

## TA COMPLETION REPORT

Division: PW3

<b>TA NO:</b> 3023-VIE <b>TA NAME:</b> Strengthening Capacity for Public Administration Reform (PAR), Phase 2		<b>TA AMOUNT APPROVED:</b> \$ 995,000	<b>SOURCE:</b> Bank
<b>EXECUTING AGENCY:</b> Government Committee on Organization and Personnel (GCOP)		<b>TA AMOUNT UNDISBURSED:</b> \$46,024.48	<b>TA AMOUNT UTILIZED:</b> \$948,975.52
<b>DATE:</b> <b>APPROVAL:</b> 28 May 98	<b>SIGNING:</b> 20 Jul 98	<b>FIELD:</b> November 1998	<b>CLOSING :</b> <b>ORIGINAL:</b> March 2000 <b>ACTUAL:</b> December 2000

### TA DESCRIPTION (Background and rationale):

Viet Nam has taken decisive steps in recent years toward improved governance. For example, it has consistently demonstrated a strong, serious commitment to a state ruled by law as mandated by the 1992 Constitution. Many laws have been passed, courts and legal aid centers established, standards set for judges, and resources allocated for court houses and improving legal education.

Other reforms completed include simplification of administrative procedures in ministries and agencies at both central and local levels. Restructuring of ministries through mergers, a clearer definition of the roles and functions, and the introduction of more transparent personnel procedures have been introduced. Legislation on civil servants and public servants was promulgated in 1998.

Finally, the Government as well as the Party leadership have devoted much attention to the issue of corruption. The need for government cleansing was a major theme of the Sixth Party Plenum in October 1998. Important ordinances and decrees have been passed addressing anti-corruption, such as the Ordinance against Corruption (March 1998) and related implementing regulations. In 1998 the Prime Minister established a "hot-line" to receive business complaints and several ministries now also have internal units for tackling grievances and corruption (in addition to the General State Inspectorate).

This TA built on these achievements by supporting the Government Committee on Organization and Personnel (GCOP), designated by the Government as a lead organization for designing and implementing these reforms.

### OBJECTIVES AND SCOPE:

The objectives were to build the capacity of GCOP's management and technical staff to prepare a Public Administration Reform (PAR) strategy and action program for GCOP; enhance consultative and participatory approaches to policy formulation by establishing closer links between GCOP and other agencies involved in the PAR process; and facilitate the development of effective communication channels between Hanoi and the provinces through the expansion of the MIS developed under Phase 1.

### TA INPUTS EVALUATION:

The objectives and scope of the TA were consistent with the needs of the Government at project inception. The TA was prepared with active participation of GCOP officials, which helped ensure the adequacy of its design, formulation and the appropriateness of its objectives and implementation schedule. The terms of reference for the consultants were in line with the objectives and scope of the TA. The initial contract negotiated with the consultants allowed for a savings of \$100,000 from the original TA budget. Due to the opportunity of the Government's PAR review, a Government request was made and approved by the ADB in October 1999 to increase the consultant's contract by \$100,000. This provided for a project extension of 2 months, and financed additional seminars, workshops, conferences and surveys to respond to the new opportunities. 21 person months of international consultants and 36 person months of domestic consultants were provided, along with 30 courses, conferences and workshops with a total of 705 participants. Consultants worked closely with GCOP and delivered the expected results on time, and within budget. Bank supervision of the TA was adequate with frequent review missions for close monitoring of the TA progress and high-level policy dialogue with the Government. In addition, Bank staff participated as resource persons in 5 separate workshops/conferences organized under the project. A Final Report of the consultants was submitted on 28 June 2000 after incorporating comments from the Government and the Bank.

### TA OUTPUTS EVALUATION:

Accomplishments of the project include training courses, technical and policy workshops, internships and study tour abroad, translations and publications, and the setting up of a Management Information System for GCOP. The latter is a particularly notable major achievement. Effective processing of information and knowledge is of crucial importance. The government's willingness to make information much more transparent than in the recent past is an encouraging sign for reform, GCOP has taken a leading role in this direction.

## **TA OVERALL ASSESSMENT/RATING**

The TA achieved its objectives as outlined above. A major result which the project helped facilitate, in cooperation with other donors, was a PAR Review by the Government. This began in November 1999, and was part of a process leading to a PAR strategy being submitted for approval at the Party Congress in March 2001. The Review catalogs the accomplishments of PAR to date, and then proposes future reforms which are sweeping in nature. These include, *inter alia*, new provisions requiring public comments on draft laws and regulations before promulgation, new provisions that laws and other official instruments will only take effect after being published in the Official Gazette, replacing discretionary licensing with registration and making information on registrations public (following pattern of recent decree on registration of secured transactions, improving legislative drafting, providing for codification and indexing of all laws and other official instruments, requiring compulsory publication of court judgements, and streamlining other aspects of corporate regulatory framework. Other recommended reforms include a clear distinction between roles, responsibilities and finances of agencies under the Prime Minister, other ministries, agencies under sector ministries, People's Councils, People's Committees, and non-state organizations. Many steps are recommended to professionalize the civil service, including rationalized salaries, training, and recruitment and promotion solidly grounded on merit. Wide-ranging financial management reforms are also called for at both national and sub-national levels of government.

The publication of the state budget in June 1999 (1997 final accounts and 1999 plan budget) was an important milestone towards increased fiscal transparency. Other important steps have been various decrees clarifying the role of government agencies in external debt management and processes for managing fees and revenues raised and spend by government agencies. However, the enactment of further legal, administrative and financial reforms will require continuing capacity strengthening of GCOP, commitments from the Government and Party, and support from public officials, private citizens, and donors. Concerning the last point, a positive sign is that there are 18 donor-funded projects continuing to support the PAR process. This will help to ensure continuity and sustainability of the management innovations introduced by 3023-VIE. In consideration of these things, the TA is rated generally successful.

## **MAJOR LESSONS LEARNED**

The achievement of capacity building and institutional reform through technical assistance is very difficult, and this project is no exception. Progress has been slow, and even then only possible because the interventions were crafted with care to meet GCOP's particular needs.

This project was the second of two phases. Solid, continuing achievement will require a long-term commitment by the donor community to a sequence of interventions well beyond the duration of two technical assistance projects. Explicit co-ordination of donor interventions in relation to such work is important, as over-lap and duplication is not only wasteful of resources but may undermine the viability of the various interventions (e.g. when conflicting advice results in inaction). The Annual Meetings on Public Administration Reform Projects, and the recent provision of access by all PAR projects to the GCOP-MIS, are both encouraging signs of good co-ordination.

The complex requirements for success in this area demand a relatively intensive management commitment in relation to the sums of money being allocated, along with staff continuity in supervision. Despite the fact that technical assistance involves grant money, and projects involve much smaller financial commitments than capital projects, both the ADB and the Government need to give design and implementation of future, capacity-building projects the necessary attention.

## **FOLLOW-UP ACTIONS AND RECOMMENDATIONS**

A follow-on TA is under implementation to assist the Office of the Government improve its operational efficiency relative to its role and responsibilities in ensuring the overall performance effectiveness of the administrative and decision-making machinery of the Government.

Future governance interventions should be designed with the ADB's new focus on fighting poverty in mind. The quality of governance at the central and local level and the governance relations in administration and society are often the crucial link to make poverty reduction effective.



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