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A faint, light-colored background image of several palm trees, likely coconuts, is visible across the entire page, providing a tropical aesthetic.

**Citizens' Feedback on
Public Administration Reform and
Public Administrative Service Delivery**

The Government's public administration reform (PAR) master program intends to establish a more responsive, transparent, accountable and efficient public sector that is better organized, structured, resourced and staffed to deliver services to people and businesses. A strong administration system could yield benefits through reducing transaction costs and opportunities for rent (unlawful personal gain) seeking while freeing people's time and resources to deal with production and marketing issues rather than with red tape (bureaucratic procedures). The poor people stay in the socially and politically weakest group and are least able to handle rent seeking, or to cut through red tape. Undesirable arbitrary bureaucratic behavior most directly hinders their social and economic endeavors. Thus, the poor and deprived segments of society would be the greatest beneficiaries of administrative reforms. Administrative reforms work better where policy makers and implementers take into account in their doing the realities at local levels, including socioeconomic characteristics of poor people, institutional capacity of government agencies, community values and self help organizations.

In Viet Nam, the Government, after piloting for several years in some specific cities and provinces, embarked upon a comprehensive PAR Master Program (2001-2010) with focus on institutional reform, organizational reform, civil service reform particularly for improving the quality of civil servants, and financial management reform. The key expected outcomes of the program can be summarized as (i) reduced transaction costs, (ii) improved service delivery to people and enterprises through administrative reforms including decentralization, (ii) improved local governance through increased voice and accountability, and (iii) more efficient allocation of resources and more effective implementation of projects at local levels. These are also directly relevant to Viet Nam's transition to socialist-oriented market economy and also to enhancing its competitiveness in the context of regional and international integration and related foreign trade and investment promotion. As of today, the Government has brought about a number of legal reforms, institutional and organizational changes, and taken several measures and actions towards achieving the expected outcomes from the PAR Master Program.

In the Government's Comprehensive Poverty Reduction and Growth Strategy (CPRGS), accelerated PAR is one of the broad objectives and at the same time, is considered one of the main measures to strike a balance of the relation between economic growth and social development. The PAR Master Program envisages increasing the sense of voice and accountability, re-orienting the working styles of civil servants and local cadres to provide the people and the enterprises with better access to public services, and to ensure social equity. It recognizes the importance of publicity, participation and transparency of planning, decision-making and implementation process at the local levels. In general, the CPRGS embraces the importance of good governance as a major pillar of economic growth and poverty reduction process.

This paper reports on the citizens' feedback on the delivery of public administrative services to people and enterprises at local levels obtained through participatory poverty and governance assessments conducted in 12 provinces (43 communes) during July–August 2003, and carefully draws implications for way forward by looking at also the recent policy developments and progress made by the Government in the context of the CPRGS targets of 'accelerating public administration reform, and providing the poor with

knowledge of the law'. (Please see Attachment 1 for details on methodology; and Attachment 2 for list of provinces).

Recent Policy Developments and PAR Implementation Progress

During the first 10 months of 2003, the Government has made many positive measures and actions to facilitate and accelerate the pace of the implementation of the PAR Master Program (see Box 1). In addition to a number of reforms in the institutional, organizational and human resource related areas; the Government piloted simplification of administrative procedures and introduced a "one door" or 'one stop shop' model to enhance the quality and efficiency of administrative service delivery to people and enterprises at province and major city levels and at major ports. As of September 2003, 35 out of 61 provinces/cities have adopted this approach with varying extent of simplification (see the chart PAR Mapping, Attachment 3). Furthermore, 55 out of 61 provinces have developed their actions plans for PAR implementation. In general, these initiatives in many cases, depending on the extent of implementation, have resulted in time and cost savings for the people and enterprises. Following this success, in September 2003, the Government also announced its policy to replicate 'one stop shop' nationwide. In tandem, the Government also decentralized enterprise registration and licensing for both domestic and foreign investors. These certainly have provided further impetus to the PAR implementation process and a positive signal to citizens and enterprises in Viet Nam. About 72,000 domestic private enterprises have been registered very recently, which may be considered an example of supply response to recent policy reforms introduced by the Government. A recent survey of the perceptions of foreign business people in Viet Nam showed a marked improvements in ratings of government performance from a few years ago, which indicates progress achieved in PAR Master Program implementation. Recent Political and Economic Risk Consultancy reports also indicate improvement in investors' perception on Viet Nam.

However, such progress has not yet resulted in increased flow of foreign direct investment and enhanced competitiveness in the country as much as they should be in relation to the potential dictated by its geographical location, natural resource endowment and underlying comparative advantage. A recently compiled governance indicators (Kaufman, Kraay and Mastruzzi, 2003, based on 2002 data, comparison within Viet Nam for six governance indicators) suggest that (i) Viet Nam's percentile rank is highest at around 55 (out of 100) in political stability; (ii) its rank is between 25 and 50 in terms of government effectiveness, rule of law and control of corruption; (iii) its rank is second lowest at around 25 in regulatory quality; and (iv) lowest in terms of voice and accountability with a ranking of about 10 out of 100. These certainly mean that there is more to be done to improve governance and public administration in Viet Nam.

Box 1 Major Actions Undertaken by the Government in the area of PAR in 2003

Overall I	<ul style="list-style-type: none"> - An advocacy program for the PAR Master Program (2001-2010) was approved by the PM in September (Decision No. 178/2003). - 55 out of 61 provinces and cities, most ministries and central offices have developed and started implementing their own administration reform plans up to 2005.
Institutional Reform	<p>Action Program 1</p> <ul style="list-style-type: none"> - Detailed Action Plan was approved by PM in August. - A legal sector development strategy up to 2010 was submitted to the Government for approval in March 2003. - The frequency of issuing the <i>Official Gazette</i> has been more than doubled. - A regulation on the exercise of democracy in communes has been promulgated (Decree No. 79/2003). - Decree 88/2003 on non-government association/organization has been issued.
Organizational Reform	<p>Action Program 2</p> <ul style="list-style-type: none"> - Detailed Action Plan 2 for phase I (2003-2005) was approved by PM in June. - Amended (i) Law on Organization of the People's Councils and People's Committees at All Levels and (ii) Law on Election of Members of the Peoples' Councils have been approved by NA. - 23 decrees redefining functions and responsibilities of government agencies have been issued. - A Decree (No. 23/2003) on Government Work Regulations was issued in March. - A plan on decentralization of state management is being prepared, based on which a decree will be drafted and submitted to the Government for approval by end 2003. <p>Action Program 7</p> <ul style="list-style-type: none"> - Detailed Action Plan 7 was approved by PM in August. - A priority list of shared software applications has been established and procedures for software development issued. - Eight national databases to be upgraded or implemented up to 2005 have been identified. To strengthen capacity in ICT systems, implementation units for Action Plan 7 were established in respective central and local government agencies; a training needs assessment has been conducted and a training plan for concerned officials established; and some training activities underway.
Improvement of the Quality of Public Service	<p>Action Program 3</p> <ul style="list-style-type: none"> - Detailed Action Plan 3 has been approved by PM. - After successful piloting in five seaports (Ho Chi Minh City, Ba Ria-Vung Tau, Da Nang, Hai Phong, and Quang Ninh), resulting in substantial improvements in administrative procedures and time/cost saving for users, the Government has decided to replicate the "one-stop shop" model in all seaports nation-wide. - By October, administrative procedure reforms towards "one-stop shop" model have been started in 35 provinces, 160 districts and 905 communes/wards. - A Decision for nation-wide replication of the "one-stop shop" model at local administrative offices at provincial and district levels from 2004 and at commune level from 2005 was issued by PM in September (Decision No. 181/2003). - By November, grant block mechanism has been applied in 202 agencies (5 central and 197 local) from 3 ministries and 36 provinces. - The Ordinance on Cadres and Civil Servants was amended in April. Five decrees providing guidance for implementation of the amended Ordinance have been issued (Decrees No. 114/2003, 115/2003, 116/2003, 117/2003, and 121/2003).

Improvement of the Quality of Public Service	<p>Action Program 4</p> <ul style="list-style-type: none"> - Detailed Action Plan 4 - The Program for Development and Enhancement for the Quality of State Officials and Civil Servants for Phase I (2003-2005) - was approved by PM in April. - A Human Resource Development Plan for integration into the international economy in the period 2003-2005 was approved by PM in July. - A draft decree specifying sanctions applicable to Heads of agencies, institutions and units where there are cases of violations of the code of conducts and corruption has been prepared. <p>Action Program 5</p> <ul style="list-style-type: none"> - Detailed Action Plan 5 has been approved by PM. - Minimum salary of public servants has been increased by 38 percent. - A scheme for further public sector salary reform has been approved by the NA in November.
Public Finance Reform	<p>Action Program 6</p> <ul style="list-style-type: none"> - Detailed Action Plan 6 has been submitted to PM for approval.

Source: Compiled by ADB staff

Citizens' Feedback on the PAR

Following a participatory assessment method together with related tools, government officials, and local people, directly as well as through focus groups or village leaders, were asked about their knowledge on the PAR, its effectiveness in terms of improvement in public administrative service delivery¹ and attitude and public relations of civil servants, and their experience with and opinions on the Government's measures and actions such as PAR and one stop shop, new enterprise law, new civil servants law, and the new regulation on the exercise of democracy in communes².

The key findings can be summarized as follows (see Field Report for details). First, Provincial and District level officials are aware of the PAR, however, the majority of local people, particularly the poor, and commune and village level officials have little awareness of it. Second, one of the major successes of the PAR has been the simplification of administrative procedures for better delivery of public administration services to people and enterprises through one stop shop or one door model. However, as revealed by the citizens' feedback, several problems still remain in its way to full success. For example, (i) complicated procedures and abuse of power are prevalent in the administration by local officials in the case of residential permits, house registration, land allocation, and forestation, etc. all of these affecting the livelihoods of local people; (ii) PAR has not reached commune level; (iii) inter-agency coordination is weak; (iv) officials are not fully clear about their roles and responsibilities; (v) capacity constraints

¹ Includes all the general administration services such as registration of births, deaths and marriage, residential permits, business license, certification and other notary services, issuance of Identification (ID) Card, citizen advice and information, and administration of social assistance programs.

² Communes are the lowest level of government administrative organization; above them are district, province and central).

exist at all levels due to lack of required skills, training and other resources; (vi) awareness of local people about PAR and one stop services in general is very low; (vii) attitude and public relations of officials have not changed in many cases; and (viii) PAR is almost totally unknown to poor people, particularly to ethnic minorities, women and youth.

Third, the progress and impact of the PAR implementation has been uneven depending on location, socio-economic conditions and resource endowment. More endowed and prosperous local governments have tended to be able to benefit more from the PAR process. Among people, vulnerable groups, including ethnic minorities, and women have not been able to benefit from the PAR to the extent that other groups have due to economic difficulties, illiteracy or low level of education, gender and ethnic imbalances in cadres involved in the PAR especially at the commune level. Fourth, officials at all levels underscored the importance of more decentralization to commune level to benefit the poor, but with accompanying measures to improve efficiency and effectiveness, e.g. rationalization of responsibilities, improved information flows and coordination, increased transparency and simplicity of regulations and procedures, more local monitoring, revision of local financial and human resource allocations to reflect local realities (i.e., rapid development and population growth in some wards and communes).

Fifth, despite the Government's recent legislative efforts, the planning process is still top-down. The participation of local people in planning, decision-making and implementation process is poor. Sixth, poor people cannot afford to pay for registration of birth, death and marriage, which cost VND 4,000; and for ID card, which costs VND 12,000, even though there may be improved public administration services. Many ethnic people also suffer from language barriers, as public information is not made available in local languages.

Seventh, the implementation of new enterprise law has greatly facilitated the registration of new domestic enterprises at provincial and district levels. However, there is no monitoring mechanism in place on their establishments and operations. In some cases, a substantial number of newly registered enterprises have been found not in operations, and/or not performing the intended purposes. For small businesses, it is still costly in terms of time and expenses to get registration at district or province level as ward or commune level registration facility is not yet available. Lastly, according to the citizens' opinions, the performance of the PAR and also local level social assistance programs and development projects are not being closely monitored by local people or supervised by central or provincial authorities.

Accelerating PAR implementation to improve the quality of service delivery

The key recommendations, emanating from the participatory poverty and governance assessments, for accelerating the PAR implementation to improve service delivery, can be summarized as follows: (i) further implementation of administration reforms at all levels; (ii) simplification and decentralization of the delivery of administrative services, through the adoption of one stop shop, at commune level; (iii) introduction and implementation of accompanying policy measures to improve efficiency and effectiveness, including rationalization of roles and responsibilities of local level government agencies, improved information flows and inter-agency coordination, increased transparency and simplicity of regulations and procedures, sufficient provision

of required human and other resources, and local level monitoring of the implementation of government policy measures and actions; (iv) full implementation of the regulation of exercise of local democracy in communes, including people's participation in local planning, decision-making and implementation, empowering communes to be able to make decisions on small infrastructure and social projects; (v) strengthening of capacity at local levels, including training of officials, cadres and village heads, more effective method of public information and citizen advice service, empowering local people with information (publicity with pictures, and in local languages), and providing widespread and more effective legal aid; and (iv) local level monitoring of the implementation of government policies and projects to curb abuse of power, to discourage monopolistic market practices, and local elite captures. Finally, the voice and accountability at local commune and village levels should be enhanced and all the stakeholders should be made fully aware of government policies, their purposes and the consequences of indulgence in activities for unlawful personal gains at the cost of the nation and/or poor people.

Implications for way forward

The implementation of the Government's PAR, particularly relating to the delivery of public administrative services to the people and enterprises, has started showing signs of paying dividends. While this is encouraging and provides incentive for furthering the PAR, the process and the ensuing benefits seem to have been uneven geographically and demographically. The decision regarding a nation-wide replication of administrative simplification, and service delivery through 'one stop shop' is in right direction.

PAR should be continued and expanded actively to districts and communes as well to strengthen local level administration to serve local people better, especially the poor, and businesses. However, it may also be noted that 'one stop shop' model is useful but not a panacea for all administrative service delivery problems. At the core of its success lies, unavoidably, the successful and effective implementation of all the four focus areas of PAR at central as well as at local levels. This would therefore call for the preparation of time-bound and budgeted PAR action plans at all local levels, and their and effective implementation. In other words, PAR implementation should be deepened as well as accelerated as envisaged in the CPRGS to benefit the poor.

The other key factor for the success of the PAR implementation at local levels is capacity building and training. Legislative changes for such reform implementation is fundamental, but officials and cadres at the local level should also possess required skills, equipment and motivation. Equally important is to educate people at the local levels on the Government's PAR program, policies, and procedures through all the available media and also pictures and postures targeted at illiterate people in general and ethnic minorities in particular.

Decentralization must play a key role in PAR and should be strengthened and speeded up. Villagers must be well informed about working mechanism of the commune. This way, the people at the local level would be empowered, they would be able to access to the Government's administrative service provision and benefit from it, and at the same time possible local elite capture would be minimized.

There are small but fundamental administrative services like registration of births, deaths and marriages, identification card, and resident permit, which the Government could fully subsidize, particularly for the poor, who are listed for the social assistance program. This would have very small fiscal implication but huge benefit to the poor.

Finally, it is expedient that the Government should have a systematic provision of monitoring of the implementation of decentralized administrative system, and also a regular citizens' feedback mechanism. Capacity building at the local levels in this area will also be useful.

Research Outline for Participatory Assessment of Public Administration Reform at Local Levels in Viet Nam

Purpose: To assess how the reform of the public administration is taking place at local levels of Government, and if it improves the situation of poor people when interacting with the public administration

Relevant CPRGS targets: Accelerate public administration reform, provide the poor with knowledge of the law

The Public Administration Reform program intends to establish a more responsive, transparent, accountable, and efficient public sector that is better organized, structured, resourced, and staffed to deliver services to people and businesses. If successfully implemented, it will yield benefits through reducing transaction costs and opportunities for rent seeking while freeing people's time and resources to deal with production issues rather than with "red tape". The poor constitutes the socially and politically weakest group and are least able to handle rent seeking, or to cut through red tape. Undesirable arbitrary bureaucratic behaviour most directly hinders their social and economic endeavours. Thus, the poor and deprived segments of society should be the greatest beneficiaries of administrative reforms.

Key questions to be answered in this section:

- What difference is the change in status of commune officials likely to make to their interactions with poor households? What did we learn about the incentives (positive and negative) which influence the way that commune authorities interact with local people?
- How do district and commune officials see the main opportunities and challenges associated with the public administration reform program? How do they link PA reforms (particularly decentralization) with the potential for improved poverty reduction in the future? What measures could be necessary to ensure that PAR results in a **stronger poverty focus** to local government operations?
- What are the key issues raised by poor communities (broken down by sub-groups) about their relationships with local authorities and how these might be improved? Where do specific problem areas lie and what suggestions for improvements were proposed?
- Explore issues associated with improving the responsiveness, the transparency, the accountability and the efficiency of the local administration.
- Are there possible equity issues that might arise as the PAR process gathers speed? If so, what might be done to address this?

Main Actions Proposed by the Government	Lead Questions for Discussion with Participants in the Local Consultations	
<p>5A – Current situation and recent trends, officials' positions: The Government intends to improve the relation between the population, as clients, and the public administration, as providers of public services. Several key issues are the One Stop Shop policy, the new enterprise law, and the status of</p>	<p>Objective: What do local administrators know about the One-stop Shop and how do they implement it?</p> <ol style="list-style-type: none"> 1. Has this service been implemented in your locality (province or district or commune)? If yes, what experience do you have in this field? If not, do you think it is advisable to implement it in your organization? 2. How has your organization communicated this to the people? 	<p>Discussion with provincial, district, commune officials</p>

<p>new enterprise law, and the status of members of the local administration</p>	<p>3. What difference could you see before and after this service becomes available? (regarding procedures, time, officials' responsibility and working style...)</p> <p>4. What duties and responsibilities currently taken by the district level could be decentralized to the commune level for higher efficiency?</p> <p>5. What measures has your organization had (or should it have) to improve the quality of public services? What are constraints and successes?</p> <p>How do you understand the new Enterprise Law?</p> <p>6. How do you understand the Enterprise Law? In what sense is this initiative different from former rules on business register or corporate register?</p> <p>7. How many businesses are there in your province (or district or commune) (including both state-owned and private ones)?</p> <p>8. Have there been any more businesses recently?</p> <p>9. Has anyone intended to establish a business in your locality but failed to do so? If yes, why?</p> <p>10. What has your locality done to attract businesses?</p> <p>11. What do you think should be done to have more new businesses in your locality?</p> <p>To understand the way their status is perceived by local civil servants.</p> <p>1. How will a future change of your status, from local civil servant to national civil servant, make a difference in the way you perceive your work? In what way does this help you to define your situation in your job? How do these changes affect your sense of accountability towards the local population? Will you listen more to comments and ideas?</p> <p>2. What are possible incentives you would like to see, to make your work more efficient? What non-monetary incentives can motivate local civil servants?</p> <p>3. How do you report about your work? How can you report observations about your work, positive or negative to your superiors? How is it possible to control and improve the quality of your and your colleagues' work?</p>	
<p>5B – Current situation and recent trends, satisfaction of clients: The Government wants to reform the public administration, to improve the</p>	<p>Objective: To understand whether the local people, as clients in the public administration, can see any changes in the PAR.</p>	<p>Discussion with villagers</p>

<p>delivery of services by the administration and to improve user satisfaction.</p>	<ol style="list-style-type: none"> 1. Have you ever been involved in any documents relating to notary service, business registration, land registration, licenses for house construction...? 2. If yes, did you have to go to village, commune or district offices for that? Do you know where to find information on these public services? 3. How long did it take to get advice, registration and other services from the public administration, including travel and waiting time? How much did you have to pay in total, including formal and informal expenses, travel costs and others? 4. Did you encounter any difficulties in getting these documents? 5. What would you do if you requests a service to which you know you were entitled but your request is not met or received? Do you know that in some certain cases, the Government can help you make a complaint? What do you think the Government can do to improve your chance to complain if you feel you were not treated fairly? 6. How do you access public administration services? Are they good, good enough or invalid? And will the request worsen the situation? Are you happy with public services? What can the Government do to improve the situation, making administration staff work better? 7. For focus group discussions on decentralization: What are the administrative duties of the district and commune levels? What duties does the commune level perform better than the district level? What do you gain from decentralization as a client? How is state officials' work monitored if ...? <i>(this is an incomplete sentence in the original version-translator)</i> 8. The local administrators and staff of the mass organisations will become national civil servants soon. Do you think this will affect their way to work with you? How will these changes affect you and your relation with the local administration? 9. What incentives will make the work of local civil servants more efficient? What non-monetary incentives do you think of? 10. How can you report about the work of the local administration, positive or negative, to their superiors? How can you complain if you have differences with the local administration? How are the possibilities to complain for poor households? 	
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List of Provinces Covered by the Participatory Poverty Assessments

Region	Provinces included in the region	Donor in charge of the RPA	Participatory poverty assessments			Team in charge of the participatory poverty assessment
			Province	District	Communes	
Northeast Uplands	Ha Giang , Cao Bang, Lao Cai, Bac Kan, Lang Son, Tuyen Quang, Yen Bai, Thai Nguyen, Phu Tho, Vinh Phuc, Bac Giang, Bac Ninh, Quang Ninh	DFID and UNDP	Lao Cai	Bao Thang	Ban Cam Phong Nien	Ageless Consultants (funded by DFID)
				Muong Khuong	Pha Long Ta Gia Khau	
			Ha Giang	Vi Xuyen	Cao Bo Thuan Hoa	Action Aid (funded by UNDP)
				Dong Van	Sang Tung Thai Pin Tung	
Northwest Uplands	Lai Chau, Son La, Hoa Binh					
Red River Delta	Ha Noi, Hai Phong, Ha Tay, Hai Duong, Hung Yen, Ha Nam, Nam Dinh, Thai Binh, Ninh Binh	WB	Hai Duong	Nam Sach	Nam Sach Nam Trung	RDSC (funded by WB)
			Ha Tay	Dan Phuong	Tho An Lien Ha	
				My Duc	Te Tieu Phuc Lam	

(Continued)

Region	Provinces included in the region	Donor in charge of the RPA	Participatory poverty assessments			Team in charge of the participatory poverty assessment
			Province	District	Communes	
North Central	Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri, Thua Thien Hue	GTZ and JICA	Nghe An	Nghi Loc	Nghi Thai	Institute of Sociology (funded by JICA)
				Tuong Duong	Tam Dinh	
			Quang Tri	Hai Lang	Hai Son Hai An	Team comprising MOLISA, ILSSA and independent researchers (funded by GTZ)
				Gio Linh	Gio Thanh Linh Thuong	
Central Coast	Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa	ADB	Quang Ngai	Son Ha	Son Ba Son Cao	Vietnam Solutions (funded by ADB)
				Tu Nghia	Nghia Tho Nghia An	
Central Highlands	Kon Tum, Gia Lai, DakLak	ADB	Dak Lak	Ea'Hleo	Ea'Hiao Ea'Ral	Action Aid (funded by ADB)
				Dak'Rlap	Đao Nghia Quang Tan	
				Buon Ma Thuot city	Ea Tam town	

(Continued)

Region	Provinces included in the region	Donor in charge of the RPA	Participatory poverty assessments			Team in charge of the participatory poverty assessment
			Province	District	Communes	
Southeast	HCMC, Lam Dong, Ninh Thuan, Binh Phuoc, Tay Ninh, Binh Duong, Dong Nai, Binh Than, Ba Ria-Vung Tau	WB	HCMC	Binh Chanh District	An Lac Township Tan Tao	Save the Children UK (Funded by itself)
				District 8	Ward 4 Ward 5	
			Ninh Thuan	Ninh Phuoc	Phuoc Hai Phuoc Dinh	Center for Rural Progress (CRP) (Funded by WB)
				Ninh Son	Luong Son My Son	
Mekong River Delta	Long An, Dong Thap, An Giang, Tien Giang, Vinh Long, Ben Tre, Kien Giang, Can Tho, Tra Vinh, Soc Trang, Bac Lieu, Ca Mau	UNDP and AusAid	Dong Thap	Tam Nong	Phu Hiep Phu Tho	Long An Primary Health Care Centre (Funded by UNDP and AusAid)
				Thap Muoi	Thanh Loi	
			Ben Tre	Thanh Phu	My Hung Thoi Thanh	
				Mo Cay	Thanh Thoi	

Extent of One Stop Shop Implementation

