



# Technical Assistance Report

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Project number: 39587  
May 2006

## Socialist Republic of Viet Nam: Capacity Strengthening of Viet Nam's Regional Cooperation Coordination and Public Investment Planning

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 31 March 2006)

Currency Unit	–	dong (D)
D1.00	=	\$0.00001
\$1.00	=	D15,916

## ABBREVIATIONS

ADB	–	Asian Development Bank
CSP	–	Country Strategy and Program
FERD	–	Foreign Economic Relations Department
GMS	–	Greater Mekong Subregion
DNEI	–	Department of National Economic Issues
GMS-NCC	–	GMS National Coordination Committee
IDS	–	Institutional Development Specialist
Lao PDR	–	Lao People's Democratic Republic
ITS	–	information technology specialist
MPI	–	Ministry of Planning and Investment
PCO	–	project coordinator
PMU	–	project management unit
PRC	–	People's Republic of China
PSC	–	project steering committee
RCCG	–	Regional Cooperation Coordination Guidelines
RCE	–	regional cooperation economist
RCNS	–	Regional Cooperation National Secretariat
RCS	–	regional cooperation specialist
SEDP	–	Social and Economic Development Plan
SWOT	–	strengths, weaknesses, opportunities, and threats
TA	–	technical assistance
TAS	–	training and awareness specialist

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	General intervention
<b>Sector</b>	–	Law, economic management, public policy
<b>Subsector</b>	–	Economic management, national government administration
<b>Themes</b>	–	Sustainable economic growth, regional cooperation, capacity development
<b>Subtheme</b>	–	Promoting economic efficiency and enabling markets

## NOTE

In this report, "\$" refers to US dollars.

<b>Vice President</b>	C. Lawrence Greenwood, Jr., Operations Group 2
<b>Director General</b>	R.M. Nag, Southeast Asia Department (SERD)
<b>Director</b>	A. Konishi, Country Director, Viet Nam Resident Mission, SERD
<b>Team leader</b>	C.T. Hnanguie, Programs Economist, Country Coordination and Regional Cooperation Division, SERD

## I. INTRODUCTION

1. Viet Nam is finalizing its new 5-year Social and Economic Development Plan, 2006–2010 (SEDP). The SEDP has a target of 7.5–8.0% annual average GDP growth, aims to create 8 million additional jobs, and reduce the number of poor households. These targets will require an investment level of about 35% of GDP and significant improvements in the productivity of capital. Among the principal directions envisaged in the new SEDP are the (i) substantial completion of the restructuring of state owned enterprises; (ii) implementation of the reform program in the financial sector; (iii) promoting the development of the private sector, in particular small- and medium-sized enterprises; and (iv) acceleration of the implementation of Viet Nam's commitments to international economic cooperation and integration process by fulfilling its commitments to multilateral and bilateral partners. The Ministry of Planning and Investment (MPI), which will play a key role in the implementation of the SEDP, has identified two critical areas in its operations that need to be strengthened to effectively pursue SEDP's strategic directions: (i) coordination of regional cooperation initiatives, and (ii) public investment programming. The Government has requested ADB technical assistance to strengthen MPI's capacity in these two areas. During the Country Program Confirmation Mission in December 2005, the Government requested ADB for a technical assistance (TA) grant to provide advisory services to institutionalize international best practice and expertise in these areas. The TA design and monitoring framework is in Appendix 1.<sup>1</sup>

## II. ISSUES

2. Viet Nam is seeking to optimize its national development efforts by harnessing the opportunities available through regional cooperation. Given Viet Nam's strategic location, regional cooperation offers the potential for increased trade and investment in Viet Nam through better infrastructure linkages and expanded markets. Toward this end, Viet Nam's participation in regional cooperation activities has expanded over the years to include a wide variety of initiatives including the ADB-sponsored Greater Mekong Subregional Economic Cooperation (GMS) Program.<sup>2</sup> However, these initiatives, which vary in terms of specific goals, strategies, cooperation principles and institutional arrangements, are exerting immense pressure on the present limited institutional and human resource capacity of the country.

3. The Prime Minister's Decision No. 2926/VPCP-QHQT of 1995 provides the basis for the present institutional arrangements for coordinating regional cooperation. It established the GMS National Coordination Committee (GMS-NCC)<sup>3</sup> to advise the Prime Minister initially on the GMS Program, and subsequently, on other regional cooperation initiatives. The GMS-NCC is supported by the Regional Cooperation National Secretariat (RCNS) in MPI. The RCNS is the national focal point for coordinating all non-political regional cooperation activities in the country. The RCNS liaises with the government ministries and/or agencies involved in implementing the various regional cooperation activities, including those in agriculture, environment, energy,

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<sup>1</sup> The TA first appeared in *ADB Business Opportunities* on 16 September 2005.

<sup>2</sup> The other regional cooperation initiatives include the Ayeyawaddy-Chapraya-Mekong Economic Cooperation Strategy (ACMECS); ASEAN Mekong Basin Development Cooperation (AMBDC); Mekong River Commission (MRC); East-West Economic Corridor; West-East Economic Corridor with Lao People's Democratic Republic (Lao PDR) and Thailand; Development Triangle between Viet Nam, Lao PDR, Cambodia; 2 Corridors 1 Belt, between Viet Nam and the People's Republic of China (PRC); and Cambodia, Lao PDR, Myanmar, Viet Nam (CLMV) Summits.

<sup>3</sup> The GMS-NCC is chaired by the Ministry of Planning and Investment and comprises the following ministries and/or agencies: agriculture, environment, energy, finance, foreign affairs, health, industry, state bank, tourism, trade, and transport. The RCNS is housed in MPI, given MPI's mandate as the overall external development resources coordinator. The RCNS is responsible only for the overall coordination of nonpolitical regional cooperation activities. Cooperation arrangements of a political nature fall under the mandate of the Ministry of Foreign Affairs.

foreign affairs, health, industry, tourism, trade and transport. However, due to MPI's limited capacity, some line ministries/agencies have been required to take the lead in coordinating a number of regional cooperation activities.

4. While the present arrangements have generally fared well, the Vietnamese authorities recognize that opportunities are being missed through suboptimum participation in and coordination of regional cooperation programs. Recent assessments<sup>4</sup> suggest that the current regional cooperation institutional arrangements and human resource capacity are not sufficient to achieve the desired results for the country. Lessons from a number of ADB's regional TAs in the GMS<sup>5</sup> also note the importance of clear strategic directions to guide activities in the medium to long-term to ensure sustainability.

5. Strengthening and expanding Viet Nam's capacity for regional cooperation coordination will be a key challenge facing the Government in implementing the new SEDP. This will be even more compelling during the coming years as regional economic integration gains momentum in Southeast Asia. MPI will need to deploy staff with relevant knowledge and skills, improve and strengthen institutional arrangements for coordination, and organize an operational and well-equipped resource information center to be able to respond quickly and effectively to emerging opportunities. In addition, a strategic road map will need to be formulated to guide Viet Nam's participation in regional programs. This road map will help in planning priorities, especially in the development of cross-border infrastructure and related software, and in the sequencing of legal and policy reforms needed to open up markets in support of multilateral and bilateral commitments.

6. As the Government moves to implement the new SEDP, it will be crucial to clearly establish how national development goals are linked with regional cooperation strategies. The Government has recognized that to sustain high economic growth and reduction in poverty, and to make them both more socially inclusive, it needs to devolve more responsibilities to provinces and to introduce planning reforms. The Prime Minister's Directive 33/TTg of September 2004 and MPI Circular 2215, note the need to improve the quality of development plans and resource allocation and to be more innovative in its planning systems. There is a need to ensure consistency between national, sectoral, and provincial plans and programs, and to ensure they reflect regional strategic implications. To meet its growth targets, the Government will need to improve the level and quality of its investment projects, as well as the system of resource allocation including to the local governments as part of the decentralization process. MPI's capacity will need to be strengthened to be able to meet its key role in this regard.

7. The Government is committed to address the key challenges at the highest level, as was evidenced by Prime Minister Phan Van Khai's statement at the Second GMS Leaders Summit in July 2005. To enable the Government to meet this commitment, MPI has requested ADB assistance in strengthening Viet Nam's institutional and human resource capacity for regional cooperation coordination as well as planning and public investment programming.

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<sup>4</sup> See for instance Khang, H.V. 2004. *Solution to Improve the Management Capacity of the GMS Program in Vietnam, Master of Business Management & Information Systems*. Hanoi: National Economics University of Vietnam. (Thesis); Abonyi, G. and Guina, C. 2001. *GMS Institutional Framework, Review and Recommendations: ADB Review Report*. Manila.

<sup>5</sup> ADB. 2005. *Technical Assistance Completion Report for the Greater Mekong Subregion on Promoting Subregional Cooperation among Cambodia, People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam (Phase IV-Year 1)*. Manila); ADB. 2002. *Impact Evaluation Study of the Asian Development Bank's Program of Subregional Economic Cooperation in the Greater Mekong Subregion*. Manila.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Impact and Outcome**

8. The TA project has two components. Component 1 focuses on capacity strengthening for regional cooperation focal points, and component 2 on support to public investment planning. The intended outcome of component 1 is a well-resourced, effective, and efficient national regional cooperation coordination mechanism in Viet Nam. Its specific outputs are (i) a more strategic approach to regional cooperation, (ii) an effective and efficient regional cooperation coordination mechanism, (iii) better-equipped information resource centers, (iv) improved institutional and human capabilities to coordinate regional cooperation activities, and (v) stronger synergy between the RCNS and the sector focal points. The intended outcome of component 2 is significant improvements to the quality of public investment planning in Viet Nam. Its specific outputs are (i) more efficient public investment planning systems at national and provincial levels; (ii) a manual for public investment planning and resource allocation to sectors and provinces, including a set of criteria and guidelines for resource allocation to sectors and provinces; and (iv) improved planning expertise of government officials. The key results of the TA project, its activities and outputs are outlined in Appendix 1.

#### **B. Methodology and Key Activities**

9. The TA project formulation process adopted a consultative and participatory approach, whereby its design involved an extensive consultative process between ADB, the Department of National Economic Issues (DNEI), RCNS, sectoral focal points and the academia. This collaborative arrangement is envisaged to continue during project implementation to foster strong client ownership, and will also provide learning-by-doing opportunities for Government counterpart staff.

10. Component 1 of the TA will have six key activities, including (i) a strengths, weaknesses, opportunities and threats (SWOT) analysis of Viet Nam's regional cooperation arrangements; (ii) a clearer definition of Viet Nam's strategic interests in regional cooperation; (iii) preparation of draft regional cooperation coordination guidelines (RCCG), operational manuals, and an electronic coordination network; (iv) establishment of an regional cooperation information resource center in MPI and support for resource centers at other regional cooperation focal points; (v) establishment of or improvements to databases at the resource centers; and (vi) skill enhancement training programs.

11. The SWOT analysis of Viet Nam's current policy, legal, institutional arrangements, human resource capacity, and coordination arrangements for regional cooperation will reveal the strengths and weaknesses of the existing framework. Based on the SWOT analysis and consultations with stakeholders, a draft regional cooperation road map will be prepared. This will set out how Viet Nam can optimize its national socioeconomic development program through the efficient inclusion of regional cooperation activities and programs. The regional cooperation road map will support the implementation of the SEDP.

12. A draft RCCG on how the RCNS will coordinate with the sector focal points and other national secretariats will be prepared. The RCCG will outline the proposed procedures, roles, responsibilities, and accountability mechanisms, which if adopted, would become Viet Nam's regional cooperation coordination operational manual.

13. The TA will also assist in the planning and establishment of regional cooperation resource centers in MPI and focal points of selected line ministries and agencies. This will include provision of basic computer equipment, assistance for cataloguing of regional cooperation documentation, establishment of databases, and establishment of a website for the RCNS. When the resource centers have been equipped with facilities and the RCCG has been prepared, an electronic network will be established in the RCNS and sector focal points. The network will be linked to the RCCG and will serve as its operating system.

14. Capacity building programs will focus on skills development necessary to effectively implement the regional cooperation road map and RCCG. Other training will cover computer use, website uploading and maintenance, electronic networking, cataloguing and information management, English language, and key socioeconomic development issues in regional cooperation.

15. Component 2 of the TA will identify the strengths and weaknesses of the national and local planning practices and procedures. It will identify relevant international best practices in public investment planning and resource allocation, including from other countries in the region, such as PRC, India, Malaysia, and Thailand. It will review existing domestic and international planning practices and identify areas that need strengthening in the context of SEDP implementation. The TA will support the Government to streamline the national planning process and draft guidelines for more efficient public investment planning and resource allocation.

16. The TA will assist the Government undertake the review process, the formulation of reform proposals, and arrangement of related consultation and implementation workshops and capacity building. A manual will be prepared incorporating the recommended changes to planning practices, investment planning techniques, and guidelines for resource allocation.

### **C. Cost and Financing**

17. The total cost of the TA is estimated to be \$535,000 equivalent. The Government has requested ADB to finance the equivalent of \$430,000. The TA will be financed on a grant basis by ADB's TA funding program. The Government will finance the balance of the local currency costs, amounting to \$105,000 equivalent, in kind, to cover resource center equipment and facilities, counterpart staff, administrative and logistic support, and other services. Details of the TA cost estimates and financing plan are in Appendix 2.

### **D. Implementation Arrangements**

18. The project will be implemented over 18 months, beginning June 2006. Implementation will require (i) one team leader with expertise in regional cooperation economics and public investment planning for 6 person-months on an intermittent basis; (ii) one international short-term consultant for 3 person-months; and (iii) 100 person-months of domestic consultants in political economy, information technology, institutional development, public investment planning, training, project administration, and information dissemination. Civil society organizations, including academia, will be considered for some of the envisaged training and knowledge development activities. The consultants will be engaged by ADB in accordance with its

*Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants. The consultants' outline terms of reference are in Appendix 3. Equipment will be procured in accordance with ADB's *Procurement Guidelines*.

19. The Department of Foreign Economic Relations (FERD) of MPI will be the Executing Agency and will act as the project management unit (PMU) for component 1 of the TA. It will be responsible for overall project management, including coordination with sector ministries and/or agencies and ADB and ensuring that necessary national-level approvals are obtained on time to facilitate project implementation. The PMU will be responsible for project implementation in collaboration with the concerned line ministries and/or agencies. The deputy director general of FERD will be the project director and will be supported by the consultant team to be located in FERD. As the TA involves a number of line ministries and/or agencies, coordination at all levels will be provided through a project steering committee (PSC) under the guidance of the minister of MPI. The PSC will be chaired by the project director and members will include senior staff of the international cooperation departments, or their equivalent, of the relevant line ministries and agencies. The PSC will meet at least every 6 months to review implementation progress and guide project activities.

20. DNEI of the MPI will be the Executing Agency and will act as the project management unit (PMU) for component 2 of the TA. DNEI will ensure coordination and consultation with other central and line ministries, provincial and city peoples' committees, and other relevant agencies. The director general of DNEI will be the project director for component 2 of the TA.

21. As the TA involves various ministries and agencies, MPI will provide overall guidance for TA implementation and issue the appropriate directives and decisions. Monitoring of the implementation progress and TA outcomes will be carried out through periodic reviews of the TA activities as per the TA framework (Appendix 1). The consultant team leader will prepare and submit (i) an inception report, within 2 weeks of the commencement of the TA; (ii) a midterm report, 9 months after TA commencement; (iii) activity completion reports at assignment completion; and (iv) a final report at project completion.

#### **IV. THE PRESIDENT'S DECISION**

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$430,000 on a grant basis to the Government of Viet Nam for Capacity Strengthening of Viet Nam's Regional Cooperation Coordination and Public Investment Planning, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Potential Risks
<p><b>Impact</b></p> <p>Successful implementation of Viet Nam's Socioeconomic Development Plan, 2006–2010 (SEDP)</p>	<ul style="list-style-type: none"> <li>• Well-resourced, effective and efficient national regional cooperation coordination mechanism by 2010</li> <li>• Improved resource allocation and public investment planning (PIP) system by 2010</li> </ul>	<ul style="list-style-type: none"> <li>• SEDP review reports</li> <li>• Consultative Group meeting reports on SEDP implementation progress</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Government is committed to enhancing regional cooperation and PIP in the SEDP implementation</li> </ul>
<p><b>Outcome</b></p> <p><b>Component 1</b></p> <p>1. The RCNS in the Ministry of Planning and Investment (MPI) and the relevant Sector Focal Points have the capacity to effectively manage, coordinate and harness Viet Nam's regional cooperation activities</p> <p>2. Better equipped regional cooperation information resource centers</p> <p>3. Improved institutional and human capabilities to coordinate regional cooperation activities</p>	<ul style="list-style-type: none"> <li>• The Government adopting the regional cooperation strategic road map within 12 months of the TA inception</li> <li>• Prime ministerial decision to adopt and use the RCCG within 12 months of the TA inception</li> <li>• Adoption and use of an electronic coordination network within 17 months of the TA inception</li> <li>• Establishment of information resource centers in MPI and selected sector focal points within 6 months of the TA inception</li> <li>• Resource centers equipped with computers, cataloguing and database systems within 7 months of the TA inception</li> <li>• Standardized use of the RCCG manual within 18 months of the TA inception</li> <li>• Workshop on the roles and responsibilities of the national regional cooperation focal points within 9 months of the TA inception</li> <li>• Capacity enhancement training on the use of the RCCG within 12 months of the TA inception</li> <li>• Capacity enhancement training on Viet Nam's regional cooperation capsule courses within 14 months of the TA inception</li> <li>• Capacity enhancement training on the use of RCCG manual,</li> </ul>	<ul style="list-style-type: none"> <li>• TA review reports</li> <li>• Activity completion report</li> <li>• RCCG manual</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• Activity completion reports</li> <li>• TA review reports</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• regional cooperation economic review reports</li> <li>• Various regional cooperation working group reports</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• Regional cooperation economic review</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Line ministries or agencies are committed to operationalize the strategic road map and RCCG</li> <li>• Capacities of officials are enhanced to develop and maintain a coordination system</li> </ul> <p><b>Potential Risks</b></p> <ul style="list-style-type: none"> <li>• Domestic consultants may not be absorbed into the mainstream staffing cadre of the Government to sustain the systems</li> </ul>

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Potential Risks
5. Stronger synergy between the RCNS and the sector focal points	<p>electronic coordination network, regional cooperation website, information database and cataloguing systems, basic English language usage within 14 months of the TA inception</p> <ul style="list-style-type: none"> <li>• Extensive use of the RCCG manual</li> <li>• Extensive use of the electronic coordination network within 18 months of the TA inception</li> <li>• Extensive use of the regional cooperation website within 18 months of the TA inception</li> <li>• Functional information database and cataloguing systems within 18 months of the TA inception</li> </ul>	<p>reports</p> <ul style="list-style-type: none"> <li>• Various regional cooperation working group reports</li> <li>• Various regional cooperation working group reports</li> </ul>	
<b>Component 2</b>			<b>Assumptions</b>
<p>1. The Department of National Economic Issues of MPI has the capacity to effectively discharge its PIP responsibilities</p>	<ul style="list-style-type: none"> <li>• Selection of indicators based on lessons from the existing system and from domestic and international best practices within 6 months of the TA inception</li> <li>• Diagnostic and formulation of reform proposals are more consultative with extensive stakeholder participation, within 5 months of the TA inception</li> </ul>	<ul style="list-style-type: none"> <li>• Progress reports</li> <li>• Review reports</li> </ul>	<p><b>Potential Risks</b></p> <ul style="list-style-type: none"> <li>• Low level of participation</li> <li>• Inadequate inter-ministry and/or province coordination</li> <li>• Unavailability of counterpart staff to work with consultants on a full-time basis.</li> </ul>
<b>Outputs</b>			<b>Assumptions</b>
<b>Component 1</b>			
1. SWOT analysis of Viet Nam's regional cooperation	<ul style="list-style-type: none"> <li>• Report of a SWOT analysis undertaken looking at policies, institutions, and resource requirements within 2 months of the TA inception</li> <li>• Results summary in a SWOT matrix within 2 months of the TA inception</li> </ul>	<ul style="list-style-type: none"> <li>• TA review reports</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• Activity completion report</li> <li>• TA review reports</li> <li>• Activity completion report</li> </ul>	<ul style="list-style-type: none"> <li>• Resources are well targeted at identified priority areas</li> <li>• Reliable consultants are in place</li> </ul>
2. Preparation of draft regional cooperation road map for Viet Nam	<ul style="list-style-type: none"> <li>• A strategic regional cooperation road map for Viet Nam within 6 months of the TA inception</li> </ul>	<ul style="list-style-type: none"> <li>• Draft regional cooperation roadmap</li> </ul>	
3. RCCG manuals for Viet Nam	<ul style="list-style-type: none"> <li>• Institutionalized use of the RCCG manuals within 12 months of the TA inception.</li> </ul>	<ul style="list-style-type: none"> <li>• TA reports</li> <li>• Activity completion report</li> </ul>	
4. Databases in the focal points	<ul style="list-style-type: none"> <li>• Institutionalized use of the databases within 9 months of the TA inception</li> </ul>	<ul style="list-style-type: none"> <li>• TA reports</li> <li>• Activity completion report</li> </ul>	

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Potential Risks
5. Electronic network  6. Regional cooperation information resource centers in the focal points  7. Specialized training, training modules, and seminar proceedings	<ul style="list-style-type: none"> <li>• Institutionalized use of the electronic network within 16 months of the TA inception</li> <li>• Cataloging system operational in the focal points within 8 months of the TA inception</li> <li>• Training modules developed and training conducted (in each focal points, two trainings sessions on the use of the RCCG, the database, and computer use for each sector focal points for 50 line ministries and/or agencies officials within 12 months of the TA inception</li> <li>• On-the-job training of RCNS and sector focal point officials on concepts and methods involved in the RCCG within 10 months of the TA inception</li> <li>• RCNS and sector focal point officials well trained to effectively use the RCCG, and cut time spent on regional cooperation-related activities within 14 months of the TA inception</li> </ul>	<ul style="list-style-type: none"> <li>• TA reports</li> <li>• Activity completion report</li> <li>• TA reports</li> <li>• Activity completion report</li> <li>• TA reports</li> <li>• Activity completion report</li> <li>• Seminar proceedings and training modules</li> <li>• TA reports</li> <li>• Activity completion report</li> <li>• TA reports</li> <li>• Activity completion report</li> <li>• Various regional cooperation working group reports</li> </ul>	
<b>Component 2</b>  1. Reform proposals to improve resource allocation to sectors and provinces and improve the quality of public investment program  2. A manual for resource allocation and public investment planning  3. Public investment planning of the relevant MPI officials enhanced	<ul style="list-style-type: none"> <li>• Seminars, workshops, and consultations to formulate reform proposals within 4 months of the TA inception</li> <li>• Consultants and MPI officials work together to prepare the manual within 6 months of the TA inception</li> <li>• Training in public investment planning designed and implemented within 9 months of the TA inception</li> <li>• Training on the use of the manual held within 12 months of the TA inception</li> </ul>	<ul style="list-style-type: none"> <li>• Seminars, workshops, and consultation reports</li> </ul>	<b>Assumptions</b>  <ul style="list-style-type: none"> <li>• Full participation of government officials.</li> <li>• MPI facilitates on time, e.g., TA letter signed, consultants' clearance given, and PMU established within 1 month of approval of the TA.</li> </ul>
<b>Activities with Milestones</b>  <b>Component 1</b>  1. Detailed work plan with timelines formulated and agreed on (within 1 month of TA inception) 2. TA inception report completed and submitted (within 2 weeks of TA inception) 3. SWOT analysis of Viet Nam's regional cooperation including the underlying policy, legal, and institutional arrangements; human resource capacity; RCCG arrangements between the RCNS and sectoral focal points, as well as other regional cooperation national secretariats; and with regional cooperation sponsors (within 1 month of the TA Inception)			<b>Inputs</b>  TASF: \$300,000 Government: \$85,000 (project office, counterpart staff)  Consulting services:

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Potential Risks
<p>4. A concise report outlining key issues, challenges, opportunities, and threats and a set of achievable recommendations including proposals for outlining a strategic road map for Viet Nam for the medium to longer term, and proposals for the RCCG (within 1 month of the TA)</p> <p>5. A strategic road map on how Viet Nam will pursue and optimize its national interest through regional cooperation over the medium to long term. The road map will take into account recommendations of the SWOT analysis report; evaluate the current and forecasted regional cooperation issues and trends in its formulation (within 2 months of the TA)</p> <p>6. Consultation/awareness on the strategic road map (within 3 months of the TA)</p> <p>7. Adoption of the regional cooperation strategic road map (within 3 months of the TA)</p> <p>8. Preparation of the draft RCCG on how the RCNS will coordinate with the focal points of the concerned sector ministries/agencies in Government, sponsors of the regional cooperation initiatives, with other GMS national secretariats, stakeholders, and vice versa (within 6 months of the TA)</p> <p>9. Prime ministerial decision to adopt the RCCG to serve as the operational manual for regional cooperation coordination in Viet Nam</p> <p>10. Awareness seminars on the RCCG (within 7 months of the TA)</p> <p>11. Training modules on the procedural use and the roles of each sectoral focal point on the use of the RCCG (within 8 months of the TA)</p> <p>12. Establishment of the RCNS information resource center (within 3 months of the TA)</p> <p>13. Equipping the selected sector focal points with regional cooperation coordination database, cataloguing systems, computers, facilities/equipment (within 5 months of the TA)</p> <p>14. Training modules on the use of the regional cooperation coordination catalogue and database (within 7 months of the TA)</p> <p>15. Training modules and training on a needs basis in the English language and computer use skills in each selected sectoral focal point (within 10 months of the TA)</p> <p>16. regional cooperation website developed and training in its use, especially information uploading (within 12 months of the TA)</p> <p>17. Development of the electronic network arrangement and training in its use (within 15 months of the TA)</p> <p>18. Absorption of the domestic consultants engaged under the TA into the Government's staff cadre in line with the government's recruitment procedures (within 17 months of the TA)</p> <p>19. TA draft final report completed and submitted (2 months of TA completion)</p> <p>20. TA final report (at TA completion)</p> <p>21. Activity completion reports (2 weeks of activity completion date)</p> <p><b>Component 2</b></p> <p>1. Review of existing resource allocation policies and procedures and public investment planning framework (within 3 months of TA Inception)</p> <p>2. Review of international good practices (within 3 months of the TA)</p> <p>3. Consultative seminars (within 5 months of the TA)</p> <p>4. Reform proposals prepared and submitted (within 6 months of the TA)</p> <p>5. Manual preparation completed (within 10 months of the TA)</p> <p>6. Training workshops conducted (within 18 months of the TA)</p>			<ul style="list-style-type: none"> <li>• international, 6 person-months</li> <li>• domestic, 82 person-months</li> </ul> <p>TASF: \$130,000 Government: \$20,000 (project office, counterpart staff)</p> <p>Consulting services:</p> <ul style="list-style-type: none"> <li>• international, 3 person-months</li> <li>• domestic, 18 person-months</li> </ul>

ADB = Asian Development Bank; GMS = Greater Mekong Subregion; MPI = Ministry of Planning and Investment; RCNS = Regional Cooperation National Secretariat; RCCG = regional cooperation coordination guidelines; SEDP = Social and Economic Development Plan; SWOT = strengths, weaknesses, opportunities, and threats; TA = technical assistance, TASF = technical assistance special fund.

Approved by:

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Ayumi Konishi  
Country Director, VRM

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Rajat M. Nag  
Director General, SERD

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Total Cost</b>
<b>A. Asian Development Bank (ADB) Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i International Consultants (2 consultants, 9 person-months)	115.0
ii Domestic Consultants (7 consultants, 100 person-months)	134.0
b. International and Local Travels	31.0
c. Reports, Translation, Publication	10.0
2. Information Resource Centers Equipment <sup>b</sup>	30.0
3. Training, Workshops, Seminars	45.0
4. Website, Electronic Network Development	20.0
5. Research, Surveys, Data Collation	10.0
6. Contingencies	35.0
<b>Subtotal (A)</b>	<b>430.0</b>
<b>B. Government Financing<sup>c</sup></b>	
1. Office Accommodation and Transport	50.0
2. Remuneration of Counterpart Staff	30.0
3. Others	25.0
<b>Subtotal (B)</b>	<b>105.0</b>
<b>Total</b>	<b>535.0</b>

<sup>a</sup> Financed by the ADB's technical assistance funding program.

<sup>b</sup> Includes provision for office equipment such as computers, printers, and other office information communications technology equipment.

<sup>c</sup> In kind to cover resource centers accommodation, counterpart staff, administration and logistical support.

Source: ADB estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS<sup>1</sup>

1. The technical assistance (TA) project will engage two international consultants and seven domestic consultants individually to provide advisory and technical services to realize the TA objectives of a well-resourced, effective, and efficient regional cooperation coordination mechanism. A total of 9 person-months of international consultants' services on an intermittent basis and 100 person-months of domestic consulting services will be required. All consultants will report to the project directors and the Asian Development Bank (ADB) project task manager.

**A. Regional Cooperation and Public Investment Expert /Team Leader** (international, 6 person-months, intermittent)

2. **Project Team Leader.** The international expert will act as the project team leader. He or she will (i) oversee overall project implementation, and ensure that the envisaged project outcomes are achieved and the key results and lessons from the TA are adequately disseminated through seminars, brochures, website, as envisaged by the TA; and (ii) will coordinate the consultants and undertake any other task as may be reasonably requested by the project director and the ADB task manager. As the expert is engaged on an intermittent basis, the team leadership role will automatically be assumed by the deputy team leader who will be responsible and accountable, during the absence of the team leader.

3. **Diagnostic Analysis and Report.** The expert will conduct the diagnostic analysis to evaluate the strengths, weaknesses, opportunities, and threats (SWOT) of Viet Nam's current and forecast regional cooperation issues and trends, coordination arrangements between the Regional Cooperation National Secretariat (RCNS) and sectoral focal points, as well as other regional cooperation national secretariats, and with regional cooperation sponsors. The analysis will include policy, legal, institutional arrangements, and human resource capacity. The expert will conclude the analysis with a concise report outlining a set of recommendations that will form the basis in preparing the strategic regional cooperation road map, and the regional cooperation coordination guidelines (RCCG).

4. **Regional Cooperation Road Map.** Based on the SWOT analysis and a thorough evaluation of the current and forecast regional cooperation issues and trends, the regional cooperation economist (RCE) will prepare a regional cooperation road map setting out the vision on how Viet Nam will pursue and optimize its regional cooperation national interest over the medium to long term. The RCE and the training and awareness specialist (TAS) will prepare and deliver an awareness program or seminars on how the roles and responsibilities of the key players are operationalized in the strategic road map. The RCE will also help the Government prepare any ministerial decisions relating to the TA activities.

5. **Public Investment Planning Reform.** For Component 2 of the TA, the expert will review the existing literature and conduct interviews with government officials on the current public investment planning and resource allocation to sectors and provinces and identify areas for improvement. He or she will oversee the work of the short term international expert and domestic consultants and ensure the full accomplishment of the tasks in terms of time and quality.

6. **Qualifications.** The expert must have a postgraduate university degree in international economics, international political economy, or relevant academic training, and possess relevant skills and extensive experience with the issues to be addressed, and at least 5 years work

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<sup>1</sup> Detailed terms of reference based on the specific scope of work in each of the focal points will be prepared during TA inception by the project coordinator under the guidance of the project director.

experience in developing and transitional economies. Work experience in Viet Nam including knowledge on the institutional arrangements of the country and the Greater Mekong Subregion (GMS) region on regional cooperation issues will be an advantage. The expert will be located in the RCNS for the duration of the assignment.

**B. Public Investment Planning Expert** (international, 3 person-months, intermittent)

7. The expert will review the international good practices in public investment planning and resource allocations to sectors and provinces in selected Asian countries including PRC, India, Malaysia and Thailand. He or she will conduct seminars to discuss the international good practices and draw implications for public investment planning in Viet Nam. The expert will also be responsible for assisting the MPI in drafting planning reform proposals, guidelines, and a manual for public investment planning and training of the government officials.

8. The expert must have a postgraduate university degree in development economics or planning or relevant academic training, and possess relevant skills and extensive experience with the issues to be addressed, and at least 5 years work experience in developing and transitional economies. Work experience in PRC, India, and Viet Nam including knowledge on the public investment planning issues of the country and the Mekong region will be an advantage. The expert will be located in the DNEI of the Ministry of Planning and Investment (MPI) for the duration of the assignment. He/She may also travel to the region for collecting necessary information on public investment planning practices.

**C. Project Coordinators** (2, domestic, 18 person-months each, full-time)

9. **Deputy Project Team Leader.** The two project components will each have a project coordinator (PCO). The project coordinators will be the deputy project team leaders for each component. In the absence of the team leader, the PCO will be responsible for overseeing project implementation, and ensuring that the implementation of the envisaged project outcomes are on schedule.

10. **Overall Project Administration.** The PCO, under the direct supervision of the respective Project Director and in close collaboration with the consultant team, will be responsible for the day-to-day operations of the project. The PCO will monitor the operationalization of the key project outputs; schedule project activities; collect and compile basic project information; and assist in the preparation of the project inception, progress reports, and activity completion reports. The TA inception report is to be prepared within 2 weeks of the start of the TA. The biannual reports are due after 9 months of project implementation and final reports at project completion. Activity-specific reports will be done at assignment/activity completion.

11. **Inputs to Other Activities.** As the project involves a number of ministries and agencies, the PCO will also be responsible for ensuring the operationalization of the TA outputs in close collaboration with members of the consultant team and the relevant ministries and agencies.

12. Specifically the PCO will (i) work closely with the respective Project Director on the day-to-day activities of the project; (ii) help organize related regional cooperation meetings, including preparation of draft correspondences, budget estimates, conference venue organization and provision of overall logistical support; (iii) help in overall TA administration by monitoring and recommending the use of the TA budget, and help in contracting out services as and when needed; (iv) ensure the smooth flow of documents and communications for the RCNS to all concerned stakeholders including the sector focal points; (v) coordinate with concerned sector focal points with regard to their resource centers, including equipment and other physical requirements, and the operations of the database and network; and (vi) provide systematic and

adequate documentation on procedures and logistics of organizing regional cooperation working groups and other activities for ease of future reference by the RCNS and the sector focal points.

13. **Qualifications.** The PCO must have a postgraduate university degree in public administration or management; possess relevant skills and comprehensive experience with project and/or office administration and demonstrated relevant experiences in government administrative setup and procedures; and be proficient in written and oral English. The project Coordinators will be located in the FERD and DNEI for the duration of the assignment.

**D. Regional Cooperation Specialist** (domestic, 12 person-months, intermittent)

14. **The Regional Cooperation Coordination Guidelines (RCCG).** The regional cooperation specialist (RCS) will be responsible for the preparation of the RCCG. In line with the recommendations of the SWOT analysis, the RCS will prepare a set of user-friendly RCCG on how the national secretariat (RCNS) will coordinate with the focal points of the concerned sector ministries and/or agencies, sponsors of the regional cooperation initiatives, with other national secretariats, stakeholders, and vice versa. The RCCG will outline the policies and procedures; role and responsibilities, and accountability mechanisms; institutional and management systems, arrangements and structures, and resource requirements. The RCCG will be Viet Nam's regional cooperation coordination operational manual. The RCS and the TAS will work together in preparing and delivering a training and awareness program on the use of the RCCG.

15. **Inputs to Other Activities.** The RCS will also provide inputs in formulating the regional cooperation road map in collaboration with the RCE; help the national focal points prepare resource papers, in consultation with other concerned agencies in the government and sponsors, for regional cooperation-related events; and assist in overseeing improvements in the style and content of Viet Nam's regional cooperation website, provide inputs to its development, and help produce or provide related publications and/or brochures, and information awareness program.

16. **Qualifications.** The RCS should have a postgraduate university degree in the field of political economy or similar areas of expertise and possess extensive experience in the issues to be addressed; should have related work experience in regional cooperation coordination activities; must have at least 5 years work experience and be familiar with the interministerial and/or interagency arrangements of the government system. A good working knowledge of the English language is essential. The RCS will be located in the RCNS for the duration of the assignment.

**E. Institutional Development Specialist** (domestic, 12 person-months, intermittent)

17. **Resource Centers.** The institutional development specialist (IDS) will be responsible for setting up and furnishing the national regional cooperation coordination focal points. The IDS will initially set up the resource center of RCNS in the MPI, and ensure that it be fitted with computers and a cataloguing system. Thereafter, the IDS will collaborate closely with the RCNS and the focal points of selected ministries and/or agencies and help setup or refurbish and reorient their focal points to align with the RCNS as the central focal point.

18. **Database and Cataloguing System.** The IDS will also establish a central database system in the RCNS and thereafter in the selected sector focal points to record, disseminate, store, and share information on regional cooperation activities. The databases of the sector focal points are to be linked to the RCNS central database system.

19. **Inputs to Other Activities.** In close consultation with the TAS, the IDS will prepare and deliver a training and awareness program on the use of the information resource centers and

their facilities. The IDS will also work closely with the RCS in ensuring complementarity between the RCCG and the databases.

20. **Qualifications.** The IDS will have a relevant postgraduate university degree, appropriate skills and experience in institutional development, office administration, or information management and their operations; and be fluent in written and oral English language. Experience in librarianship would be an advantage. The IDS will be located in the RCNS for the duration of the assignment.

#### **F. Information Technology Specialist** (domestic, 12 person-months, intermittent)

21. **Electronic Network.** The information technology specialist (ITS) will be responsible for developing and operationalizing the electronic coordination network and the Viet Nam regional cooperation website. After the establishment of the resource center at the RCNS, the ITS will help establish an electronic network system to enable the national focal points to network and share information among themselves, with their counterpart in neighboring countries, and with the regional cooperation activity sponsors. The ITS will work closely with the RCS in ensuring synergy and consistency between the RCCG and the electronic coordination network. The ITS will also work closely with the training and awareness specialist (TAS) in developing for the focal point counterpart staff a hands on training program on the use of the network.

22. **Regional Cooperation Website.** The ITS will develop and operationalize a regional cooperation website for Viet Nam in the RCNS; help develop a similar website for the focal points of the relevant line ministries and/or agencies, and, together with the TAS, train them in its use—particularly in information uploading.

23. **Qualifications.** The ITS will have a university degree in computer science or information and communications technology, and relevant skills and experience in developing electronic network systems, databases, and websites and their operations. The ITS should be fluent in written and oral English. The ITS will be located in the RCNS for the duration of the assignment.

#### **G. Training and Awareness Specialist** (domestic, 14 person-months, intermittent)

24. **Overall Training and Awareness.** The TAS will work closely with the rest of the consulting team and the focal point counterparts and will be responsible for designing and delivering a results-oriented training program, provide public awareness, conduct workshops and a program of seminars to operationalize the various project components. Training programs will be tailor-made and will include computer use, website information uploading, electronic networking, and English language usage.

25. The TAS will also visit sector focal points and discuss their training needs for regional cooperation (use of computers and the English language), and prepare and execute training modules tailored to their specific needs.

26. **Inputs to Other Activities.** In close collaboration with the RCE, RCS, and other members of the consultant team, the TAS will help carry out awareness campaigns and seminars to explain the role of each focal point and provide public awareness on the strategic road map and the RCCG; and design a training module on the RCCG and provide hands-on training in its procedural use.

27. **Qualifications.** The TAS will have a university degree, as well as relevant skills and extensive experience with training module designing, packaging and execution; be well versed with Government policies and procedures; will be fluent in written and oral English and

Vietnamese; and will have proven writing skills. The TAS will be located in the RCNS for the duration of the assignment.

**H. Media/Information Dissemination Specialist** (domestic, 14 person-months, intermittent)

28. The specialist will work closely with the rest of the consultant team and will perform the following tasks:

- (i) Prepare and help implement a publications plan for the RCNS, and a program to enhance Viet Nam's regional cooperation database and website.
- (ii) Prepare publications and reports related to high-profile regional cooperation meetings and events involving Viet Nam.
- (iii) Help establish the resource centers in the RCNS and the sector focal points.
- (iv) Help arrange media coverage of high-profile regional cooperation meetings, projects, and related activities.
- (v) Help enhance dissemination of information on Viet Nam's regional cooperation activities by helping produce and disseminate publications, updating the RCNS' mailing lists, and regularly updating the Viet Nam website.

29. **Qualifications.** The specialist will have a university degree in journalism or media studies, and relevant skills and experience in the activities described. Journalism experience covering regional cooperation issues will be an advantage. The specialist will be fluent in written and oral English and Vietnamese and will have proven writing skills. The specialist will be located in the RCNS for the duration of the assignment.