

ASIAN DEVELOPMENT BANK

TAR: VIE 33301

**PROPOSED
TECHNICAL ASSISTANCE**

(Cofinanced by the Government of the United Kingdom and
the Japan Special Fund)

TO THE

SOCIALIST REPUBLIC OF VIET NAM

FOR

CAPACITY BUILDING

FOR

CENTRAL REGION

POVERTY REDUCTION

October 2001

CURRENCY EQUIVALENTS

(as of 26 September 2001)

Currency Unit	–	Dong (D)
D1.00	=	\$0.000066
\$1.00	=	D14,996

ABBREVIATIONS

ADB	–	Asian Development Bank
CRLN	–	Central Region Learning Network
M&E	–	monitoring and evaluation
MPI	–	Ministry of Planning and Investment
PER	–	Public Expenditure Review
PME	-	project monitoring and evaluation
PRA	–	participatory rural appraisal
SDP	–	social development plans
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

I. INTRODUCTION

1. The Government of the Socialist Republic of Viet Nam asked the Asian Development Bank (ADB) to provide advisory technical assistance (TA) to improve planning and implementation capabilities for relevant government planning and service delivery agencies in the central region. The goal is to promote improved socioeconomic outcomes for the rural poor. From 21 February to 14 March 2001 the ADB Fact-Finding Mission visited Viet Nam and held discussions with government officials and other stakeholders in Hanoi and three central region provinces: Quang Binh, Quang Tri, and Thua Thien Hue. The TA is included in the 2001 TA Program for Viet Nam.¹ This TA will support the proposed Central Region Livelihood Improvement Project for 10 upland districts within Kon Tum, Quang Binh, Quang Tri, and Thua Thien Hue provinces.

II. BACKGROUND AND RATIONALE

2. The ADB 2001-2005 country strategy for Viet Nam includes a geographic focus on the central region. The Government confirmed support for this approach. The geographic focus will be carried out through community-based livelihood projects to address at the micro-level the causes of poverty in a small number of provinces in the north-central coast and central highlands. Although Viet Nam's performance in reducing poverty was good during the 1990s through a policy of pro-poor economic growth, certain groups have not shared in this general improvement in living standards. These include the rural poor, especially ethnic minorities, in upland areas of the central region, where poverty rates are significantly higher than the average for the country as a whole. Surveyed communes have poverty rates of up to 75 percent,² compared with the national average of 37 percent. Rural upland communities have low levels of education attainment, limited opportunities for rural nonfarm employment, poor health status, and limited access to services and basic infrastructure. One key reason is that institutions are relatively weak in upland areas of Viet Nam. This is evidenced by poor service delivery, which results from (i) lack of accountability for institutions and lack of reward for good work, or sanctions for low-quality work; (ii) relatively low-skilled planners and service providers, especially those for people in poor and remote regions; and (iii) lack of adequate funds available for poverty reduction activities. In those areas, service delivery outcomes, quality of governance, and institutional quality are all below average for the country; they are among the reasons the Government selected the upland areas for this TA.

3. Within this environment of relative poverty, improved governance can create conditions for significantly better service delivery. To promote improved poverty-focused service delivery in the targeted areas, three issues must be addressed: (i) making rules, regulations, and budgeting constraints governing service delivery, clearer and more transparent; (ii) increasing competition in selected sectors, such as microfinance services, agricultural extension, and infrastructure construction; and (iii) holding service providers accountable to local citizens through closer interaction and feedback between government and clients. The Government has attempted to promote improved governance and higher quality service delivery by decentralizing selected poverty-focused programs such as Program 135,³ and by promoting greater accountability through legislation, such as the Decree on Regulation and Exercise of Democracy in Communes (Grassroots Democracy Decree),⁴ which empowers citizens to meet and discuss with local leaders issues regarding local spending and policy priorities. Under Program 135, district and commune people's committees have the authority to select local

¹ The TA first appeared in *ADB Business Opportunities* on 5 September 2000.

² TA 3392-VIE: *Central Region Poverty Reduction Project*, Final Report, January 2001.

³ *The 1,715 Poorest Communes Program*, Prime Minister's Decision 135, 31 July 1998.

⁴ Decree 29/CP on *The Regulation and Exercise of Democracy in Communes*, 1998.

priorities and spend program funds accordingly. Local communities are empowered to play an active role in project selection within their communities. The Grassroots Democracy Decree aims to provide a supportive institutional environment to promote programs like Program 135, which has to a limited extent demonstrated the central Government's ability to implement vertical service delivery programs, and deliver at least some improved services to rural clients. However, to date, Program 135 has evinced problems such as (i) weak horizontal coordination and relatively low skill levels among local service providers; (ii) insufficient funds to achieve mandated poverty reduction objectives; and (iii) relatively weak feedback between clients and service providers, especially in remote or disadvantaged regions.

4. Services in the targeted provinces are provided through (i) line ministries, such as the Department of Agriculture and Rural Development, which has provincial and district offices; (ii) mass organizations like the Viet Nam Women's Union, which has provincial, district, and commune representatives; and (iii) special central Government-mandated poverty reduction programs, such as Program 135, aimed at poor communes within the country. These efforts have met with only limited success in upland areas, as evidenced by the relatively slow drop in poverty rates during the past decade. While the Government's vertical service delivery modality has been relatively effective at addressing specific national problems, such as the attainment of universal primary education or the eradication of Vitamin A deficiency, service delivery in the target districts has been beset by many of the same constraints to high-quality service delivery in many other parts of the country. Local research indicates that district-level coordination of implementing bodies is weak, and that commune people's committees have been unable to sustainably garner feedback from citizens. Thus, while formal efforts have been made to promote decentralized service delivery, most civil servants continue to act and work according to norms established when delivery modalities were highly centralized.

5. An important condition for improved service delivery is that service providers have the necessary skills, including organizational, technical, and communication; and the opportunity to use them to successfully fulfill their assigned missions. In upland areas of Viet Nam, these institutional conditions for better quality service provision are largely absent. In particular, service providers and local clients often have serious communication difficulties, resulting from both linguistic and cultural differences, so local service providers require special skills to communicate effectively with their clients. Local service delivery staff have the potential to improve their performance if they are given the opportunity to work in an enabling institutional and organizational environment that recognizes and rewards people primarily on the basis of ability, and according to transparent rules. Capacity building, within a transparent environment, can lead to improved performance.

6. Finally, because of their relative poverty, the target provinces also lack adequate local resources to purchase basic inputs or hire additional staff, resulting in limited flexibility for budgeting and staff deployment. Each province receives approximately half of its total revenue in the form of central Government transfers, and in upland districts revenues collected appear to account for only 10-20 percent of total spending in most cases. Reported spending patterns indicate that most district budgets are spent on recurrent items (primarily salaries) with only 10-20 percent of the budget left for capital spending. Therefore, limited flexibility regarding department staffing and spending priorities (because much of the central money transferred to localities is channeled through line ministries) combined with low absolute budgets implies that upland districts have relatively few methods at their disposal to sustainably improve services and reduce poverty. Evidence from the recently completed Government-Donor Working Group Public Expenditure Review (PER) indicate that poor districts have limited negotiating power with the central Government regarding budgetary transfers, while wealthy provinces have the power to negotiate more favorable funding norms.

7. The TA will address poverty by improving service delivery both directly in a number of pilot communes, and by improving the institutional environment in the four provinces. The pilot approach will facilitate greater experimentation and innovative institutional approaches. The TA will promote better project implementation by improving skills of service providers, and better utilization of loan funding provided to government agencies charged with direct service provision. It will indirectly support improved implementation through better understanding of local institutional and organizational environments, and local government officials will use this understanding to promote key policy and practice changes at national and subnational levels. The combination of these factors will improve implementation conditions for the proposed Central Region Livelihood Improvement Project and future ADB and other external assistance-supported poverty reduction projects in the poorer regions of Viet Nam.

8. The TA also will attempt to promote improved implementation arrangements, and by focusing on policy and practice changes, help create an improved institutional environment for ongoing and future poverty-targeted interventions, especially those in the central region and those focused upon improving planning and decentralization.⁵ Creation of coherent policy and practice principles will promote fundamental changes in government rules and supervision arrangements; and will seek to improve conditions for future loan appraisal, development, and disbursement. Increased competition between and among government and other service providers will offer ADB and other assistance agencies increased choices and flexibility in loan design; improved accountability to local citizens by service providers will promote a more responsive and flexible civil service. Lastly, the TA will assist the Government to maintain the momentum of its own efforts at promoting decentralized, accountable services, and will be linked with other assistance and government efforts to promote sustainable approaches to poverty reduction in Viet Nam.⁶

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Objectives

9. The goal of the TA is to facilitate creation of the conditions for improved decentralized poverty reduction initiatives in Viet Nam. The objectives are to (i) improve local service delivery performance in selected pilot areas, and (ii) develop a set of key policy and practice changes aimed at enhancing poverty-focused service delivery modalities. The main indicators of success will be adoption by the Government of an agreed set of key policy and practice changes, and the creation of a management structure able to deliver these changes. The TA framework is included as Appendix 1.

B. Scope

10. The TA has two main components: (i) design, testing, and implementation of improved decentralized service delivery arrangements and outcomes in eight pilot communes with a resulting model for wider replication; and (ii) development of an active policy and practice network, leading to the development of key principles that will serve as the basis for the Government to improve decentralized service delivery for poverty reduction in Viet Nam.

⁵ Two related ADB TAs are (i) TA 3591-VIE: *Strengthening the Planning Capacity of the Ministry of Agriculture and Rural Development*, for \$300,000, approved on 15 December 2000; and (ii) TA 3289-VIE: *Support for Decentralization and Participation in Planning*, for \$1,000,000, approved on 8 November 1999.

⁶ Related projects include the World Bank's *Northern Mountains Poverty Reduction Project* and its *Community Based Rural Infrastructure Project*. In addition, the Government plans to undertake a series of public administration reform efforts, with support provided by a number of multilateral and bilateral financing agencies.

11. Because this TA is a learning exercise, implementation will be limited to a small number of communes, thus providing enhanced opportunities for monitoring, learning, program redesign, and subsequent expansion. The TA will work directly in eight communes (two communes per province)⁷ to provide a representative geographical and socioeconomic sample of communes in the TA area, with counterparts to improve quality and access to (i) planning and administration, (ii) microfinance, (iii) agricultural extension, (iv) infrastructure development, and (v) land use planning. Services will be improved by undertaking diagnostics of existing service delivery modalities, designing three rounds of pilot service-delivery implementation models, and undertaking an evaluation of each modality. Projects will be implemented by district and commune staff, and will be directly linked to current district/commune planning and implementation systems. The TA will develop improved planning modalities to ensure that they are sensitive to gender, indigenous peoples, and environmental concerns. Skill deficiencies will be addressed through intensive capacity building efforts, including designing improved training curricula, training a cadre of local government staff, training trainers, and strengthening local training institutions. These activities are directly linked with promoting improved decentralized service delivery and effective governance in disadvantaged areas of Viet Nam.

12. A PER will be undertaken in selected districts and communes so that TA consultants and government staff can understand current spending patterns and processes more clearly in practice. The local PER will (i) complement and draw on findings from the recently completed national PER, clarifying how national spending priorities are translated into concrete spending patterns at local levels; (ii) assist the Government to develop methods to implement policy recommendations emanating from the national PER; and (iii) recommend approaches to increase local revenue-generating capacity.

13. Findings from pilot implementation modalities will be synthesized and combined with inputs from members of a central region learning network (a cooperative effort of local government, assistance agencies, and nonstate groups, such as research institutions), to be established during the TA.⁸ The learning network will form the basis for creating key policy and practice change principles aimed at promoting effective, poverty-focused service delivery. By the end of the third year, the learning network members will prepare a report that includes (i) description of the current service delivery situation and recommendations for a more flexible staffing, planning, and budget-setting process targeted at needs of rural poor households in the TA area; (ii) systematic analysis of constraints and opportunities facing administrative organs and service delivery agencies in planning, budgeting, and implementing service provision, based upon case studies and empirical evidence; review of the institutional environment facing local citizens, including a focus on tax burdens, user fees, and labor obligations; (iii) recommendations for policies and practices that will promote improved quality and access of service delivery; and report on best practice lessons containing analysis of and justification for key policy and practice principles drawn from pilot experiences and other relevant poverty-focused projects.

C. Cost Estimates and Financing Plan

14. ADB and the Government of the United Kingdom will cofinance the TA on a joint basis. The total cost of the TA is approximately \$3.7 million equivalent consisting of \$1.5 million in foreign exchange cost, and \$2.2 million equivalent in local currency cost. ADB and the Government of the United Kingdom will finance all foreign exchange costs and approximately

⁷ The eight communes will be selected from among the 10 districts identified for support under the proposed Central Region Livelihood Improvement Project.

⁸ To be established at a regional institution, such as the Center for Rural Development of Hue University.

\$1.6 million equivalent of the local currency costs, for a total of approximately \$3.11 million. ADB will provide \$800,000 on a grant basis from the Japan Special Fund, financed by the Government of Japan. The Government of the United Kingdom will contribute the equivalent of \$2.31 million through a joint cofinancing agreement with ADB. The Government of Viet Nam will finance the balance of local currency costs, \$622,000 equivalent, by providing counterpart staff, office accommodation, workshop facilities, transportation, and by supporting training of local government personnel, and cofunding of pilot initiatives. Detailed cost estimates and financing are shown in Appendix 2.

D. Implementation Arrangements

15. The Executing Agency will be the Ministry of Planning and Investment (MPI), which will closely coordinate TA implementation with the four provincial people's committees in the TA area. A multiministerial committee, chaired by MPI, will comprise representatives from the Ministry of Agriculture and Rural Development, Ministry of Finance, Committee for Ethnic Minorities and Mountainous Affairs, and other relevant ministries and agencies, and will review the findings and recommendations from TA outputs, coordinate discussion of these at the central level, and provide periodic feedback on key policy and practice principles emanating from TA activities. The TA will begin in December 2001 and be completed by 31 December 2004.

16. The TA will finance a total of 54.5 person-months of international and 137 person-months of domestic consultants inputs. The outline terms of reference are found in Appendix 3. A consulting firm will be engaged by ADB in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. ADB's guidelines will be followed for the portion of the TA financed by the Government of the United Kingdom. The TA consultants will be based in Hanoi, report to the MPI TA director, and liaise with the relevant vice-chairman of the provincial people's committee in charge of social programs. The consultants will be provided with office space in each provincial capital to enable them to work closely with provincial, district, and commune People's Committees, planning bodies, line ministries (i.e., Department of Agriculture and Rural Development, Ministry of Transport, Department of Land Administration), and other agencies charged with service delivery included in this TA.

17. The TA will prepare, in English and Vietnamese, an inception report, quarterly progress reports, and a final report for submission to the Government (MPI, with copies to the vice-chair of participating provincial people's committees), ADB, and the Government of the United Kingdom. An inception workshop will be convened six weeks after TA commencement, and periodic workshops held in the central region and Hanoi to report on progress and agree on implementation of each phase of the TA process. A wrap-up workshop will be convened approximately six weeks before the end of the TA to address achievement of TA objectives.

IV. THE PRESIDENT'S RECOMMENDATION

18. The President recommends that the Board approve ADB administering a portion of technical assistance to the Government of the Socialist Republic Viet Nam for the purpose of Capacity Building for Central Region Poverty Reduction, to be financed by the Government of the United Kingdom on a grant basis in an amount of \$2,308,000. If the Board approves ADB administering the portion of the technical assistance to be financed by the Government of the United Kingdom, the President, acting under the authority delegated by the Board, shall approve the provision of the balance of the technical assistance to be financed by ADB on a grant basis in an amount equivalent to \$800,000.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators	Monitoring Mechanisms	Assumptions/Risks
Goal			
Improved conditions for decentralized poverty reduction initiatives in Viet Nam	-Service delivery performance in upland areas improve at least as rapidly as in lowland areas	-Vietnam Living Standards Survey and other Government surveys	-Central Government perceives need for change -Government policy effectively implemented at subnational levels
Purposes			
<p>1. To improve local service delivery performance in selected pilot areas</p> <p>2. To develop a set of key policy and practice changes aimed at enhancing poverty-focused service delivery modalities</p>	<p>-Service delivery outcomes improve more rapidly in the target areas than in comparable districts in central region</p> <p>-Reports containing analysis and recommendations is completed by end of TA</p> <p>-Key policy and practice changes identified adopted by Government</p>	<p>-Technical assistance (TA) monitoring and evaluation (M&E)</p> <p>-Government routine reporting surveys</p> <p>-Review of report by Asian Development Bank (ADB) and other stakeholders</p> <p>-Policy changes advocated for are enacted into law</p> <p>-Feedback from funding agencies, government, citizens</p>	<p>-Appropriate incentive structure exists</p> <p>-Services are demanded and valued by target population</p> <p>-Service delivery is sustainable</p> <p>-Consensus on key principles and policies can be reached</p>
Outputs			
<p>1.1 A more flexible staffing, planning, and budget setting process that better meets the needs of households at the village level in the target communes</p> <p>1.2 Increase access to production-oriented services by poor households in the target communes, and improved land use planning models</p> <p>1.3 Appropriate curricula for capacity building and a core cadre of trained staff</p>	<p>-Based upon diagnostics, budgets, and staff shifted within and among agencies to meet pressing needs/ service demand of clients and to ensure coverage for deprived areas</p> <p>-Number of poor households accessing services in pilot communes</p> <p>-Number of completed land use planning schemes in each target commune</p> <p>-Quality of PRAs undertaken by staff</p> <p>-Quality of social development plans (SDP)</p> <p>-Quality of training curricula</p> <p>-Quality of sectoral implementation</p>	<p>-Periodic diagnostics of service delivery agencies, undertaken by consultants and government</p> <p>-Periodic public expenditure reviews</p> <p>-Project M&E</p> <p>-Quarterly reports</p> <p>-Participatory rural appraisal (PRA)-based feedback from client population</p> <p>-Feedback from service providers</p> <p>-Quality of PRA outputs</p> <p>-Use of SDPs as foundation for future planning</p> <p>-Adoption of training curricula for use outside of target communes</p> <p>-Quality improvements for sectoral services, based upon routine reporting and project monitoring and evaluation (PME)</p>	<p>-Rigid staffing/budgeting norms inhibit subnational flexibility</p> <p>-Services are relevant to client needs, and circumstances, replicable, and sustainable</p> <p>-Poor households have relevant skills</p> <p>-Land use plans are appropriate for commune-level use</p> <p>-Service providers have appropriate skills and/or incentives</p> <p>-Sufficient training is provided to transfer new skills/attitudes</p> <p>-Staff members have time for training</p>

(Reference in text: page 3, para. 9)

Design Summary	Performance Indicators	Monitoring Mechanisms	Assumptions/Risks
<p>2.1 An active policy and practice network in target provinces, with participation of government, assistance agency, and nongovernment organizations, and local citizens</p> <p>2.2 Development of clear policy and practice recommendations related to all forms of decentralized program service delivery in upland areas that can be used as a basis for ADB's policy dialogue with the Government</p>	<p>-Inception of network -Regular meetings held -Quality of participation -Quality of dissemination of findings to all stakeholders</p> <p>-Clear, coherent, realistic policy message is finalized -Analysis and recommendations take into account existing institutional and financial constraints facing the Government</p>	<p>-Frequency of meetings -Feedback from participants (evaluations) -Civil servants and local citizens knowledge of the network</p> <p>-Adoption of recommendation by Government policymakers in Hanoi -Use of analysis by government and other funding agencies for future planning and policymaking</p>	<p>-A local organization agrees to host this network -Sociopolitical environment enables network to exist and expand</p> <p>-Recommendations may not address underlying institutional constraints, or may be too vague -ADB has time and resources to pursue dialogue</p>
Activities			
<p>1.1.1 Baseline survey and study on local-level accountability and village planning</p> <p>1.1.2 Review of current service delivery system and budget, in light of recommendations in 2000 Public Expenditure Review regarding credibility, adequacy, flexibility, accountability, and skills deficits</p> <p>1.1.3 PRA carried out in target communes resulting in development and implementation of SDPs</p> <p>1.1.4 Social audits of SDPs, as well as of sectoral plans</p>	<p>-Baseline survey completed -Studies periodically carried out and completed</p> <p>-Completion and presentation of participatory reviews</p> <p>-Quality PRAs are undertaken in eight target communes within the first year -Existence of social development plans in each target village and commune -SDPs incorporated into provincial budgets</p> <p>-Completion of audits within two months of completion of each diagnostic or revised plan</p>	<p>Project quarterly reporting</p> <p>-Stakeholder feedback -Periodic diagnostics of service delivery agencies undertaken jointly by TA team and government staff</p> <p>-Stakeholder feedback -Annual review of provincial budgets</p> <p>-Audit recommendations incorporated into planning</p>	<p>-Provincial, district, and commune officials have adequate time and skills</p> <p>-Will exists to address constraints in staffing and budgeting systems</p> <p>-Government staff have time, skills, and incentives to participate in the PRAs -Provinces may not have workable implementation guidelines and/or staff may not have the technical skills to incorporate SDPs into budgets</p>
<p>1.2.1 Assessment of current service delivery modalities in the communes</p>	<p>-Completion and presentation of diagnostic report in workshop</p>	<p>-Quarterly reports -Feedback from participants</p>	<p>-Requisite policy environment can only be changed at provincial level -Service providers have capacity and incentives to implement scheme in remote areas -Policy environment allows experimentation</p>

Design Summary	Performance Indicators	Monitoring Mechanisms	Assumptions/Risks
<p>1.2.2 Introduce pilot schemes in target communes including PME</p> <p>1.2.3 Pilot schemes refined through PME/M&E and diagnostic studies, and revised participatory service delivery models and capacity building plans developed for services (training services identified)</p>	<ul style="list-style-type: none"> -Revised schemes initiated in 8 target communes -Quality of schemes -Schemes revised after diagnostic studies -Revised plans submitted on time (according to agreed workplan) -Quality of plans -Models adopted by service providers 	<ul style="list-style-type: none"> -Quarterly reports -Feedback from various stakeholders -Sustainability of schemes -Quarterly reports -Stakeholder feedback -Plans incorporate findings from diagnostic reports 	<ul style="list-style-type: none"> -Lack of competition may affect service quality
<p>1.3.1 Design training curricula in support of service delivery</p> <p>1.3.2 Deliver training to key staff at commune, district, and provincial level; and redesign curricula on basis of training outcomes institutions</p>	<ul style="list-style-type: none"> -Completion of clear, simple training modules -Quality of curricula -Application of skills to future job performance -Number of staff trained, by sector and administrative responsibility -Quality of curricula and training -Completion of clear, simple training modules 	<ul style="list-style-type: none"> -Feedback from trainees -Periodic PME -Quarterly reports -Periodic PME -Feedback from trainees 	<ul style="list-style-type: none"> -Trainers may lack skills or incentives -Training institutions may not be allowed to use new curricula -Follow-up training may not be available to all staff -Trainers may not have incentives to work in remote locations. -Trainees ability to apply learning to their job performance
<p>2.1.1 Background and preparatory work for creation of a central region learning network (CRLN)</p> <p>2.1.2 Establish links with policy networks in Hanoi, relevant external funding agencies, and key Government programs</p>	<ul style="list-style-type: none"> -Government and funding agencies sponsor the CRLN -Buy-in by key stakeholders involved in poverty reduction in central region -Ongoing dialogue between CRLN members and other state and nonstate actors engaged in poverty reduction activities -Number and types of meetings / interaction with the Government and funding agencies in Hanoi -Quality of interaction 	<ul style="list-style-type: none"> -Number of attendees at first and subsequent meetings -Quality of logistical support (as determined in evaluations) -Meeting minutes -Existence of shared initiatives -Quality/quantity of outsider input into the CRLN and CRLN input into other poverty work -Feedback from participants -Subsequent activities planned on basis of initial interaction 	<ul style="list-style-type: none"> -Notes and other information disseminated in clear and timely manner to the general public -CRLN staff will have time and ability to gather information and network - CRLN members agree upon advocacy message(s) - Local/provincial government staff members agree with principles

Design Summary	Performance Indicators	Monitoring Mechanisms	Assumptions/Risks
2.1.3 Key policy and practice recommendations finalized	<ul style="list-style-type: none"> -Key lessons from other poverty reduction work adapted by and included in the CRLN analysis of key policy and practice principles -Clear, coherent, realistic policy message is finalized -Funding and institutional support identified to continue CRLN activities 	<ul style="list-style-type: none"> -Incorporation of other experience into CRLN documentation -Final report containing key policy and practice recommendations -Sustainability of forum activities 	
<p>2.2.1 Systematic analysis of constraints and opportunities facing administrative organs and service delivery agencies planning, budgeting, and implementing service provision</p> <p>2.2.2 Review of the institutional environment facing local citizens, including a focus upon tax burdens, user fees, and labor obligations</p> <p>2.2.3 “Best practice” lessons drawn up in the form of a report containing analysis of and justification for key policy and practice principles</p> <p>2.2.4 Finalization of clear policy and practice recommendations related to all forms of decentralized program service delivery in upland areas that can be used as a basis for ADB’s policy dialogue with the Government</p>	<ul style="list-style-type: none"> -Presentation of report regarding constraints the CRLN -Presentation of report regarding environment in the CRLN -Presentation of report in the CRLN -Presentation of final report in the CRLN -Use of principles in policy dialogue at central and local levels 	<ul style="list-style-type: none"> -Evaluations from participants regarding quality of report -Evaluations from participants regarding quality of report -Evaluations regarding quality of report from participants -Evaluations regarding quality of report from participants -Acceptance of principles from government counterparts -Use of principles by other funding agencies and nonstate actors 	<ul style="list-style-type: none"> -Increased user fees are affordable by client group -Local government has flexibility in service provision -Some best practice recommendations may contradict current incentive structures within organizations -Some best practices may be seen as irrelevant to local concerns -Difficulty may be experienced in reaching consensus regarding final principles -Government policy effectively implemented at local levels
Inputs			
<p>International consultants</p> <p>Domestic consultants</p> <p>Counterpart staff</p> <p>Total costs</p> <p>ADB costs</p> <p>Government of the United Kingdom Costs</p>	<p>54.5 person-months</p> <p>137 person-months</p> <p>Project coordinator (Hanoi-25% time)</p> <p>-Part-time counterparts in all provinces, and support staff</p> <p>\$3,730,000</p> <p>\$800,000</p> <p>\$2,308,000</p>	<p>-TA reports</p> <p>-Existence of enhanced policy dialogue between ADB, other funding agencies, and Government of Viet Nam</p>	<p>-Counterpart staff have relevant skills</p> <p>-Office transferred on time</p>

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. ADB and Government of the United Kingdom Financing^a			
1. Consultants			
a. International Remuneration and Per Diem	1,199	0	1,199
b. Domestic Remuneration and Per Diem	0	452	452
c. International and Domestic Travel	82	30	112
2. Reports, Communications, and Translation	7	27	34
3. Computers and Office Equipment	0	25	25
4. Workshops	7	8	15
5. Central Region Learning Network ^b	11	52	63
6. Pilot Commune Initiatives	0	600	600
7. Training ^c	40	170	210
8. Support Staff	0	40	40
9. Telecommunications	5	7	12
10. Surveys	0	30	30
11. Vehicle Rental	0	28	28
12. Representative for Contract Negotiations	5	0	5
13. Contingency (10%)	136	147	283
Subtotal (A)	1,492	1,616	3,108
B. Government Financing			
1. Counterpart Staff and Per Diem	0	100	100
2. Office Accommodation	0	70	70
3. Transportation	0	20	20
4. Training of Local Government Personnel ^d	0	260	260
5. Workshops and Training Facilities	0	15	15
6. Cofunding of Pilot Initiatives	0	100	100
8. Contingency (5%)	0	57	57
Subtotal (B)	0	622	622
Total	1,492	2,238	3,730

ADB = Asian Development Bank, DFID = Department for International Development.

^a ADB will provide \$800,000 on a grant basis from the Japan Special Fund, financed by the Government of Japan; DFID cofinancing is approximately \$2.31 million.

^b Includes (i) 3 meetings with 75 participants (\$11,250), (ii) 8 meetings with 25 participants (\$5,000), (iii) communications (\$10,000), (iv) materials (\$15,000), (v) facilitators (\$15,000), and (vi) translation (\$7,000).

^c Includes: (i) training of trainers, (ii) set training courses, (iii) training materials, and (iv) on-site training.

^d To be financed initially under the proposed Central Region Livelihood Improvement Project.

Source: Staff estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTING SERVICES

A. Team Leader and Governance Specialist (18 person-months international)

1. The consultant will undertake the following:
 - (i) Undertake team leadership responsibilities, including (a) oversee initial reviews of diagnostic surveys regarding decentralized services in eight target communes for provision of planning, microfinance, agricultural extension, small-scale infrastructure provision, and land allocation service components; (b) review and comment upon design of each of three rounds of service delivery modalities for each component; (c) review and revise, as appropriate, evaluations of pilot project implementation for each component; (d) ensure that gender, indigenous peoples, and environmental concerns are mainstreamed into the program, and that national Public Expenditure Review (PER) recommendations are implemented in target provinces; and (e) summarize and synthesize key lessons learned, and ensure that these are integrated into draft policy and practice principles.
 - (ii) Facilitate establishment of the central region learning network (CRLN). Ensure that findings from both pilot projects and the CRLN are used as the basis for developing policy and practice principles promoting enhanced decentralized service delivery. Write a final report containing key policy and practice principles (developed by the CRLN); promote creation of a coalition of funding agencies, government partners, and other stakeholders to advocate for Government and funding agencies adoption of these principles.
 - (iii) At the end of each consulting input, complete a detailed task list and a work plan for use by the domestic institutions specialist, who will act for the team leader in his or her absence. Key responsibilities delegated will include regular reporting to Government and ADB, program oversight and review, supervision of technical assistance (TA) consultants, and liaising with Government counterparts.
 - (iv) Write a comprehensive three-year work plan, and update it annually. Prepare quarterly progress reports for the Asian Development Bank (ADB) and Government. Prepare a final report for ADB and Government. Undertake other tasks required by ADB.
 - (v) Assist with preparation of, and participate in, TA workshops; lead both inception and wrap-up workshops. Organize office space and equipment purchase, and transfer office equipment to appropriate authorities at the end of the TA. Supervise (with counterpart staff) consultants and manage office functions, and liaise with counterparts regarding progress and constraints.

B. Institutions Specialist (10 person-months international; 30 person-months domestic [deputy team leader])

2. Activities include the following:
 - (i) Design and supervise a diagnostic survey, and complete a report, regarding administrative modalities of decentralized service provision in target districts used by planning committees and people's committees. Develop, supervise, and complete three evaluations of pilot service delivery modalities. Based upon results, develop three rounds of new service delivery modalities for Government agencies to test in eight pilot communes. Identify training needs of local administrative/planning staff, and in consultation with training specialists (a) identify/develop core curricula for use in future

training; (b) identify appropriate organizations to carry out training; (c) assess training quality; and (d) assess training outcomes by monitoring how trainees apply newly learned skills in planning, budgeting, and coordination functions.

- (ii) Work with the development communications specialist to establish and facilitate the CRLN. Assist this specialist to improve feedback loops among citizens, service providers, and civil servants in local government organizations. Test results, and assist in writing the evaluation report. Based upon findings from pilot project implementation and the CRLN, work with the team leader to develop and promote key policy and practice principles.
- (iii) Undertake a diagnostic survey regarding modalities of decentralized service provision in target districts used by planning committees and people's committees. Assist in design of three rounds of new service delivery modalities for Government agencies to test in eight pilot communes. Help identify training needs of local administrative/planning staff, and training specialists, help (a) identify/develop curricula for use in future training; (b) identify appropriate training organizations; (c) assess training quality; and (d) assess training outcomes by monitoring how trainees apply newly learned skills for planning, budgeting, and coordination functions. After each pilot round of service delivery modality is tested, undertake an evaluation and compile findings.
- (iv) Assist the international institutions and development communications specialists to establish and facilitate the CRLN, and assist the international institutions specialist to compile findings from both the CRLN and pilot activities for development of key policy and practice principles.
- (v) In the absence of the team leader, carry out tasks that include regular reporting to Government and ADB, program oversight and review, supervision of TA consultants, and liaising with Government counterparts.

C. Community Development & Communications Specialist (7 person-months international)

3. Activities will include the following:

- (i) Develop a communications strategy for use in both project and Government service delivery activities. Promote increased Government service delivery accountability by improving feedback among citizens, local government, TA consultants, and other stakeholders. Develop training outputs for use by participatory rural appraisal (PRA) teams. Work with the institutions specialist and team leader to establish and facilitate the CRLN, and play a lead role in disseminating CRLN findings.
- (ii) Liaise with monitoring and evaluation specialists under the proposed Central Region Livelihood Improvement Project to incorporate findings and results from the TA's monitoring and evaluation (M&E) outputs into the M&E system of the proposed loan-financed project.

D. Community Development Specialist (20 person-months domestic)

4. The specialist will undertake the following:

- (i) Plan and undertake a rapid survey in eight target communes; compile findings and write a report; and undertake an updated impact assessment at the end of the TA. Foster greater community participation in target communes by planning, supervising, and

helping implement PRAs, leading to development of local social development plans (SDPs); promote inclusion of SDPs in provincial plans.

- (ii) Work with the institutions and development communications specialists to establish and facilitate the CRLN, and test modalities for improving service delivery accountability by strengthening feedback to citizens, service providers, and other civil servants.

E. Public Finance Specialist (5 person-months, international)

- 5. The specialist's responsibilities will conduct a PER in selected districts/communes, write a report containing findings, and feed these into key policy and practice principles that the team leader will use for promotion of policy dialogue. The report will focus on (a) budgeting practices, (b) linkages between the local PER(s) and the national PER, and (c) the extent to which national PER findings are implemented locally. Plan and supervise an updated PER at the end of the three-year TA phase. Develop auditing guidelines for the auditor's use, review findings, and finalize audits. Findings will be fed into planning for revised service delivery modalities in target communes.

F. Agriculture Extension Specialist (4 person-months international; 12 person-months domestic)

- 6. Activities will include the following:
 - (i) Design and supervise a diagnostic survey regarding decentralized agriculture extension service provision in target communes, and complete a report. Identify training needs, and with the training experts (a) identify and develop curricula for use in future training, (b) identify appropriate training organizations, (c) assess training quality, and (d) assess training outcomes by monitoring how trainees apply newly learned skills in the provision of agricultural extension services to farmers. Design three consecutive rounds of pilot service delivery modalities, including an M&E system, for Government agencies to use in target communes. Plan and supervise three evaluations, after each new modality is tested, prepare a report on findings for incorporation into key policy and practice changes, for use by the team leader.
 - (ii) Assist the international specialist to design a diagnostic survey regarding agriculture extension service provision in eight target communes. Undertake the survey and compile findings. Identify training needs, and with the training experts, assist the international specialist to (a) identify and develop curricula for use in future training, (b) identify appropriate training organizations, (c) assess training quality, and (d) assess outcomes by monitoring how trainees apply newly learned skills in the provision of agricultural extension services to farmers. Assist in designing three consecutive rounds of pilot service delivery modalities, including an M&E system, for Government agencies to use in target communes. Undertake an evaluation after each round, compile findings, and help ensure that findings are incorporated into policy and practice changes that the team leader for will use for advocacy purposes.

G. Community-Based Infrastructure Planning Specialist (3 person-months international)

- 7. Design and supervise a diagnostic survey regarding infrastructure service provision in target communes, and complete a report, with a focus on promoting sustainable maintenance arrangements. Identify training needs, and with the training experts (a) identify and develop curricula for use in future training, (b) identify appropriate training organizations, (c) assess

training quality, and (d) assess training outcomes by monitoring how trainees apply newly learned skills in the provision of small-scale infrastructure to communities. Design three consecutive rounds of pilot service delivery modalities, including a monitoring and evaluation system, for Government agencies to use in target communes. Plan and supervise three evaluations, and after each new modality is tested, complete a report and ensure that findings are incorporated into key policy and practice changes, for use by the team leader.

H. Rural Infrastructure Specialist (16 person-months domestic)

8. Assist the international specialist to design a diagnostic survey regarding infrastructure service provision in eight target communes. Undertake the survey and compile findings. Work with the international specialist to identify training needs, and in consultation with the training experts, assist the international specialist to (i) identify and develop curricula for use in future training, (ii) identify appropriate training organizations, (iii) assess training quality, and (iv) assess outcomes by monitoring how trainees apply newly learned skills in the provision of small-scale infrastructure to communities. Assist in designing three consecutive rounds of pilot service delivery modalities for Government agencies to use in target communes, undertake evaluations after each round, compile findings, and help promote inclusion of findings into policy and practice changes that the team leader will use for advocacy purposes.

I. Training Specialist (5 person-months international, 12 person-months domestic)

9. The specialist will undertake the following:

- (i) Develop, supervise, and field-test a training needs assessment tool for use by other consultants and local counterparts. Based upon findings from the field tests, develop criteria for and plan a program of regular in-service training for local government staff. Develop linkages with appropriate training institutes (preferably in the central region), and assist these institutes by designing appropriate curricula. Develop a framework to monitor application of newly learned skills in the workplace, and adjust training arrangements as needed.
- (ii) Lead field-testing of training needs assessment tool, for use by TA consultants and local counterparts. Compile findings and assist the international specialist to develop criteria for and plan a program of regular in-service training for local government staff. Help develop linkages with appropriate training institutes (preferably in the central region), and assist these institutes by designing appropriate curricula. Monitor training outcomes, and focus on the extent to which local service providers apply new skills in their daily work. Revise training arrangements and curricula as needed.

J. Land Use Planning Expert (2.5 person-months international)

10. Carry out a review of land-use planning and land allocation modalities in the target provinces; plan and supervise natural resource audits, based upon local practice and knowledge, in eight target communes. Assist counterparts to develop commune resource maps, and work with target communities to develop natural resource management plans. Identify training needs of local citizens and government staff, and develop appropriate training plans. Promote inclusion of these plans into local SDP and into policy and practice principles, for use by the team leader.

K. Gender Specialist (4 person-months domestic)

11. Undertake gender audits for each of three rounds of revised program implementation plans and of subsequent evaluations, and develop a gender plan to promote awareness of

gender issues among TA consultants, counterparts, and local citizens. Promote improved methods of mainstreaming gender concerns into pilot project and Government service delivery.

L. Rural Anthropologist (3 person-months domestic)

12. Undertake audits regarding indigenous people's issues for each of three rounds of revised program implementation plans and of subsequent evaluations, and develop an indigenous people's sensitivity plan to promote awareness of the special situation of indigenous peoples among TA consultants, counterparts, and local citizens. Mainstream practices that promote indigenous peoples concerns into project and Government service delivery.

M. Auditor (16 person-months domestic)

13. Assist the international specialist to design a PER for use in selected districts and/or communes. Undertake the review and compile findings for this PER and for an updated PER at the end of the three-year TA phase. Comment upon auditing guidelines developed by the international specialist, and undertake periodic audits in selected districts/communes, as directed by this specialist.

N. Community Forestry Specialist (3 person-months domestic)

14. Work with counterparts and training specialists to field-test farmer field school extension curricula for nontimber forest products, fuelwood, and other fast-growing tree species identified by farmer groups in target communes. Assist the international agriculture extension specialist to identify training needs for local farmers and Department of Agriculture and Rural Development staff members, and supervise two (one-year) training cycles for trainers in target communes. Assist the agriculture extension specialists to analyze existing forestry extension service delivery and recommend changes.

O. Microfinance Specialist (12 person-months domestic)

15. Design and supervise a diagnostic survey regarding microfinance service provision in target districts, and complete a report. Identify training needs, and with the training specialists (i) identify and develop curricula for use in future training, (ii) identify appropriate training organizations, (iii) assess training quality, and (iv) assess outcomes by monitoring how Viet Nam Bank for Agricultural and Rural Development and Women's Union staff apply newly learned skills in the provision of microfinance services. Design three consecutive rounds of pilot service delivery modalities, including an M&E system, for Government agencies to use in target communes. Plan and supervise an evaluation after each new modality is tested, complete report, and ensure that evaluation findings are incorporated into policy and practice changes that the team leader will use for advocacy purposes.

P. Environmental Specialist (9 person-months domestic)

16. Review existing environmental screening practices in provincial planning and budgeting processes, and assist the international land use specialist to carry out a review of land-use planning and land allocation in target provinces. Plan and supervise natural resource audits (based on local knowledge) in eight target communes, help develop commune resource maps, and supervise assistance to communities for development of natural resource management plans. Ensure that key outputs are incorporated into SDPs. Undertake diagnostic reviews regarding environmental impact, screening, and mitigation for pilot service delivery components.