

COUNTRY PARTNERSHIP STRATEGY FORMULATION

1. The initial work for the country partnership strategy (CPS) process started with the preparation of sector assessments, strategies, and road maps (ASRs) and thematic assessment papers in 2010. At the country programming mission (CPM) conducted in May–June 2010, the country team (CT) presented to the government major findings and recommendations in the ASRs to kick off preliminary government consultations on the CPS. In parallel, during 2010 ADB was closely engaged in the preparation of the government five-year socio-economic development plan (SEDP) 2011–2015.
2. While the internal process continued in 2011 including the CT retreat in March, followed by the Southeast Asia Department (SERD) management team retreat in July to agree on the overall CPS strategic direction, the CT embarked on more formal country consultations with the government, development partners (DPs), and other stakeholders including non-government organizations (NGOs) including the CPM in May–June 2011, preliminary joint or bilateral meetings with key DPs, and CPS consultation workshops in three different locations (Ha Noi, Dak Lak Province, and Binh Duong Province) between December 2011 and January 2012. Bilateral consultation with DPs continued toward the finalization of the CPS.
3. Immediately after the SEDP¹ was finalized, the Initiating Meeting (IM) chaired by Vice President, Operations Group 2 was held in November 2011. The IM noted that the SEDP focuses on comprehensive economic restructuring and related reforms to strengthen market orientation as well as human resources development and infrastructure improvement. Subsequently, the proposed CPS pillars of inclusive growth, enhancing economic efficiency, and environmental sustainability were endorsed. In February 2012, the Informal Board Seminar (IBS) was organized to present the CPS strategic thrust and operational priorities. The IBS supported the proposed CPS pillars, and provided useful guidance on how ADB can effectively support poverty reduction, inclusive growth, economic management, the SOE reform, and project implementation.
4. On 14 May 2012, the Management Committee Meeting (MCM) was held to discuss and endorse the proposed CPS. Noting the need to strengthen the country's macroeconomic management and to accelerate the ongoing economic restructuring and reforms, the MCM viewed ADB's engagement in relevant areas including public sector management appropriate. The MCM also highlighted the weak project implementation and portfolio performance, and advised the country team to take effective and concrete measures to improve the performance.
5. After the MCM, the final draft CPS was shared with the government for review. On 24 May 2012, the government provided its concurrence to the proposed CPS.
6. Throughout the CPS process, the recommendations of the Country Assistance Program Evaluation (CAPE) provided important guidance in drawing lessons from our past operations and designing future assistance, and CAPE recommendations were integral to the CPS preparation. The validity of the CAPE, which was prepared in 2009, as an input to the new CPS, was examined. Independent Evaluation Department confirmed that the CAPE recommendations were valid for the main thrusts of the new strategy and their comments on the draft CPS had been taken into account in the final CPS, and offered to provide an updating note on any additional implications for implementation of the proposed CPS.

¹ The SEDP was approved by the National Assembly on 8 November 2011.

Country Assistance Program Evaluation Recommendations and Responses

Country Assistance Program Evaluation Recommendation	Country Partnership Strategy Approach
Enhance implementation performance	Leading Six Banks' initiative to legalize advance action and policy dialogue on procurement and safeguards guidelines. Improved project DMFs.
Expand support to private sector development	Support the financial sector development and provide specific support to promote PPPs
Improve selectivity of operations	More focused sector engagement and project readiness criteria for pipeline formulation
Increase engagement in governance and public finance	Support policy and management reform at the sector level, SOE reforms, public administration reforms, and improvement in public investment planning
Increase the government ownership of grant-funded TA projects	Engage the government in programming and designing TAs, and help strengthen EAs implementation capacity
Strengthen government commitment to the post-completion sustainability of investment	Targeted capacity development support by CTL, COSO, TD, and VRM; and regular review missions to plan actions for long-term project sustainability
Support decentralized project implementation	TA and training to provincial EAs for project implementation and financial management, project-level capacity development in water/urban and provincial roads; and establishment of a permanent/common PMU

Source: ADB. 2009. *Country Assistance Program Evaluation*. Manila.