

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: MKAE

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| TA No., Country and Name TA 3591-VIE: Strengthening the Planning Capacity of the Ministry of Agriculture and Rural Development | | | Amount Approved: \$300,000 Revised Amount: Nil | | | | | | | | | | | | | | |
| Executing Agency Ministry of Agriculture and Rural Development (MARD) | Source of Funding TASF | Amount Undisbursed \$72,725.77 | Amount Utilized \$227,274.23 | | | | | | | | | | | | | | |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">Date</td> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Closing Date</td> </tr> <tr> <td style="border: none;">Approval</td> <td style="border: none;">Signing</td> <td style="border: none;">Fielding of Consultants</td> </tr> <tr> <td style="border: none;">15 Dec 2000</td> <td style="border: none;">6 Jun 2001</td> <td style="border: none;">13 Aug 2001</td> </tr> </table> | | | Date | | Closing Date | Approval | Signing | Fielding of Consultants | 15 Dec 2000 | 6 Jun 2001 | 13 Aug 2001 | <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;">Original</td> <td style="width: 50%; text-align: center;">Actual</td> </tr> <tr> <td style="border: none;">31 Aug 2001</td> <td style="border: none;">31 Aug 2002</td> </tr> </table> | | Original | Actual | 31 Aug 2001 | 31 Aug 2002 |
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Description

MARD faces a number of constraints arising from the nature of the national budget formulation and approval process. MARD has little influence on provincial project selection, budget allocation, or actual expenditure. Its future success in influencing agricultural growth, planning for research and extension, and improved quality of production and processing will partly depend on its ability to respond to these challenges. Long-term plans include national, regional, and provincial master plans for 10 years and beyond. There are also plans for 7 national target programs, several national programs, 2 major national projects, and several crop production plans. There are generally too many plans and the relationship between them is unclear. These plans also lack focus, with too many objectives and not enough prioritization. Medium-term plans for 5 years are not generally based on the long-term plans. In addition, annual plans are prepared at the national, regional, and provincial levels. The annual plan from MARD consists of (i) recurrent budget request for operational requirements, (ii) capital or investment budget request, (iii) production forecasts for major crops, etc., and (iv) rural credit forecasts.

MARD's Dept. of Planning and Projection (DPP) is responsible overall for prioritizing resource use, preparing the summary plans, and monitoring and evaluating sector performance. The lack of clear policy guidelines and scarcity of performance evaluation data give DPP little basis for revising plans and budget requests received from MARD's 16 departments and the Departments of Agriculture and Rural Development in each province. New skills developed through training and capacity strengthening are required in key departments of MARD, and provinces to enable DPP to play a more active and meaningful role in (i) establishing planning priorities; (ii) providing more detailed guidelines and feedback to agriculture and rural development planners and partners; (iii) evaluating project performance; and (iv) providing direction on market infrastructure and opportunities in line with the approved 10-year development plan (2001-2010).

Objectives and Scope

The objectives of the TA were to (i) perform a diagnostic analysis of the planning and budgeting processes; (ii) demonstrate improved approaches to project design, monitoring and evaluation; and (iii) set the stage for capacity building and training. The scope aimed to deliver four major outputs: (i) a diagnostic analysis of the planning processes in MARD; (ii) recommendations to improve MARD's capacity to deliver public services to the sector and manage, monitor, and estimate financial and economic returns to projects and investments; (iii) a training plan at the national and provincial levels; and (iv) an investment project proposal to strengthen the planning capacity for the sector.

Evaluation of Inputs

The TA was assigned a high priority by MARD, and the terms of reference for the TA were developed with adequate consultation with MARD. Counterpart staff from MARD participated and benefited from the TA. The performance of the consultants (Agrisystems UK) was rated as satisfactory. MARD expressed some dissatisfaction with the performance of the domestic consultants because of their limited agricultural sector background. However, the performance of the team leader was rated as very good. The performance of the executing agency was satisfactory. The performance of ADB was satisfactory. The ADB review missions were useful in discussing the results of the diagnostic study, resolving conflicts between the consultants and DPP, approving the study tour and workshops, discussing cofinancing possibilities with other key donors, etc. Contingency funds were used to finance the study tour, additional workshops, and publication of DPP documents on the purpose and results of the TA, and publication of a DPP handbook on lessons learned from the study tour to Korea.

Evaluation of Outputs

The diagnostic study was completed and the fundamental analysis done, but there was incomplete information from the provinces and all the weaknesses in the planning system were not covered. Major recommendations to improve planning in the sector included (i) strengthening the capacity of planners to prioritize resource use and to produce integrated and meaningful medium-term plans; (ii) strengthening project appraisals to ensure compliance with policies and priorities and to conduct regular evaluations of projects that focus on implementation outcomes and

impact; (iii) ensuring that national planning includes stakeholder consultation to ensure market competitiveness and community management of development; and (iv) training national and provincial planning staff. This is obviously a complex subject and more time, field visits, and workshops would have been useful. Also, public sector rules and procedures constrained the effectiveness of the TA. Changes in the planning system are a national and multisectoral concern, and changes cannot be made to the agriculture and rural development sector in isolation. MARD was pleased overall with the outcome and recommendations, and the study tour to South Korea in which 10 MARD and other government staff participated.

Recommendations were made to improve the functioning of MARD and the provinces. MARD and the provinces accepted the recommendations, but a major remaining issue is how to mobilize donor and counterpart funds to implement the recommendations. An initial training program was conducted for DPP staff, and an investment and training plan was developed, including a pilot phase to be followed by a large investment project. DANIDA has expressed interest in financing the proposed pilot project in a limited number of MARD departments and provinces. The investment project(s) will seek to improve planning procedures, project selection and appraisal, and project and sector monitoring and evaluation.

The outputs of the TA were generally considered good and timely. Several workshops were held at both national and provincial levels, widely attended by MARD and provincial planning staff, to (i) discuss the results of the diagnostic analysis, (ii) discuss the recommendations, (iii) disseminate the findings and conclusions, and (iv) present the study tour to Korea. There is a keen interest in MARD to improve the planning and budgeting systems along the lines of Korea, and to obtain donor funding for training and capacity building at national and local government levels.

Overall Assessment and Rating

The TA is rated as successful. The TA adequately described the current planning system in MARD and for the agriculture and rural development sector at the national and provincial levels. It identified major problems and opportunities affecting the performance and relevance of planning, and made numerous recommendations for improvement in the system. It conducted several participatory workshops at the national and provincial levels and a study tour of agricultural planning in South Korea, and incorporated findings in the final report. It provided some training and capacity building of DPP in MARD, and prepared an investment project to improve planning and project performance.

Major Lessons Learned

Planning is not considered a technical subject matter and there are no specific training plans for this field. There are too many plans in Viet Nam and provincial staff complain of the changing legislation and procedures that complicate work, including decrees 52 (1999), 12 (2000), and 17 (2001).

Bottom-up planning is not fully integrated into development planning in Viet Nam, and commune-level economic and district or provincial planners typically do not adopt social development plans. Some communes adopt bottom-up planning while others do not. Many donor-funded projects complain of the lack of participation in the preparation of plans, budget expenditures, and project impact. The linkage between MARD, provincial, district, and commune extension workers and planning is weak.

Greater involvement and commitment to the TA objectives of senior staff in MARD would have improved understanding and adoption of the TA recommendations.

Recommendations and Follow-Up Actions

1. Obtain funding for the pilot phase project through DANIDA in 2002, for implementation in 2003-2004. The objectives of the pilot project are to develop a more consultative national planning and budgeting system to more objectively formulate short-term plans to achieve medium-term priorities. The project is planned for four years in three provinces and includes the following outputs: (i) improved annual and medium-term plans, (ii) improved project selection and appraisal, (iii) improved consultation in planning with local communities, and (iv) implement HRD and IT strategies for improved planning.
2. Complete the publication and dissemination of the TA project brochure and the study tour handbook in 2002. The brochure will describe the results and recommendations of the TA and help improve the planning process. The study tour handbook will describe the agriculture planning system in Korea with its focus on decentralized planning mainly to achieve market-oriented objectives with farmers and the private sector.