



## Completion Report

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Program Number: 35343  
Loan Number: 1992  
December 2008

VIE: Program Loan Cluster, Phase I of the Program  
Loan to the Socialist Republic of Viet Nam to Support  
Implementation of the Public Administration Reform  
Master Program in Viet Nam

## CURRENCY EQUIVALENTS

Currency Unit – Dong (D)

		<b>At Appraisal</b>	<b>At Program Completion</b>
		26 December 2002	10 November 2008
D1.00	=	\$ 0.0000649562	\$ 0.0000589484
\$1.00	=	D 15,395	D 16,964

## ABBREVIATIONS

ADB	–	Asian Development Bank
CIO	–	chief information officer
CPNET	–	Chinh Phu Network (government - wide network)
CPRGS	–	Comprehensive Poverty Reduction and Growth Strategy
CPV	–	Communist Party of Viet Nam
EIO	–	executive information officer
EIU	–	executing information unit
HCMPA	–	Ho Chi Minh Public Academy
ICT	–	information and communications technology
M&E	–	monitoring and evaluation
NAPA	–	National Academy of Public Administration
PAR MP	–	Public Administration Reform Master Program
PCR	–	program completion report
PMU	–	program management unit
PPP	–	purchasing power parity
SEDP	–	Socio-Economic Development Strategy
TA	–	technical assistance
TCR	–	technical assistance completion report
TNA	–	training needs assessment

## NOTE

The fiscal year (FY) of the Government and its agencies ends on 31 December.

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## BASIC DATA

### A. Loan Identification

1.	Country	Socialist Republic of Viet Nam
2.	Loan Number	1992
3.	Program Title	Program Loan Cluster, Phase I, of the Program Loan to the Socialist Republic of Viet Nam to Support the Implementation of the Public Administration Reform Master Program in Viet Nam
4.	Borrower	Socialist Republic of Viet Nam
5.	Executing Agencies	Ministry of Home Affairs and Office of the Government
6.	Amount of Loan	SDR33,657,000.00 (\$48,677,109.39)
7.	Program Completion Report Number	1071

### B. Loan Data

1.	Appraisal	
	– Date Started	23 September 2002
	– Date Completed	8 October 2002
2.	Loan Negotiations	
	– Date Started	25 November 2002
	– Date Completed	26 November 2002
3.	Date of Board Approval	16 January 2003
4.	Date of Loan Agreement	18 February 2003
5.	Date of Loan Effectiveness	
	– In Loan Agreement	19 May 2003
	– Actual	19 August 2003
	– Number of Extensions	One
6.	Closing Date	
	– In Loan Agreement	31 December 2005
	– Actual	31 December 2005
	– Number of Extensions	None
7.	Terms of Loan	
	– Interest Rate	1% during the grace period, 1.5% during the amortization period
	– Maturity (number of years)	24 years
	– Grace Period (number of years)	8 years

## 8. Disbursements

## a. Dates

<b>Initial Disbursement</b>	<b>Final Disbursement</b>	<b>Time Interval</b>
25 November 2003	7 October 2005	22.4 months
<b>Effective Date</b>	<b>Original Closing Date</b>	<b>Time Interval</b>
19 August 2003	31 December 2005	28.4 months

## b. Amount (\$ 48,677,109.39)

<b>Category or Subloan</b>	<b>Original Allocation (SDR)</b>	<b>Last Revised Allocation (SDR)</b>	<b>Amount Canceled (SDR)</b>	<b>Amount Disbursed (SDR)</b>	<b>Undisbursed Balance (SDR)</b>
1 <sup>st</sup> Tranche	11,219,000.00	11,219,000.00	0	11,219,000.00	0
2 <sup>nd</sup> Tranche	22,438,000.00	22,438,000.00	0	22,438,000.00	0
<b>Total</b>	<b>33,657,000.00</b>	<b>33,657,000.00</b>	<b>0</b>	<b>33,657,000.00</b>	<b>0</b>

**C. Program Data**

## 1. Program Cost (\$ million)}

<b>Cost</b>	<b>Appraisal Estimate</b>	<b>Actual</b>
Foreign Exchange Cost	45.0	48.7
<b>Total</b>	<b>45.0</b>	<b>48.7</b>

## 2. Financing Plan (\$ million)}

<b>Cost</b>	<b>Appraisal Estimate</b>	<b>Actual</b>
Implementation Costs		
Borrower Financed	61.8	
ADB Financed	45.0	48.7
Other External Financing	15.0	
<b>Total</b>	<b>141.8</b>	

ADB = Asian Development Bank, IDC = interest during construction.

## 3. Cost Breakdown by Program Component (\$ million)

<b>Component</b>	<b>Appraisal Estimate</b>	<b>Actual</b>
Training	28.2	
Administrative modernization	60.0	
Others	53.6	
<b>Total</b>	<b>141.8</b>	

## 4. Program Schedule

<b>Item</b>	<b>Appraisal Estimate</b>	<b>Actual</b>
Date		
1 <sup>st</sup> Tranche Release	April 2003	25 November 2003
2 <sup>nd</sup> Tranche Release	September 2004	7 October 2005

## 5. Program Performance Report Ratings

<b>Implementation Period</b>	<b>Ratings</b>	
	<b>Development Objectives</b>	<b>Implementation Progress</b>
From 31 January 2003 to 30 December 2003	Satisfactory	Satisfactory
From 30 January 2004 to 30 December 2004	Satisfactory	Satisfactory
From 30 January 2005 to 30 December 2005	Satisfactory	Satisfactory

**D. Data on Asian Development Bank Missions**

<b>Name of Mission</b>	<b>Date</b>	<b>No. of Persons</b>	<b>No. of Person-Days</b>	<b>Specialization of Members<sup>b</sup></b>
Appraisal	23 September 2002	5	20	Country Director; Principal Governance Specialist; Governance and Public Sector Reform Officer; Economic Assistant
Review 1	22 March 2004	4	39	Principal Governance Specialist; Governance and Public Sector Reform Officer; IT Officer; Assistant Project Analyst
Review 2	15 July 2004	4	22	Principal Programs Economist; Governance and Public Sector Reform Officer; IT Officer; Assistant Project Analyst
Review 3	15 November 2004	6	38	Principal Programs Economist; Counsel; Governance and Trade Specialist; Governance and Public Sector Reform Officer; Information Technology Officer; Assistant Project Analyst
Review 4	12-14 July 2005	3	7	Governance and Trade Specialist; Governance and Public Sector Reform Officer; Assistant Project Analyst
Program Review	Completion 19 August 2008	2	8	Governance and Public Sector Reform Officer; Public Administration Reform (PAR) Consultant; Assistant Project Analyst



## I. PROGRAM DESCRIPTION

1. Since the adoption of the policy of *Doi Moi* (renovation) in 1986, Viet Nam has experienced a transition from a centrally-planned to a socialist-oriented market economy. Viet Nam's economy has undergone radical change while achieving almost unparalleled socio-economic success: high economic growth rates, and substantial poverty reduction and social development. While tangible progress has been achieved through structural and economic reforms, the country continues to face many of the major socioeconomic problems and challenges of an economy in transition. The Government recognizes that a more effective and efficient public administration system is a strategic necessity for realizing the country's development goals.

2. The Government formulated and approved the Public Administration Reform Master Program (PAR MP) in September 2001.<sup>1</sup> PAR MP envisaged the reform of the entire public administration system by 2010 through four focus areas and seven action programs. The focus areas include (i) institutional reform, (ii) reform of the organizational structure of public administration, (iii) renovation of the civil service, and (iv) public finance reform. The action programs include (i) improvements to the development, issuance, and quality of legal normative documents (under focus area 1); (ii) improvements in the roles, functions, and organizational structures of agencies in the administrative system (under focus area 2); (iii) rightsizing of the civil service (under focus area 3); (iv) training and retraining to improve the quality of public officials (under focus area 3); (v) salary reforms (under focus area 3); (vi) improvements to the financial management mechanisms of administrative and public service delivery agencies (under focus area 4); and (vii) modernization of the administrative system, including computerization and e-government initiatives (under focus area 2). The PAR MP adopted a program cluster concept and was divided into three phases for the period 2003–2010.

3. The Asian Development Bank (ADB) approved the PAR Program Loan to help implement the PAR MP Phase I (2003–2005) with a total of \$45 million equivalent from the Asian Development Fund. The Program aimed to support and facilitate the implementation of the Government's PAR MP and to assist in building a professional, modern, effective, and efficient public administration system. The Program was to finance implementation of two of the seven action programs: (i) training and retraining to improve the quality of public officials under action program number 4; and (ii) modernization of the administrative system, including computerization and e-government initiatives, under action program number 7.

4. The expected outcomes of the Program were to enhance the transparency, accountability, and quality of the civil service; and to improve efficiency and cost-effectiveness of public service delivery. The policy matrix of the Program comprised three parts. Part A was to embrace critical PAR MP development objectives, measures, and actions to lay the foundation for the program; ensure strategic linkages and synergy; and provide an enabling policy and institutional environment for successful implementation of the PAR MP (specifically, action program numbers 4 and 7). Parts B and C focused on the development objectives and key measures for implementation of action program numbers 4 and number 7.

5. The Program was approved on 16 January 2003 and the Loan Agreement was signed on 18 February 2003. The program loan was released in two tranches: \$15 million in the first tranche and \$30 million in the second tranche. Both tranches were fully disbursed, although the

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<sup>1</sup> Prime Minister's Decision No. 136/2001/QD-TTg issued on 17 September 2001 on approval of the PAR Master Program for the period 2001–2010.

release of the second tranche was delayed. The Program was completed in December 2005. The subsequent two phases were expected to be processed sequentially upon completion of the Program. During the ADB's country programming exercise in 2007, while confirming its strong commitment to implementation of the PAR MP, the Government requested ADB not to implement the project preparatory technical assistance (TA) to formulate a program loan for Phase II. This was in line with the Government's policy to use external grant funds for policy reform support. Instead, the Government requested ADB to provide a TA to support its civil service reform program.

6. This program completion report (PCR) provides an overview and evaluation of initial impacts and benefits of the overall PAR MP Phase I. The program framework, including the achievements of the PAR MP Phase I, is in Appendix 1.

## II. EVALUATION OF DESIGN AND IMPLEMENTATION

### A. Relevance of Design and Formulation

7. The Program was consistent with the development objectives of Viet Nam's Socio-economic Development Strategy (SEDP) 2001–2010<sup>2</sup> and the Comprehensive Poverty Reduction and Growth Strategy (CPRGS).<sup>3</sup> These strategies constitute a framework to achieve rapid, sustainable, and equitable development with a focus on (i) increased competitiveness of the economy, (ii) human resources development, (iii) renovation of the public administration system, and (iv) deeper integration into the regional and global economies. The Program was expected to contribute to the improved delivery of public services and the establishment of an enabling environment for business through enhancement of transparency, accountability, and quality in the civil service. The Program was in line with ADB's country operational strategy for Viet Nam.<sup>4</sup>

8. ADB supported the Government in the preparation and implementation of the PAR MP in Viet Nam (2001–2010) through a TA.<sup>5</sup> In preparing the Program, ADB coordinated with other development partners, including the United Nations Development Program. Under the TA to prepare the Program,<sup>6</sup> a comprehensive diagnostic review was undertaken and produced the first program loan for implementation of the PAR MP. With the strong leadership of both the Government and ADB, the Program was designed within 8 months of the TA's Fact-Finding Mission. Lessons from public sector reform programs in other developing member countries were incorporated in the program design. Although ADB had been supporting many reform initiatives in sector agencies and selected sub-national jurisdictions in Viet Nam, it was difficult to build upon these public administration reforms due to outdated regulations, low salaries, non-merit based recruitment and promotion, and low skill levels. The PAR MP was designed to be the most effective path for addressing these systemic issues by encouraging, supporting, and facilitating a combination of both top-down and bottom-up approaches.

<sup>2</sup> Viet Nam. 2001. *The Ten-Year Socio-Economic Development Plan 2001-2010*. Hanoi.

<sup>3</sup> Viet Nam. 2002. *Comprehensive Poverty Reduction and Growth Strategy*. Hanoi.

<sup>4</sup> ADB. 2001. *Country Strategy and Program Update 2002–2004 for Viet Nam*. Manila.

<sup>5</sup> ADB. 1998. *TA-3023 VIE: Strengthening Capacity for Public Administration Reform, Phase II*. Manila.

<sup>6</sup> ADB. 2002. *TA-3886 VIE: Preparing a Proposal to Support Implementation of the Public Administration Reform Program*. Manila.

## B. Program Outputs

9. The expected outputs under the Program comprise (i) effective and efficient implementation of the PAR MP; (ii) improved quality, competency, and professionalism of public officials at the central and local levels; and (iii) establishment of an advanced and modern public administration system through improvement in management modalities, policy coordination, and work methods; and the appropriate use of information and communications technology (ICT) and a government-wide computerized network. Most of the program outputs were achieved fully and in a timely manner.

### 1. Effective and Efficient Implementation of the PAR MP

10. For the effective and efficient implementation of the PAR MP, four key areas were identified: (i) planning, implementation, monitoring, and public awareness; (ii) development of an enabling legal and policy framework; (iii) enhancement of public service delivery; and (iv) salary reform and rightsizing of the civil service.

11. **Planning, Implementation, Monitoring, and Public Awareness.** The public sector was restructured to reduce the number of central government ministries and agencies from 48 in 2000 to 38 in 2004, and to remove state management from public service delivery.<sup>7</sup> The Program helped the Government prepare and approve Decree 144/2005/ND-CP on Coordination among Administrative Agencies in the Development of Policies, Strategies, and Master Plans (16 November 2005). The establishment of the PAR MP steering committee and secretariat strengthened planning and monitoring capabilities. Following the Prime Minister's directive 09/2005/CT-TTg on Promoting Implementation of Public Administration Reform (5 April 2005), the PAR MP was mainstreamed into the preparation of annual plans for ministries and local governments. The PAR MP's management information system was developed to monitor implementation and reports were submitted for discussion at Government's monthly cabinet meetings to review performance and impact. A results-based, organizational performance measurement tool was introduced in Ho Chi Minh City on a pilot basis. A public awareness program was approved in September 2003, three months ahead of the original schedule. Through implementation of the public awareness program, information on the PAR MP was disseminated through newsletters, television, radio, and a website.<sup>8</sup> However, the monitoring and evaluation mechanism is still limited to internal assessments. No external assessments have been conducted. Development of a multi-year, integrated and sequenced rolling action plan for the PAR MP was both delayed and insufficient to address integration and sequencing issues.

12. **Development of an Enabling Legal and Policy Framework.** The Government submitted the amended Law on the Promulgation of Normative Documents to the National Assembly in December 2003. The amended law was subsequently approved in December 2004. The requirement to conduct stakeholder consultations during the drafting of the law contributed to enhanced participation, transparency, and accountability in the law-making process.<sup>9</sup> A strategy for development of the legal system in Viet Nam, which detailed priority reform areas, responsible agencies, and budget plans, was developed and approved at the highest level of the Communist Party of Viet Nam – the Party's Political Bureau on 24 May 2005.<sup>10</sup> To renovate

<sup>7</sup> The number of the central government ministries and agencies was further reduced to 31 in 2007.

<sup>8</sup> <http://www.caicachanhchinh.gov.vn>

<sup>9</sup> An additional amendment made in 2007 requires compulsory regulatory impact assessment during law making.

<sup>10</sup> A Resolution 48-BCT/2005 issued on 24 May 2005 on the Legal Development Strategy for Viet Nam to 2010 with orientation toward 2020.

the policies and legal framework for managing and developing civil servants, the amended Ordinance on Cadres and Civil Servants approved in 2003 brought two important changes: (i) distinction between the civil servants working in administrative agencies and those working in public service delivery agencies, and (ii) inclusion of public servants working at the grassroots level in the category of civil servants. These clarifications helped provide more autonomy to the public service delivery agencies and enabled them to develop specific management policies at each level. Decree No. 71/2003/ND-CP on Delegation of Personnel Management of Administrative Agencies and Public Service Delivery Agencies (19 June 2003) delegated personnel management to the local government level.

13. **Enhancement of Public Service Delivery.** The Prime Minister's Decision No. 181/2003/QD-TTg issued in September 2003 called for the nation-wide replication of a one-stop-shop model of decentralized public administration service delivery by 2004.<sup>11</sup> This model was applied to business licensing, land administration, construction notarization, and social affairs. With guidelines on the necessary documentation, processing time, and fees, public service delivery procedures became more clear and transparent. The business environment in Viet Nam has improved through reduction of red tape and processing times.

14. **Salary Reform and Rightsizing.** The Government increased the minimum salary of civil servants by 38.1% in January 2003 and 20.7% in October 2005.<sup>12</sup> The provision of block grants for administrative agencies also helped increase civil servants' salaries. The Government issued Resolution No. 09/2003/NQ-CP on Rightsizing of Administrative and Public Service Delivery Agencies (19 June 2003). In compliance with this resolution, the number of civil servants, including those working in administrative agencies and public service delivery agencies, was reduced by 50,378 between 2003 and 2005.

## 2. Improved Quality, Competency, and Professionalism of Public Officials

15. To achieve this output, policy actions were designed to help shift training for public officials from the intake of knowledge and theory to the development of required competencies and skills. The areas covered include (i) establishment of the legal and policy framework for training reform, (ii) restructuring of organizations and management of training institutions, (iii) improvement of human resource development planning, and (iv) upgrading of training infrastructure and resources.

16. **Establishment of the Legal and Policy Framework for Training Reform.** A diagnostic analysis on current training management was conducted and an implementation plan was developed to improve training management both at the central and local levels. Decision 161/2003/QD-TTg (4 August 2003) on the regulation of training and retraining of cadres and civil servants created a legal framework in the Government's administrative agencies.

17. **Restructuring of Organizations and Management of Training Institutions.** Decision No. 161/2003/QD-TTg (4 August 2003) defined the role, functions, and responsibilities of training management bodies and training institutions. The integration of the National Academy of Public Administration and the Ho Chi Minh Public Academy in July 2007 was expected to reduce overlaps in training curriculum. An in-depth study of this integration needs to be

<sup>11</sup> Prime Minister's Decision No. 93/2007/QD-TTg issued on 22 June 2007 on the Implementation Regulation of "One Door" and "Integrated One Door" Mechanisms at Local Administrative Agencies instructed shifting the "one-stop shop" model to the "integrated one-stop" model.

<sup>12</sup> Minimum salary was further increased by 28.6 percent in October 2006 and 20 percent in January 2008.

conducted to identify lessons and potential measures to further improve training management and delivery.

**18. Improvement of Human Resource Development Planning.** Based on a training needs assessment conducted for township and commune leaders, a training plan and curriculum was developed to improve job performance and professionalism. The training was pilot tested for commune leaders in the central highland region of Viet Nam. Pilot training was also conducted for department managers and principal experts with a focus on leadership development. However, the expansion of these pilot training programs was delayed mainly due to the rigid fixed rate applied by the Government for designing and delivering training courses for civil servants which is far below the market rate. Only about 4,300 civil servants received the training, which represented about 20% of the target. In order to introduce modern, interactive teaching methods, two training-of-trainer programs were developed and implemented: one on teaching methodology and the other on knowledge on state governance. A monitoring and evaluation system for assessing the implementation and evaluating the quality and impact of the trainings was piloted in March–April 2006. (At appraisal, implementation had been envisaged by June 2005.)

**19. Upgrading of Training Infrastructure and Resources.** Needs assessments were conducted and investment plans were developed for less than half of the existing training institutions. A substantial upgrading of training facilities and equipment was not undertaken. The lack of progress in this area was due to the limited capacity of the executing agency and the complex procedures involved.

### **3. Establishment of Advanced and Modern Public Administration**

20. Four areas were identified under this program output: (i) development of a legal and policy framework for computerization; (ii) design and implementation of reformed working rules and methods; (iii) capacity building in ICT planning, development, implementation, and maintenance; and (iv) decentralization and dissemination of modernized public services.

**21. Development of a Legal and Policy Framework for Computerization.** The Prime Minister's Decision 33/2002/QĐ-TTg on Internet Development Master Plan 2001–2005 (February 2002), the Electronic Transaction Law approved by the National Assembly (November 2005), and the Information Technology Law approved by the National Assembly (June 2006) combined to establish the framework to support the computerization of public sector administrative management and e-government initiatives. The Prime Minister's Decision No. 246/2005/QĐ-TTg on the National Strategy for ICT Development to 2010 (October 2005) also contributed to the framework. The Ministry of Information and Communication was assigned as the focal point within the Government for e-government development in 2007.

**22. Design and Implementation of Reformed Working Rules and Methods.** Under the Government's Program 69, working rules and methods of the Office of the Government (OOG), Ministry of Planning and Investment, Ministry of Construction, Ministry of Finance, and Ministry of Science and Technology were reviewed. Based on the results, the working rules and methods were reformed through adoption of International Organization for Standardization (ISO)<sup>13</sup> standards.

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<sup>13</sup> ISO is the world's largest developer and publisher of International Standards and a network of the national standards institutes of 157 countries. ISO enables a consensus to be reached on solutions that meet both the requirements of business and the broader needs of society.

**23. Capacity Building in Information Communications Technology Planning, Development, Implementation, and Maintenance.** One hundred and fifteen executing information units were established in central and local government administrative agencies. These units were made responsible for ICT planning and management in their respective agencies. Training programs were developed to strengthen public sector capacity in ICT management, planning, and support. Eighteen training manuals were produced and seven training courses were conducted for 3,000 ICT officials from the ministries and provincial governments between March 2004 and December 2005.

**24. Decentralization and Dissemination of Modern Public Services.** Two tranche policy actions were implemented as part of the introduction of computerized public administration and e-government: (i) establishment of a government information portal,<sup>14</sup> and (ii) integration of government-wide information through the upgrading and expansion of the Government's internal information network. These policy actions were implemented satisfactorily. E-government online public services were successfully piloted in Hai Phong City and Ba Ria – Vung Tau province. An intranet network for the entire customs system was established throughout the country, and an electronic clearance system for exports and imports was introduced in Ho Chi Minh City and Hai Phong. A remote customs clearance system is being applied in large cities. However, there were challenges in the introduction of the e-government initiatives, and dissemination was not fully implemented as envisaged.

### **C. Program Costs**

25. At appraisal, the cost of implementing six action plans under Phase I of the PAR MP was estimated at \$141.8 million between 2003 and 2005.<sup>15</sup> The costs of implementation for training and retraining (action plan number 4), and modernization of administrative systems (action plan number 7) were estimated at \$28.2 million and \$60 million, respectively. ADB provided a loan of \$45 million for implementation of action plans numbers 4 and 7 under Phase I of the PAR MP. The remaining balance was financed by the Government and other development partners.

### **D. Program Schedule and Disbursements**

26. The loan was approved on 16 January 2003 and the Loan Agreement was signed on 18 February 2003. It became effective on 19 August 2003, while it had been expected to become effective on 18 June 2003, or 90 days after the loan signing. The first tranche of \$16.2 million was disbursed on 25 November 2003 as scheduled. The second tranche of \$32.5 million<sup>16</sup> was disbursed on 7 October 2005, about one year behind schedule due to a lengthy consultation process for legislation making, and inadequate capacity of officials in implementation of reform initiatives. With a release of the second tranche and the achievement of most of the non-tranche policy actions, the Program was completed on 31 December 2005 without any extensions.

<sup>14</sup> The portal was consolidated in 2007 at <http://www.chinhphu.vn>. This official government portal has become a focal point for providing updated government operations, national economic development plans and strategies, and a forum for citizens and businesses.

<sup>15</sup> Action plan number 5 on salary reforms was excluded as it was not yet clear what precise proposal would be implemented.

<sup>16</sup> The total disbursed amount increased to \$48.7 millions from the envisaged amount of \$45 millions due to fluctuations in the exchange rate between SDR and USD at the time of approval and disbursement.

## **E. Implementation Arrangements**

27. The Program was implemented in line with the arrangements envisaged at appraisal. OOG and the Ministry of Home Affairs (MOHA) served as the joint executing agencies for the Program under the overall leadership of the Prime Minister. OOG and MOHA were jointly responsible for implementation of the measures and actions under Part A. MOHA was the implementing agency for Part B, while OOG was the implementing agency for Part C. The PAR MP steering committee, headed by the Prime Minister, was established to guide and oversee overall implementation. Program management units were established within OOG and MOHA to ensure effective handling of the implementing agency roles and responsibilities. Each program management unit was headed by a vice minister who was assisted by director-level officials. During program implementation, the program management units prepared and submitted progress reports, including semi-annual reports, and coordinated activities under the Program and related TAs.

## **F. Conditions and Covenants**

28. All 17 tranche measures and actions, including 6 policy actions for the first tranche and 11 policy actions for the second tranche, were satisfactorily fulfilled. The tranche policy actions were identified using the policy matrix during the formulation of the Program.

29. All five tranche release policy actions, two in the first tranche and three in the second tranche, were successfully implemented under Part A of the Program. They were related to: (i) establishment of the legal system development strategy, (ii) development of policies and a legal framework for restructuring civil service management, and (iii) streamlining of government ministries and agencies. Under Part B, six tranche release policy actions were successfully implemented. They included two policy actions in the first tranche and four in the second tranche that focused on (i) development of a legal and management framework for training and retraining; (ii) renovation of training plans, curriculum design, and training contents; and (iii) capacity building of the trainers. Under Part C, six tranche release policy actions, including two policy actions in the first tranche and four policy actions in the second tranche, were successfully implemented.

30. While the first tranche was released as scheduled, the second tranche was delayed due to the slow implementation of one policy action in the area of administrative modernization (Part C) and four policy actions in the area of training and retraining (Part B). Reasons for the delay include a lengthy consultation process related to legislation and a lack of capacity to implement reform initiatives. To speed up implementation, detailed action plans were jointly developed by the executing agencies and ADB during review missions and their implementation was monitored closely. All of the remaining policy actions were fulfilled eight months later than had been outlined in the original schedule.

## **G. Related Technical Assistance**

31. In addition to the project preparatory TA (TA 3886-VIE), three advisory TA projects were approved to assist implementation of the Program. The TAs were implemented in close coordination with other development partners to maximize synergies. The performance of consultants was assessed as satisfactory under each technical assistance completion report

(TCR). Some consultants were not rated.<sup>17</sup> The TAs provided substantial policy and technical advice to support implementation of the Program's policy actions.

32. The TA for institutional and capacity-building support to MOHA (TA 4081-VIE)<sup>18</sup> was approved on 16 January 2003. It aimed to assist MOHA in modernizing the policy, legal, and institutional arrangements for training and retraining public officials, as well as enhancing MOHA's capacity to support implementation of training reform and PAR MP implementation. The TA assisted MOHA in undertaking skill profiles, training needs assessments, and training-of-trainers; and in developing management information, monitoring, and public information systems. All of the expected outputs were delivered and the outcome was achieved. The TA was rated as successful. The TA was implemented from September 2003 to October 2007, which included a two year extension. A separate TCR is in Appendix 2.

33. TA 4080-VIE, which provided support to OOG in the implementation of administrative modernization,<sup>19</sup> was approved on 16 January 2003. The objective of the TA was to assist OOG in strengthening its ICT development and management capacity for the effective implementation of the Government's administrative modernization, computerization, and e-government action program. Although most of the expected outputs were achieved, two outputs were not fully achieved due to the slow pace of implementation. These unfulfilled outputs included: (i) strengthening capacity and technical skills for analysis and design of work methods and processes, and (ii) finalization of the e-government roadmap. Further efforts are needed to ensure that the developed standards and the e-government road map are effectively implemented in the next reform cycle.<sup>20</sup> The TA was rated as partly satisfactory. The TA was implemented from September 2003 to October 2007, which included a two year extension. A separate TCR is in Appendix 2.

34. The TA to support OOG in strengthening policy coordination (TA 4082-VIE)<sup>21</sup> was approved on 16 January 2003. The TA aimed to contribute to the continued enhancement of OOG's capacity in assisting the Government in national-level policy coordination and decision-making. The TA provided substantial inputs in development of Decree 144/2005/ND-CP on Coordination among Administrative Agencies in the Development of Policies, Strategies, and Master Plans (16 November 2005). The TA also contributed to development of the cabinet procedures manual. All outputs were achieved except the design and delivery of training modules. This output was not achieved due to staff constraints and inadequate leadership during a period of organizational restructuring within OOG. The TA was rated as satisfactory. The TA was implemented from October 2003 to October 2007, which included a two year extension. A separate TCR is in Appendix 2.

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<sup>17</sup> All three TAs were implemented over a long period (four years) and some consultants completed assignments more than two years ago. In line with recent ADB guidance, the unrated consultant performance for more than a year were classified as "Not Rated" and required no further action.

<sup>18</sup> ADB. 2003. *Institutional Capacity Building Support to the Ministry of Home Affairs*. Manila.

<sup>19</sup> ADB. 2003. *Support to the Office of the Government in the Implementation of Administrative Modernization, including Computerization and E-government Initiatives*. Manila.

<sup>20</sup> The Ministry of Information and Communication (MIC) has been assigned since 2007 as the focal point for the e-government program. A former Vice-Minister of OOG in charge of the Government administrative management modernization program was arrested in 2007 for allegations of misconduct in using budget for printing.

<sup>21</sup> ADB. 2003. *Policy Coordination Support to the Office of the Government*. Manila.

## **H. Performance of Consultants**

35. No consultant was hired under the Program. The evaluations of consultants' performance under the related TAs (4080-VIE, 4081-VIE, and 4082-VIE) is included in the TCR reports provided in Appendix 2.

## **I. Performance of the Borrower and Executing Agency**

36. In general, the performance of the borrower and executing agencies is rated as satisfactory. They fulfilled their responsibilities and closely communicated with ADB during program implementation. MOHA demonstrated strong ownership and commitment in developing a new legal and policy framework for training, and in pilot testing the delivery of competency-based training to a select group of civil servants. These measures are expected to ensure sustainability of the Program. The Government, and OOG as an executing agency, was successful in developing a legal and policy framework to enable the application of ICT in the public sector's administrative systems. While most of the expected outputs under part C of the Program were achieved, not all of the expected outcomes were realized, particularly with respect to reforming working rules and methods for ministries, agencies, and people's committees at the provincial level. The PAR MP steering committee displayed strong leadership by providing high-level policy direction and guidance for the Program.

## **J. Performance of the Asian Development Bank**

37. ADB's performance was satisfactory. ADB staff coordinated closely with the executing agencies to monitor the progress of reform activities and ensure successful compliance with program conditions. Intensive monitoring and review was conducted through regular meetings, particularly to follow-up on delays in implementing the second tranche policy actions. As the leading donor in support of civil service reform, ADB has been working closely with other development partners, including the United Nations Development Programme, Swedish International Development Cooperation Agency, Swiss Agency for Development and Cooperation, and United States Agency for International Development in leading an effective policy dialogue with the Government.

# **III. EVALUATION OF PERFORMANCE**

## **A. Relevance**

38. The Program design was highly relevant to the Government's agenda to build a professional, modern, effective, and efficient civil service as set out in the socio-economic development strategy for 2001–2010. The SEDP recognized the PAR MP as an important pillar in the country's poverty reduction and growth strategy. The Program was formulated under the framework of the PAR MP. The Program was designed in line with the ADB's strategy to promote good governance, which is one of the strategic thrusts of ADB operations in Viet Nam as outlined in the *Country Strategy and Program Update 2002–2004 for Viet Nam*, which was endorsed by the ADB Board in June 2001.

39. The Program used the program cluster approach, which provided flexibility in refining proposed policy actions to reflect the Government's achievements and any changes in the policy environment. The program design incorporated lessons from public sector reform programs in other ADB developing member countries that supported a combination of top-down and bottom-up approaches.

## **B. Effectiveness and Efficiency in Achieving Outcome and Outputs**

40. In general, the Program was effective and efficient in achieving the expected outputs. The outcomes of enhancing transparency, accountability, and quality in the civil service; and improving the efficiency and cost-effectiveness of public service delivery were attained as envisaged.

41. Most outputs under Part A of the Program were achieved as envisaged. The policy actions of the PAR MP were implemented in an efficient and effective manner. Overlaps between the government administrative agencies and the public service delivery agencies were reduced by redefining their functions and tasks. The Government's organization was streamlined and the number of the government agencies was decreased from 48 in 2000 to 38 in 2004. The achievement of these outputs helped increase transparency in government operations and create an enabling environment for business development. Public surveys and discussions at the Business Forum<sup>22</sup> indicated positive feedback on the streamlined administrative procedures and the one-stop-shop model. In addition, mandatory stakeholder consultations during the law-making process contributed to increased transparency and participation.

42. Training and retraining under Part B of the Program was implemented efficiently and effectively. The Program's outputs contributed to the establishment of a long-term development framework and strategy for management training with an increased focus on acquiring required competencies and skills rather than knowledge and theory. The delivery of competency-based, short-term training helped enhance the capacity of the training institutions. A post-training evaluation conducted during the PCR Mission for the heads of communes produced positive feedback. The impact would have been more tangible if the new training concept had been replicated on a larger scale. The Program also contributed to the development of a new human resources management model based on outcomes and merit.

43. The expected outputs under Part C were not fully achieved. Online public services that were adopted for business registration and customs clearance helped reduce costs for citizens and enterprises, and limited rent-seeking opportunities. The Electronic Transaction Law approved in November 2005 and the IT Law approved in June 2006 substantially improved the business environment. The establishment of executing and implementing agencies (and training for their staff) contributed to the application of ICT in public administration. According to a United Nation's survey on levels of e-government development, Viet Nam's ranking improved from 105 to 91 between 2005 and 2008.<sup>23</sup> However, the expected reforms and ICT applications were not fully implemented because of inadequate coordination between OOG and the relevant ministries, agencies, and provincial people's committees. While the process required the involvement of government agencies at various levels, management at the vice-ministerial level was not sufficient to effectively manage such complex and cross-cutting issues. Consequently, ICT applications were implemented by government agencies on a limited scale.

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<sup>22</sup> Business Forum is conducted semiannually since 1998 as part of the Viet Nam Consultative Group meetings. The Forum facilitates the exchange of views and initiatives of both the government and the private sector on policy issues toward private sector development.

<sup>23</sup> UN. 2008. *From E-Government to Connected Governance*. New York.

### C. Preliminary Assessment of Sustainability

44. The sustainability of the Program is rated as highly likely in view of the commitment and ownership demonstrated by the Government during the design and implementation of the Program. The endorsement of the second phase of the PAR MP for 2006–2010 provided enabling environment for further implementation of reform policies introduced in phase 1. The SEDP for 2006–2010 continues to stress the need to improve governance, ensure efficient and effective use of public resources, and control corruption.

45. MOHA demonstrated strong ownership and made commendable efforts in developing a strategic legal and policy framework, particularly in developing the Law on Cadres and Civil Servants, which was approved by the National Assembly in November 2008. The contributions of the Program to public administration—including competency-based training management, separation of government administration from public service delivery, and outcome- and merit-based public service management—were incorporated into the new law and are expected to help sustain the impacts of Phase I of the PAR MP. The TA to support civil service reform<sup>24</sup> is expected to guide the implementation of reform policies, raise public awareness, and build the capacity of participating institutions. The adjustment made by Ministry of Finance in April 2008 to allow more flexibility in using funds under the ADB program for training of public officials is expected to facilitate replication of the training courses developed under the Program on a larger scale.

46. A long-term legal framework for ICT application in government agencies was developed under the Program. The successful piloting of public service modernization activities created the momentum needed to promote more comprehensive ICT applications. In view of the recently developed policy and legal frameworks, namely the Government's Decree No. 64/2007/ND-CP issued on 10 April 2007 on Information Technology Application in state agencies, and the Prime Minister's Decision No. 43/2008/QD-TTg issued on 24 March 2008 on approval of the Action Plan of Information Technology Application in state agencies, the development of technical standards and the finalization of the e-government roadmap is expected to continue.

### D. Impact

47. The long-term goal of the PAR MP was to build a professional, modern, effective, and efficient system of public administration to support sustainable economic growth and poverty reduction. The Program has successfully established the foundation for the future achievement of this goal. Appendix 1 provides key macroeconomic indicators used to measure progress during program implementation.

48. In the short term, the Program helped public administration in Viet Nam to become more service-oriented and enhanced the capacity of the civil service, resulting in better service delivery to businesses and the poor. In the medium term, direct benefits will arise from cost savings in the public administration system due to improved institutional and functional efficiency that will be attained through computerization and better trained and more professional civil servants. Indirect benefits of the Program included reduced transaction costs and limited opportunities for rent-seeking. This freed up productive time and resources for the end-users of the public administration system. In the long term, benefits will arise from improved governance emanating from increased public participation. Improved public administration (e.g., transparency and predictability) and more democratic, participatory, and effective governance

<sup>24</sup> ADB. 2008. *Supporting Civil Service Reform*. Manila.

will stimulate economic risk-taking within the private sector and lead to higher savings and investment, which will stimulate economic growth.

49. The Program had direct and indirect poverty and social impacts, including greater transparency and the increased role and participation of the public at the grassroots level. The Program's impact on the more vulnerable segments of the population (e.g., the poor, ethnic minorities and women) requires additional study.

#### **IV. OVERALL ASSESSMENT AND RECOMMENDATIONS**

##### **A. Overall Assessment**

50. Overall, the Program is rated as successful. It was implemented as envisaged and remained highly relevant to the Government's development strategy and ADB's strategic objectives. Due to high levels of government ownership and effective coordination among the executing agencies and other stakeholders, the Program was effective and efficient in achieving the expected outcomes and outputs. In view of the Government's commitment to implementing the reform policies and measures set out in the PAR MP 2006–2010, SEDP 2006–2010, and the final draft of the civil service law, the Program's sustainability is rated as highly likely.

##### **B. Lessons Learned**

51. Key lessons from the Program and associated TA include the following:
- (i) The policy matrix developed under the Program contained 84 policy actions, including 17 tranche and 67 non-tranche policy actions. It was found that the program design was too ambitious with respect to completing such a large number of policy actions within an implementation period of three years. A more focused approach and prioritization of the reform measures could have brought about more tangible outputs;
  - (ii) Engagement of two executing agencies under the Program caused some difficulties with coordination. As result, a long time was required to fulfill some of the tranche policy actions and this caused a delay in the release of the second tranche;
  - (iii) There was some resistance to the development and implementation of e-government initiatives. When introducing a new concept or technology, it is important to hold intensive consultations with all levels of staff within the public administration system to facilitate their understanding of its usefulness and advantages. In addition, public support, which is critical to successfully implementing public sector reforms, was not obtained as the awareness-raising activities were insufficient;
  - (iv) The sequential approach of pilot testing a proposed policy reform, developing the legal and policy framework to support it, and finally implementing it on a larger scale proved to be appropriate in the context of Viet Nam's transition economy. Such an approach should be followed in the implementation of the second and third phases of the PAR MP, and in preparing public sector reform programs in ADB's other developing member countries; and
  - (v) The Government's strong leadership, ownership, and commitment is critical to the successful implementation of public sector reform programs. As the Program was comprehensive, strong leadership was required to bring in all related agencies and stakeholders throughout the planning and implementation process.

Sustainability of the Program will rely heavily on the Government's continued ownership and commitment.

### **C. Recommendations**

52. Program-related recommendations include the following:

- (i) Large-scale implementation of e-government initiatives was not completed under the Program and requires additional follow-up. In addition to the appointment of the Ministry of Information and Communication as the focal point for e-government development, the involvement of OOG and MOHA is recommended. Establishment of a national steering committee headed by the Prime Minister is also recommended to provide strong leadership with respect to e-government development;
- (ii) Addressing the traditional, change-averse mindset of many public officials at all levels is one of the challenges of implementing public sector reform programs. For implementation of the PAR MP Phase II and III, intensive consultations with public officials at all levels should be undertaken;
- (iii) ADB may consider supporting additional public administration reform activities, given that the Government needs more technical and financial resources to implement key reform initiatives. Additional support should be designed within a framework of Law on Cadres and Civil Servants, and the next phase of PAR MP, and should incorporate the lessons from this Program; and
- (iv) To further assess the impact of the Program, it is proposed that a program performance audit report be conducted before the end of 2010.

## PROGRAM FRAMEWORK

## SUPPORT TO THE VIET NAM PUBLIC ADMINISTRATION REFORM (PAR) MASTER PROGRAM

Design Summary	Program Performance Targets	Results Achieved
<p><b>Goal:</b> To build a democratic, strong, professional, effective, and efficient public administration system capable of supporting nation-building and development</p>	<ul style="list-style-type: none"> <li>• Appropriate and enabling policy framework, and effective regulatory mechanisms in place to:               <ul style="list-style-type: none"> <li>- double gross domestic product (GDP) between 2000 and 2010;</li> <li>- reduce the international and national standard-base poverty incidence by two fifths and three fifths, respectively, between 2000 and 2010;</li> <li>- provide jobs to 1.4–1.5 million people per annum;</li> <li>- raise the share of women in the workforce to 50% by 2010;</li> <li>- provide essential infrastructure for 75% of poor communes by 2005 and for 100% by 2010;</li> <li>- reduction of the infant mortality rate to 30 per 1,000 live births by 2010;</li> <li>- reduction of the maternal mortality rate to 80 per 100,000 by 2010; and,</li> <li>- reduction of the under-5 malnutrition rate to 25% by 2010.</li> </ul> </li> </ul>	<p><b>Achieved ahead of schedule.</b> GDP more than doubled from \$31.2 billion in 2000 to \$ 81.3 billions by 2007.</p> <p><b>Achieved.</b> By the national standard, the poverty index was reduced from 22% in 2005 to 12% in 2008.</p> <p><b>Achieved.</b> On average, 1.7 million jobs created per annum during 2005 –2007.</p> <p>The ratio of female to male labor force participation is 0.94 by 2008 as compared to 0.76 for countries of similar income status and 0.70 globally.</p> <p>It is estimated that 75% of poor communes had access to safe water in 2008.</p> <p><b>Achieved ahead of schedule.</b> 19 infant deaths per 1,000 live births in 2005</p> <p><b>Achieved ahead of schedule.</b> Maternal mortality rate of 80 per 100,000 in 2007</p> <p><b>Achieved ahead of schedule.</b> Under-5 malnutrition rate of 22.3% in 2007</p>
<p><b>Purpose:</b> To enhance the transparency, accountability, and quality of the civil service, and improve the efficiency and cost effectiveness of public service delivery.</p>	<ul style="list-style-type: none"> <li>• Vision and mandate for a results-based and performance-oriented civil service required under the PAR MP established</li> <li>• Enhanced incentives for improved performance and accountability of civil servants through implementation of a revised salary structure</li> <li>• Improved organizational performance, resource optimization, and personnel performance in pilot agencies through rightsizing under phase 1 of PAR MP (to be completed by December 2005)</li> </ul>	<p>Vision and mandate for a results-based and performance-oriented civil service was reflected under the PAR MP</p> <p>Incentives enhanced through increasing the minimum salary of public servants by 38.1% in January 2003 and 20.7% in October 2005. Minimum salary was further increased by 28.6 percent in October 2006 and 20 percent in January 2008.</p> <p>Overlaps reduced and policy coordination between agencies improved through streamlining and restructuring of Government agencies; the number of central ministries and government agencies reduced from 48 in 2000 to 38 in 2004</p>

Design Summary	Program Performance Targets	Results Achieved
	<ul style="list-style-type: none"> <li>• Improved system of incentives and accountability to support a service-oriented civil service and to sustain PAR implementation (to be introduced by July 2003)</li>   <li>• Report on corruption and ethics tabled with the National Assembly; the Government is expected to follow up with appropriate remedial policies and actions by December 2004</li> </ul>	<p>The national steering committee on salary reform and compensation policy was established in 2001 and a proposal on salary reform was approved in 2003; more financial autonomy granted to agencies to increase civil servant incomes (Decree 130 and Decree 115 issued in 2005)</p> <p>A first diagnostic study on corruption in Viet Nam was developed in 2004 and finalized in December 2005; laws on anti-corruption and procurement approved by the National Assembly in November 2005; the national steering committee on anti-corruption, headed by the Prime Minister, established in 2006</p>

Design Summary	Program Performance Targets	Results Achieved
<p><b>Outputs:</b>  <b>1. Effective and efficient implementation of the PAR Master Program</b></p>	<p><b>Planning, Implementation, Monitoring &amp; Public Awareness</b></p> <ul style="list-style-type: none"> <li>• Coordination mechanisms among central agencies strengthened by December 2004</li> <li>• Multi-year integrated and sequenced action plan and budget for PAR approved by the Government by March 2003 and implemented through December 2005</li> <li>• PAR M&amp;E system designed and implementation commenced by November 2002</li> <li>• Commence introduction of results-based organizational performance measurement for government agencies by December 2004</li> <li>• PAR management information system designed and implemented by December 2003</li> <li>• First PAR performance report &amp; PAR impact report submitted for Government review (MOHA) by September 2004</li> <li>• PAR publicity program developed and implemented by December 2003 (MOHA/MOCI)</li> </ul>	<p><b>Fully implemented.</b> Government organization and ministries have been streamlined and restructured since 2004. Decree 144 on policy coordination promulgated in 2005.</p> <p><b>Partially implemented.</b> Slow progress. Issue of integration and sequencing was raised but insufficiently reflected in the approved action plan for the PAR Master Program 2006–2010.</p> <p><b>Partially implemented.</b> Monitoring and evaluation (M&amp;E) mechanisms improved under the PAR MP. M&amp;E limited to internal assessment.</p> <p><b>Fully implemented.</b> A results-based organizational performance measurement piloted in Ho Chi Minh City</p> <p><b>Fully implemented.</b> PAR progress reports brought up in monthly cabinet meetings. The first PAR Partnership Forum ( PAR PF) was conducted on 2 June 2003, and subsequently, during the program period 2003 – 2005, PAR PF were conducted semi-annually..</p> <p><b>Fully implemented.</b> Review report on PAR assessment produced in December 2004.</p> <p><b>Fully implemented.</b> Public awareness program approved in September 2003. Information on PAR disseminated until now through newsletters, TV and radio, and a website.</p>

Design Summary	Program Performance Targets	Results Achieved
	<p><b>Legal &amp; Policy Framework</b></p> <ul style="list-style-type: none"> <li>• Amendment of the required Law on Promulgation of Legal Normative Documents submitted to the National Assembly by March 2004</li> <li>• Review of legal and administrative requirements of PAR initiatives and implementation commenced by December 2003</li> <li>• Renovation of policies and legal framework for managing and developing civil servants, including standards for professionalism and ethics for civil servants, including (i) amendment of Ordinance on Civil Servants &amp; Cadres by June 2003 and (ii) development of Decree on Delegation of Personnel Management Power by December 2003 and (iii) regulations by December 2005</li> <li>• Completion and submission to Government of the legal system development strategy detailing priority reform areas, responsible agencies and budget plans by February 2003</li> </ul> <p><b>Public Service Delivery</b></p> <ul style="list-style-type: none"> <li>▪ Assessment of PSD performance and commencement of implementation of recommendations for improvements, with special attention to impact on the poor and effectiveness of institutional structures at national and local levels by December 2003</li> <li>• Action Plan for improving and expanding scope of PSD prepared by MOHA by December 2003 and implemented to December 2005</li> <li>• Implementation of public information system to improve PSD information to citizens, especially the poor, by June 2004</li> </ul>	<p><b>Fully implemented.</b> Law on the Promulgation of Normative Documents amended in December 2004.</p> <p><b>Fully implemented.</b> Bloc grants institutionalized.</p> <p><b>Fully implemented.</b> Ordinance on Cadres and Civil Servants amended in 2003. Decree No. 71 on delegating personnel management issued on 19 June 2003.</p> <p><b>Fully implemented.</b> Legal system development for Viet Nam up to 2010 developed and approved.</p> <p><b>Fully implemented.</b> An assessment report on one-stop shop implementation at the commune level produced in September 2004.</p> <p><b>Fully implemented.</b> Prime Minister's Decision No. 276 was issued on 27 February 2004 to request review of administrative procedures and abolishment of complex and unnecessary ones.</p> <p><b>Implemented and on-going.</b> Information on administrative procedures developed in government agencies and in localities such as Hanoi and Ho Chi Minh City.</p>

Design Summary	Program Performance Targets	Results Achieved
	<p><b>Salary Reform &amp; Rightsizing</b></p> <p>Submit to Government an implementation program for salary reform by December 2003 and implement through December 2005</p> <p>Restructuring and rightsizing at least four critical agencies based on emerging new functions and responsibilities of Government and criteria for effectiveness and efficiency</p>	<p><b>Fully implemented.</b> Salary reform proposal approved late 2003. Minimum salary increased by 38.1% in 2003 and by 20.7% in 2005.</p> <p><b>Fully implemented.</b> The restructuring and rightsizing were conducted in all ministries in line with a separation of public administration management with public service delivery.</p>
<p><b>2. Improved quality, competency, and professionalism of public officials at the central and local levels</b></p>	<p><b>Legal &amp; Policy Framework</b></p> <ul style="list-style-type: none"> <li>• Improved legal framework for role, functions and relationships of public service training institutions by December 2003 (MOHA)</li> <li>• Develop regulations for training and retraining of public officials, including training management mechanisms, incentive schemes, budget resources, and promotion of gender and minority participation by December 2003 (MOHA)</li> </ul> <p><b>Organizational Restructuring</b></p> <ul style="list-style-type: none"> <li>• Restructuring of organizations and management arrangements of training institutions for improved delivery of training programs by March 2003 ( MOHA and relevant training institutions)</li> </ul>	<p><b>Fully implemented.</b> Government's Decision 161 issued in August 2003 on the roles, functions and responsibilities of training management bodies and training institutions.</p> <p><b>Fully implemented.</b> Decision 69 issued in April 2003, providing an overall framework on training for civil servants for 2003–2005. A standing Circular 105 of Ministry of Finance provided an incentive mechanism and budget resources for training. A proposal on promoting gender and minority officials' participation in training submitted and regulations were approved.</p> <p><b>Partially implemented and on-going.</b> The Government's Decision 161 issued in 2003 on training management bodies and training institutions. A recent integration of National Academic of Public Administration and the Ho Chi Minh Public Academy.</p>

Design Summary	Program Performance Targets	Results Achieved
	<p><b>Human Resource Development Planning</b></p> <ul style="list-style-type: none"> <li>Revised training plan and curriculum designed, aimed at improving job performance and professionalism of civil servants, pilot tested and delivered across all sectors of the civil service by December 2005</li> <li>Pilot test new and modern teaching methodologies in selected training courses by December 2004</li> <li>Relevant training provided, both domestic and overseas, for 15,000 public officials of central agency and line ministries and 10,000 officials working at the grassroots level by September 2004</li> <li>Relevant training of trainer course provided for trainers by June 2004</li> <li>An M&amp;E system for assessing the implementation of training and evaluating the quality and impact of training established by December 2003</li> <li>An impact evaluation on training and retraining reforms carried out by June 2005</li> </ul> <p><b>Training Infrastructure &amp; Resources</b></p> <ul style="list-style-type: none"> <li>Implement investment plan for upgrading facilities and equipment of selected training institutions by March 2004</li> <li>Develop an assets maintenance and replacement plan for selected training institutions for phased implementation by December 2004</li> </ul>	<p><b>Fully implemented.</b> A strategy on revising training curriculums up to 2010 developed. Training curriculums were revised for principal experts and for department managers. New competency-based training designed and delivered to selected groups, such as heads of commune in the central highland region.</p> <p><b>Fully implemented.</b> The modern teaching methodologies utilizing interactive adult teaching methods piloted in a number of training courses, such as training for heads of communes in the central highland region of Viet Nam.</p> <p><b>Partially implemented.</b> Newly-designed, competency-based training delivered to about 4.300 civil servants, and more than 400 selected officials sent abroad for training.</p> <p><b>Fully implemented.</b> Two training programs for trainers developed, and delivered. A legal framework (Decision No. 28/2003) for strengthening the capacity of trainers was developed and total of D16 billion earmarked during 2003–2005 for this purpose.</p> <p><b>Partially implemented.</b> The M&amp;E system for assessing curriculum development, training courses, and trainers developed, albeit with a delay. The M&amp;E system was piloted for the training courses conducted for the heads of communes in the central highland region of Viet Nam.</p> <p><b>Fully implemented.</b> A review report on training reforms was conducted, guiding the development of training reform measures reflected in the PAR Master Plan 2006–2010 and in Prime Minister’s Decision No. 40 on instruction to shift towards competency-based training.</p> <p><b>Partially implemented.</b> No substantive and systematic investment conducted, except gradually upgrading.</p> <p><b>Partially implemented and still on going</b> 25 out of 64 provincial political schools prepared proposals for upgrading infrastructure.</p>

Design Summary	Program Performance Targets	Results Achieved
<p><b>3. Establishment of an advanced and modern public administration system through improvement in management, policy coordination, work methods; and appropriate use of ICT and government-wide computerized networks, at central and local levels.</b></p>	<p><b>Legal and Policy Framework for Computerization</b></p> <ul style="list-style-type: none"> <li>• Appropriate legal framework established to support state administrative management computerization and e-government initiatives by December 2005 (OOG and relevant agencies)</li> </ul> <p><b>Design &amp; Implementation of Reformed Working Rules &amp; Methods</b></p> <ul style="list-style-type: none"> <li>• Implementation of reformed working rules and methods for Government, including ministries, state agencies, and people's committees at provincial levels commenced by January 2005 (OOG)</li> </ul> <p><b>Capacity Building in ICT Planning, Development, Implementation, and Maintenance</b></p> <ul style="list-style-type: none"> <li>• Strengthened capacity in ICT management, planning, and support in all administrative agencies and ministries at national and sub-national level by December 2005 (OOG)</li> <li>• Strengthened capacity in ICT systems development and implementation in all administrative agencies and ministries at national and sub-national level by December 2005 (OOG)</li> </ul> <p><b>Decentralization and Dissemination of Modernized Public Services</b></p> <ul style="list-style-type: none"> <li>• Progressive build-up of computerization of state administrative management and e-government with benefits and services to citizens, businesses, public employees, and other government agencies at the national and sub-national level by December 2005 (OOG)</li> <li>• Operational computerized network integrated from the central government- to commune administration-level by February 2005 (OOG)</li> </ul>	<p><b>Fully implemented.</b> An electronic transaction law approved in 2005, an ICT law approved in 2006, and a national strategy for ICT development to 2010 approved in 2005</p> <p><b>Partially implemented.</b> A program on modernization of working rules and methods approved. A review report conducted by OOG, MPI, MOC, MOF, and MOST on the current working and management rules and regulations, and ISO standards adopted for reforming working processes and methods.</p> <p><b>Fully implemented.</b> 115 executive information units (EIU) established; 200 technical system platform and training standards developed for the state administrative management computerization projects; 18 training manuals produced and seven training courses conducted for 3,000 IT officials of ministries and provincial governments.</p> <p><b>Fully implemented.</b> Project implementation units established in all government agencies; Training needs assessment undertaken, training courses were designed and delivered.</p> <p><b>Fully implemented.</b> A government information portal and government data center developed.</p> <p><b>Fully implemented.</b> A plan on enhancement of the Government wide network namely Chinh Phu Network (CPNET) developed; CPNET has been continuously upgraded and expanded.</p>

ADB = Asian Development Bank, CPNET = Government-wide Network, ICT = Information and Communication Technology, MOC = Ministry of Construction, MOCI = Ministry of Communication and Information, MOF = Ministry of Finance, MOHA = Ministry of Home Affairs, MOST = Ministry of Science and Technology, MPI = Ministry of Planning and Investment, OOG = Office of the Government, PAR = Public Administration Reform, PAR MP = Public Administration Reform Master Programme, PAR PF = PAR Partnership Forum, PSD = Public Service Delivery.

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Viet Nam Resident Mission  
Southeast Asia Department

<b>TA 4080-VIE: Support to the Office of the Government in the Implementation of Administrative Modernization, including Computerization and E-government Initiatives</b>			<b>Amount Approved:</b> \$ 1,270,000.00	
			<b>Revised Amount:</b> \$ 1,270,000.00	
<b>Executing Agency</b> The Office of the Government (OOG)	<b>Source of Funding</b> TASF	<b>Amount Undisbursed:</b> \$463,008.02	<b>Amount Utilized:</b> \$ 806,991.98	
<b>TA Approval Date:</b> 16 January 2003	<b>TA Signing Date:</b> 24 March 2003	<b>Fielding of First Consultant:</b> 22 September 2003	<b>TA Completion Date</b> Original: 31 October 2005      Actual: 15 October 2007	
			<b>Account Closing Date</b> Original: 31 January 2006      Actual: 15 January 2008	
<b>Description</b>				
TA 4080-VIE: Support to OOG in the Implementation of Administrative Modernization was approved on 16 January 2003, aiming to assist OOG in strengthening ICT development and management capacity for effective implementation of the government administrative management, modernization, computerization and e-government action program. The total cost of the TA was \$ 1,590,000 equivalent, of which \$ 1,270,000 equivalent was financed by ADB. Despite the progress achieved, there were still a number of TA outputs that are still incomplete.				
<b>Expected Impact, Outcome and Outputs</b>				
The expected outputs of the TA were to (i) build strategic policy and legal framework for modernization of public administration, including an e-government road map, (ii) strengthen capacity and technical skills for analyses and design of work methods and processes, (iii) establish standard practices and procedures for computer system planning, operation and maintenance, including training the trainers, (iv) establish standard methodologies and procedures for systems development, project management, quality management, including training the trainers, and (v) assist in undertaking training needs assessment (TNA).				
<b>Delivery of Inputs and Conduct of Activities</b>				
The TA was relevant and timely to support OOG in implementing the challenging tasks of modernization of the administrative system. The TA provided both technical and policy advice and made valuable contributions to the implementation of the policy actions under the Program.				
A Program Management Unit (PMU) was established in 2003 and a vice-minister was designated to be the programme director. Dialogue was maintained with PMU through regularly and periodical meetings, such as quarterly review missions. In some critical periods, particularly for speeding up the implementation of the second tranche policy actions, intensive monitoring was conducted through monthly meetings. The busy schedule of the Project Director and staff				

constraints in OOG, resulted in insufficient absorption of the policy and technical advice provided under the TA. This also affected the activities of consultations and awareness raising, such as consultation for finalizing the e-government roadmap. Of the remaining undisbursed funds, 24% are from contingencies, the rest is equally from international and national consultants budget lines. This is largely due to overall slow implementation progress, under implementation of some activities, as well as not fully used budgeted items, such as remuneration, travel costs and others under the consultants' contracts.

All the consultants under the TA were engaged in accordance with ADB's Guidelines on the Use of Consultants. The performance of consultants was assessed to be mostly satisfactory. Vigorous efforts should have been made for strengthening capacity and technical skills for analyses and design of work methods and processes. Some consultants were not rated. The consultants, both national and international, contributed by bringing to OOG new thinking and conceptual frameworks, together with actual experiences of countries within and outside the region. The modernization of administrative systems and particularly e-government are complex and challenging, particularly when the reform initiatives and concepts are new. The inadequate coordination and inadequate capacity resulted in slow implementation progress and also affected the effectiveness of the policies. To ensure all the proposed activities are completed with satisfactory quality, the TA completion date was extended from 31 October 2005 to 15 October 2007.

#### **Evaluation of Outputs and Achievement of Outcome**

The TA has achieved most of expected outputs, albeit with a delay in some areas. Outputs and key activities undertaken to achieve them are summarized below:

- (i) **Build strategic policy and legal framework for modernization of public administration, including an e-government road map.** A key activity in this area was preparing the e-government road map. E-government is a new concept in Viet Nam and is quite challenging. The roadmap provides for the first time a comprehensive and integrated plan for e-government development. The roadmap, among others, covers e-government developments and practices, e-government opportunities and framework, and implementation plan. Further consultation is needed to finalize and institutionalize the roadmap;
- (ii) **Strengthen capacity and technical skills for analyses and design work methods and processes.** The TA provided technical advice for developing Procedural Standards and a proposal on the approval process for proposed standards. These standards and procedures are useful reference for administrative management modernization projects across the country. The slow progress in producing these outputs, allowed only pilot implementation in a few localities, which limited the impact of the output;
- (iii) **Establish standard practices and procedures for computer system planning, operation and maintenance.** The TA provided contributions to the development of the standard practices and procedures for computer system planning, operation and maintenance. Based on the standards produced, and guidelines of the TNA, training curricula for trainers were developed and subsequently delivered to trainers;
- (iv) **Establish standard methodologies and procedures for systems development, project management, and quality management.** Likewise, the TA also provided technical inputs for developing standard methodologies and procedures for systems development, project management, quality management, procurement and auditing, including training of the trainers (TOT). The TOT curricula for each subject area was developed following the guidelines of the TNA and delivered to trainers. Similarly, the slow progress and limited

scale implementation limited the effectiveness of the outputs; and

(v) **Assist in undertaking training need assessment (TNA).** TNA for the TOT on the above subject areas was developed with substantive inputs provided under the TA. The TNA included a training plan with the guidelines for the development of the TNA curricular.

### **Overall Assessment and Rating**

Most of expected outputs have been achieved such as the development of a set of technical standards and guidelines; capacity building through designing and delivering training courses; and the development of e-Government roadmap. Despite the achievement of the planned outputs, the slow implementation has affected its effectiveness. As the Ministry of Information and Communication (MIC) has been assigned since 2007 as the focal point for the e-government program, efforts are needed to ensure the TA outputs such as the developed standards, and the e-government road map be reviewed for approval and implemented on a large-scale. Overall, the TA is rated partly satisfactory. The TA duration was designed for a period 2003 – 2005, but has been extended and the TA was physically closed in October 2007.

### **Major Lessons**

Some lessons that can be learnt from the TA:

- (i) Effectiveness of the TA activities largely depended on activities of the Program Loan and the overall Government's administrative management modernization program. Therefore, TA activities could be effective only when the loan program and the Government's program were well designed and effectively implemented;
- (ii) Strong leadership, capacity of the project management unit, and the coordination between agencies was critical to the success of the project, particularly for challenging issues such as e-government;
- (iii) It is recognized that the awareness raising on e-government, including explaining the need for e-government has not been adequately undertaken; and
- (iv) More efforts are needed to ensure the sustainability and the effectiveness of the TA outputs through their utilization, particularly the developed technical standards, and the e-government roadmap.

### **Recommendations and Follow-Up Actions**

- (i) One of the challenges in leading and sustaining e-government is the need for e-government leadership and program coordination. Vigorous efforts are required, particularly in change management, in aligning e-government development with public administration reform;
- (ii) Getting buy-in and support from the public and civil servants and particularly from political leaders and line managers are critical;
- (iii) Communication is fundamental for modernization of the administrative system and e-government. It is necessary to develop e-government championship for communication, including leveraging the one-stop-shop model through adoption of ICT; and
- (iv) Committed efforts and strong leadership are needed for ensuring the sustainability, and effectiveness of TA activities, such as for finalizing and approving the e-government roadmap and implementing the developed standards.

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Viet Nam Resident Mission  
Southeast Asia Department

<b>TA 4081-VIE: Institutional and Capacity Building Support to the Ministry of Homes Affairs</b>			<b>Amount Approved:</b> \$ 920,000.00	
			<b>Revised Amount:</b> \$ 920,000.00	
<b>Executing Agency</b> Ministry of Home Affairs (MOHA)	<b>Source of Funding</b> TASF Government of France	<b>Amount Undisbursed:</b> \$36,474.29	<b>Amount Utilized:</b> \$883,525.71	
<b>TA Approval Date:</b> 16 January 2003	<b>TA Signing Date:</b> 24 March 2003	<b>Fielding of First Consultant:</b> 10 September 2003	<b>TA Completion Date</b> Original: 31 October 2005 Actual: 15 October 2007	
			<b>Account Closing Date</b> Original: 31 January 2006 Actual: 29 February 2008	
<b>Description</b>				
<p>Reform of management and development of civil servants is one of four main focus areas under the PAR Master Program. These reforms, for which MOHA is the lead agency, are concerned with improving the effectiveness and efficiency of the performance of civil servants. There is a general recognition that existing training is both poorly designed and unfocused, as well as being ineffectively delivered.</p> <p>The TA was approved on 16 January 2003 for the purpose of assisting the Ministry of Home Affairs (MOHA) in modernizing the policy, legal, and institutional arrangements for the management of the civil service and for the training and retraining of public officials. The total cost of the TA was \$1,160,000, of which \$770,000 was financed by ADB, \$150,000 was co-financed by Government of France and \$240,000 by the Government.</p>				
<b>Expected Impact, Outcome and Outputs</b>				
<p>The expected outputs of the TA were to assist MOHA in the following areas: (i) Policy and institutional framework for personnel management/development; (ii) Legal framework for the Civil Service; (iii) Central agency institutional models for civil service management; Institutional strengthening and capacity building in supporting policy development on training reform; and (iv) Quality assurance system for training programs.</p>				
<b>Delivery of Inputs and Conduct of Activities</b>				
<p>The TA was relevant and timely in the context of the Government's institutional reform. The TA provided both technical and policy advice and made substantive contributions to the implementation of the Program, especially in changing training management toward competency-based training (CBT) and provided useful policy advice for changing the management model to be outcome-based built on the merit principle.</p> <p>A Program Management Unit (PMU) was established in 2003 and a vice-minister was designated to be the programme director who was assisted by a senior expert responsible for</p>				

day-to-day programme and TA implementation. This set-up was necessary because the vice minister was not always available due to other pressing commitments. The executing agency) and ADB performance was satisfactory. Close dialogue was maintained with the PMU through regular meeting, such as quarterly review missions. In some critical periods, particularly for speeding up the implementation of the second tranche policy actions, intensive monitoring was conducted through monthly and weekly meetings.

All the consultants under the TA were engaged in accordance with ADB's Guidelines on the Use of Consultants. The performance of consultants was assessed to be mostly satisfactory. Despite the soundness of the policy advice, a more proactive approach of the TA team leader in earlier identifying and reporting to both the executing agency and ADB problem of coordination between the PMU and the Training Department, and later in following up with remedial actions could have speeded up implementation as well as enhanced effective absorption of policy advice related to training reform. This is a lesson that should be considered in engaging a team leader, particularly for work that is by nature challenging. Some consultants were not rated. The consultants, both national and international, contributed by bringing to MOHA new thinking and conceptual frameworks on the model of human resource management and development. The inadequate coordination resulted in slow implementation progress. As a result, the TA completion was extended from October 2005 to October 2007.

#### **Evaluation of Outputs and Achievement of Outcomes**

The TA has achieved all expected outputs and outcomes, albeit with a delay in some areas. The TA made substantive and timely contributions to the implementation of the Program, especially in changing training management toward competency-based training (CBT) and enhancing capacity of selected groups of civil servants. The TA also provided useful and timely policy advice to change the management model of civil servants from being input-based toward outcome-based, built on the merit principle. These policies are highly appreciated by MOHA and have been incorporated in the final draft Civil Service Law submitted to the National Assembly for approval by end 2008 as envisaged. Outputs and key activities undertaken to achieve them are summarized below:

- (i) **Policy and institutional framework for personnel management/development:** Policy and technical advice were provided for modernizing training curricula. The introduction of new concepts, methodologies and subsequently, good results from designing and delivering training for selected groups such as commune leaders, helped raise awareness about the modern training, and shift the traditional training system into a competency-based training system. Further, the undertaking of an advanced methodology in developing TNA for town and commune leaders helps enhance MOHA and NAPA's capacity in carrying out reform of the training system;
- (ii) **Legal framework for the Civil Service:** Inputs from the TA provided substantive contributions to the development of a long-term legal framework for modernizing training. Specifically, important changes on shifting curricula development towards competency-based training have been incorporated in Prime Minister's Decision No 40/2006/QD-TTg issued on 15 February 2006;
- (iii) **Central agency institutional models for civil service management:** Key activities under the TA were conducting a diagnostic study on the current HRM system; reviewing trends and experiences of other countries, and subsequently, providing timely and useful recommendation on the new management model of the civil service for Viet Nam. The proposed policies of changing the management model of civil servants from input-based toward an outcome-based model, built on the merit principle are highly appreciated by

MOHA and have been incorporated in the final draft Civil Service Law submitted to NA for approval by end 2008 as envisaged. Activities on piloting the new approach and methodology comprising preparing skills profiles, developing TNA, and subsequently, designing and delivering training for selected groups of civil servants, helped enhance MOHA's institutional capacity for training policy planning and management. These provided useful inputs for introducing reform policies and creating a long-term policy and legal framework for training reform; and

- (iv) **Quality assurance system for training programs.** Key activities in this area were (i) conducting a study on development of an M&E system for civil service training in Vietnam, including reviewing good practices of other countries (ii) providing technical advice for establishing criteria, and tools for assessing curriculum development, training courses, and trainers, and (iii) piloting the M&E for the skill-based training courses delivered to a group of commune leaders in the Central Highland in March and April 2006.

### **Overall Assessment and Rating**

Overall, the intended objective of the TA has been achieved. The TA provided useful inputs for modernizing the policy, legal, and institutional arrangements for the management of the civil service and for the training and retraining of public officials. Major TA outputs were satisfactorily completed. The TA provided valuable inputs to help MOHA implement policies and measures on renovating the training program under the PAR Program Loan, phase I. Further, the TA provided timely and substantive inputs for reforming the model of civil service management toward outcome-based management built on the merit-principle. New reform policies, such as position-based management and performance management have been incorporated in the law on Cadres and Civil Servants approved by the National Assembly in November 2008. This will set out the long-term framework for deepening civil service reform.

### **Major Lessons**

Some lessons that can be learned from the TA:

- (i) Effectiveness of TA activities largely depends on associated loan's activities. TA activities were supporting the Loan Program activities and therefore TA activities could be effective only when the loan program activities were well designed and effectively implemented;
- (ii) Difficulties emerged during implementation due to the inadequate capacity of the project management unit, including change of management, staff constraints, and inadequate coordination between agencies;
- (iii) The Training Department of MOHA is the most influential in training of civil servants in Viet Nam. Therefore, change management efforts should be directed to the Department; and
- (iv) A holistic approach is critical for ensuring the coherence between training reform with other reform policies, such as performance management.

### **Recommendations and Follow-Up Actions**

Further efforts on developing detailed guidance and on capacity building for change of the management model are desirable for ensuring the TA's sustainability. Effective coordination (e.g. between the Training Department, PMU, Civil Servants Department of MOHA, and training institutions) is critical for the effective implementation of the proposed reform policies to be introduced through the civil service law. Efforts are needed to promote large-scale implementation of competency-based training.

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: Viet Nam Resident Mission  
Southeast Asia Department

<b>TA 4082: VIE–Policy Coordination Support to the Office of the Government</b>			<b>Amount Approved: \$ 815,000.00</b>	
			<b>Revised Amount: \$ 815,000.00</b>	
<b>Executing Agency</b> The Office of the Government (OOG)	<b>Source of Funding</b> TASF Government of New Zealand	<b>Amount Undisbursed:</b> \$331,837.64	<b>Amount Utilized:</b> \$483,162.36	
<b>TA Approval Date:</b> 16 January 2003	<b>TA Signing Date:</b> 24 March 2003	<b>Fielding of First Consultant:</b> 8 October 2003	<b>TA Completion Date</b> Original: 31 October 2005      Actual: 15 October 2007  <b>Account Closing Date</b> Original: 31 January 2006      Actual: 29 February 2008	
<b>Description</b>				
<p>The TA was approved on 16 January 2003 for the purpose of Policy Coordination Support to the Office of the Government (OOG). The total cost of the TA is \$1,015,000, of which \$815,000 is co-financed by ADB and New Zealand and \$200,000 by the Government. The overall objectives of the TA are to enhance OOG's capacity in assisting the Government to improve national level policy coordination and decision-making.</p>				
<b>Expected Impact, Outcome and Outputs</b>				
<p>The expected main outcomes of the TA were: (i) improved national level policy coordination and reduced processing and approval time for government decisions; (ii) increased transparency, accountability, and predictability through written rules to guide policy formulation and coordination and monitoring of the implementation of the Government's decisions; and (iii) increased organizational efficiency through improved analytical skills of OOG officials to perform their roles in policy preparation and coordination. To achieve these outcomes, deliverable outputs of the TA were: (i) a baseline survey on OOG functions and policy coordination; (ii) policy planning and coordination work process improvements; (iii) operational handbook on policy planning and management; (iv) design and delivery of training modules; and (v) monitoring and evaluation mechanism.</p>				
<b>Delivery of Inputs and Conduct of Activities</b>				
<p>The TA was relevant and timely in the context of the Government's institutional reform. The TA provided both technical and policy advice to enhance the policy coordination at the national level. A Program Management Unit (PMU) was established in 2003 and a vice-minister was designated to be the programme director. Dialogue was maintained with the PMU through regular meetings. However, the busy schedule of the Project Director and staff constraint of MOHA resulted in insufficient absorption of the policy and technical advice provided under the</p>				

TA. Of the remaining undisbursed funds, 23% are from contingencies, 33% from the national consultant budget line and the balance from international consultants budget line. This is largely due to the overall slow implementation progress, the uncompleted capacity building output, as well as not fully used budgeted items, such as remuneration, travel costs and others under the consultants' contracts.

All consultants under the TA were engaged in accordance with ADB's Guidelines on the Use of Consultants. Performance of consultants was assessed to be satisfactory. The consultants, both domestic and international, contributed by bringing to OOG new thinking and conceptual framework. Some consultants were not rated. The busy schedule of the project director, the inadequate leadership in later phases of the TA, resulted in slow implementation progress. Except one output, all others were completed. As result, the TA was extended from 31 October 2005 to 15 October 2007.

### **Evaluation of Outputs and Achievement of Outcome**

Despite the progress achieved, there was one TA output that remained outstanding. Outputs and key activities undertaken are as summarized below:

- (i) **Baseline survey on OOG functions and policy coordination. The TA conducted** analysis of the current policy coordination processes, including the role of OOG, and of other government agencies and developed a Functional Review Manual. These activities provided substantial inputs for drafting the Government Decree No. 144 on policy coordination, promulgated in 2005;
- (ii) **Policy planning and coordination work process improvement.** The TA prepared a study and conducted consultations on international experiences in policy coordination. Based on that proposals were made on (i) Policy Coordination Mechanisms and Policy Promulgation, (ii) Policy Development and Legislative Drafting, including the substantive proposal on two stage process for legislation proposals, (iii) Policy proposal checklist, (iv) development of a Cabinet Liaison Network in ministries to facilitate implementation, and (iv) establishment of Cabinet Committees;
- (iii) **Operational handbook on policy planning and management.** Based on reports and recommendations listed above a Cabinet Procedures Manual was prepared with a focus on functional review administrative processes. Consultative workshops were conducted with key senior representatives of OOG to strengthen the Manual;
- (iv) **Design and delivery of training modules.** It was agreed that this component would be conducted at the end, based on the foundation developed by above components. A proposal on leadership and change management and policy coordination modules was prepared and submitted. However, due to the busy schedule of the Project Director, and later to the change of management at both project and ministry level, the actual design and delivery of training module could not materialized; and
- (v) **Monitoring and evaluation mechanism.** Recommendations on a monitoring and evaluation mechanism were provided and a series of consultations were conducted in the following areas: (i) the issues to be evaluated in policy implementation evaluation; (ii) the criteria for selection of the lead agency in evaluation where a number of agencies are involved; (iii) coordination mechanisms in policy implementation evaluation; (iv) self-evaluation mechanisms and other measures to ensure policy implementation; (v) differences between evaluation of policy implementation and evaluation of the constitutionality and legality of policies. These activities provided useful inputs for preparing the Government Decree on monitoring and examination of the implementation of the government's strategies and plans.

**Overall Assessment and Rating**

Overall, most of TA outputs have been achieved. The TA provided useful inputs for further improvement of policy coordination. The TA project provided substantive inputs for development and promulgation of the Government Decree 144 on policy coordination in 2005. Except for one component on design and delivery of training modules, the other outputs were delivered and provided positive outcomes. Overall, the TA was rated satisfactory.

**Major Lessons**

Several important lessons were learned: (i) inadequate capacity of the project management unit, lack of strong leadership in some periods caused delays in implementation, and one component remaining incomplete; (ii) undelivered training reduced the effectiveness of capacity building to implement the proposed policies, (iii) obtaining buy-in, and support from the public, civil servants and particularly from leaders, and managers are critical.

**Recommendations and Follow-Up Actions**

- (i) One of the challenges in addressing coordination issues across sections is government leadership and the empowerment of coordinator. Vigorous efforts are required for close monitoring of implementation of the proposed policies and making necessary adjustments appropriate to the new circumstance;
- (ii) As a Director of PMU is a Vice-minister who usually has many commitments, it is necessary to appoint a senior official to help carry out the work on a daily basis.
- (iii) Efforts are needed to enhance the capacity of officials both at government agencies and at OOG who are responsible for ensuring policy coordination; and
- (iv) Communication is fundamental for awareness raising and getting buy-in and support from the public, civil servants and particularly from leaders and managers.