

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: MKOC/VRM

TA No. and Name 2489-VIE Capacity Building at the Ministry of Planning and Investment			Amount Approved: \$ 3,350,000.00		
			Revised Amount: \$ 3,350,000.00		
Executing Agency: Ministry of Planning and Investment		Source of Funding: TASF \$2,445,650.00 Netherlands \$904,350.00		TA Amount Undisbursed \$ 65,062.38	TA Amount Utilized \$ 3,284,937.62
Date			Closing Date		
Approval	Signing	Fielding of Consultants	Original	Actual	
20 December 1995	26 April 1996	6 June 1996	15 August 1999	To be determined. ¹	
Description					
<p>In October 1995, the former State Planning Commission (SPC) merged with the State Committee for Co-operation and Investment (SCCI) to form the Ministry of Planning and Investment (MPI). Under the new structure, MPI serves as the Government's principal economic advisor in setting out the broad strategy and thrust of the country's development agenda, provide macroeconomic policy advice, coordinate all multilateral and bilateral donor activities in the country, and attract and facilitate foreign investments to Viet Nam. MPI's capacity in performing this role was limited because most of its staff, especially those at the junior and mid-level who are most directly involved in implementing policy, have had only limited exposure to the concepts and operations of a market oriented economy.</p>					
Objectives and Scope					
<p>The overall objective of the TA was to assist the Government, in general, and MPI, in particular, in strengthening its development management capability in a market-oriented economy. The TA essentially emphasized skills, knowledge, and attitude upgrading of junior and mid-level staff of MPI, the planning staff of other central ministries, agencies, and provincial units. By addressing this need, it was expected that the other elements of capacity building: procedural streamlining and organizational strengthening, would also be achieved.</p>					
<p>The most extensive component of the TA was the in-country skills development program. The target group for this activity was junior to mid-level staff of MPI, planning staff of other ministries, agencies, and provincial governments. Training consisted of an 8-week Development Management Course (DMC) for a total of 325 participants divided into 8 groups; three 4-week specialized courses in Macroeconomics, Project Evaluation and Management, and Strategic Development Planning, for a total of 120 participants; and a pilot 4-week Provincial Economic Sector DMC, attended by 36 participants and by 31 of their supervisors during follow-up Directors' Planning Workshops. These courses were designed and developed by the team of international and local consultants under the guidance of the Project Management Committee. Although all materials were translated to Vietnamese and sequential classroom translation provided in conducting these courses, English language training was made available to provincial participants to increase their capacity to understand course materials. Computer skills training was also provided to those participants who were not computer proficient. These courses used a variety of teaching/learning methodologies, including case discussions, lectures, group learning, role playing, field trips, and group project preparation and presentations. Distinguished lecturers also provided the participants with their views on current developments issues facing the country.</p>					
<p>The second principal component involved the association of consultants with operational departments of MPI to gain practical hands-on knowledge about MPI's functions and needs, thus enabling them to provide relevant training and to provide required on-the-job training to staff who attended the training courses.</p>					
<p>The third principal component was the out-of-the-country degree programs for 10 government officials to obtain masters degree in economics from reputable international universities.</p>					
<p>The fourth principal component was the out-of-country non-degree programs for 10 government officials at the mid-level to participate in non-degree executive development programs in the region.</p>					

¹ The TA account is yet to be closed upon submission of a certificate of full payment by a consultant.

The fifth principal component was study tours for 25 senior and mid to lower level officials to exchange views and ideas with counterparts in other countries.

The sixth principal component was an Eminent Persons' Group (EPG) to provide guidance and review the progress of the program and to consult, brainstorm, and informally discuss issues of development and reforms with senior MPI management and the Government.

Evaluation of Inputs

As per contract provision, the total input of international consultants amounted to 72 person-months and another 72 person-months from local consultants. The consultant Team was composed of a senior adviser/coordinator, macroeconomic policy and planning specialist and a project evaluation and management specialist. A total of 17 guest lecturers (national and international) gave presentations to the DMC participants. In addition, the TA refurbished and furnished a 100-square meter lecture room, 2 discussion rooms, and 4 offices and constructed an extension of the hallway of the MPI training center and purchased 4 vehicles and 23 computers including the accessories and software.

Input cost was in line with estimates. Consultants and equipment were utilized successfully to deliver the required outputs. The executing agency showed strong commitment and support for the project, and expressed satisfaction for the outcome. Cost savings on some items allowed additional refinement of the curriculum and materials and delivery of pilot provincial training.

Evaluation of Outputs

The DMC was attended by 328 participants: 86 or 26% from the central level of MPI, 72 or 23% from other ministries, including 23 from the Ministry of Finance, 47 or 14% from other agencies, including 17 from the State Bank of Viet Nam, and 123 or 38% from 61 provinces. Except for 2, all participants met the course requirements of 90% attendance, written examination scores, class and group discussion participation, and presentation of group projects. Written course evaluation by the participants indicated that the course was conducted with a very high quality of teaching. This activity also created a set of training materials and a teaching methodology especially designed to be relevant to the functions of planning staff at all levels of government. Follow-up interviews with the trainees and their supervisors showed that 60 percent of participants made a high degree of use of the skills acquired, approximately 80 percent reported significant improvements in their work; 46 percent were assigned additional duties, and 8 percent were promoted. Slow job progression is a factor which may negatively affect the training impact, through loss of motivation or relevance.

The 3 specialized courses were also conducted successfully for a total of 120 participants coming from various ministries and provinces. Basic English language training for 48 provinces and Hanoi were completed with an average of 20 participants from each province. An advanced English language course designed for interpreters was also completed with 9 participants completing the course.

Consultants also associated themselves with General Economics Issues, Project Appraisal, and Foreign Economic Relations departments of MPI and provided assistance in the use of analytical tools. They were only involved to a limited extent, however, in the day-to-day discussion and solution of development issues and problems, given the teaching demands on their time.

One participant in the out-of-country degree programs completed his master of arts in development economics at Williams College and proceeded to a 12-month internship with an international bank. Three other participants obtained their master in development management from the Asian Institute of Management. All 4 participants prepared relevant and useful research papers for their degree requirement. Six other participants completed their master of arts in economics at the ISS. Ten participants also attended non-degree programs at Australian National University, Asian Institute of Technology, and AIM.

Two study tours were conducted for 26 participants. The first visited the Philippines, Indonesia, and Thailand focusing on Public Investment Programming. The second visited Beijing, Shanghai, and Guangdong, China focusing on State Enterprise Reform.

The EPG visited the country three times and held presentations on topics linked to policy reforms under consideration. In addition, former Philippine President Fidel V. Ramos visited Viet Nam to be keynote speaker in a conference on “Economic Prospects for the Asian Economies and Policy Responses” and to share his experience in the promotion of the Philippines as a destination for foreign investment.

Overall Assessment and Rating

The TA can be rated as highly successful. An impact study conducted interviews with directors and participants from 8 departments of MPI and 7 provincial DPI in the central and southern regions of the country. The objective of the impact study was to determine how participants have used the skills and knowledge learned from the course and how their respective departments have benefited from the TA. Suggestions for improvements and future directions were also solicited. The interviews showed the following: (a) the training provided under the DMC and the specialized courses significantly improved the performance of the participants in their work with clearer presentations of their reports to their supervisors showing a much higher level of understanding of the issues than before training, (b) some participants were promoted, while others, given more responsibility partly because of the training they received under the TA, and (c) some participants went on to attend advanced training overseas and acknowledged the preparation for such advanced training provided by the DMC.

In general, the most cost effective mode of capacity building was in-country training, followed by the out-of-country degree programs which were successful but had high unit costs. Other components appear to have lower benefits to cost ratios. Their impact on the improvement of the policy formulation process is also more difficult to measure.

Major Lessons Learned

Cooperation provided by the MPI through the Project Management Committee (PMC) proved to be essential in the successful completion of the TA. The impact study also shows that selection of participants was crucial to obtaining greater benefits from any training activity, including in-country training and study tours. The participant selection process is therefore very important for higher levels of success.

The experience also showed that a visiting EPG is not the most effective way of providing policy advice, because the topics covered in the discussion sessions were rather broad, and the expertise of a pre-selected EPG could not always match the Government’s requests. For this reason, additional targeted visits (e.g. by Former President Fidel V. Ramos) proved useful and were appreciated because of the practical experience he shared.

TA supervision suffered from the frequent changes in staff responsible for its implementation. This may be another reason why long term, standardized training activities were more successful than brief inputs like EPG meetings or policy advice.

Recommendations and Follow-Up Actions

The successful implementation of TA created a mass of staff members of planning agencies equipped with skills in modern economic analysis and management, which was lacking at the time. Interview with MPI and DPI department heads indicate that in the central ministries and agencies, opportunities for similar and further training are now more readily available from various sources, including other international donors. However, provincial DPI’s, as well as other provincial departments, badly need to create a critical mass of cadres with skills and knowledge like these provided under the DMC.

For this reason, it was considered useful to focus a second TA (TA No. 3289-VIE Support for Decentralization and Participation in Planning) on creating a critical mass (approximately 50% of their staff) of provincial level DPI cadres equipped with knowledge and skills in economic analysis and management in a market oriented system. The follow-up TA was based on (i) provision of training only for provincial level staff; (ii) use of trainers for local universities approximately one half of the training sessions; (iii) combination of training activities with a component to promote interprovincial coordination and private sector participation in planning in four pilot provinces in the central region. The existing training center in Hanoi continued to be used, while the MPI school in Danang was refurbished to make it suitable for DMC training.