel for information and feedback to the GoV. The awareness regarding the importance of the PAR process is enhanced within the leadership and the public, although we are not able to offer exact estimate about how much.

While achievements have been made, a major concern relates to the sustainability of the achievements. Activities under this outcome have been carried out in co-operation with MoHA's PAR Department, and if and when activity funding by the project ends, recurrent budget allocation by GoV are insufficient for the PAR Department.

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[10] In 2003 and 2004, there was an international communication specialist attached to the project. In June 2005 the I&C specialist left the project and by the end of the year was still not replaced. In 2006 a full time Vietnamese and part time international communication specialists are supporting the project.

3.3   Outcome Three: Seven PAR Sub-programmes formulated

Outcome target three aims at comprehensively formulating and action-planning seven PAR national sub-programmes and supporting specific activities in the four sub-programmes for which MoHA is responsible. This will be realised by supporting MoHA and co-implementing agencies (OOG, MoJ, MoF), responsible for formulating and managing seven PAR national sub-programmes and MoHA for implementing specific activities in four sub-programmes undertaken by MoHA.

The outcome target was formulated against a baseline, defined by two elements, and operationally defined by five indicators, shown in the table below.

Table 3-7: Outcome target four - baseline and indicators

Outcome Targets		Baseline		Indicators
3. Seven PAR national sub-programmes comprehensively formulated and action-planned with clear benchmarks, success indicators, implementation responsibility and accountability. Specific activities in four sub-programmes undertaken by MOHA supported	1	Guidelines for formulation of national sub-programmes issued.	1	Sub-programme Management Board (Guidance 27/BCDCCHC dated 19 October 2001 by MOHA Chairman – Minister) established for each national sub-programme.
	2	Delays and capacity gaps among the formulation teams of the national sub-programmes.	2	Seven national sub-programmes elaborated and approved and guided by appropriate sequencing of implementation.
			3	Specific activities in four sub-programmes undertaken by MOHA supported
			4	Resource allocation and workable plans endorsed by the Government.
			5	Projects within programmes developed and implemented according to schedules.

The formulation of the outcome target indicates clearly the purpose of the support. Action programmes shall include well-defined and measurable benchmarks or milestones, success indicators as well as well structured sequencing of activities – all basic prerequisites for output- or result-based monitoring. We understand the outcome target as an attempt to compensate or mitigate the observed weaknesses in the sub-programme outlines formulated in the PAR MP.

The outcome target and the indicators for this are further elaborated in the outputs, cf table below.

Table 3-8: Outputs under outcome target three

Output targets		Baseline		Indicators
3.1 National sub-programme documents approved by Government	1	Programme formulation started	1	Programme formulated with clear time bound and benchmarks
	2	Programme approach with inter-departmental co-ordination is new in PAR	2	Decision date of approval
			3	Comprehensiveness and quality of the programmes
			4	Programmes published
3.2 Specific activities in four sub-programmes undertaken by MOHA supported	1	There remains delays in some necessary activities in four sub-programmes led by MoHA	1	Implementation of some selected activities in four sub-programmes led by MOHA timely supported
3.3 Well functioning programme management in operation	1	Central-local programme management co-ordination methodology has not been introduced in PAR Previously	1	A central-local PAR programme management coordination mechanism developed and introduced
			2	Sub-programme Management Boards (PMBs) established and work regulation in place
			3	PMBs furnished with relevant project documents
			4	PMBs initiates feasibility, appraisal and evaluation studies
			5	PMBs able to guide and monitor project implementation

The outcome target and the outputs additionally singles out the sub-programmes, implemented by MoHA, as eligible for specific support in addition to the support offered to all seven sub-programmes.

Reported achievements and deliverables under outcome target three

During nearly four years of project implementation, the project has been supporting MoHA and co-implementing agencies (OOG, MoJ and MoF) to formulate and implement the seven PAR national sub-programmes and hereby achieved the following significant results:

- Supporting the Secretariat of PSC in monitoring the seven sub-programmes; organising meetings with Project Management Boards (PMBs), providing PMBs with funds to ensure efficient management of activities; supporting PMBs in activity development;
- Supporting the formulation of sub-programme one on legal documents development reform, sub-programme two on organisational reform, sub-programme six on financial mechanisms reform and sub-programme seven on modernisation of the public administrative system;
- Conducting a number of studies and drafting a number of legal documents set out in the seven sub-programmes. As a result, there are some notable decrees issued by the Government including:
  - Decree No. 172/2004/ND-CP dated September 29, 2004 by Government prescribing the organisation of the professional agencies under the People's Committees of the rural and urban districts as well as provincial capitals and cities;

- Decree No.171/2004/ND-CP dated September 29, 2004 by the Government pre-scribing the organisation of professional agencies under the People's Committees of the provinces and centrally-run cities;
- Government Resolution No 08/2004/NQ-CP dated June 30, 2004 on continuing to strengthen governance decentralisation from central to provincial Government and centrally-managed cities;
- Decree No. 43/2006/ND-CP dated April 25, 2006 providing for the right to auton-omy and self-responsibility for task performance, organizational apparatus, pay-roll and finance of public non-business units;
- Decree No. 130/2005/ND-CP dated October 17, 2005 providing for the regime on autonomy and self-responsibility for the use of administrative management pay-rolls and funds by state agencies;
- Decree No. 204/2004/ND-CP of December 14, 2004 on salary regimes applicable to officials, public employees, public servants and armed forces personnel.
- Publishing a book "Programme on renovating the development and promulgation of and improving the quality of normative legal documents and the documents giving in-structions for their execution";
- Reviewing 1-year OSS implementation to the Government and providing guidelines for OSS implementation at the communal People's Committee.

The project has additionally supported development of drafts and commented on drafts for new laws, for example the draft of the Law on Organisation of the Government and the draft to the Law on Organisations.

Some studies and legal documents included in the work plans from 2003 to 2006 are still pending, including:

- The management mechanisms in universities and hospitals;
- Classification of administrative units;
- Database of civil servants and staff in the state management sector;
- Pilot proposal for direct election of communal PC Chairmen;
- Result-based state budget allocation mechanism.

The national review mentions that not all MoHA-implemented sub-programmes have met the targets in spite of the specific support, offered by the project.[11]

Conclusion regarding outcome target three
In comparison with the original indicators for outcome target three and the specified out-puts we find that expectations have been met and outputs by and large attained. Imple-mentation structures (PMBs) of all sub-programmes except sub-programme three on staff downsizing were established and are operating to manage and monitor the implementa-tion of projects and activities of sub-programmes. All sub-programmes, except sub-programmes three and five which have been implemented, were approved after the promulgation of PAR MP. The most significant results under this outcome relate to the

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[11] According to the national evaluation, published in PAR Newsletter (cf Annex 4) the Staff downsizing programme no 3 did not meet targets; programme 2 did not fully accomplish the decree for People's Councils; programme six did not develop the fund-raising mechanism for public agencies.

contribution to the development of legal documents under sub-programme two on organisational reform and sub-programme six on financial mechanisms reform.

Capacity of PMBs has been enhanced, mainly by enabling participation in meetings, seminars, working sections but also by support to implement studies or develop legal documents within the co-implementing agencies.

We observe that the priority for fulfilling the three specified outputs has shifted over time from support within outputs one and three to output one only. We believe that the following reasons can explain this shift:

- During the project design phase a more comprehensive status analysis regarding the seven sub-programmes was not carried out. Thus the project document neglected the fact that sub-programme three on staff downsizing and sub-programme five on salary reform were already being implemented before the VIE/01/024 even started. Sub-programme four on development and enhancement of the quality of civil servants was in the final state of development. The role of some other key stakeholders such as MOLISA (sub-programme five) and MPI involved in sub-programme seven on modernisation of the public administrative system, formulating and implementing SEDP and CPRGS was neglected.
- During project implementation the inception report missed the opportunity to update the project document with respect to contextual changes since formulation and consequently did not develop appropriate co-operation modalities among key stakeholders such as the project, MoHA, co-implementing agencies (MoJ, MoF, OOG), UNDP and donors and their defined role in the project implementation. Although the project noticed a sometimes less active co-operation with the co-implementing agencies, corrective measures were not formulated, approved and implemented.
- The general principles for support by the project stipulate that project support shall contribute to meeting the ultimate goals identified in the PAR MP and National Action Plans. Project support has been directed to several activities, which were never mentioned in the PAR MP or any action plan for example development of a normative legal document on implementation of grassroots democracy regulations; a review of Decree No. 88/2003/ND-CP on organisation and operation of associations; the study and development of proposals on the Law on Associations and the Ordinance on Grassroots Democracy. We understand the development of these legal documents as unplanned activities being added to the planned and agreed activities in the annual work plan and the quarterly updates.
- The Evaluation Team recognises that most of the mentioned unplanned activities, supported by the project, are well within the remit of the project and they could have been integrated into action plans or PAR MP. With some few exceptions they have contributed to realising the outcome target. What we do raise as an issue is the relation between planned and unplanned activities and the risk that scarce resources are directed towards unplanned activities, leaving planned activities unrealised. Given the status of the work plan within the NEX system as a legally binding document we consider the balance critical as it may have a negative impact on the use of resources.
- A consequence of this is that MoHA as executing agency may obtain a semi-monopolistic position when it comes to access to resources, which probably was not intended when the project was designed and approved. It also means that a real prioritisation of activities to support is not prepared under the project. Nobody can really

asses whether change perspectives were higher if additional resources for example were directed to the PAR web-site rather than to reviewing Decree 88.

- Regarding the pending studies we find that the project in the work plans possibly has been a bit optimistic and probably not taken the capacity of MoHA into full consideration.
- The tools that enable PMBs to guide and monitor the implementation of PAR sub-programmes include a central-local PAR programme management co-ordination mechanism. Development of Terms of Reference for PMB of PAR sub-programmes was scheduled in first year work plan, but an output has not been documented.

Project planning, monitoring, reporting and evaluation of this outcome and its outputs are weak. The project does not keep track of the original outputs and priorities appear as shifting unsystematically over the years. The results under each output are not equivalent to the activities set out in the work plan. Some activities are planned and scheduled under outcome three, but reported under outcome one for example the review on PAR process during the last 20 years of renovation, the review of five year PAR reform. Some activities planned under outcome five are reported under outcome three for example the application of ISO in the Office of MoHA office and the development of pilot proposal for direct election of communal PC Chairmen.

This incoherent approach leaves the impression that the project is activity-driven and not result-based. It is very difficult for any outside units – be it the PAR SC, UNDP, the LMDG, the external audit – to fully assess what has been implemented, what are results and how do results tally with plans and outputs.

We note that budgeting and actual disbursement under this outcome target has constantly shown a misbalance – sometimes lower and sometimes higher especially in the first two years of the project implementation and much better in 2005. Regarding the budgets for 2006 we express our concern as a six months work plan has only requested 17% of the year total budget.

Table 3-9: Outcome target 3 - budget and expenditure (USD)

Year	Planned	Disbursed	Disbursed / planned (%)
2003	215,000	123,000	57
2004	126,000	287,000	233
2005	151,000	150,000	99
2006	230,000	39,000	17

Note: Disbursement 2006 includes quarter I and II only.

In conclusion, although there are some limitations in attaining this outcome target as mentioned above, we conclude that there also are signs of significant change in formulating some sub-programmes, facilitating the operational activities of PMBs and especially developing some legal documents under sub-programme two on organisational reform and sub-programme six on financial mechanisms reform.

3.4   Outcome Four: PAR planning effectively guided

Outcome target four aims at ensuring efficient guidance, monitoring and support to PAR planning in ministries and provinces. The tool to realise this target is strengthening and supporting MoHA and related agencies to provide the services required.

The outcome target was formulated against a baseline, defined by three elements, and operationally defined by five indicators, shown in the table below.

Table 3-10: Outcome target four - baseline and indicators

Outcome Targets		Baseline		Indicators
4. PAR planning of ministries and provinces efficiently guided, monitored and supported by the MoHA and related Ministries/Agencies	1	Ministerial and provincial PAR Steering Committees have been set up for several years. However, their professional support units are part-time staffed.	1	Guidelines for new PAR plans of ministries and provinces developed and implemented.
	2	PAR plans are rather formal without clear, time-bound targets and benchmarks. Real changes have not met expectations.	2	PAR plans with clear, time-bound targets and benchmarks integrated into ministerial and provincial annual and strategic plans with appropriate budget allocation.
	3	PAR review was completed in 2000. Although PAR Master Programme has set up some milestones, specific benchmarks and performance indicators need to be elaborated.	3	Ministerial and provincial PAR Steering Committees strengthened so as to be able to guide, monitor, and evaluate the process of implementation.
			4	"Help line" established at the MoHA to assist ministries and provinces in implementing their PAR plans.
			5	Projects within programmes developed and implemented according to schedules.

The outcome target and the indicators for this are further elaborated in the outputs.

Table 3-11: Outputs and indicators under outcome target four

Output targets		Baseline		Indicators
4.1 Based on first year experience, revised guidelines for planning issued.	1	Current PAR plans lack specific target benchmarks, milestones and required resources	1	Ministerial and provincial PAR plans formulated with clear time-bound targets and benchmarks.
	2	Guidelines for ministerial and provincial PAR plans approved by GoV PAR SC and submitted to ministries and provinces in November 2001	2	PAR plans integrated in strategic and annual plans of ministries and provinces

Output targets		Baseline		Indicators
4.2 Monitoring mechanism for regular follow-up of implementation established	1	As PAR MP is new no M&E system designed yet	1	Regular, biennial reports prepared by PMBs, ministerial and provincial PAR steering committees.
	2	The current reporting system needs to be improved and adapted to serve the need for strategic monitoring of the PAR MP	2	Baseline indicators based on checklist of PAR Review for monitoring progress established and put in use.
			3	Mechanism to ensure people's feedback on PAR in place.
4.3 Feasibility, appraisal and evaluation studies planned and conducted by Government Steering Committee, PMBs, ministerial and provincial PAR Committees	1	No systematic plan exists to carry out feasibility, appraisal and evaluation studies	1	Clear criteria for selection of study proposals.
			2	Efficient allocation of resources for the planned studies
			3	Study reports available and disseminated.
			4	Conclusion impacted in PAR policy/programme design and implementation
4.4 Minimum one member and one professional staff of each ministry and province trained in change management	1	No training in change management has been provided to PAR ministerial and provincial professional staff	1	Actual number trained.
			2	Trained staff becomes a change agent.
			3	Clear indication of improved quality in programme design and implementation
4.5 "Help line" established in MOHA to assist ministries and provinces in formulating and implementing their PAR plans	1	No such facility exists to date	1	"Help line" known and accessible
			2	Number of ministries and provinces that have requested and are satisfied with assistance through the "help line"

The outcome indicators specify the key success criterion of this outcome target: PAR plans with clear benchmarks integrated into ministerial and provincial annual plans with appropriate budget allocation. It is not clearly defined what type of annual plans the project design aims at, but given the overall purpose of the PAR MP, it would be reasonable to assume that there was an expectation that PAR plans could / would be integrated into sector and provincial SEDPs. This has not been realised. And according to the national review appropriate budget allocation from the national budget has not been realised yet.

Additionally the outputs again stress the need for a systematic M&E system, which we also find under outcome target one. The outputs also underscore capacity development regarding change management and request trained persons to serve as change agents in their units.

Reported achievements and deliverables under outcome target four
During project implementation the project has supported MoHA to develop PAR planning and reporting system for ministries and provinces, and to provide training for PAR specialists of ministries and provinces and has achieved the following significant results:

- Developing PAR planning and reporting mechanisms and formats for ministries and provinces to improve the quality of PAR monitoring, supervision, reporting and evaluation;
- Developing the matrix for a brief PAR progress report so that the provinces could provide information in a timely fashion for the PAR SC and the Secretariat in monthly meetings;
- Compiling and reviewing all PAR reports of ministries and provinces to identify constraints and irrational points in PAR planning;
- Establishing a 'hot line' at MoHA to assist ministries and provinces in implementing their PAR plans;
- Organising seminars and providing training for PAR specialists of ministries and provinces to improve their capacity in PAR planning, reporting, monitoring and evaluation.

However, there are some activities set out in the work plan of the project over 2003 – 2006, which still have not been implemented and results pending including for example the M&E system for PAR MP implementation (linked to outcome one) and training needs assessment for members of ministerial and provincial PAR SCs.[12]

Conclusion regarding outcome target four

In comparison with the original indicators for outcome target four and the specified outputs we find that the outcome has been partly attained. All PAR SCs of ministries, ministerial agencies and provinces were established and streamlined, especially after the PSC and the Secretariat of PSC of the Government were strengthened in 2004[13] to guide, monitor and support the implementation of their PAR plans. The capacity of PAR specialists of ministries and provinces has been gradually increased to meet the requirements of PAR plans 2006 – 2010. PAR planning and reporting system of ministries and provinces were established, improved and are used in reporting and management work of ministerial and provincial PAR SCs.

The most significant achievements under this outcome were the contribution to develop PAR planning and reporting system for ministries and provinces and to provide training for PAR specialists of ministries and provinces. Capacity development regarding PAR specialists of ministries and provinces has been realised mainly in the form of seminar-type training, regular short-duration training courses and support to implement their PAR work.

The review of the first five years of PAR MP shows that the operation of PAR SC of all levels was too formalistic, irregular and ineffective. Only 13 provinces have established the PAR Divisions or Groups under DoHA. The professional support units of ministerial PAR SCs (mainly established under ministerial Offices) are still part-time staffed, except for MoHA and OOG where PAR Departments have been established.

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[12] The Evaluation Team has been informed that this TNA was carried out in 2005. We have not verified this information.

[13] According to Prime Minister's Decision No 102/2004/QD-TTg dated June 08, 2004 on strengthening the Public Administration Reform Steering Committee of the Government and Prime Minister's Decision No 1306/QD-TTg dated December 09, 2004 on strengthening the Secretariat of the Public Administration Reform Steering Committee of the Government.

Although the project does not have resources to enhance capacity of all PAR specialists, the number of beneficiaries under this outcome is large and diversified, comprising PAR specialists of ministries and provinces as well as MoHA and DoHAs. With the support from the project, PAR planning and reporting systems of ministries and provinces have been enhanced and contributed to the development of the PAR MP Review 2001-2005. This facilitates the steering and monitoring of the implementation of PAR plans by PAR SCs at local and central levels. However, as the comprehensive PAR M&E system has not been developed, this affects the quality and the standardisation of PAR planning and reporting of ministries and provinces.[14] Result-based, effective steering and monitoring of the implementation of PAR plans by PAR SCs is still a mater of concern.

We note that the actual disbursement under this outcome target has constantly been below the budget figures with 2004 showing the biggest discrepancy. Regarding the budgets for 2006 we note that a six months work plan has only requested 13% of the year total budget.

Table 3-12: Outcome target four - budget and expenditure (USD)

Year	Planned	Disbursed	Disbursed / planned (%)
2003	76,000	58,000	76
2004	58,000	10,000	17
2005	95,000	38,000	40
2006	85,000	11,000	13

Note: Disbursement 2006 includes quarter I and II only.

In conclusion, although there are limited activities implemented under this outcome and some concerns as mentioned above, we conclude that there are positive signs of change in PAR planning and reporting of ministries and provinces, but more guiding, monitoring and supporting from PSC, Secretariat of PSC and MoHA to PAR planning and reporting of ministries and provinces should be provided. We suggest that the planned training courses and study tours under this outcome should be implemented as scheduled and more activities (training, seminars, workshops, experience and information sharing, study tours) for PAR specialists at central and local levels should be intensively implemented in the next phase.

3.5 Outcome Five: Local PAR Initiatives Promoted through the PSF

Outcome target five implicitly assumes that there is a vibrant administrative bureaucracy in Vietnam, ready to pilot and experiment to continuously 'learning-by-doing'. Ho Chi Minh City would be an example of this as HCMC has on its own experimented and piloted several change models, which later have become national policy.

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[14] The PAR web-site hosts PAR reports from ministries and provinces. A check here reveals significant variations in format and contents.

The baseline observations stated that (i) the pace of nation-wide implementation of suc-cessful initiative is too slow; (ii) several PAR initiatives have not been reviewed, standard-ised and systematically replicated; and (iii) the awareness and understanding regarding experiments and pilots is limited.

Consequently the VIE/01/24 established a new funding mechanism to facilitate pilots at the local level, aiming at facilitating national replication if successful. This is reflected in the formulation of outcome target five.

Table 3-13: Outcome target five - baseline and indicators

Outcome Target 5		Baseline		Indicators
Successful local PAR initiatives identified and their replication facili-tated through the PAR Support Facility (PSF)	1	The pace of nation-wide implemen-tation of piloted and tested solutions is slow.	1	Successful PAR initiatives stock-taken.
	2	Many PAR initiatives such as pilot one-stop shop, ISO 9000, web-access for PSD, results-based finan-cial management mechanism, grass-roots democracy decree implementa-tion practices have not been re-viewed, standardised and systemati-cally replicated.	2	Efficient mechanism established to decide good PAR initiatives for replication on a wider scale.
	3	Awareness and understanding of PAR initiatives and experiments in ministries and provinces limited.	3	Proactive dissemination of suc-cessful initiatives.
			4	Mechanisms established and policy environment created to support the replication of model PAR initia-tives.
			5	Required resources mobilised, effi-cient allocation of PAR Support Facility resources to ensure suc-cessful replication.
			6	Documented and availability of information on PAR initiatives and experience for wider dissemination across the country.

The outcome target was operationally specified by 6 indicators, all centred around estab-lishment and functioning of the PAR Support Facility, which at next level was specified into two outputs, both with indicators.

Table 3-14: Outputs under outcome target five

Output targets		Baseline		Indicators
5.1 Studies of pilot ini-tiatives carried out	1	Current pilot PAR projects and ex-periments are not systematically	1	Methods to identify and assess solution for replication established
	2	No "lesson learnt" objective built with ongoing/new pilot initiatives.	2	Number of good initiatives identi-fied.
			3	Number of studies carried out and policy recommendation made.
			4	Enabling policy environment in place.
5.2 Proposals on replica-tion receiving support of	1	No incentive support scheme for project replication currently in place	1	Number of proposals submitted.

Output targets		Baseline		Indicators
	2	Lack of funds to support PAR re-searches, dissemination and replica-tion of successful pilot experiences	2	Decisions on replication of solutions on a wider scale made
			3	PAR Support Facility resources cost-effectively allocated and util-ised

Assessing progress and results in relation to targets imply an assessment of the PSF as a modality for financial support.

3.5.1　Principles for the PSF

The PAR Support Facility was established as a new national incentive system to promote model governance initiatives undertaken by ministries, government agencies or local authorities and the cornerstone of outcome target five. The objective of the PSF is stated in the PD as to:

- Promote the initiation, recognition and replication of best practices in public service management (model PAR initiative) at both central and local levels.
- Facilitate the undertaking of researches on PAR related issues.
- Engage stakeholders in discussions on PAR issues through the Government-led PAR partnership to be established under this project.

The Regulation on management and use of the PSF was issued in Decision no. 37/2003 by MoHA. Under the regulation, beneficiaries of the PSF are the co-implementing agencies, the PAR SC and the Secretariat, and the PAR Steering Committees of ministries, government agencies, central cities, and provinces (Article 2.)

Article 6 specifies what can be supported under the PSF:

- Establishing and adopting a mechanism on a national scale to identify and encourage PAR models and initiatives at central and local levels, and to select PAR models and initiatives at central and local levels for replication;
- Implementing new ideas and piloting models and initiatives on PAR at central and local levels;
- Reviewing and assessing pilot PAR models and initiatives;
- Replicating successful PAR pilot models and initiatives;
- Organizing studies, workshops and training programmes on PAR;
- Managing and monitoring the implementation of the PAR-MP;
- Organizing information and communication activities on administration reform; and
- Developing partnerships in the implementation of the PAR-MP.

To appraise requests for support, a PSF working panel was set up, comprising representatives from MoHA, OOG, MoF, MoJ, UNDP, and staff members of the Project. According to Article 5 MoHA is as executing agency responsible for management of the PSF and takes the lead in the appraisal panel. The criteria for appraising requests for PSF funds are outlined in Article 7 as follows:

- In line with PSF objectives (Article 3) and PSF-supported activities (Article 6);
- Relevance to the policies and priorities of the PAR-MP;

- Showing a comparative advantage in using the PSF as opposed to other modes of funding;
- Result-oriented; and
- Feasibility of implementation.

The regulation also allows ad-hoc requests to be appraised by MoHA, and if approved, to be incorporated in the quarterly plan of the PSF.

A standard format for project proposals has been prepared to facilitate not only proposal preparation by the applicants, but also the appraisal and assessment. The project has developed standard progress reporting formats and has at a late stage in 2006 developed a draft version of a more comprehensive output-oriented M&E system.

An important orientation paper for the PSF was prepared in 2005 and approved during the APR.

3.5.2 PSF-supported initiatives

After promulgation of the regulation in 2003, the project sent the regulations and guidelines to ministries and provinces. By the end of 2003, the project received ten proposals, one of which was accepted, three rejected, and six returned for revision. The one that has been accepted deals with an experiment on performance-based management systems in Ho Chi Minh City. Of the six returned for revision, three have been resubmitted for reconsideration. The project commented that the quality of the proposals was "low but with good intentions." To rectify these problems, the PSF management decided to organize planning workshops and train the project staff and some local consultants to help potential applicants prepare proposals.

In 2003 the PSF was used to support a range of minor activities under the different support areas. Majority of the financial support was allocated to the best practice area, focusing on three key areas: block grants, block staffing and OSS. These are policies already endorsed by the Government for national implementation.[15] The PSF allocated approximately 700,000 USD to implement OSS in 64 districts in 16 poor provinces. The support included the publication of a 'step-by-step' guide on the implementation of the OSS at the district level[16], the provision of local consultants to support province-led training programmes, and the provision of equipment for the OSS offices.

Later PSF-support to OSS has shifted focus towards experiments in quality delivery including application of ISO principles for some OSS and the so-called 'multi-level' OSS.

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[15] Decision No.181/2003/QĐ-TTg dated 4 September 2003 of the Prime Minister for example instructed nationwide implementation of the OSS model.

[16] SDC had at this point financed and published a comprehensive review for MoHA of lessons learned from OSS at district and commune level, which also included a step-by-step guide.

The mid-term review, conducted in the first half of 2004[17], noted that 'It is not clear why a large number of PSF-supported activities in 2003 also fall under the umbrella of other outcome targets. A question can be raised as to why these activities had to draw resources from the PSF and not from their own budget.' Examples of these activities are development of PMBs within and between the co-implementing agencies and MoHA in the four action plans under MoHA; improvement of the planning and monitoring skills of provinces and ministries in PAR implementation; and development of the initial PAR planning and reporting systems on a government-wide scale.

Regarding the OSS support the review team raised a question on the extent to which the PSF should be used to support replication of 'new' practices or focus on innovative approaches.

The mid-term review recommended redefining the use of the PSF along the following lines:

• Activities related to Outcome targets 1, 2, 3, 4, and 6 should draw resources from the budget allocated to these outcome targets. They should not use the PSF fund.
• The PSF should be used for the three following purposes: (i) to identify and encourage new central and local initiatives; (ii) for research, workshops and experiments on "how-to" matters; and (iii) for result-oriented pilot projects.
• The PSF should not be used for replication. Good practices adopted by the Government should be supported by the Government budget or bilateral arrangement with donors. The PSF may, however, be used to institutionalize good practices universalized by the Government, through (i) the preparation of "how-to" implementation handbooks and (ii) the organization of nation-wide "how-to" workshops.
• The results of the PSF-funded projects should serve as input for PAR planning and the execution of PAR plans.

This should according to the recommendations be reflected in a revision of the PSF regulation, which has not been implemented. Although regulations were not changed, priorities for selecting projects for support by the PSF by and large reflected the orientation recommended by the mid-term review and here most notably avoiding use of the PSF for replication.

The mid-term review further recommended that the project should offer better assistance during proposal planning and design to mitigate the low quality of proposals; further it should offer guidance and support during implementation and finally develop a proper monitoring and evaluation system. This recommendation has to a large extent been implemented, although the M&E system is still in draft version only.

During this early period it also was realised that the number of local innovative initiatives was far less than anticipated. The 'bottom-up' approach was substituted by a strategy, aiming at diversification and a pro-active approach by the project, resulting in support of a number of change models and in 2004 and 2005 focus was directed more towards projects under a concept of 'whole system change', resulting in support to broader sub-

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[17] Review of Project VIE/01/024/B Support to the Implementation of the Public Administration Reform 2001 – 2010 Master Programme, May 2004 for the LMDG

projects, aiming at promoting widespread change in particular local conditions and conse-
quently also at more consistent impact.

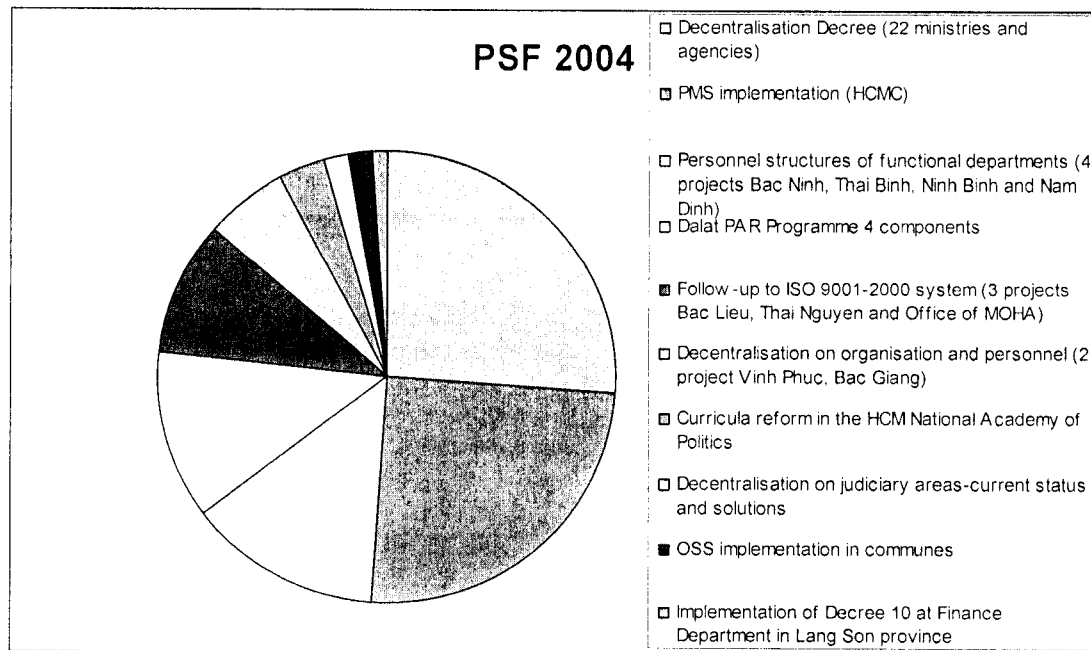### 3.5.3   The use of the PSF in 2004

During 2004 the PSF was declared an 'open fund' by the GoV attracting additional contri-
butions from CIDA and SDC (120,000 USD earmarked for PMS in Ho Chi Minh City plus
800,000 USD from SDC unspecified) in addition to the original contribution from the
LMDG. The total PSF fund amounts to 3.42 MUSD.

The PSF received requests from 28 provinces and ministries and decided to support 14
agencies. According to the AR this support was organised in 16 different projects in 2004,
of which one project comprises support to 22 ministries and government agencies. Most
of the supported projects were completed by the end of 2005.

Proposals, however, were still quite simple and more staff was deemed necessary as pro-
posals need considerable work before they could be approved. National consultants were
mobilised for this purpose.

Analysing the project portfolio gives the following picture: Of a total budget allocation at
the level of 12,585 MVND two projects have been allocated more than 50%. The next
25% have been allocated to reforming personnel structures of functional departments in 4
provincial projects plus an integrated PAR vision project in Dalat. Remaining 25% is
shared among 9 projects.[18]

Figure 3-1 PSF Distribution 2004

PSF 2004

□ Decentralisation Decree (22 ministries and agencies)

□ PMS implementation (HCMC)

□ Personnel structures of functional departments (4 projects Bac Ninh, Thai Binh, Ninh Binh and Nam Dinh)

□ Dalat PAR Programme 4 components

▣ Follow-up to ISO 9001-2000 system (3 projects Bac Lieu, Thai Nguyen and Office of MOHA)

□ Decentralisation on organisation and personnel (2 project Vinh Phuc, Bac Giang)

□ Curricula reform in the HCM National Academy of Politics

□ Decentralisation on judiciary areas-current status and solutions

■ OSS implementation in communes

□ Implementation of Decree 10 at Finance Department in Lang Son province

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[18] Details are presented in Annex 5

According to financial allocation the highest priority for the PSF appears as formulating decrees on decentralisation from national to local Government level, which is a stand-alone activity. The PSF shall per regulation support development of innovative PAR approaches, enabling replication if they become official policy. This is hardly the case for the highest priority allocation in 2004.

PSF funds have been used for preparatory work and decentralisation decrees still have not been issued by the 21 ministries, having received financial support.[19] Apparently after support was committed it was realised during the implementation process that the planned decrees were in conflict with the Constitution and other legal documents. If success criterion for PSF support in this context is promulgated decrees, this support must be deemed a failure. It is likely that a more narrow feasibility assessment – for example carried out by the MoJ – could have revealed the legal constraints that 21 ministries have observed individually. [20]

It is understood that MoHA presently is planning and preparing for a Law on Decentralisation, which will provide the formal legal background for future decrees from line ministries.

Two urban projects in HCMC (PMS) and Dalat (GIS sub-project) respectively were according to budget allocation apparently regarded as high priority for PAR implementation. Approximately 37% of the PSF budget in 2004 was allocated to these projects. Shared practice notes are planned for both.

3.5.4   Use of the PSF 2005

During 2005 the PSF introduced a revised approach, giving priority to sub-projects aiming at 'whole system change'. Six sub-projects were approved for the provinces Lao Cai, Ben Tre, Phu Yen, Bac Giang, Thanh Hoa and Tra Vinh. The number of applications received is not reported; the criteria for selecting exactly these provinces are not reported. The Evaluation Team is also a bit confused regarding the 'whole system change' concept, which has very positive connotations, but we have not been able to locate a more precise description and definition of this positively sounding concept.

Totally, the six sub-projects comprise the following intervention areas, formulated as components:

*   PMS integrated into the City's state Governance including organisation-personnel and agriculture areas;
*   Capacity building of local PAR SC and local Government;
*   Pilot cross-level OSS;
*   Pilot decentralisation in the agriculture area;

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[19] The PSF Orientation 2005/2006, prepared by the project in July 2005, states that the expected result for this group of PSF projects is: 'Clear instructions to central and local Government on the implementation of decentralised Governance'.

[20] MPI did not accept the contribution.

- Decentralisation of the State Governance in the organisation and personnel, planning and investment and land administration areas and organisation and personnel in health and education;
- ISO application in administrative performance of the PC Office and DOHA;
- Pilot GIS in Tuy Hoa City; and
- Pilot development of an M&E system for PAR.

Each sub-project has received a budget allocation ranging from 1,600 MVND to 2,100 MVND and totally 11,200 MVND were committed to the sub-projects. All sub-projects are expected to end by the end of 2006. Additionally the PSF continued support to ongoing, not completed projects from the 2004 allocation.[21]

Analysing the 2005 portfolio and assuming that the acceptable life span of a PSF project is from starting date until end date for VIE/01/024 by 31 December 2006 it is evident that five of six subprojects could face serious problems with respect to finalization on time. The PMS project in HCMC and the ISO procedures project in Bac Lieu are also financially behind schedule, but not quite as serious.

3.5.5   Use of the PSF 2006

The VIE/01/024 ends – if the requested time prolongation is accepted – by 31 December 2006. For the PSF this has implied that there would be a strong focus of resources to complete all ongoing projects. According to work plans and other documents the project is internally giving priority to projects for which a 'shared practice' note has been planned.

The shared practice notes constitute a real innovative approach, which has not been practiced prior to this project in Vietnam. As such there could be outreach perspectives far beyond the actual projects supported by the PSF.

Shared practice notes are planned for the following topics and projects:

- Cross level OSS
- Capacity building for provincial PAR SC
- Capacity building for commune Governments
- ISO
- Regulations for recruitment of leaders of departments
- Shared practice for PMS
- Administrative service groups
- One stop – one stamp models
- Reform of civil servant structure
- Decentralisation of organisation and personnel
- GIS
- Decentralised management of forestry from REFAS
- Medium-term expenditure framework from the World Bank

The planned shared practice notes cover a comprehensive set of issues or models, supported under the PSF. Development of the shared practices is reportedly having high pri-

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[21] The PSF portfolio 2005 is presented in Annex 5.

ority, which does not tally with the decision to accept 16 new projects for 2006. [22] We express a concern regarding timely delivery of shared practice notes and recommends that project focuses more resources towards this activity and maybe less resources to develop at least 4 new PSF projects as stated in quarter III work plan.[23]

For the 16 new projects accepted in 2006 the criteria for selecting these are not transparent and evident. The project apparently has skipped the model of 'whole system change' as selection mechanism and returned to small stand-alone projects, which according to project documents are known to have limited impact only.

It is questionable to which extent the additional 16 projects actually represent innovative approaches. At least according to summary titles, they mostly represent topics which were already piloted during earlier projects.

It is questionable to which extent these new projects and the results will influence the shared practice notes as they will hardly be able to offer substantial inputs to the shared practice notes, which will be finalized prior to PSF project end date according to the work plan. We are consequently questioning the value-for-money – not for the individual beneficiaries but for the VIE/01/024 and especially for the shared practice approach.

The decision to initiate the new projects appears to be based on disbursement – to ensure that all funds allocated to the PSF are committed and spent by project end date.

3.5.6 Budget and expenditure

Expenditure under the PSF has been below budget every year. Based on the budget and expenditure figures, presented in the ARs, it is assumed that almost 1.4 MUSD will remain unspent in the PSF by the end of the project. The Evaluation Team has not verified this in detail, and consequently only raises this as an issue, which should be resolved as part of project closure procedures.

Table 3-15: Outcome target five - budget and expenditure (USD)

Year	Planned	Disbursed	Disbursed / planned (%)
2003	651,000	594,000	91
2004	555,000	216,000	39
2005	829,000	622,000	75
2006	1,260,000	484,000	38

Note: Disbursement 2006 includes quarter I and II only.

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[22] Cf the overview table in Annex 5.

[23] Identifying and approving at least 4 new PSF projects during quarter III of 2006 is not in line with the overall work plan, agreed during the APR.

3.5.7   Assessment of specific projects

The Evaluation Team has selected three different projects for a more detailed assessment during site visits, which will among others offer additional information not only on the specific project, but also on the co-operation modalities between beneficiary and the project during proposal preparation and project implementation.

- We have selected the PMS project in HCMC, which is regarded as a flagship project with huge perspectives for replication through shared practice notes. Financially, this is one of the bigger projects among the PSF portfolio and started in October 2004.
  - The Performance Management System (PMS) in Ho Chi Minh City was approved in 2004 with an allocation of 200,000 USD, covering design and development of a PMS on pilot basis. Replicating the pilot schemes to other units would increase the cost to a total at 350,000 USD.
- We have selected one sub-project in Bac Giang and consequently the 'whole system change' approach is represented in our evaluation. The project is titled 'PAR to promote the development of industry, small scale industry agriculture and rural areas', linking PAR to the SEDP for the province. The project is implemented under the provincial PAR SC by DOHA. The budget envelop to implement the proposal was estimated at 3,000 MVND, of which the province would contribute 730 MVND. The PSF approved an allocation at 2,100 MVND and the project started August 2005 and ends November 2006. The project comprises three components:
  - Capacity building and improvement of the operational effectiveness of the PAR SCs at all levels in the province;
  - Capacity building and improvement of the operational effectiveness of local Governments; and
  - Pilot decentralisation of the management of agricultural extension, plant protection and veterinary stations to district-level PCs.
- Finally we have selected one new project from the 2006 portfolio, the GIS support to Ba Dinh District in Hanoi. It has received support at the level of 99,200 USD of a total project cost for first pilot phase at 122,000 USD. The project is a phased project aiming at implementing GIS in urban management. Similar projects have been implemented or are being implemented in other districts of Hanoi, for example in Hai Ba Trung and Dong Da under different funding modalities. PSF has supported a GIS pilot in Dalat.

Summary descriptions of the selected PSF projects are presented in Annex 5. Here in this section we have incorporated observations and conclusions only.

3.5.8   Conclusion regarding outcome five and the PSF

The PSF was designed as a new funding modality, facilitating co-ordinated multi-donor support and access to resources to test and pilot innovative approaches within the PAR MP. For beneficiaries this modality has offered flexible, fast-track access to funds, avoiding the complicated ODA management procedures to obtain approval by the Prime Minister, which most certainly has been a new approach. For UNDP and the LMDG the PSF has been new in the sense that the PSF represented a fund pooling mechanism under national management by a line ministry. For MoHA management of a pooled fund has also been new as MoHA normally has not been geared to manage externally financed fund mechanisms. For MoHA the project approach also has been new.

The PSF was established without clearly stated priorities and consequently a 'learning by doing' approach has been applied, resulting in shifting priorities over time, discussions and sometimes disagreement on priorities and maybe also difficult communication among the parties.

The PSF was formed on the implicit assumption that local authorities were restricted in their experiments and pilots of innovative approaches mainly by financial constraints. The resulting 'bottom-up' approach proved difficult as the pool of innovative ideas was considerably more shallow than assumed. PSF management realised that a much more pro-active approach was needed, and this has to a large extent been realised through MoHA's vertical structures. DOHAs are core and instrumental units in the identification, design and implementation of the majority of PSF-funded projects in close co-operation with the PAR Department and the PSF.

- The PSF has succeeded with respect to diversity. Geographical coverage is wide and PSF projects are implemented in a large number of provinces and cities.
- The PSF has supported a comprehensive number of so-called change models – OSS, ISO, GIS, PMS, decentralisation of HRM in some sectors and recruitment regulations etc. Within these models the PSF has supported first initiatives but also duplicated pilots of same model in different localities.
- There is a thin borderline between 'duplication' of pilots and 'replication' of successful change models, which is not well defined in project reports. The PSF shall not be used for 'replication', which was decided after the mid-term review, but can be utilised for 'duplication' of pilots. The question is how much duplication does it take to become a replication? To avoid misunderstandings the project should specify more directly the criteria for duplication, which may be useful to properly develop a pilot approach under varying circumstances. This is not evident in the project documents.
- Using MoHA's vertical structures has strengths and weaknesses as well. Strengths related to the geographical coverage, which MoHA/DOHA offers. It is noted that many PSF projects relate closely to direct mandates tasks for DOHA, and we consider this a weakness as it hampers broader pilots and pilots in topics of less relevance for MoHA/DOHA. We are concerned that pilots regarding transformation outside MoHA/DOHA's mandates practically have been excluded as they were not pro-actively nurtured in the same way as 'internal' pilots. The PSF has for example not supported pilots regarding efficiency of different user-based models for service delivery, which for example are applied within the water sector, or pilots to support the transformation of state-owned science and technology agencies into autonomous semi-commercial structures, which is a major structural reform, or pilots to develop models regarding socialisation of public service delivery, possibly involving NGOs, mass organisations, co-operatives and the business sector. The Evaluation Team has no specific information regarding the causes for this, but voice a concern regarding the narrow sectoral approach to pilots.
- We are voicing concern regarding transparency of the PSF. Easily accessible information on for example the PAR Web-site is incomplete and not instrumental for interested potential applicants. Shifting priorities over time reduces transparency as potential applicants can not easily determine whether their ideas are eligible for support. Prioritisation under vaguely defined concepts like 'whole system change' also implies reduced transparency. In addition we consider it a fact that Vietnam will find it hard to accept, approve and implement this concept and it could be argued that it is not relevant with the current political and social system.

- Selection criteria are not fully known and reported. It is for example not documented why the six specific provinces were selected as 'PSF-provinces' under the whole system change approach.
- The Evaluation Team firmly believes that the PSF team in the project and within the PAR Department have been diligent and hardworking. But given the fact that fund management was new, given the wide geographical coverage, given the large number of pilots, given the quality of proposals and given the scope of tested change models we find that staff does not fully match requirements. Consequently there has been less effective and efficient projects approved and projects for which best practice design approaches have not been applied. Technical and financial sustainability of projects have not always been ensured.
- The PSF has approved a number of simultaneous pilots within the same change model – PMS, ISO etc. This enhances diversity and disbursement but at the same time also the risk of funding projects with limited impact only. Sequencing may be worth considering. We have for example noticed that the PSF is supporting PMS simultaneously in Ho Chi Minh City, Ben Tre and Lao Cai. An alternative approach, based on sequencing, could be to allocate change projects to the big economic 'powerhouses' in Vietnam – Ho Chi Minh City, Hanoi, Danang etc – where administrative structures are assumed stronger, more competent and consequently in a better position to develop and test pilots. In a second tier PSF could support tailoring or downsizing results to administrative units with less economic power, more limited administrative staff etc. This sequential approach is based on the implicit assumption that the big 'powerhouses' can and will take the lead as Ho Chi Minh City did with respect to the original OSS.
- In general we find that the PSF pilot has been successful as a learning experience also taking the relatively limited monetary value of the PSF into consideration. It is, however, evident for us that up scaling the PSF modality to a monetary value of some 8 MUSD as proposed in the Zero Draft version of the next programme requires considerable changes as pointed out in the points above and in the observations stemming from the review of three specific projects.

Observations regarding PMS in Ho Chi Minh City

Based on project documentation reviewed and information provided during site visit to Ho Chi Minh City we conclude that the PMS is well designed as a pilot, covering the first elements of the PMS only.

- The selected implementation modality, using key staff from administrative units as local consultants, receiving remuneration from project funds, has very clear advantages but also raises some issues:
  - The NEX guidelines explicitly enable recruitment of internal staff as paid consultants, given that they have been formally released from their ordinary duties.
  - The Hanoi Core Statement mentions under Alignment in paragraph 7 and 8 that parallel structures shall be avoided and donor-paid incentives shall be phased out.
  - The NEX guidelines and the Hanoi Core Statement appear contradictory on this issue, and we strongly recommend that explicit provisions regarding this modality are made under any future PSF construction.
- The project has been implemented since 2004 and is still in the first pilot phase. The PSF is terminated in principle by the end of 2006 and funding structures in a new phase have not been decided.

- Consequently we express a concern regarding the technical sustainability of the project. How will financing to replicate the pilots be ensured? How will financing to develop a full PMS system with all four components be ensured? These concerns are also shared by the PMS development team in HCMC.
- Do the phased implementation and the closure of the existing PSF imply that there could be expectations that a new PSF has a commitment – formal or informal - to fund replication of the pilots and/or full system development? For the PMS to become effective and have administrative impact – and for the PSF not to have funded a core project with only limited scope – additional funding naturally has to be granted, maybe by the PC itself, maybe by external sources.
- In the perspective of the PSF the PMS result-based management system is a shared experience model, which in modified form can be replicated elsewhere in Vietnam. In our opinion the shared experience at present mainly covers the methodology to transform policy visions into measurable operational targets. As a model to be shared we believe that widening the scope is necessary, and this has presently not been ensured.
- Decisions regarding the PMS could in principle fall within two options:
  - UNDP and the LMDG could define the funding under the ongoing project as seed money and consequently recommend HCMC to redesign or reengineer the PMS project to enable completion by funding from the City's own budget. This could be a feasible option, given the reported fact that the City now has a broad and strong team of internal expertise, and the fact that HCMC represents the strongest economy in Vietnam.
  - Replication of pilots and development of a complete and comprehensive PMS could be defined as a component in the future PAR support programme under the new programmatic umbrella, which could enable a more expedient implementation and consequently also faster and more consequent impact in the administrative system. If this option is preferred it should be combined with an explicit decision on funding modality for internal experts as mentioned above.

Observations regarding GIS in Ba Dinh District:

The GIS management system is technically sound and well prepared. The selected consulting company is specialised within GIS-based system development and is well known for applying state-of-the-art solutions.

- Questions could be raised in relation to the decision making procedures. If MoHA's PAR Department can issue a letter of approval (in principle), which may have certain similarities to a commitment, what is the role of the PSF Appraisal Board?
- This GIS project can not be seen as an innovative approach. The model is well known already, and has been implemented in other districts, in Dalat and more places. It is understood that the PSF shall not be used for replication, but for innovative models. It is evident that the GIS-based urban management is an innovation for Ba Dinh District, but on a national scale the innovative aspects are more questionable.
- The more comprehensive innovation could for example deal with consequences of introducing new technology in urban management – what does this imply for organisational structures, for co-operation between compartmentalised units, for distribution of tasks and responsibilities or in general how to fully exploit the benefits of new technology internally and externally. These or similar issues do not form part of the supported project.

- The project is as mentioned a first phase implementation in two wards of 14. Budget for full implementation amounts to 264,000 USD. Funds for full implementation are not ensured, and the PSF terminates by 31 December 2006. This raises two questions:
  - Does this imply that a possible next phase PSF starts out with commitments from first phase?
  - Is it wise to initiate phased projects without ensuring that level of financing, which will provide more guarantees for impact of the budget allocation?
- Recurrent operational costs have not been considered in the project proposal and are not guaranteed. The anticipated staff increase by more than 400% appears excessive and not in line with the general principles of staff downsizing.
- Apparently staff at ward level is anticipated to be able to update basis data in the GIS system. We are concerned that this approach may endanger technical sustainability of the system, given the staffing structure and qualifications at ward level – or the financial sustainability if it assumed that ward level staff be technically upgraded to manage structural system functions for a GIS system.
- The project has vague ideas about increased user payment by citizens for services delivered via the GIS management system (land certificates for example); neither willingness nor ability-to-pay increased fees to compensate the staff increase have been considered.

In the opinion of the Evaluation Team this project is an example of a project, which has been approved to fulfil disbursement targets for the PSF. Technically the project has high quality, but as a pilot it is narrow, leaving the institutional and organisational aspects untouched. Sustainability is highly questionable technically as well as financially. Project design is not in accordance with best practice, leaving all questions regarding full scale implementation and sustainability unanswered. This raises additional questions regarding the quality of project screening, technical assistance and fine-tuning by the PSF project staff and the specialists, assisting applicants to develop proposals.

Conclusion regarding Bac Giang

All in all the sub-project combines standard approaches to enhance PAR SC capacity with innovative approaches both within training of grass root officials and decentralisation models. The training activity for local governments (grass root level) was rated very successful by the project. It could be implemented locally, using local resources and apply a value for money approach as the project benefited from the NAPA-SDC training materials. A formal training impact assessment has not been undertaken, but the Evaluation Team has all reasons to believe that the training has had impact in building skills, given the duration of the training course and the topics covered.

The sub-project approach here raises some important issues:

- Quality of the proposal: The relation between the overall objective and the three supported components is not fully evident. It has not been demonstrated how the components more specifically will sustain attainment of the target to promote development of industry, small scale industry and agricultural and rural development. Administrative effectiveness of local Governments at district and commune level is at best just one factor in the enabling environment for small scale industrial development.

- Ownership: It is not fully evident why DOHA is implementing unit for a decentralisation pilot in the agricultural sector. DOHA is mandated to monitor and approve organisational arrangements, civil servants allocation and other institutional issues, but here the pilot reorganises also technical service delivery, and as such interferes directly in DARD's mandate. Locating this component in DOHA was apparently based on reluctance and resistance towards the merging of units within DARD – substantiated also by the ordinance.
- Inter-departmental co-operation: On central level a National Agricultural Extension Centre (NAEC) has been organised in a separate structure under MARD. The NAEC is by no beneficiary to a huge ADB initiative in support of capacity strengthening for extension services. When reorganising the local level extension services in models outside the national initiative there is a considerable risk that the local structures will remain outside the capacity building initiatives. This risk is recognised by the sub-project and is one of the factors impeding implementation.
- End beneficiaries – farmers – have not been consulted, neither on performance (possible performance gaps) in the existing structure or with respect to a changed structure for this type of service delivery.
- The selection of pilot models is narrow. A brief feasibility assessment of for example a co-operative based service delivery model might have been relevant and appropriate when developing the pilot.
- It was reported that a similar pilot is taking place under the PSF in Tra Vinh. Also here the pilot is facing constraints of exactly same nature – legal constraints and opposition to the new model.
- We have not examined the budgets and the budget lines, but understand that PSF funds have been used to provide 'allowances' to project implementation staff. We have not examined this issue in detail and not consulted the NEX guidelines, but we do believe that it could become an issue for the next phase which is assumed based on the Hanoi Core Statement.

3.6   Outcome Six: Co-ordinated assistance and partnerships

Outcome target six aims developing well co-ordinate external assistance using performing partnership and funds pooling arrangements to support the achievement of the outcome targets of the project. Main aspects of outcome six are (i) the Government - donor dialogue; and (ii) the donor - donor dialogue.

The outcome target was formulated against a baseline assessment, stating:

- Funding facility to strategically support the design and development of PAR activities at the macro level was not in place.
- Donor funded projects appear scattered without coherent relationship to Government PAR activities
- Comprehensive partnership arrangements not yet established in the area of PAR

Table 3-16: Outcome target six - baseline and indicators

Outcome	Baseline		Indicators	
6. Well co-ordinated external assistance through development of performing partnership and funds pooling arrangements to support the achievement of the outcome targets.	1	Scattered PAR projects funded by different donors	1	A PAR Support Facility in place enabling MoHA to better respond to PAR MP's reform needs, managed by MoHA in consultation with UNDP
	2	No funding facility in place to efficiently and effectively facilitate the PAR donors' programmes in a co-ordinated manner	2	External assistance well co-ordinated and becomes an integral part of the PAR MP
	3	Effective partnership arrangements not established in PAR		

As shown in the output specifications below, establishment of the PSF mechanism is to be understood as a key result under this outcome target, whereas the operations under the established PSF mechanism are the cornerstone of outcome target five.

Table 3-17: Outputs under outcome target six

Output	Baseline		Indicators	
6.1 A PAR Support Facility established to enable MoHA to be responsive to the needs of effective management of the PAR implementation process	1	No funding facility in place to strategically support the design and development of PAR activities at the macro level.	1	An effective and flexible PAR Support Facility in place
			2	Quality research undertaken with clear impact on PAR steering
6.2 External assistance becomes an effective resource for PAR MP implementation	1	Donor funded projects appear scattered without coherent relationship to Government PAR activities	1	Effective mechanism for strategic research, policy dialogue and information sharing between Government and donor community established
			2	Coherence achieved between GoV PAR priorities and donor supported PAR activities
6.3 Future partnership arrangements for donor support to implementation of PAR MP studies and recommendations made to donor community and GoV	1	Comprehensive partnership arrangements not yet established in the area of PAR		5. Partnership arrangement studies undertaken.
	2	Concessional loan funding for PAR Master Programme implementation under consideration by the GoV		6. Recommendations on establishment of PAR Support Fund submitted and endorsed.

With respect to the baseline element regarding loans, we note that the GoV has approved an ADB-loan to implement action programme four to enhance qualifications of cadres and civil servants, implemented by MoHA.

The PAR Partnership Forum serves as the mechanism for GoV – donor dialogue and most of the activities under this outcome have been implemented in close co-operation with the ICD in MoHA.

The donor-donor dialogue is organised independently from this outcome between UNDP and the LMDG as well as within the LMDG, where SDC has assumed the lead role.

Reported achievements and results under outcome six

The PAR Support Facility was established in 2003 and working regulations issued by MoHA in Decision no. 37/2003 by MoHA cf. also section 3.5.1

In 2004 the project organised two PAR Partnership Forum and PAR project meetings, creating an opportunity for the donor community and PAR projects to share information and experiences regarding PAR.

Different meetings between PAR SC secretariat and donors and between PAR Partnership members have been organised regularly in 2005. The information network with donor and projects focused on developing a database of projects; an orientation to support the establishment has been prepared by now and a database is in operation.

In general the activities supported under this outcome are well in line with the outcome target and the specified outputs. We do, however, question some activities. The regional conference on 'Civil Ethics and Responsibilities' with participation from five Asian countries to share experiences in civil management and fighting corruption hardly serves to attain the output – a well performing partnership.

Further the AR under this outcome reports advocacy activities like PAR Newsletter, PAR web-site, which are also supported under outcome two. We have no information to assess whether activities have received financial support under two outcome budget lines.

We are noting that some planned activities were not implemented. A planned study to review composition of donor support and priorities for future support was not carried out. A planned thematic workshop in 2004 regarding methods to appraise, monitor and evaluate requests for support under the PFS was not conducted; studies (i) on the effectiveness of the PAR Partnership Forum and solutions to improve the quality of it, (ii) on improving the information sharing mechanism on PAR with the donor community and (iii) study regarding the development of the M&E system for PAR Projects (linked to outcome target one) were not realised.

Budgets and actual disbursement under this outcome target have during 2004, 2005 and possibly also in 2006 shown huge imbalances.

Table 3-18: Outcome target six - budget and expenditure

Year	Planned	Disbursed	Disbursed / planned (%)
2003	11,000	13,000	123
2004	45,000	11,000	21
2005	63,000	15,000	24
2006	50,000	12,000	23

Note: For 2006 disbursement included quarters I and II only.

Conclusion regarding outcome target six

Regarding outcome target six we acknowledge that the project has been instrumental in supporting development of partnership relations, and compared to the baseline situation has succeeded maybe even beyond expectations as this partnership structure has been new for the GoV and donors as well. We recognise the fact that partnership forum discussions have been able to feed into the annual CG meetings, which we regard as a positive achievement.

Within this overall positive assessment we do, however, in relation to the specified baseline and indicators conclude that not all results have been attained. The PFS is in place and fully operational (indicators one and six), although not having reached the level of strategic support to design and development of PAR activities at the macro level. PAR partnership forum is established and is meeting regularly, but several donors express disappointment over the arrangements. Meetings do not offer useful information; tend to be long and formal and leaving little time for debate and discussion. Practical arrangements are inadequate; papers for the meetings arrive very late, leaving donors not time to assess and eventually consult head quarter expertise. In this we believe that donors express disappointment of not being engaged in more comprehensive strategic and substantial discussion regarding visions and targets for the PAR process.

The mid-term review pointed to a need to strengthen the partnership, speeding up the dialogue on PAR related issues. And the project responded by planning several activities, which to a large extent were never realised. This we find regrettable and we do believe that it constitutes a 'missed opportunity' to improve the quality of the partnership arrangements. The Evaluation Team strongly believes that relative to outcome target six project performances could have been enhanced a lot if recommendations had been more fully incorporated into the work plans and implemented accordingly.

After four years of partnership development there still is limited transparency regarding GoV budget allocations to PAR activities. Donor contribution is fully transparent and visible, but the general PAR budget allocations by GoV are still unknown for the donors.

The Evaluation Team finds signs of positive change relative to outcome target six. An effective and flexible PAR Support Facility is in place. PAR projects database is accessible via PAR website. Important studies and documents regarding evaluation of the ongoing PAR phase and perspectives for the next phase have been prepared, discussed in cooperation with Government and donors and decided by the GoV. Consequently, we note that the project under outcome target six, especially seen together with outcome one, has provided significant inputs to the overall PAR process.

3.6.2   Donor – donor dialogue and co-ordination

Outcome target six includes a success criterion relating to well co-ordinated external assistance. The donor – donor dialogue is a necessary element to achieve co-ordinated external assistance, and as such this aspect relates closely to outcome target six, although not a direct intervention area for the project. This co-ordination and dialogue is mainly between UNDP and the LMDG as well as within the LMDG. Outcome six should by developing partnership fora facilitate the donor - donor dialogue.

UNDP is spearheading the LMDG relative to project VIE/01/024. UNDP thus has two key functions (i) as lead dialogue partner towards GoV on policy and PAR issues and (ii) as implementing agency for the project, which is executed by MoHA under the NEX modality. Scattered observations during the evaluation process might indicate that the balance between these two functions is not fully satisfactory.

There seems to be a tendency for UNDP to focus resources more on the role as implementing agency. Weak project performance with respect to work planning, reporting and follow up, underperformance relative to critical outputs (for example the M&E system) and low budget discipline may be some of the reasons for UNDP to focus on implementation and performance monitoring here. We note that UNDP also from time to time engages in micro-management issues, which in principle should not be necessary within the NEX modality – unless corrective interventions are deemed necessary resulting from weak national project management.

UNDP might consider strengthening the role as lead policy and strategy dialogue partner, especially also in relation to a new phase support to the PAR MP. One option could be to attach a high-calibre international expert within PAR and Governance reform processes as a facilitator of this dialogue, being able to offer substantive inputs in the dialogue process. We are as such not assessing qualifications of UNDP staff, which is outside our mandate, but we do believe that attaching international experts only to projects leaves UNDP Vietnam office in a weaker position. Upgrading the UNDP office could enable UNDP to better balance the GoV in substantive issues and could also enable mobilising more substantive information from UNDP's global network in PAR related issues.

Within the LMDG SDC has been assigned the role as lead. We have assessed neither quality nor intensity of the donor – donor dialogue, which we believe is outside the scope of the assignment. We have, however, recorded observations, indicating that enhancing UNDP's role regarding policy-level dialogue with the GoV most likely would also enhance the quality of the donor – donor dialogue.

3.7   Project Management

The project is executed under the NEX modality. GoV has allocated executing responsibilities to MoHA and inside MoHA a project implementation organisation has been formed.

The Minister of MoHA, Mr. Do Quang Trung heads the Steering Committee for the project. He is assisted by Vice Minister Thanh. MoHA's leadership acts focal point in the relations between project and the national PAR SC, where Minister Do Quang Trung acts as a Vice Chairman.

Direct responsibility for execution has been allocated to the National Project Director, Mr. Dinh Duy Hoa, who is with respect to daily management supported by two National Project Managers, Mr. Nguyen Ngoc Quynh and Mr. Vu Duc Phu. The NPD co-ordinates directly with the PAR SC Secretariat.

This management team is supported by a team of long-term international experts: a senior Resident Technical Adviser, an Information and Communication specialist and a PSF expert.

The implementation organisation comprises three units: (i) an administrative unit; (ii) an information and communication unit; and (iii) a PSF unit, all operating directly under project funds.

Within MoHA a PAR Department has been established, which is a core beneficiary under the project. The PAR Department is counterpart to the project organisation, implementing the project funded activities within MoHA. Although a formal borderline exists, separating PAR Department from project organisation, it can sometimes be difficult to distinguish between project and department. It is evident that close relations enhance ownership, but it also creates dependencies regarding funding for example and sometimes blur decision-making authority.[24] Other beneficiaries in MOHA are International Co-operation Department and the departments and institutes directly involved in implementing the National Action Programmes.

UNDP manages the project based on the stipulations in the NEX modality, emphasising national ownership. UNDP has appointed a Programme Officer to monitor the project's work plans and financial management. The Programme Officer participates in the Advisory Committee, set up to select projects to be supported under the PSF.

The NEX modality imposes a tight financial management practice, based on work plans. The work plan is the cornerstone and is – when approved – a legal document, formulating the actual specifications within the overall project document. The GoV system is on the other hand understood much less specific and consequently more flexible.

Observations and recommendations
- The project has been caught between these two different systems. Seen from the project it has been necessary – and fully in line with overall project objectives – to offer support as and when requested by the GoV also regarding issues not formulated in the work plans. The work plan system is not effective. Unrealised activities from one year are not carried over or reflected in the work plan for the subsequent year. Seen from UNDP and the LMDG the impression is that the project is activity-driven, not result-driven and is not respecting agreed work plans. Over the years approving the work plans have several times become a source of disagreement and it is evident that the project / UNDP has not been able to find a solution to this issue. It might be considered to allocate a stronger facilitating role to the RTA.
- It is recommended that UNDP considers allocating discretionary funds on an annual or semi-annual basis, enabling the project to respond to GoV requests within a ceiling amount. If this is realised the annual budgets would have two parts: one which is di-

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[24] Cf for example the observations regarding the PSF project in Ba Dinh in section 3.5.7

rectly based on planned activities as stipulated in the work plan and one additional budget line for 'unplanned' activities.

- The project, however, does also bear some responsibility for the recurrent discussions over work plans. Work plans from the project has shifted format and content during project implementation and the project has not until 2005 reported progress more consequently with reference to the approved work plans.
- Project reporting (AR) has in general tended to be utterly positive. There are very few problems regarding implementation in the reports, which of course does not reflect real life implementation experiences.
- Improved understanding and respect for donor concerns and requirements with respect to work plans and progress reports would be strongly recommended. The NEX guidelines are not only a bureaucratic straight jacket, but also represent an international best practice system and should be understood as such.
- Also for project management / project office budget and actual expenditure does not balance. We have to conclude that budget discipline is very low and/or budget procedures insufficient. It is for UNDP to decide whether it has been too low, but the constant imbalance between budget allocation and expenditure as reported under each output should be a matter of concern. We do believe that consequent activity-based budgeting within result-oriented outputs is by far the best approach to prepare realistic budgets.
- It is understood that the annual audit report 2005 included demands to tighten financial control, better ensure output documentation and ensure operational closure of the project. [25] The Evaluation Team has in accordance with the TOR not assessed financial performance. We do, however, see the need for ensuring operational closure and specifically for projects financed under the PSF, cf also the specific observations in section 3.5.7.
- Regarding the project implementation organisation the Evaluation Team concludes that the PSF group could be understaffed. The PSF fund has been an experiment and of limited financial volume. We have through site visits seen supported projects, which are assessed as having unsatisfactory technical and financial sustainability, compared to international best practice. We assume that the PSF group would aim at ensuring sustainability in the selection, instruction, guidance and monitoring of PSF funded activities, which has not been realised.
- Any future funding arrangements (PSF as of today, multi-donor trust fund etc) should as a precondition be properly staffed with high calibre project design, implementation and monitoring expertise. It is well known from other multi-donor trust funds, operating in Vietnam, that ensuring proper project quality and impact is resource demanding for the fund managing unit. These lessons must be reflected in the design of the future funding modality.
- A Project Steering Committee has been formed. We have found no evidence documenting the work of this steering committee. If oversight functions have been taken over by the PAR SC the project Steering Committee could be redundant.

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[25] Agreed Minutes of Project Mid-year Review Meeting. 15 August 2006

3.8 Conclusion

The LMDG and UNDP have according to the PD totally contributed close to 8 MUSD for the implementation of this project. 3.4 MUSD of this have been allocated to the PSF.[26] GoV contribution adds another 0.6 MUSD to the budget.

What is value-added of these contributions?

The PAR MP is a programme with full national ownership and with clear priority for the GoV. As such it would be expected that the programme would be implemented also without donor contribution. Basically, the value-added by the LMDG and UNDP contributions relate to the speed of implementation, the quality of results as well as the scope of activities.

With respect to outcome target one it can be said that the capacity of involved agencies to implement the PAR MP would be improved also without external financial contributions. The value-added here relate to the enhancement of knowledge and skills with respect to change management as well as promoting the concepts and ideas regarding systematic monitoring and evaluation, which are new concepts in Vietnam and still creating conceptual problems as the Vietnamese terms for the concepts under result-based monitoring and evaluation are vague and differ from the international.

Under outcome target two it can be assumed that an advocacy strategy regarding television and radio would be developed based on Decision 178 also without project support. The value-added from the project here most likely relate to the scope. Project support has implied establishment of the PAR website, produced news letters, films and other IEC material. With international funding the IEC activities have been broader in types of media as well in geographical coverage, which probably would not have been realised to the same extent on limited GoV budgets.

Under outcome target three the stipulated seven action plans and legal documents would be prepared also without international funding. The value-added under this outcome target relate to the quality of legal documents and the opportunity to consult international experiences more broadly.

Value-added under outcome target four relate to capacity enhancement. The reporting systems have been improved and training has been delivered to PAR specialists. The project has supported wider coverage of capacity enhancement as well as the 'hot-line', which would not necessarily have been established under limited GoV funds.

Outcome target five the support to develop innovative PAR projects probably shows the greatest value-added under this project. The PSF was established directly as a modality for multi-donor support, going much beyond limited GoV funds. Within GoV budgets only some very few initiatives could be prioritised and supported, whereas the donor support has widened geographical coverage as well as the scope and number of change models.

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[26] According to the AR of the project. The amount includes the additional contributions by SCD and CIDA, when the PSF was declared an open fund.

Without international support outcome target six most likely would remain as bilateral dialogue between GoV and donors. Project support has improved and extended the dialogue, which is now multilateral and quite comprehensive.

In conclusion we trust that the project has added value to the overall PAR process by improving the capacity of PAR specialists; by increasing the speed of changes; by widening the scope; by enhancing quality and by expanding geographical coverage beyond that which would be possible with only limited GoV funding. Given the fact that the PAR MP has a very high degree of national ownership and the difficulties to attribute specific changes to the project we can, however, only assess the value added in the above broad terms.

Compared to the evaluation criteria applied by the international donor community (formulated by OECD/DAC) and UNDP - relevance, effectiveness, efficiency, impact and sustainability - we summarise our rating, reflecting the consolidated observations of the Evaluation Team. The results shall be seen as a summary and not as a scientific exercise.

Relevance
Under relevance we include the relevance to UNDP's mandate, to national priorities and to beneficiaries' needs. Here the project scores high. Objectives for the project are still valid also after four years of implementation.

Other parameters under relevance include quality and logic of project design. Here the project scores medium. Outputs are reasonably consistent with outcome targets. On consistency of activities to outputs we would rate the project medium.

Effectiveness
Effectiveness of the project, understood as the extent to which objectives were achieved, is rated medium. We are rating the achievement medium as it impossible to fully attribute result directly to the project, which is also due to the vagueness of the monitoring system.

Efficiency
Efficiency is normally specified into three aspects: Were activities cost efficient, were outputs / objectives achieved on time and was project implemented in the most efficient way compared to alternatives? We note that the project has delivered significant results in accordance with schedules, but also has a number of undelivered results as per schedules and work plans. Regarding cost efficiency we have noted some disturbing observations (the comments in the audit report, the use of incentives for example). We can not assess project efficiency relative to alternatives as this issue has not formed part of the project approach. All in all, based on partial information, we would rate cost effectiveness medium for projects of this type and volume.

Impact or degree of change
Understanding impact as changes resulting from project activities the project would score high. We have observed a number of significant signposts of change, although not all can be attributed directly to the project.

We do find early signs of impact in critical areas for PAR MP implementation like functioning PMBs, implementation of MoHA sub-programmes, establishment and support to PAR

specialists' networks, PAR web-site and advocacy to mention some examples. It could be said that the overall pace of reforms is still too slow, but we do believe that realistically seen the project has been able also to influence the pace of reform significantly.

Sustainability

A project is considered sustainable if benefits of the project will continue after project end. Sustainability assessment includes three aspects: (i) financial, (ii) technical and (iii) environmental sustainability. Environmental sustainability is not a relevant aspect for this project, which has insignificant environmental consequences.

Overall, technical sustainability is satisfactory. The results produced by the project include institutional and organisational elements, which are structurally fully integrated into the relevant agencies and consequently deemed technically sustainable. We are however voicing concerns regarding technical sustainability with respect to some of the PSF-funded projects. Especially the GIS projects most likely would require external technical support after project end, but this could very well be the case for other PSF-funded projects that we have not assessed.

Financial sustainability is rated medium to low. The project has for example allocated a large volume of activities including budgets to be implemented by the PAR Department, and there could be a concern regarding the future activity level of the PAR Department after project end. Similar observations relate to some of the PSF-funded projects, where project has supported early pilots without ensuring funds for pilots or full implementation.

Sustainability is influenced also by the degree of local ownership. Local ownership appears satisfactory but maybe confined mostly to MoHA/DOHA structures.

4   Lessons learned

After five years implementation of the PAR MP the national review reports a huge number of significant successful initiatives but also concludes that the reform pace is still too slow and sometimes also incoherent.

Regarding the role and function of the VIE/01/024 the following constitutes lessons learned:

Project outcomes

The targeted outcomes of the project were very ambitious and many expectations have been placed on the project without fully realising the fact that the PAR MP is very comprehensive in its scope, having a huge reform agenda over a long period of time, whereas the project is much more limited in terms of scope, resources and timeframe. The VIE/01/024 has been designed to support implementation of selected aspects of the PAR MP only. A more comprehensive situation analysis at project start or during inception could probably have assisted in specifying outcome targets somewhat more, balancing these also towards donor expectations and priorities.

Location of the VIE/01/024

The PAR MP is a multi-sector reform. And from the beginning it was foreseen that the VIE/01/024 should be located at a unit with multi-sector responsibilities, and the PAR SC was proposed as the anchor point for the support.

The multi-sector reform - or the horizontal dimension - is in the PAR MP conceptualised into the four reform areas (organisational, institutional, HR development and financial reforms), which are sector-wise cross-cutting. Within these, each agency has implemented its own action plan within the vertical structures of each agency.

The GoV decided to locate the project within MoHA, which is one of the key agencies for the PAR MP. But MoHA is also a line ministry, linked to local government management units and wider responsibilities than PAR.

The location of the project may have imposed a structural constraint on MoHA's ability to operate effectively in the horizontal dimension. When analysing results of the VIE/01/024 we observe a tendency to prioritise development within MoHA's vertical structures, which probably has been must easier than working in a multi-sector setting and possibly also the most realistic option for the project.

Locating a new project at the most appropriate horizontally operating unit, which would be the PAR SC (or OOG, which has no line functions) is not necessarily a better option. Location is only one parameter; others relate to setting clear priorities, realistic expecta-

tions to outcomes, strengthened implementation structures on the Vietnamese side as well as on UNDP, which may at the end exert much more influence on programme success than location.

Donor prioritisation and expectations

Although the PAR MP, when formulated, was a major break-through, giving vision and direction for the GoV-lead reform process, the PAR MP has also been criticised for not setting clear priorities, not analysing sequencing and in aspects being too vague about end target for the process.

According to information provided during the evaluation process there is actually a widespread disappointment that the support did not facilitate an open strategic dialogue between the donor community and the GoV and disappointment regarding results of the project support as well as regarding the pace of reforms. We believe that this could have been prevented if donors had defined their own priorities and setting targets for what they wanted to support. This was never done, and donors knowingly decided to support the PAR MP without reservations or qualifications. Given this fact the project probably could never fulfil all expectations, formulated and unformulated. During project implementation this has resulted in detailed discussions around work plans, missing deliverables and wrongful project prioritisations during annual review meetings.

It is our understanding that the project never realised fully what were donor expectations and has to some extent acted within a framework stating that 'donors know too little about PAR'. When combined with weak management systems (work plans, reporting, unplanned activities, and budget discipline) all the elements are present to establish a less optimal dialogue and respectful co-operation.

M&E system

The output-oriented M&E system is a cornerstone in the project design, and the missing M&E system is rated a significant underperformance by the project. We have been informed that one reason is that the PAR SC has not requested and prioritised this system and is satisfied with the gradually improved progress reporting systems, supported by the project.

The PAR MP is considered mostly a strategic directional programme with low level of specificity regarding targets and results. Consequently the output-based M&E system is not only a technical tool to monitor progress, but – maybe first and foremost – a tool to specify the PAR MP and mitigate drawbacks in the PAR MP.

The missing monitoring system for the PAR MP is reflected also in the project. The project itself does not monitor on indicators for results, but on activities. Throughout the life span of the project reporting and follow-up is shifting more and more towards activities, resulting in an approach where the project appears as activity-driven rather than output or result-driven. Clear and consistent prioritisation is difficult on activity level if targets are not clear. This has been another issue for dispute and dissatisfaction between the project and the development partners. Project management is focussing efforts on realising activities, which in many cases probably is difficult, given also the structural constraints of the project, and development partners are focussing on results, which can hardly be documented and reported without a result-based monitoring system.

The PSF

The PSF has been a valuable instrument as a pilot for new funding modalities, offering value added contributions to change models. The 'learning by doing' approach has however also demonstrated a number of drawbacks. Unclear priorities, shifting priorities, insufficient professional support and late development of monitoring mechanisms are some of these. Several duplications of pilots without clear and stated purpose relative to development of shared practices and projects with a significant risk regarding technical and financial sustainability are other observations. Sector-wise many pilots appear narrow and restricted to MoHA's mandated responsibilities. As a learning experience the PSF offers lessons learned not only with respect to reform and change models but also with respect to national fund management.

Outreach

Outreach has in general been comprehensive and successful. The PSF as an outreach tool has proven valuable. The capacity development within the network of PAR specialist has been successful. Sector-wise less narrow pilots funded under the PSF could possibly have increased the outreach also beyond the geographical dimension.

Project management

Project management structure comprises a Project Steering Committee (on paper) and a leadership of one NPD, one Vice NPD and two Project Managers. Responsibilities and roles are not clearly specified. Management routines are applied somewhat formalistic and not fully applying work plans, progress reporting and budgets as management tools. Budget discipline is low. Monitoring systems are insufficient. Combined with overloaded and understaffed implementation units, the lessons learned clearly points to strengthening project management units as well as implementation structures, ensuring the presence of high calibre implementation experts, familiar with the use of planning, reporting and monitoring tools, combined with strengthened financial management and accounting.

UNDP

Balancing UNDP's dual role as lead dialogue partner and implementation unit for projects under the NEX modality appears difficult. More focus on the policy dialogue aspect and less on implementation and within this also micro-management would be desirable also to enhance the donor – donor dialogue on substantive issues. One aspect here relates to resources at UNDP's Vietnam office and the other to management quality within the executing agency.

Partnership

During implementation of the project partnership arrangements have made big improvements. There still are unresolved issues regarding the quality of the policy dialogue between the donor community and the GoV, and transparency in budget allocations for PAR on the part of GoV.

5   Recommendations

The following recommendations are made on the basis of the evaluation of results and performance during the ongoing phase and on lessons learned. For details we refer to the relevant sub-section in the report, where findings and conclusions, leading to the recommendations are presented.

The recommendations are structured into three sub-sections, covering (i) next phase support, (ii) recommendations for UNDP / LMDG and (iii) some recommendations regarding remainder of project.

5.1   Recommendations regarding next phase support

Programme design and approach

- Next phase support shall be based on a programmatic approach in which outcome targets (objectives) derive directly from the PAR MP phase two documents. Objectives consequently are specified within GoV plans and priorities.
- The programmatic approach shall apply best international practice for programme design, implying that outcome targets are based on a situation analysis (a baseline), which would focus on issues, problems and weaknesses. The outcome targets shall be described as positive achievement and formulated as a clear image of the new situation, which the programme shall assist to attain.
- The situation analysis should preferably include reflections regarding drivers of change, enabling the programme to set priorities and ensure a faster reform pace if so desired. The drivers of change reflections could further ensure better programme orientation towards a PAR process, serving the people better.
- The outcome targets should be supported by proper indicators, not only defining the type of indicator, which is general practice in the approach applied for the ongoing project. Indicators should be understood as measurable specifications of the outcome target, and include quantities, qualities, time frame, beneficiaries and location as per international best practice.
- Specific indicators may link more directly to SEDP and the CPRGS. The effect of 'good governance' – also quantitatively on economic growth - is well documented in very comprehensive WB studies.
- Outcome targets and the indicators, defining when the situation has been attained, would form the basis for an output- or result-based monitoring system. Development and implementation of a result-based monitoring system is difficult, but the attempt should be made and a GoV commitment to support and implement the system should

be guaranteed. It implies a new approach also for the PAR SC and consequently seeking binding commitment is strongly recommended.[27]

- The programme will include components, each of which should be formulated around one or maximum two areas (key result areas), enabling GoV and donors as well to set priorities for programme support.
- A few examples of focal areas could be: (i) Civil service reform, which would relate to internal drivers of change; (ii) separating state management functions from public service delivery, which would open more for external drivers of change and (iii) quality improvement of public service delivery, which would activate internal as well as external drivers of change.
- Components which are very likely to be included should be defined and designed at the programme design stage. This implies that a decision be made already at this stage regarding continuation of the support to MARD and to Ho Chi Minh City. It would be more fair towards these beneficiaries and also give a basis for informed decision-making if the components for these two beneficiaries are defined now.
- The relation between the next phase PAR support programme and the Anti-corruption plans should be clarified. The benefits and drawbacks of including the anti-corruption plans as a component should be assessed.
- Components will be built around well defined outputs. The programme should elaborate proper outputs – anticipated and tangible results of the programme support. Outputs will also be developed in line with best international practice, implying that they are operationally defined by proper, relevant and measurable indicators. Hereby the programme will establish the basis for the second level of the result-based monitoring system.
- The programmatic approach, applied in this way, implies that the programme would include a limited number of well defined outcome targets, under which it will define relevant components and specify tangible outputs. This will allow donors to decide to support either the full programme or to select supporting specific component of more relevance with respect to their priorities.
- Activity planning does not form part of a programme. Activities will be planned on an annual basis in solid work plans, which can form the basis for flexible budget allocations and add a process orientation to the overall programmatic approach.

Financial mechanisms

- With respect to budgets we recommend an overall budget be allocated to each component based on number and complexity of outputs and on priority and relevance of components. If needed a budget break-down could be developed to the level of outputs. Budgets should be full cost budgets, reflecting GoV contribution and donor contribution. For GoV contribution we recommend true budgets be prepared, replacing the percentage contribution used in ODA programmes.
- Within the ceiling amounts allocated to each component / output annual budgets shall be prepared at activity level. This would form the fixed parts of any budget. We are recommending adding for example a percentage as an annual ceiling amount to the fixed budget to enable flexible and unplanned activities. An Executing Agency will consequently be responsible for deliveries within the fixed, activity-based budgets and be able to include unforeseen activities, flexible allocations, but all within the an-

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[27] According to the Hanoi Core Statement the commitment to apply result-based monitoring has been accepted by the GoV for the SEDP.

nually allocated ceiling amount. This implies that an Executing Agency should set priorities also for flexible expenditures and exert budget discipline. This would also ensure that the programmes can offer process support, however still within clearly identified targets.

- Financial mechanisms for the programme shall be developed with a view to the principles in Hanoi Core Statement.[28] UNDP and the LMDG shall based on paragraph 5 determine to which degree they can accept the country systems. Based on paragraphs 6, 7 and 8 the UNDP and the LMDG will assess additional safeguards (if necessary), use national accounting principles, annual audits etc. Parallel structures will be avoided and incentive payments will either be completely excluded or phased out. We recommend that UNDP and the LMDG assess, define and formulate their specific requirements regarding Hanoi Core Statement paragraphs 5 – 8 as a matter of urgency.

Management mechanism

- Programme implementation management will be allocated to an executive agency. It will be mandatory requirement to the GoV that nationally funded fully qualified personnel are allocated in sufficient numbers to the executive agency or agencies. Management will apply best practice management tools for implementation, comprising annual work plans, progress reporting and result-based monitoring as per guidelines (UNDP or other).[29] We are recommending that sufficient entry-level qualifications regarding programme implementation are ensured. The 'learning by doing' approach is not recommended due to the volume and complexity of a programme. Qualifications can be enhanced during implementation, but not developed from a low entry-level.
- Establishment of an Advisory Board may be considered as a substitute for a Steering Committee. We believe that an Advisory Board[30] could provide guidelines, advice and more value added to programme implementation than a Steering Committee; the difference being that an Advisory Board would have a stronger role in substantive issues and support implementation in a more flexible and professional manner compared to the monitoring role of a Steering Committee.
- International consultants can be attached at different points and levels to implement the programme, possibly selected on need-basis from a pool of pre-identified consultants. It is recommended that consultants should assist not only in subject-matter issues regarding PAR, but also in developing, introducing and applying relevant implementation and management tools.

Pooled fund mechanism

- It is anticipated that the existing PSF will be substituted by a multi-donor trust fund.
  - Regarding mechanisms for this we recommend that priorities for allocation are set out already in the programme document. This does not have to be fixed for the whole programme period. A mid-term review could be designed to assess results and give recommendations on adjusting priority areas. The number of priority areas should probably be limited. The fund should be able to support much

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[28] The GoV (MPI) is together with UNDP in the process of preparing a harmonised Programme Management Guide, seeking to incorporate the principles of the Hanoi Core Statement.

[29] Cf. note above

[30] This board may include representatives from Secretariat of PSC, related ministries and governmental agencies, donors, research institutes, NAPA and highly qualified specialists/consultants/professionals on PAR.

more than innovative approaches, which by volume and nature would not require a huge fund. It could be considered to support PAR reforms from the pilot stage over duplication and tailoring/adaptation to other geographical conditions and replication until they have become national policy, where GoV should assume full responsibility for nation-wide implementation.

- For pilots to be funded under the multi-donor trust fund we are suggesting that a sequencing approach be designed for example based on the 'powerhouse' approach, discussed in section 3.5.8

- The multi-donor trust fund should be managed by UNDP, and UNDP should ensure proper and relevant staffing to manage the fund. It is estimated that for a fund at the level of 8 MUSD at least one full-time professional staff is necessary, being supported on a need-basis for specific issues within UNDP's global network.

- Procedures can be inspired by the management modality used by the WB for multi-donor trust funds. Here the 'no objection' and the quality assessment of proposals are instrumental.

- On the Vietnamese side a strong, competent team of experts shall be allocated (i) to identify, screen and improve proposals during the design phase, which would comprise staff experienced within output-based project design, (ii) to offer substantive support during implementation and (iii) to execute result-based monitoring of implementation. The team should include financial management and accounting staff.

- The multi-donor trust fund probably would be one of the elements to which international expertise for example within project design and implementation should be attached.

• The programme should encourage deepening and widening the partnership arrangements. GoV should increase budget transparency regarding allocations to PAR activities also outside the topics covered under the proposed programme and identify options to strengthen the policy and strategic dialogue. Donors should meet the GoV and the programme with realistic expectations to what can and should be achieved in the PAR MP phase two and in the programme.

Location of the programme

• We do not present specific recommendations regarding location of the new project. We have observed and reported strengths and weaknesses relative to appointing a line ministry as Executive Agency, but we do also express a concern regarding locating the project with for example the PAR SC. Structurally this appears logic, but we see a risk that this location would imply starting a new 'learning by doing' phase.

• If the PAR SC is selected as Executing Agency for the new project conditionalities regarding staffing structure and qualifications should be incorporated into the PD to ensure a high level of professionalism with respect to programme implementation, monitoring and evaluation.

• Location of the programme is one of several parameters, determining programme success. Others and maybe more important relate to the quality and specificity of the programme document, experience and competence in the management team, proper resource allocation from day one and broad access to national and international expertise as outlined above.

5.2   Recommendations to UNDP and the LMDG

- UNDP should identify measures to strengthen its role as lead agency for policy dialogue. In the opinion of the Evaluation Team this implies enhancing the in-house knowledge at the Vietnam office regarding substantive PAR issues and experiences. Allocation of additional resources – a high-calibre international PAR expert for example – and proactive use of UNDP's global network could be feasible options in addition to the expertise allocated directly to implement the programme and its components.
- UNDP should carefully assess the need for management structures and expertise to manage a multi-donor trust fund. And we strongly recommend that the structures are in place when programme starts.
- The LMDG and any other donor, deciding to participate in the funding for the programme and the multi-donor trust fund, should at an early stage assess and decide what they want to support: the programme in general without specifications and/or specific components of high priority. As part of this assessment we suggest that donors also assess the implementation strategy including the relations between the PAR MP phase two and the programme. This is anticipated to result in clearer priorities, better guidance for the GoV and the executing agency and also more realistic expectations.
- UNDP and LMDG may consider extending the project by some 2-3 months, given that budgets are available. This time prolongation should be granted to ensure that the important outstanding activities are properly completed and highest possible level of impact ensured. Some highlights are presented below in the next section.

5.3   Recommendations for remainder of project

- The project should adjust the work plan for two remaining quarters to ensure that high priority activities are carried out and results produced at the agreed level of quality. Here we recommend focussing on the shared practice notes and bringing the PAR web-site to a higher performance level as one of the important tools to disseminate shared practice notes. Finalisation of the draft M&E system, which shall be piloted early 2007, should also be given high priority.
- Additional high-priority activities could be identified based on ensuring sustainability to the largest possible extent rather than ensuring full disbursement of funds.
- The project should reflect and take serious corrective actions regarding the audit report 2005 and ensure that the final audit report (2006 and project terminal audit) is without remarks.
- The summary financial reporting in the AR could indicate expenditure within several output targets below the budgets. We have no detailed information and have not verified this against financial progress reports. If these indications are correct the project should at the latest by the end of quarter 3 prepare a detailed financial status report and formulate its recommendations to UNDP and the LMDG as part of project closing procedures.
- Project closure procedures should be developed and gradually implemented starting most likely no later than at the beginning of 4th quarter 2006. Project management should base project closure procedures on the assumption that 31 December is final date for project activity.