

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: MKOC

TA No. and Name TA 2959-VIE: Preparation of a Development Strategy for the Central Region of Viet Nam			Amount Approved: \$898,000.00 Revised Amount: \$898,000.00																
Executing Agency: Ministry of Planning and Investment	Source of Funding: TASF \$498,000 and the Swedish International Development Agency (SIDA) \$400,000		TA Amount Undisbursed \$8,247.62	TA Amount Utilized \$889,752.38															
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Date</th> <th colspan="2" style="text-align: center;">Closing Date</th> </tr> <tr> <th style="text-align: left;">Approval</th> <th style="text-align: left;">Signing</th> <th style="text-align: left;">Fielding of Consultants</th> <th style="text-align: left;">Original</th> <th style="text-align: left;">Actual</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">22 December 1997</td> <td style="text-align: left;">4 May 1998</td> <td style="text-align: left;">23 November 1998</td> <td style="text-align: left;">15 August 2000</td> <td style="text-align: left;">20 May 2002¹</td> </tr> </tbody> </table>			Date			Closing Date		Approval	Signing	Fielding of Consultants	Original	Actual	22 December 1997	4 May 1998	23 November 1998	15 August 2000	20 May 2002 ¹		
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22 December 1997	4 May 1998	23 November 1998	15 August 2000	20 May 2002 ¹															
<p>Description</p> <p>The Government of Viet Nam launched preparation of the regional development strategies (RDSs) in 1990s. For the country's three macro-regional groups of the North Region, the Central Region and the South Region, RDSs were envisaged to address growing disparities between prosperous North and South, and the lagging Central. In order to realize regionally balanced growth patterns envisaged by the Government, there was a need to draw roadmaps linked to the five-year national development plan, with clear articulation of development priorities, public investment programs, market-oriented measures and institutional reforms. Among three macro-regional groups, the Government identified the Central Region as most needful for external technical support for its RDS preparation, in view of its moderate development performance reflected in: (i) high incidence of poverty, particularly among the indigenous populations in the Central Highlands; (ii) relatively slow rates of growth; and (iii) lack of an effective growth area (i.e., an equivalent of Hanoi in the North Region and Ho Chi Minh City in the South Region). At request from the Government, the TA was processed for approved in December 1997.</p> <p>Objectives and Scope</p> <p>Objectives of the TA comprise: (i) re-orientation of the focus in Government's development and poverty reduction from a concerted growth approach for a limited number of urban areas to more balanced development among regions and between rural and urban areas; (ii) shift from centrally planned State interventions to more market-oriented public policies for regional development; (iii) capacity building for the Government to undertake initiatives outlined above. As an initial step to achieve these broad nationwide objectives in the long run, the scope of the TA was narrowed down in its project design to geographically defined support for RDS preparation in the Central Region, as prioritized by the Government. The approach to be used for preparation for the Central RDS was expected to be replicated eventually for the North and South Regions.</p> <p>The TA was designed to assist the Government in its formulation of the Central RDS through identification of: (a) development potential of industrial sectors; (b) necessary market-oriented policy changes and institutional reforms to create an enabling environment for improvement in productive capacity; and (c) key public infrastructure investments and social services. To this end, formulation of sector development strategies were planned to precede in agriculture, industry and economic services, and education and health services, along with resource projections and financial plans, which were envisaged to constitute building blocks for the Central RDS.</p> <p>Evaluation of Inputs</p> <p>As per contract provision, the total input of consultants amounted to 48.96 person-months. The consultant team was composed of a team leader/regional planning expert (international), a macro-economist (international), an agronomist (international), an industry expert (international), a social sector expert (international), a public finance expert (international), a seminar facilitator (international), an environmental specialist (international), a port specialist (international), an economist (international), and two policy analysts (domestic). A short-term energy specialist was hired under a contract variation to address this area, not covered in the original TOR. Broadly, TORs for consultants adequately addressed necessary human resources requirements to deliver expected outcomes. Engaged consultants performed at a satisfactory level. It took 11 months for fielding of consultants after TA approval. Frequent staff turnover and finalization of the cofinancing arrangement at the initial phase of TA administration are plausible reasons for this extended start-up period.</p> <p>In addition, a secretary and a translator were engaged and office supplies were provided for 14 months. Five computers and printers with related accessories and software, and one photocopier and fax machine were purchased with TA financing. The Inception Mission was fielded in January 1999 and a Review Mission was undertaken in conjunction with country consultation in October 1999.</p> <p>The EA provided satisfactory support to the TA, and expressed satisfaction for the inputs provided and appreciation for the work of the consultants.</p>																			

¹ TA activities were completed in February 2000. The TA accounts were closed upon submission of a certificate of full payment and an equipment turnover certificate by the consultant in April 2002.

Evaluation of Outputs

In the course of TA implementation, the inception report, the interim progress report, the draft final report and the final report were prepared. Among them, the first three reports were thoroughly examined through discussions with the Government represented by the Ministry of Planning and Investment (MPI), its Development Strategy Institute and provincial authorities, respectively at the tripartite meeting in January 1999, the first steering committee meeting in June 1999, and at the second steering committee meeting in October 1999 and the Central Region provinces meeting in January 2000. The final report completed in February 2000 encompassed the Central Region RDS, which was clearly focused through its emphasis on agricultural development. At the same time, the proposed RDS was comprehensive in its coverage of related agro-processing industries and tourism, as well as their multiplier effects to other labor-intensive industries and long-term industrialization. As stipulated in the original project scope, in a broad sense, the TA identified needs for investment in key infrastructure and social services, market-oriented institutional reforms, and the financial plan and resources requirement. The Government of Viet Nam and 18 Central Region provinces generally supported the proposed RDS as a document prepared at a proper level of quality, while having expressed a view that more detailed implementation plans would be necessary for effective use of the formulated strategy. The latter issue was addressed successfully with ADB's follow-up TA 3388-VIE: Preparation of Action and Investment Plans for the Central Region Development Strategy, as described below.

During the TA implementation period, study tours were organized to visit Lao PDR and Thailand (10 days, 6 persons) to observe development of local rural and urban economies and the outer provinces in the Greater Mekong Subregion (GMS), and Taiwan (10 days, 4 persons) to learn from its experience in promotion of agricultural diversification and rural industrial growth. Active participation by the Government and provincial counterparts in RDS preparation also contributed to capacity building through 'learning by doing'.

Overall Assessment and Rating

The TA implementation is assessed and rated as successful in achieving its original objective to prepare RDS for the Central Region, as outlined above. Beyond the initial project scope, some of the themes which emerged from the TA (need for an emphasis on rural development, increased agricultural productivity and agroprocessing industry) were incorporated in national strategies and plans, forming a ground for extensive developmental impact.

Major Lessons Learned

While the TA was designed with an initially limited scope to assist Government's RDS preparation, its end-products and the implementation process provided insights that turned out to be valuable also for ADB's own country strategy formulation, and led to incorporation of geographical targeting of the Central Region as an operational priority of the Country Strategy and Program (CSP) endorsed by the Board in January 2002 (and a preceding Country Assistance Plan and CSP Updates). This experience gave an important lesson - to make the best use of positive spillover from one operation to the others.

Recommendations and Follow-Up Actions

At the closing phase of TA implementation, the Government requested an additional ADB support to translate the accomplished Central RDS into a detailed implementation plan through further identification and prioritization of investment needs in collaboration with the Central Region provinces. In light of the favorable response from both Government and provinces, and demonstrated needs for incremental resources mobilization, ADB approved a small scale TA (SSTA) 3388-VIE: Preparation of Action and Investment Plans for the Central Region Development Strategy for US\$150,000 in December 1999. The action and investment plans formulated through the SSTA were helpful in linking the Central RDS with the 2001-2005 provincial development plans. The SSTA final report was submitted in May 2000, and the pending issue at the stage of original TA's completion was adequately addressed in the latter final report.

The TA and the SSTA had also laid down the foundation for one of ADB's strategic priorities that was eventually integrated into CSP for Viet Nam, namely the geographic focus on the Central Region. Under this strategic priority, loan 1883-VIE: Central Region Livelihood Improvement Project was processed and approved in 2001, as the first area-focused lending operation for the Central Region. Other prospective lending products with targeted interventions in the Central Region are, as included in the latest CSP Update for 2003-2005:

- ◆ Forests for Livelihood Improvement in the Central Highlands (2003)
- ◆ Central Region Urban Development (2003)
- ◆ Central Region Road Sector (2005)
- ◆ Livelihood Improvement in Central Coastal Provinces (2005)
- ◆ District Towns Urban Development in Central Region (2005)
- ◆ Central Region Water Resources Sector (2004).

Regarding non-lending products and services, 12 related TAs totaling \$11.968 million have been either approved in 2001 or listed in CSP/CSP Updates for the period 2002-2005.