

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: VRM

TA No., Country and Name			Amount Approved: \$650,000	
TA 4679-VIE: Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth Performance			Revised Amount: n/a	
Executing Agency: Dak Nong Provincial People's Committee		Source of Funding: PRF	Amount Undisbursed: \$121,797	Amount Utilized: \$528,203
TA Approval Date:	TA Signing Date:	Fielding of First Consultant:	TA Completion Date Original: 31 Oct 2007	Actual: 31 Oct 2008
31 Oct 2005	4 Jul 2006	31 Oct 2006	Account Closing Date Original: 31 Oct 2007	Actual: 30 Nov 2008

Description

Viet Nam's impressive record of reducing poverty in recent years, particularly halving the poverty ratio within a decade, is largely attributed to its strong economic growth performance and inclusive on balanced development strategy. The Government was committed to further reducing poverty down to about 16% of households by 2010. It was, however, perceived that reaching the poor below the national poverty line would be a difficult task as they are located in remote highlands and mountains. Similarly, the impressive gains in poverty reduction are still fragile and the significant proportion of the population, especially the ethnic minorities, who are just above the poverty line remain vulnerable to shocks, that could push them back below the poverty line. The Government has recognized that to sustain high economic growth and to reduce poverty rates, it would need to intensify its decentralization efforts by devolving more responsibilities to provinces and introducing planning reforms. In the process of developing the Socio-economic Development Plan (SEDP) 2006–2010, the Government expected local governments to develop good quality plans and improve their capacity to implement them. ADB's Country Strategy and Program (CSP) 2007–2010 was aligned with the SEDP 2006–2010 and envisaged supporting the Government's decentralization efforts to delegate more responsibilities to provinces. Dak Nong was selected as a target province as it was among the poorest provinces in the Central Highlands. It ranked 9th poorest among the 63 provinces of Viet Nam and poverty prevalence in the province was estimated at 48% of the households in 2004.

Expected Impact, Outcome and Outputs

Expected Impacts: The goal of the TA was to support Dak Nong province in strengthening its capacity for socioeconomic development planning to improve poverty reduction and economic growth performance.

Expected Outcome: The TA was expected to contribute to achieving (i) adoption of participatory and bottom-up process, results-based approach, and social inclusion in local planning; (ii) improvement in the business environment and proactive inward investment promotion activities; and (iii) strengthened institutional capabilities to undertake policy analysis, sector studies, and results-based socioeconomic development planning and management.

Expected Outputs: The major outputs of the TA were expected to be (i) training workshops for provincial-level government officials; (ii) training modules, seminar proceedings, and guidelines on results-based and strategic socioeconomic development planning and management; (iii) sector studies on selected sectors; (iv) competitive index of Dak Nong; (v) guide/brochure on investment opportunities in Dak Nong; and (vi) trade and investment meetings.

The TA design was relevant and in line with the Government's policy and strategy for sustainable poverty reduction and economic growth. The TA responded in a timely manner to the Government's demand for improving planning capacity at the provincial level in conjunction with the decentralization process. The terms of reference of the consultants were comprehensive and generally adequate to meet the TA objectives. The TA duration was extended by one year mainly due to slow TA start-up caused by delay in the TA Letter signing. The TA adopted a process approach whereby the TA was designed and its tasks implemented in close consultation with provincial leaders and government officials.

Delivery of Inputs and Conduct of Activities

Despite the delays at the initial stage, all TA inputs and activities were delivered as envisaged with one year extension. Analysis of the underlying comparative advantages and competitiveness of Dak Nong province and quantitative poverty analysis were conducted. Based on the results of these analyses, training programs on strategic planning and result-based socioeconomic management were developed and implemented for the provincial government officials. The TA was closed with the savings of \$121,797 because the actual cost of training was much lower than estimated. The performance of the Executing Agency (EA) is rated satisfactory. The Dak Nong Provincial People's Committee (PPC), the EA for the TA, effectively coordinated and managed the overall TA implementation at the provincial level. The Provincial Department of Planning and Investment (DPI) was responsible

for day-to-day TA implementation and provided adequate number of counterpart staff and office space with facilities. The performance of the consultants was satisfactory. Actual total inputs were 13 person-months (pms) from international and 38 pms from national consultants while 10 pms and 36 pms were envisaged at TA approval, respectively. The team leader was replaced after the original TA closing date as he had other commitments. The replaced team leader provided additional 3 pms during the extended TA period. National consultant inputs were also increased by 2 pms because additional services were necessary for Coordinator after TA extension. The performance of ADB was satisfactory. ADB provided regular guidance to resolve issues in TA implementation and to ensure its smooth implementation. ADB carried out an inception mission and two review missions.

Evaluation of Outputs and Achievement of Outcome

Most of TA outputs were delivered as envisaged. DPI website to disseminate information on investment opportunities in Dak Nong was developed instead of guide/brochure. Training modules, seminar proceedings, and guidelines were developed for five areas including (i) introduction on strategic planning, (ii) new approaches in socio-economic development planning and elements of strategic planning, (iii) M&E in plan implementation, (iv) project management case study – application of strategic planning tools and techniques, and (v) application of strategic planning to SEDP process. Based on these, five training workshops were conducted with the participation of 260 provincial government officials. Eight sector studies were carried out on (i) Forest Products and Forest Management, (ii) Livestock and Animal Health, (iii) Inland Fisheries, (iv) Hydrological and Meteorological Studies, (v) The Development of Spice Crops, (vi) Perennial Crops, (vii) Fruit and Vegetable Production and (viii) Poverty Reduction. The investment promotion and competitiveness index study was carried out to help the provincial government identify issue areas that will need to be reviewed and strengthened. Eight priority areas were identified including (i) difficulty among firms to interpret some aspects of investment laws and related decrees, (ii) poor understanding and interpretation of tax issues, (iii) need for according greater importance for investment promotion, (iv) limited infrastructure for investment, (v) business clients' negative perception on the tax officials, (vi) lack of land use plan for investment which was discouraging investors, (vii) land access and security of tenure for SME projects, and (viii) time costs of regulatory compliance for industries and trade. Recommendations for improvements were developed for each of the eight areas. Trade and investment meetings were not conducted as the provincial leaders could not reach agreement on the proposed contents of the meetings.

The TA generally achieved its anticipated outcomes as most TA outputs were delivered. Improved institutional capabilities in result-based socioeconomic planning and management enabled the provincial government to improve the provincial annual SEDPs for 2009 and 2010 that were developed based on the SEDP 2006–2010. Various sector studies and analytical works had contributed to the improvement in business environment and promotion of private investment. Sector studies also provide inputs in timely manner for the preparation of 2011–2015 provincial SEDP.

Overall Assessment and Rating

The TA delivered all the planned inputs and conducted most of the activities. Major TA outputs were achieved and effectively converted to the outcomes. Accordingly, the TA is rated as successful.

Major Lessons

Process approach requires strong TA management capacity of the EA. Considering the weak capacity of local government staff, TA design should have included a longer inception period to strengthen their capacity in designing and conducting analytical studies and training workshops.

Recommendations and Follow-Up Actions

Implementation of further training programs for the government officials is expected to help the Government prepare the annual SEDP 2010 and the next five-year SEDP 2011–2015. It is recommended that the activities piloted under the TA for improving poverty reduction and growth performance be replicated in other provinces through development partners' assistance or government initiatives. It would also be highly desirable if ADB can possibly continue its engagement with Dak Nong province for a long-term through TAs and loan funded projects in order to deepen the TA outcomes.

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