

TAR: VIE 39122

Technical Assistance to the  
Socialist Republic of Viet Nam  
for Support to Thua Thien Hue  
and Quang Tri Provinces for  
Sustainable Poverty Reduction  
and Growth Programs  
(Financed by the Cooperation Fund  
in Support of the Formulation and  
Implementation of National Poverty  
Reduction Strategies)

September 2005

## CURRENCY EQUIVALENTS

(as of 5 July 2005)

Currency Unit	–	dong (D)
D1.00	=	\$ 0.0001
\$1.00	=	D15,840

## ABBREVIATIONS

ADB	–	Asian Development Bank
CSP	–	country strategy and program
CPRGS	–	Comprehensive Poverty Reduction and Growth Strategy
DPI	–	department of planning and investment
EWEC	–	East-West Economic Corridor
MPI	–	Ministry of Planning and Investment
PPA	–	participatory poverty assessment
PPC	–	provincial people's committee
SEDP	–	socioeconomic development plan
SME	–	small and medium-sized enterprise
TA	–	technical assistance
VDG	–	Viet Nam Development Goals

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	Targeted intervention
<b>Sector</b>	–	Law, economic management, public policy
<b>Subsectors</b>	–	Economic management, subnational government administration
<b>Themes</b>	–	Sustainable economic growth, governance, inclusive social development, environmental sustainability
<b>Subthemes</b>	–	Promoting economic efficiency and enabling markets, public governance, civil society participation

## NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2000 ends on 31 December 2000.
- (ii) In this report, "\$" refers to US dollars.

<p>This report was prepared by a team consisting of R. Adhikari (team leader), C. T. Hnanguie, V. T. Dien, N. Huong, and P. T. L. Phuong.</p>
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## I. INTRODUCTION

1. To integrate its Comprehensive Poverty Reduction and Growth Strategy (CPRGS)<sup>1</sup> into the provincial socioeconomic development plans (SEDPs) and to implement its own SEDP,<sup>2</sup> 2006–2010, the Government of Viet Nam requested the Asian Development Bank (ADB) for technical assistance (TA) to help Thua Thien Hué and Quang Tri provinces strengthen their capacity to strategize their poverty reduction and growth programs for faster and sustainable socioeconomic development. The request was pursued by the leaders of the two provinces during the seminar on sustainable regional development strategy conducted jointly by ADB and the Development Strategy Institute of the Ministry of Planning and Investment (MPI) in Hué on 18 February 2005,<sup>3</sup> and echoed during ADB's Mekong management team retreat on the new country strategy and program (CSP) for Viet Nam in Hué in late February 2005. A TA fact-finding mission (FFM) was fielded from 8–10 April 2005 to discuss the TA design with the Government counterparts and finalize the TA. The FFM discussed and reached an understanding with the Government on the goal, purpose and outputs, methodology and key activities, cost and financing, implementation arrangements, and outline terms of reference for the TA. The TA framework is in Appendix 1.<sup>4</sup>

## II. ISSUES

2. Viet Nam's impressive record of reducing poverty in recent years, particularly halving poverty within a decade, is largely attributed to its strong economic growth performance. The SEDP commits the Government to maintaining the momentum of growth and further reducing poverty by 15–18% by 2010. Meeting the needs of the poor below the national poverty line, however, is perceived as difficult because they live in remote highlands and mountains or in pockets of inner coastal areas. Similarly, the impressive gains in poverty reduction are still fragile and many people, who are just above the poverty line, remain vulnerable to shocks, which could push them back below the poverty line.<sup>5</sup>

3. A recent joint report<sup>6</sup> on the experiences and lessons from Central Highland region notes that, to sustain the current growth and poverty reduction rate, the integration of CPRGS into the SEDP is critical for the central and local governments. The report calls for a sharper focus on the provinces to adequately address (i) entrenched poverty; and (ii) local level governance issues (including institutional capability for planning, monitoring and service delivery, grassroots democracy, and social exclusion), gender mainstreaming, and targeted programs for ethnic minorities. These issues were similarly echoed in the review reports of ADB TA 4163-VIE and

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<sup>1</sup> Viet Nam. 2003. *The Comprehensive Poverty Reduction and Growth Strategy*. For details, see ADB. 2004. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Socialist Republic of Viet Nam for Support to Implementation of Poverty Reduction Program*. Manila (Loan 2123-VIE, approved on 9 December 2004).

<sup>2</sup> The SEDP will include elements of the CPRGS and Viet Nam Development Goals (VDGs). It will be Viet Nam's national poverty reduction strategy for 2006–2010.

<sup>3</sup> A review of policies, progress, and opportunities for sustainable socioeconomic development in the Central Highlands, draft report jointly prepared by Development Strategy Institute and the ADB Viet Nam Resident Mission, February 2005, Hanoi.

<sup>4</sup> The TA first appeared in *ADB Business Opportunities* (internet Edition) on 15 April 2005.

<sup>5</sup> Over 5 years, this group, which was just below the poverty line in 1993, barely moved above the poverty line by 1998.

<sup>6</sup> CPRGS Steering Committee. 2005. *Comprehensive Poverty Reduction and Growth Strategy Integration into Socioeconomic Development Planning, Lessons from Central Highlands, Vietnam: A Joint Review Report* by the CPRGS Steering Committee in collaboration with Asian Development Bank, German Agency for Technical Cooperation, United Nations Children's Fund, and Provincial Department of Planning and Investment of Central Highlands. Viet Nam.

TA 4252-VIE,<sup>7</sup> which emphasize the need to enhance the capacity of local officials in strategic planning, poverty governance assessment, and investment-needs survey.

4. The Government recognizes that, to sustain the high growth and poverty reduction rates, it needs to intensify decentralization and devolve more responsibilities to the provinces. The SEDP will incorporate elements of the CPRGS and Viet Nam Development Goals (VDGs) to strengthen the quality of socioeconomic plans at all levels through planning reforms. The new SEDPs promote (i) “bottom-up” instead of the traditional “top-down” approaches; (ii) participatory approaches, involving representatives from the poor, women, and ethnic minorities; (iii) addressing non-income poverty to achieve the VDGs; and (iv) results-based local planning and monitoring. Provincial leaders and government officials have voiced that these tasks are difficult due to capacity constraints.

5. ADB’s CSP, which is being aligned to the SEDP, envisages helping the Government devolve more responsibilities to the provinces. The CSP will focus sharply on provincial development strategy, policies, and programs; institutional capabilities; and investment requirements, especially along the Greater Mekong Subregion (GMS) economic corridors such as the East–West Economic Corridor (EWEC), which passes through Thua Thien Hué and Quang Tri provinces.

6. The provinces have identified the following as key development issues: (i) strategic planning capacity for fast and sustainable socioeconomic development is limited, and results-based management is a completely new territory; (ii) understanding and incorporation of the CPRGS and VDGs in local socioeconomic planning is limited; (iii) poverty reduction programs need to focus on sandy coastal and remote mountain areas; (iv) physical planning is required to locate households and small enterprises in an industrial zone so that new and up-scaled enterprises will not only create jobs for the poor but also protect the physical environment; (v) poverty is related to environmental degradation (e.g., the lagoon in Quang Dien district of Thua Thien Hué); (vi) poverty reduction and growth are regional issues that call for a comprehensive approach to promoting synergy among development initiatives in adjoining provinces and along the EWEC; (vii) ethnic minorities must change their behavior to improve their livelihoods; (viii) proactive small and medium-sized enterprises (SMEs) must be promoted to respond to opportunities created by infrastructure development; and (ix) effective local resource mobilization is needed. The SEDP<sup>8</sup> will target poverty reduction more intensely than previous plans to reach the poor in remote or bypassed locations. The provinces must have the capacity to support these initiatives.

7. Since Viet Nam is among the four countries where ADB is piloting its results-based CSPs, and since the SEDP is results-oriented, the proposed TA will be an excellent opportunity to introduce the concept and tools of results-based management to the provinces. The lessons learned or results gained from this TA will directly feed into the annual CSP update for Viet Nam and preparation of annual provincial plans, as well as assist in the design of interventions in the Central Highlands, EWEC, and southern and northern economic corridors under ADB’s regional cooperation strategy and program for the GMS. The outcomes will help form the basis for

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<sup>7</sup> ADB. 2003. *Small-scale technical assistance to the Socialist Republic of Viet Nam for the Provincial Development Planning in the Central Highlands*. Manila. (TA No. 4163, approved on 20 August 2003 for \$150,000); and ADB. 2003. *Small-scale technical assistance to the Socialist Republic of Viet Nam for the Support for Poverty Reduction Activities in Viet Nam*. Manila. (TA No. 4252, approved on 12 December 2003 for \$125,000).

<sup>8</sup> The SEDP will include elements of the CPRGS and the VDGs (a local version of the Millennium Development Goals). It will be Viet Nam’s national poverty reduction strategy for 2006–2010.

recommending a model to the Government for helping provinces implement decentralization and planned reforms.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

8. The goal of the project is to help Thua Thien Hué and Quang Tri formulate and implement strategy and programs for faster but sustainable poverty reduction and economic growth within the SEDP framework. Its purpose is to help the provincial people's committees (PPCs) and the provincial departments of planning and investment (DPIs) (i) conduct a policy and institutional analysis of Thua Thien Hué and Quang Tri to identify and address bottlenecks in resource flows and service delivery; (ii) implement the SEDP, particularly in preparing annual socioeconomic development plans, taking into account gender and ethnic dimensions, and formulating targeted programs for the poor and vulnerable; (iii) conduct sector studies to identify investible projects, considering opportunities offered by the EWEC and Lao-Bao economic zone, Hué economic zone (under construction), and the deep-water port; (iv) identify project and program financing alternatives (including from the state, private, and foreign resources); and (v) train government officials in strategic planning and results-based management.

#### B. Methodology and Key Activities

9. The TA will be designed and implemented in close consultation with provincial leaders and government officials. This process approach will allow provincial leaders and government officials to learn by doing. The major activities and outputs of the TA will be (i) a detailed analysis of strengths, weaknesses, opportunities, and threats in the context of fast but sustainable socioeconomic development; (ii) quantitative poverty analysis to identify trends and characteristics; (iii) introduction of a participatory poverty and governance assessment, based on interviews and discussions (report card) with local people and officials at selected communes; (iv) institutional analysis and a study report on selected sectors (e.g., agriculture crop diversification, SMEs); (v) a results-oriented poverty reduction program for Quang Dien district in Thua Thien Hué, with focus on lagoon environment protection and poverty reduction, and for selected communes in mountain districts of Quang Tri, with focus on ethnic minorities; (vi) on-the-job training of provincial leaders and government officials and academic institutions in concepts and methods in the above analytical studies; and (vii) training modules and seminar proceedings on strategic planning and results-based socioeconomic development management. These activities and related outputs will lead to high-quality socioeconomic development planning and implementation, which will speed up poverty reduction and economic growth in the provinces.

10. **Expected Development Results and Outcomes.** The main expected results and deliverables of the TA for Thua Thien Hué and Quang Tri in the short term will include (i) adoption of results-oriented and strategic socioeconomic development planning; (ii) adoption of a participatory process in planning and monitoring of poverty reduction programs; (iii) improved revenue generation; (iv) increase in the number of SMEs and exports; and (iv) improved institutional capabilities to undertake policy analysis, sector studies, and results-based socioeconomic development management. In the long term, the provinces will achieve (i) significant improvement in socioeconomic development indicators (income and non-income poverty, and VDGs in the provinces); and (ii) stronger synergy between provincial and national socioeconomic development programs and subregional economic cooperation initiatives to increase economic linkages and to reduce poverty.

### C. Cost and Financing

11. The total cost of the TA is estimated at \$1,125,000 equivalent, comprising a foreign exchange cost of \$270,000 and a local currency cost of \$855,000 equivalent. The Government has requested ADB to finance \$900,000 equivalent, including \$270,000 in foreign exchange and \$630,000 equivalent in local currency. The TA will be financed by ADB on a grant basis, from the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (NPRS). The Government will finance the balance of the local currency costs, amounting to \$225,000 equivalent in-kind to cover office accommodation, counterpart staff, administrative and logistic support, and other required services. Details of the TA cost estimates and financing plan are in Appendix 2.

### D. Implementation Arrangements

12. TA implementation will require (i) 20 person-months of international consultants on an intermittent basis, for strategic development planning and results-based management, lagoon environmental protection, poverty reduction, crop diversification, SME development, and training; and (ii) about 72 person-months of domestic consultants for project coordination, strategic development planning and results-based management, lagoon environmental protection and poverty reduction, crop diversification, SME development, and training. National and provincial universities, research institutes, and nongovernment organizations will be considered for knowledge partnerships in undertaking some of the envisaged activities. Consultants will be engaged in accordance with ADB's *Guidelines on the Use of Consultants*, and other arrangements satisfactory to ADB for the engagement of domestic consultants. Consultants will be recruited as individuals, starting tentatively from November 2005 to November 2007. The outline terms of reference for consultants are in Appendix 3. The ADB Viet Nam Resident Mission will administer the TA in close consultation with MPI and with the PPCs and DPIs of Thua Thien Hué and Quang Tri. Equipment will be procured in accordance with ADB's *Guidelines for Procurement*.

13. The PPCs will be the TA executive agencies, responsible for the overall coordination and management of the project, including (i) coordinating with ADB and Government agencies, and (ii) ensuring that national approvals are obtained on time. The DPIs will be responsible for overall project implementation. The project will be managed through the provincial project management units (PMUs) to be established within the DPI offices. The team will include consultants and DPI staff members. As the TA covers two provinces, the project steering committee will provide central coordination. It will be chaired by a director-level official of the Foreign Economic Relations Department of MPI, and members will include the vice chairs of Thua Thien Hué and Quang Tri, a deputy director of the Regional and Local Planning Department of MPI, selected sectoral provincial departments, the chair of Quang Dien district, representatives of research institutes and universities, and ADB. The steering committee will meet semiannually to review implementation progress and guide project activities.

14. Evaluation of the direct and indirect benefits on poverty reduction and/or the poor will be done through the periodic reviews of the public investment plans and provincial budgets to ensure that adequate percentage of investments are targeted at the poor or related activities. Likewise, the provincial PMUs will ensure that resource allocation is prioritized and directed at financing the planned targeted interventions. Implementation progress, including impact on poverty or on the lives of the poor, will be circulated to all stakeholders through annual reports. ADB and the Government will carry out a joint annual review. The consultants will produce (i) an inception report, within 2 weeks after the TA starts; (ii) a midterm report, within 12 months; and

(iii) a final report at project or assignment completion. The TA is tentatively scheduled to commence in November 2005 and end in November 2007.

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

15. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$900,000 to the Government of Viet Nam to be financed on a grant basis by the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies for Support to Thua Thien Hué and Quang Tri Provinces for Sustainable Poverty Reduction and Growth Programs, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b></p> <p>Sustainable poverty reduction and economic growth, with maximized synergy between national and provincial socioeconomic development programs and subregional economic cooperation initiatives</p>	<ul style="list-style-type: none"> <li>• Provincial SEDP more strategically addressed poverty reduction and economic growth issues in terms of effective and responded development interventions and programs</li> <li>• Significant improvement in revenue mobilization, investment, and export volume</li> <li>• Achievement of socioeconomic indicators as per their SEDP by 2010 and MDG and VDGs by 2015</li> <li>• Reduced poverty rate by 2010 among ethnic minorities as compared with 2005</li> </ul>	<ul style="list-style-type: none"> <li>• TA review reports</li> <li>• Provincial annual socioeconomic development plans</li> <li>• Joint review reports (ADB, MPI, and PPCs)</li> </ul>	
<p><b>Outcome</b></p> <ol style="list-style-type: none"> <li>1. Adoption of results-oriented, strategic, and participatory socioeconomic development planning by the provinces</li> <li>2. Strengthened institutional capabilities to undertake policy analysis, sector studies, and results-based socioeconomic development management</li> <li>3. Stronger synergy between provincial, national, and subregional economic cooperation initiatives to stimulate demand for infrastructure use to reduce poverty</li> </ol>	<ul style="list-style-type: none"> <li>• Provincial plans apply bottom-up and participatory, gender-sensitive, and socially inclusive planning methods</li> <li>• Participatory monitoring of result indicators adopted</li> <li>• High-quality sector studies and reports used in 5-year and annual SEDPs and in formulating targeted poverty reduction programs</li> <li>• Good-quality annual plans and effective SEDP implementation where results framework reflected in SEDP and implemented</li> <li>• Increase in the number of SMEs along EWEC and its impact areas in Thua Thien Hué and Quang Tri provinces</li> </ul>	<ul style="list-style-type: none"> <li>• TA review reports</li> <li>• Joint review reports (ADB, MPI, and local government)</li> <li>• Study reports</li> <li>• SEDP report, and annual provincial reports on development performance</li> <li>• Other national surveys, if any (like household survey)</li> <li>• Feedback from government officials and citizens</li> <li>• Review reports</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Provincial governments' commitment to operationalize the new planning system by addressing poverty and social deprivation</li> <li>• Capacities of local officials are enhanced to develop and maintain a systematic provincial planning systems</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>• Availability of counterpart staff</li> </ul>
<p><b>Outputs</b></p> <ol style="list-style-type: none"> <li>1.1 Training modules and seminar proceedings, and guidelines on strategic planning and results-</li> </ol>	<ul style="list-style-type: none"> <li>• One poverty analysis undertaken each year, and one PPGA undertaken</li> </ul>	<ul style="list-style-type: none"> <li>• Annual provincial program review reports</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Resources are well targeted at identified priority areas</li> </ul>

<p>based socioeconomic development management</p> <p>1.2 Strong department of planning and investment to support the provincial government and coordinate effectively the planning process</p> <p>2.1 On-the-job training of provincial level government officials and academic institutions on concepts and methods involved in the above analytical studies</p> <p>2.2 Series of assessments, including (i) quantitative poverty analysis to identify poverty trends and characteristics; (ii) introduction of a participatory poverty and governance assessment, based on interviews and discussions (report card) with local people and officials at selected commune levels; (iii) sector studies on selected sectors (e.g., crop diversification, SMEs); and (iv) assessment of the comparative advantage of the provincial economies</p> <p>3.1 A results-oriented socioeconomic development strategy and program for the provinces, in particular Quang Dien district of Thua Thien Hué, with special focus on lagoon environment protection and poverty reduction</p>	<ul style="list-style-type: none"> <li>• Better-targeted programs for poverty reduction, especially needy groups like women and ethnic minorities, and sustainable growth formulated and reflected in annual SEDPs</li> <li>• Sector studies (as per issues identified) carried out and investment projects identified</li> <li>• A country assessment (CA) analysis undertaken looking at policies, institutions, resource endowment, and trade flows. Results summarized in a SWOT matrix.</li> <li>• Training modules developed and training conducted (in each province, two trainings on strategic planning for each provinces for 50 provincial officials; two trainings on participatory planning and PPA for 100 officials at all levels, two on-the-job trainings provided for each annual provincial planning cycle)</li> <li>• By 2007, all communes in selected districts will be able to conduct participatory planning and all districts of two provinces will conduct strategic results based planning</li> <li>• A number of DPI staff members well trained to review projects and time spent on approving project</li> </ul>	<ul style="list-style-type: none"> <li>• TA review reports</li> <li>• Joint review reports (ADB, MPI, and local government)</li> <li>• PPA reports</li> <li>• Study reports</li> <li>• Study reports</li> <li>• Seminar proceedings and training modules</li> </ul>	<ul style="list-style-type: none"> <li>• Good consultants in place</li> </ul>
<p><b>Activities with Milestones</b></p> <ol style="list-style-type: none"> <li>1. Detailed work plan with timelines formulated and agreed on (within 1 month of TA inception)</li> <li>2. TA inception report completed and submitted (within 1 month of TA inception)</li> <li>3. Analysis of the underlying comparative advantages of the provinces, looking at policies, institutions, resource endowments, and market opportunities—internal as well as external—including GMS and beyond (within 5 months of the TA)</li> <li>4. Quantitative poverty analysis to identify the poor and their characteristics, using household level data, including recently completed 2004 VHLSS data (within 2 months of the TA)</li> <li>5. Participatory poverty and governance assessment, based on interview and discussions with local people and officials at selected commune levels (within 5 months of the TA)</li> </ol>			<p><b>Inputs</b></p> <p>Cooperation Fund: \$900,000 Government: \$225,000 (project office, counterpart staff)</p> <p>Consulting services:</p> <ul style="list-style-type: none"> <li>• international, 20 person-</li> </ul>

<ol style="list-style-type: none"> <li>6. Sector studies, covering key sectors such as farming, SMEs, access roads, water supply and sanitation, health and education, environment, to identify investible projects, including financing alternatives and donor coordination (within 5 months of the TA)</li> <li>7. Consultation seminars (within 6 months of the TA)</li> <li>8. Trainings for provincial level government officials and academic institutions on concepts and methods involved in the above analytical studies (within 6 months of the TA)</li> <li>9. Training seminars on strategic planning and results-based socioeconomic development management, and familiarization with good practices from the region (within 7 months of the TA)</li> <li>10. Local planning (on-the-job training and participatory approach in planning) conducted at village, commune, and district levels (from month 7 to month 12)</li> <li>11. Consolidation of plans into the provincial SEDP and result based framework (from month 12 to month 18)</li> <li>12. Strategic planning workshops at district and provincial levels (from month 12 to month 18)</li> <li>13. TA draft final report completed and submitted (2 months of TA completion)</li> <li>14. TA final report ( at TA completion)</li> </ol>	<p>months</p> <ul style="list-style-type: none"> <li>• domestic, 72 person-months</li> </ul>
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DPI = Department of Planning and Investment, EWEC = East-West Economic Corridor, MDG = Millennium Development Goals, MPI = Ministry of Planning and Investment, PMU = project/program management unit, PPA = participatory poverty assessment, PPC = Provincial People's Committee, PGA = participatory governance assessment, SEDP = Socioeconomic Development Plan, SME = small and medium-sized enterprise, SWOT = strengths, weaknesses, opportunities, threats, TA = technical assistance, VDG = Viet Nam Development Goals, VHLS = Viet Nam Household Level Social Survey, VRM = Viet Nam Resident Mission.

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

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies<sup>a</sup></b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	200.0	0.0	200.0
ii. Domestic Consultants	0.0	120.0	120.0
b. International and Local Travel	30.0	30.0	60.0
c. Reports and Communications	0.0	50.0	50.0
2. Equipment <sup>b</sup>	0.0	60.0	60.0
3. Pilot	0.0	80.0	80.0
4. Training, Seminars, and Conferences			
a. Facilitators	20.0	40.0	60.0
b. Training Program	0.0	80.0	80.0
5. Surveys	0.0	120.0	120.0
6. Miscellaneous Administration and Support Costs	0.0	30.0	30.0
7. Representative for Contract Negotiations	0.0	0.0	0.0
8. Contingencies	20.0	20.0	40.0
<b>Subtotal (A)</b>	<b>270.0</b>	<b>630.0</b>	<b>900.0</b>
<b>B. Government Financing<sup>c</sup></b>			
1. Office Accommodation and Transport	0.0	80.0	80.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	100.0	100.0
3. Others	0.0	45.0	45.0
<b>Subtotal (B)</b>	<b>0.0</b>	<b>225.0</b>	<b>225.0</b>
<b>Total</b>	<b>270.0</b>	<b>855.0</b>	<b>1,125.0</b>

<sup>a</sup> Administered by the Asian Development Bank.

<sup>b</sup> Includes provision for office equipment.

<sup>c</sup> In kind.

Source: Asian Development Bank staff estimates.

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

1. The technical assistance (TA) will require 20 person-months of international and 72 person-months of domestic consultants, divided between Thua Thien Hué and Quang Tri provinces.

### A. International Consultants (20 person-months)

2. The strategic planning and results-based management specialist (6 person-months, team leader), to be based in Thua Thien Hué, will supervise all activities for Hué and coordinate with his or her counterpart in Quang Tri to ensure that all the TA's work follows the plans and timeline. The specialist (6 person-months) to be based in Quang Tri will perform similar roles.

3. The consultant will help provincial people's committees (PPCs) and the provincial departments of planning and investment (DPIs) formulate and implement the Socioeconomic Development Plan (SEDP), 2006–2010, particularly through annual plan preparation, taking into account sector and thematic priorities and potential economic opportunities offered by provincial, national, and subregional infrastructure development, and provide training in strategic planning and results-based management to counterpart government officials. The specialist will also identify and develop relevant provincial socioeconomic and sector indicators that can be used to monitor and evaluate the SEDP's progress. The international consultant should have a university degree, relevant skills, and comprehensive experience in the issues to be addressed, and relevant work experience in developing and transition economies. Work experience in Viet Nam would be an advantage. The assignment will be for 6 person-months, intermittently. The consultant will also guide the project team through electronic media.

4. In particular, the consultant will (i) take stock of and analyze the perceived needs from the various government levels (central, province, district, commune) and planning processes, government initiatives, and economic opportunities offered by infrastructure development and cross-border trade facilitation in the region; (ii) undertake a strengths, weaknesses, opportunities, threats (SWOT) analysis of the province and recommend ways to formulate strategy for fast but sustainable socioeconomic development; (iii) review the current development planning process, budgeting process, financing alternatives, expenditure management, and result indicators; (iv) identify gaps in planning, budgeting, financing, social inclusion, and measurable result indicators, and develop proposals to improve strategic planning and results monitoring; (v) help prepare results-oriented annual socioeconomic plan incorporating provincial socioeconomic development priorities and sector development needs in a provincial as well as regional context within the SEDP framework; (vi) help design targeted poverty reduction programs, taking into account people living in harsh geographic and climatic conditions and avoiding social exclusion; (vii) provide on-the-job and stand-alone training to government officials in strategic planning<sup>2</sup> and results-based management; (viii) prepare and submit a consolidated report on medium- and long-term strategies for fast but sustainable socioeconomic development; and (ix) undertake any other necessary work as may be reasonably requested by ADB.

<sup>1</sup> Detailed terms of reference based on the specific needs of the scope of work in each of the two provinces will be prepared during TA inception by the project coordinator.

<sup>2</sup> ADB and Ministry of Planning and Investment. 2004. *Lessons from Central Highlands region in CPRGS integration into SEDP*. Training module for planning handbook currently being prepared jointly by ADB, MPI, and the World Bank. Hanoi.

5. The environment protection (lagoon) and poverty reduction specialist (2 person-months) will be based in Thua Thien Hué. The PPC has identified degradation of the lagoon environment in Quang Dien district as a serious threat to the local physical as well as socioeconomic environment. One third of Quang Dien's population is dependent on the lagoon, which covers 4,500 hectares (21% of the total district area). Fishery and fishing activities, including shrimp farming, are threatened by the outbreak of waterborne diseases. While the larger part of the lagoon is under the two communes in the district, the rest belongs to other districts in Thua Thien Hué and neighboring Da Nang. Working closely with the project team, DPI and relevant provincial departments, local communes, and local people, the specialist will undertake an environmental assessment and poverty analysis and formulate an action program to protect the environment and ensure the livelihood of the local inhabitants, fisherfolk, and farmers, including cost estimates and timelines. The specialist should have at least a university degree, relevant skills and comprehensive experience in lagoon environmental and poverty-related issues, and relevant international work experience. Work experience in Viet Nam would be an advantage.

6. The small and medium-sized enterprise (SME) development specialist (international, 1 person-month) will be based in Thua Thien Hué. Working closely with the project team, DPI and relevant provincial departments, local communes, local people, and business community, the specialist will assess SME development, taking into account economic opportunities offered by provincial, national, and subregional initiatives and infrastructure development, and institutional constraints, and formulate a SME development program (with timelines and estimated resource requirements) for Thua Thien Hué. The specialist should have at least a university degree, relevant skills, and comprehensive experience in SME development, and relevant international work experience. Work experience in Viet Nam would be an advantage.

7. The agriculture (crop) diversification expert (1 person-month) will be based in Thua Thien Hué. Working closely with the project team, DPI and relevant provincial departments, local communes, local people, and business community, the specialist will assess agriculture (crop) diversification, taking into account economic opportunities offered by provincial, national, and subregional initiatives and infrastructure development, and institutional constraints, and formulate a program to diversify agricultural crops, with special reference to high-value crops for local, domestic, and export markets (with timelines and estimated resource requirements). The specialist should have at least a university degree, relevant skills, and comprehensive experience in agriculture diversification, and relevant international work experience. Work experience in Viet Nam would be an advantage.

8. The SME development specialist (2 person-months) will be based in Quang Tri. Working closely with the project team, DPI and relevant provincial departments, local communes, local people, and the business community, the specialist will assess SME development, taking into account economic opportunities offered by provincial, national, and subregional initiatives and infrastructure development, and institutional constraints, and formulate an SME development program (with timelines and estimated resource requirements) for Quang Tri. The specialist should have at least a university degree, relevant skills, and comprehensive experience in SME development, and relevant work experience in transitional economies. Work experience in Viet Nam would be an advantage.

9. The social, gender and poverty reduction specialist (2 person-months) will be based in Quang Tri. The specialist should have extensive experience in participatory poverty assessments and poverty governance assessments. The specialist will (i) help the province and the selected district or communes improve their poverty analyses techniques; (ii) strengthen the provincial poverty database by incorporating existing data such as from Ministry of Labor

Invalids and Social Affairs (MOLISA) and General Statistical Office (GSO) surveys for provincial planning; (iii) provide capacity enhancement, including on-the-job training for local officials on poverty governance assessments, and mentor the domestic social and poverty reduction specialist. The international specialist should have a relevant advanced degree. Work experience in Viet Nam would be an advantage.

## **B. Domestic Consultants (72 person-months)**

10. Two project managers (24 person-months each) will be hired, one each for Thua Thien Hué and Quang Tri. The consultants will work as deputy team leaders to manage the project, working closely with the PPC, DPI, and ADB, and coordinating and facilitating the work of all other consultants. They will be responsible for scheduling project activities, designing and conducting training and consultation workshops and seminars, collecting and compiling basic information for the project, and preparing project inception and progress reports, including (i) an inception report, within 2 weeks after the TA starts; (ii) a midterm report, within 12 months; and (iii) a final report at project or assignment completion. They will ensure that basic information required by international consultants for various aspects of the project is available before they arrive, working closely with government counterparts and short-term domestic consultants. The project managers should have at least a university degree, relevant skills and comprehensive experience with project management, and be well-versed in national and provincial policies and procedures. They should be fluent in written and oral English.

11. The environment specialist (2 person-months) will be based in Thua Thien Hué. The specialist will help the international environment (lagoon) expert undertake an environmental assessment, gender analysis, and poverty analysis, and formulate an action program to protect the environment and ensure the livelihood of the local inhabitants, fisherfolk, and farmers, including cost estimate and timelines. The specialist will collect and review basic information on Tam Giang lagoon, its impact areas, previous work carried out by domestic and international experts, socioeconomic data of the impact areas, governance of the lagoon (including roles and responsibilities of districts, communes, and villages) and the Government's environment rules and regulations. Where possible, the specialist will also collect and review basic information on the ecosystem and river estuary of the Phong Chuong and Dien Hoa communes in Phong Dien district. The specialist should have at least a university degree in environment science, relevant skills and experience in lagoon environmental and poverty-related issues, and relevant international work experience. Work experience in Viet Nam would be an advantage.

12. The agriculture specialist (2 person-months) will be based in Thua Thien Hué. The specialist will collect and review basic information on farming systems, crops and cropping cycles, soil quality, land use, sources of inputs, main markets, and distribution system for agriculture products in Thua Thien Hué and related socioeconomic data. He or she will help the international agriculture crop diversification expert work with relevant provincial and district government departments and agencies, communes and villages, and the business community. The specialist will help the international specialist assess agriculture (crop) diversification, taking into account economic opportunities offered by provincial, national, and subregional initiatives and infrastructure development, and institutional constraints, and formulate a program to diversify agricultural crops, with special reference to high-value crops from Thua Thien Hué for local, domestic, and export markets (with timelines and estimated resource requirements). The specialist should have at least a university degree in agriculture science, agronomy, or equivalent subject, relevant skills, and comprehensive experience in agriculture development program formulation. He or she should be fluent in written and oral English.

13. Resource persons (8 person-months). The TA will require resource persons in both provinces to help develop and conduct training and prepare materials in Vietnamese and English. Resource persons will be engaged by universities and training institutes to facilitate training and peer-review reports prepared by consultants. Specific terms of references (TORs) for resource persons will be developed during project implementation.

14. The SME development specialist (4 person-months) will be based in Quang Tri. In close collaboration with the DPIs and relevant provincial departments, local communes, local people, and business community, the specialist will help the international SME development specialist assess SME development, taking into account economic opportunities offered by provincial, national, and subregional initiatives and infrastructure development, and institutional constraints, and formulate a SME development program (with timelines and estimated resource requirements) for Quang Tri. The domestic specialist will continue to oversee the implementation of the SME program after the international specialist leaves. The domestic specialist should have at least a university degree, relevant skills, and comprehensive experience in SME development, and relevant work experience.

15. The small-business promotion specialist (2 person-months) will be based in Quang Tri. The specialist will conduct surveys of microenterprises and households, and identify and outline potential microenterprises, including available microcredit and other microenterprise financing and marketing options. The specialist will design a “how to start and manage your own small business” module and conduct training for potential entrepreneurs, giving preference to women and poorer households. The modules should be designed in consultation with all key stakeholders, including local banks and credit facilitators. The specialist should have at least a university degree, relevant skills, and comprehensive experience in microenterprise development.

16. The social, gender, and poverty reduction specialist (3 person-months) will be based in Quang Tri. The specialist should have extensive experience in participatory poverty assessments (PPAs) and participatory governance assessments (PGAs). The specialist will work closely with the international social and poverty reduction specialist in (i) helping the province and selected districts and communes improve their poverty analyses techniques; (ii) strengthening the provincial poverty database by incorporating existing data such as from MOLISA and GSO surveys for provincial planning; (iii) providing capacity enhancement, including on-the-job training to local officials on poverty governance assessments. The domestic specialist should have a relevant advanced degree.

17. The physical planner for small-business industrial estates (3 person-months) will be based in Quang Tri. The specialist will take into account the economic opportunities provided by existing infrastructure development, such as the deep-water port, airports, economic zones, and the East-West Economic Corridor linking via Lao Bao with the Lao People’s Democratic Republic, the northern provinces of Thailand, and eastern provinces of Myanmar, and design the physical plan of a mini-industrial estate for the province. The physical plan should also consider the participation of the many bypassed localities and villages. The specialist should have at least a university degree in physical planning, relevant skills, and comprehensive experience in industrial zone physical planning and has relevant work experience in Viet Nam.