

# Provision of Technical Assistance Personnel in Vietnam

## Cooking *pho*, peeling potatoes and abandoning blueprints

David Watson  
Nguyen Minh Thong  
Julia Zinke



Federal Ministry  
for Economic Cooperation  
and Development

Danida



Australian Government  
AusAID

*A case study prepared for the Study on Promising Approaches to Technical Assistance*

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Case study for the **Study on Promising Approaches to  
Technical Assistance**

(includes Executive Summary in Vietnamese: **HỖ TRỢ KỸ THUẬT Ở VIỆT NAM NẤU PHỞ...GỌT KHOAI TÂY... VÀ TỪ  
BỎ NHỮNG PHÁC ĐỒ CÓ SẴN**)

David Watson  
Nguyen Minh Thong  
Julia Zinke

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*The views expressed in this report are those of the authors and do not necessarily reflect those of the sponsoring donors or the Government of Vietnam.*

*The 'pho' referred to in the title is a noodle soup popular in Vietnam. The reference to 'peeling potatoes' is from an informant's observation that Vietnamese people peel potatoes differently from people from the West (though we did not verify this).*



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## Acronyms and annotated glossary

AMC	Australian Managing Contractor
AusAID	Australian Agency for International Development
BMZ	Federal Ministry for Economic Cooperation and Development
CARD	Collaboration for Agriculture and Rural Development
CB	capacity building
CCBP	<i>Comprehensive Capacity Building Programme</i> A challenge fund (open to bids) established with financial contributions of several donors to support capacity development in management of ODA programmes. The Finnish aid agency FINNIDA supports the programme's management.
CEMA	<i>State Committee for Ethnic Minority Affairs</i> This government ministerial level body is responsible for policy on all ethnic minority related issues in Vietnam, and currently for leading Programme 135 Phase II and co-ordinating related donor inputs.
CG	<i>Consultative Group</i> Principal mechanism for dialogue between government and its development partners (currently over 50). Co-chaired by government and the World Bank. Involves formal semi-annual consultations. PGAE reports to it. CG commissions annual reviews on various aspects of Vietnamese development (the <i>Vietnam Development Report</i> ).
CIEM	Central Institute for Economic Management
CIM	German organisation (a subsidiary of GTZ) which identifies and mobilises 'integrated experts' in developing countries. They receive basic pay from the host organisation, supplemented by CIM.
CPRGS	<i>Comprehensive Poverty Reduction and Growth Strategy</i> Vietnam's version of the Poverty Reduction Strategy Paper. Prepared in 2002: CPRGS principles informed the preparation of the SEDP.
CTA	<i>Chief technical adviser</i> Principal TA person in a TA team. May involve coordination of several components through component managers (as in GTZ's CTA in the Vietnamese-German forestry programme)
DAD	<i>Development Assistance Database</i> Established in 2006 in MPI with UNDP technical support, as a reference of all ODA to Vietnam. Development partners are asked to submit and validate existing data on their cooperation programmes. Currently TA is recorded by donor project, but TA data is not yet aggregated (financial assistance is, however)
Danida	Danish International Development Assistance
EC	European Commission
FA	Financial assistance
Five Banks Initiative	Programme of collaboration between the World Bank, Asian Development Bank, Japanese Bank for International Collaboration, KfW (Germany) and French Development Agency oriented to reduction of 'transaction' costs and strengthening national systems for managing resources including ODA. Recent activities covered procurement and financial management, environmental and social safeguards, project preparation and reporting.
FSPS	Fisheries Sector Programme Support
GDP	Gross domestic product
GTZ	<i>German Technical Cooperation Agency</i> Company owned by the German government to design and deliver TA programmes.
HAP	Harmonisation Action Plan



HCS	<i>Hanoi Core Statement on Aid Effectiveness</i> Joint agreement between government and donors based on Paris Declaration; its principles, which underlie future development collaboration, are country ownership and leadership; alignment to government policies programmes and systems (strengthening transparent accountable systems); harmonisation and simplification of aid procedures; management for development results; mutual accountability.
HE	Higher education
HEPR	<i>Hunger Eradication and Poverty Reduction</i> A former NTP.
ICD	<i>International Cooperation Department</i> A department which coordinates foreign assistance in some ministries and agencies (e.g. MARD, MoFI, MoF, SBV)
IEC	<i>Information, education and communication</i> Usually applied in health-awareness campaign aspects of water supply and sanitation.
IMF	International Monetary Fund
ISG	<i>International Support Group</i> See under PGAE below.
LMDG	Like-minded donor group
M&E	Monitoring and evaluation
MARD	Ministry of Agriculture and Rural Development
MDB	Multilateral development bank
MDG	Millennium Development Goal
MDTF for PFM	Multi-Donor Trust Fund for Public Financial Management Reform
MIC	Middle-income country
MoF	Ministry of Finance
MoFI	Ministry of Fisheries
MOHA	<i>Ministry of Home Affairs</i> Coordinator of public sector reform programme.
MP	Member of Parliament
MPI	<i>Ministry of Planning and Investment</i> Coordinator of all foreign assistance to Vietnam. Appraises all projects submitted by ministries, requiring foreign assistance AND domestic financial support.
NTPs	<i>National target programmes</i> Programmes related to major national priorities; coordinated by MPI and relevant sectoral ministries; have priority access to domestic budget resources. These include case studies such as the NTP for RWSS and Programme 135 (under the Poverty Reduction NTP). Additional NTPs 2006-10 include Energy Efficiency; HIV/AIDS; Drug Addiction, Crime and Prostitution Prevention; Food Safety and Hygiene.
ODA	Official development assistance
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
PDCDE	<i>Programme for Socio-economic Development in Communes Faced with Extreme Difficulties</i> This was a forerunner of Programme 135.
PERIFA	Public Expenditure Review and Integrated Fiduciary Assessment
PGAE	<i>Partnership Group for Aid Effectiveness</i> One of the partnership groups and a key means for interaction between the Government of Vietnam and donors. Meets monthly.
PGs	<i>Partnership groups</i> There are currently 46 partnership groups established on various subjects (supporting NTPs, Poverty Reduction, Gender Action and Education Sector, for example). They submit reports on activities to the CG annually. There are also International Support Groups (ISGs) in some sectors (e.g. MARD, Environment) which coordinate externally-supported programmes.

PMU	Project management unit
PPC	Provincial People's Council
PRSC	<i>Poverty Reduction Support Credit</i> A series of budget support policy loans under World Bank auspices initiated in 2001, supportive of SEDP implementation (PRSC V currently includes co-financing from ten donors)
PRSP	Poverty Reduction Strategy Paper
R&D	Research and development
RWSS	Rural Water Supply and Sanitation
SBV	State Bank of Vietnam
SEDEMA	Socio Economic Development Programme for Extremely Difficult Communes in Ethnic Minority and Mountainous Areas 2006-2010 (Programme 135 Phase II)
SEDP	<i>Socio-Economic Development Plan (2006-10)</i> Five-year investment and action plan based on the CPRGS.
SIDA	Swedish International Development Cooperation Agency
SWAps	Sector-wide approaches
TA	<i>Technical assistance</i> The focus of this study; in particular, the expatriate and national experts and consultants involved.
TC	<i>Technical cooperation</i> Some agencies use this term as an umbrella term for TA as well as training programmes; seminars, conferences, scholarship schemes; equipment, vehicles, systems design and installation.
ToR	Terms of reference
TFF	Trust Fund for Forestry
UNDP	United Nations Development Programme
VAMESP II	Vietnamese Australia Monitoring and Evaluation Strengthening Project Phase II
WB	World Bank
WTO	World Trade Organisation

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## Executive Summary

This is the revised draft report of the study *Technical Assistance Personnel in Vietnam*.<sup>1</sup> It is one of three country case studies in a larger research project commissioned by AusAID, BMZ and Danida, and implemented by the European Centre for Development Policy Management (ECDPM), Maastricht, the Netherlands. The purpose of the study is to learn more about the nature of future demand for technical assistance (TA), and to recommend how TA personnel can best be mobilised, used and managed to strengthen national capacities. The study's approach is one of extracting lessons and implications for donors and host governments from relatively successful TA personnel operations, and of using these lessons to inform future revisions to the three sponsoring donors' TA strategies. TA programmes were examined in three countries which were nominated by the donor sponsors: the Solomon Islands, Mozambique and Vietnam. Vietnam was selected as a case study country because it is a stable state with relatively high government capacity. This contrasts starkly to the case of the Solomon Islands, which is a fragile state recovering from conflict being supported by TA personnel under the umbrella of an intensive regional assistance mission, and Mozambique, which is an aid-dependent country with limited current capacities in government, challenged by the daunting task of coordinating a multiplicity of aid (and TA) donors.

### Cases and caveats

Ten TA personnel cases were selected for review in Vietnam. These are summarised in Table 1 and described in more detail in Annex 2. Pertinent points from the cases are distilled throughout this report and in boxes illustrative of the various aspects discussed. Time did not permit all of the cases to be studied in equal depth; hence we have categorised them as six 'main' cases (most selected before the fieldwork began) and four 'mini' cases (identified by sponsoring donors during preliminary discussions).

**Table 1: Summary of case studies: Features and reasons for selection**

Case Study	Sector/Focus (Government Partner(s))	Donor Involvement	Reasons for Inclusion/ Key Features
<b>Main Cases</b>			
<b>Sector Programme Support: Rural Water Supply, Sanitation and Hygiene Promotion (2006-10)</b>	- National Target Programme (NTP) on Rural Water Supply and Sanitation (RWSS) Phase II  (Partners: MARD, MoH, 9 provinces)	- Multi-donor sector programme support: Danida, AusAID and DGIS (Netherlands)	- The first time that multi-donor support has been provided to this NTP - Major TA inputs
<b>Support for Macroeconomic Reforms (2005-08 + 3 further years)</b>	- Economic and social policy (Partner: CIEM) - Public finance (Partner: MoF) - Financial systems development (Partner: SBV)	- Funded by BMZ - TA delivered by GTZ	- Major long-term intervention - Highly strategic sector for government - Variety of TA modalities illustrated

<sup>1</sup> The focus on TA personnel was agreed at the outset of the study. This is thus a narrower focus than 'technical cooperation', which also includes training programmes, study tours, access to higher education programmes and related support for systems development and equipment.

Case Study	Sector/Focus (Government Partner(s))	Donor Involvement	Reasons for Inclusion/ Key Features
<b>Forestry Sector Support Programme and Partnership (FSSP+P) (2001-10)</b>	- All aspects of forestry development - Includes the Trust Fund for Forestry (TFF)  (Partner: MARD)	- 19 international partners in FSSP+P, including Germany - 5 donors in TFF	First-ever sectoral partnership structure, established in 2001 (incl. a coordinating office)
<b>Vietnamese/German Forestry Programme Phase II (2005-08)</b>	- Management - Trade and marketing - Policy  (Partner: Department of Forestry, MARD)	- BMZ - TA delivered by GTZ	- Focal areas identified through FSSP+P - Long-running sector collaboration
<b>Fisheries Sector Programme Support (FSPS) Phase II (2006-10)</b>	Fisheries development: - Administration - Capture management - Aquaculture - Post-harvest & marketing  (Partners: MoFI, 9 provinces)	- Danida	- Continuation of FSPS (Phase I) + long donor involvement in sector - Very different TA modalities in Phase II than in Phase I
<b>Programme 135 Phase II Also known as SEDEMA</b>	Livelihood improvement for ethnic minorities  (Partners: CEMA, MPI, MARD, MOC)	- Multiple donors, including AusAID	- Phase I was largely government financed - Expansion will feature sector budget support from a variety of donors, and will probably involve more TA. But there is as yet no agreed formula for this
<b>Mini-Cases</b>			
<b>Vietnam–Australia Monitoring and Evaluation (M&amp;E) Project (VAMESP) Phase II</b>	Development of M&E system for ODA (and ultimately all government) projects (Partners: MPI + 6 ministries + 7 provinces)	- AusAID	- Different TA approach than in Phase I - Challenging cross-sector issue
<b>Multi-Donor Trust Fund for Public Financial Management Reform</b>	Grant-funded, World Bank administered fund used for TA and other activities for public financial management reform (Partner: Fund is MoF-executed)	- LMDG + EC	Differences of view raised about efficacy and nature of capacity development in reform processes
<b>Technical Support to Water Resources University</b>	Support to development of improved methodology and materials for key faculties (Partner: WRU)	- Danida (component of support to water sector strategy) & DGIS (Netherlands)	The only example involving TA to a higher education institution
<b>Collaboration for Agricultural and Rural Development (CARD)</b>	Funding facility for the Collaborative Agricultural Research Programme to enhance research proposal vetting and research management processes (Partner: MARD)	- AusAID	Illustrates approaches to support the agricultural research function and management of research processes in related institutions

One major caveat which should be borne in mind in reading this report is that the field study could not encompass the views of provincial and sub-provincial officials, counterparts to TA

personnel or the TA personnel themselves based in the regions. The study team hopes that the evidence of needs, priorities and observations from the provincial perspective that were captured from secondary sources during the discussions of the ten cases reviewed partly compensate for this methodological shortfall. Section 7 of the report (*Implications for Donors and Vietnamese Partners*) mentions as one of the implications that future discussions of TA needs should explicitly include the 'voice' of a representative sample of the various provincial governments.

## **The context for TA operations (Section 2)**

Vietnam has been overhauling its former planned economy for the past 20 years since the 'Doi Moi' reforms were initiated in 1986. Its current framework is termed a 'market economy with socialist orientation'. The international community has supported the country's modernisation process for the past 15 years. Socio-economic progress has been rapid. Between 1993 and 2004, the number of people below the poverty line has fallen from 58% of the population to 20%. Its Human Development Index ranking among 177 countries rose from 120 in 1995 to 108 in 2005. Its population is currently 84 million. Gross domestic product (GDP) per capita was US \$620 in 2005; economic growth has been running at 7% in recent years.

Political changes have been less rapid. The Communist Party of Vietnam is the sole political authority (with its Politburo at its apex). Elected members of the National Assembly and Provincial People's Councils face various constraints in performing their representative roles. However, notwithstanding the partial subordination of lower levels of local government to the level above, devolution of resources is a reality. Almost half of state budget expenditures are decided by sub-national levels of government. However, local government in Vietnam faces numerous capacity problems, from an inconsistent and unclear legal framework to the absence of formulae for assigning expenditures to various governmental levels and prevalent 'top-down' planning frameworks, in which community participation is the exception rather than the rule.

Although there are over 50 active donors in Vietnam, it is not an aid-dependent country (ODA is less than 5% of GDP). There are well-established mechanisms for poverty-oriented planning (including national target programmes), development cooperation and alignment (the Vietnamese government has forged with its donors the *Hanoi Core Statement* which is a modified version of the Paris Declaration of 2005). Over 40 government and donor partnership groups are active, and a new management framework for ODA up to 2012 has just been promulgated. A series of Poverty Reduction Support Credits (to which ten donors contribute) provide a budget support mechanism amounting to approximately 10% of ODA. Budget support has recently been committed in several important sectors.

However, Vietnam has pursued administrative reform slowly. Shortcomings of its administrative system manifest in slow disbursement of committed ODA (and national) resources. Administrative reforms are now gathering pace, propelled in part by Vietnam's accession to the World Trade Organization (WTO) last year.

TA operations (accounting for approximately 20% of ODA in 2004) face challenges from a conservative administrative culture and from corruption, the elimination of which is a declared priority for the Communist Party and government. Moreover, the educational level of key officials is relatively favourable, and international exposure over the past ten years has improved their ability to appropriately select and guide TA. Promotion in the civil service is merit-based, and key posts tend to be held by well-qualified officials.

## **Overview of Vietnam as a case study for TA operations**

Vietnam therefore offers in many respects a positive ‘enabling environment’ for successful TA and related capacity building operations. Indeed, there is evidence of growing ability and confidence of Vietnamese partners to identify where skill and knowledge gaps exist and to agree jointly with donors on the remedial actions needed (including TA). Mechanisms and collaborative fora to articulate these needs also exist. In fact, some argue that the number of ‘partnership groups’ (see glossary for a fuller description of these and other planks of Vietnamese development cooperation) is excessive and leads to duplication of efforts. There is strong government ownership of declared national development priorities (regardless of whether host agencies are involved in managing TA inputs). Some sector TA programmes are better ‘mapped’ and coordinated than others (examples in our review included those in the forestry and agricultural sectors). Host agencies’ capacities for managing implementation of TA are variable. Although government generally acknowledges weaknesses, it appears that corrective measures and corresponding performance improvements take time to put in place. No action has yet been taken on many of the recommendations of an earlier study on technical cooperation (MPI 2000). Nonetheless, many are still relevant. Some are repeated in the final section of the present study. Several recent reviews have commented on shortcomings in the linkages between TA and budget support mechanisms and in specification of indicators of institutional capacity development.

### **TA personnel demand issues (Section 3)**

There is as yet no disaggregated data related to past provision of TA personnel. Neither will the new database in the Ministry of Planning and Investment (MPI) on development assistance capture the detail of past or existing patterns of such provision. However, recent pronouncements by the Vietnamese government on overall development policy can be interpreted as a guide to government priorities for TA personnel. Emphasis is on the preparation of legal frameworks and underpinning economic and financial policies to equip the country to trade and compete internationally. Decentralisation is a key priority, with much TA for capacity building to be focused at the commune level. However, the present study notes that there are currently no routine channels for provincial (or sub-provincial) government ‘voices’ to be articulated in collation of overall TA requirements. There have been recent regulatory and procedural changes in management and reporting arrangements for major development projects and programmes, and further injections of TA personnel are planned to reinforce relevant capacities. Pro-poor public administration structures and capacities are another priority for TA personnel.

MPI remains ‘gate-keeper of last resort’ on TA personnel in its role as appraiser of ministries’ project proposals. However, line-ministries (as project hosts) negotiate directly with donors on TA needs for individual projects. Government agencies consulted during the study expressed dissatisfaction with donors’ levels of transparency on TA budgets and respective costs of different types of TA personnel. They sought more information to enable them to articulate better-informed choices. One general characteristic – and distortion – of ‘demand’ for TA personnel is that, apart from counterpart costs, it is virtually a ‘free good’. The government remains reluctant to commit its own resources to procure TA personnel. In the face of competition amongst donors to be associated with a development success story, the Vietnamese government has enhanced its own ability to assess the comparative advantage of various national sources of TA for various purposes. This section concludes with a discussion of issues surrounding the relatively limited supply of national TA personnel.

### **Modalities and roles of TA personnel (Section 4)**

Section 4 examines the various modalities of delivery in which TA personnel are involved, and focuses on some particularly successful and much-appreciated ones. It is clear that TA

personnel typically play a multiplicity of roles, in various combinations. It also underlines the importance of Vietnamese nationals as sources of technical assistance, often in conjunction with expatriates. The 'back-stopper' modality appeared to circumvent the pitfalls of using specialised short-term TA personnel (in what is often a very alien and 'opaque' institutional environment) and avoiding their recourse to 'blueprint' formulae. The pros and cons of using contractors (rather than direct hires) are outlined, and then attention is given to the various roles TA personnel play in the cases sampled.

### **Effectiveness and sustainability of TA**

The most recent study of TA in Vietnam (MPI 2000) gave a positive impression of past TA effectiveness and made a series of recommendations. However, few if any of these appear to have been taken up in the years since. Annex 3 summarises the main points of this earlier study. The present study casts some light on what Vietnamese officials define as effective TA provision. Three sets of factors were examined which appear to determine effectiveness of TA personnel: the characteristics of the individuals themselves, the absorptive capacities and indeed the suitability of the host organisation and factors connected with the donors involved. Several general factors also affect the effectiveness of TA personnel, for example, the timeframe is crucial. The Vietnamese environment is not one in which short-term involvement tends to be effective. Mutual trust must be gradually built between TA personnel and their counterpart groups. National partners must agree on key elements of the TA 'contract': ToRs, personal specifications, individual candidates filling posts and the design and sequencing of missions.

The general conclusion on sustainability of TA inputs is that much depends on the measures *host agencies* have taken to enhance the sustainability of TA personnel inputs. Such measures included focusing on legislative outputs, ensuring policy decisions are based on representative samples of relevant international experience, assigning able counterparts (groups not just individuals), preparing counterparts for future 'technology dissemination' roles and ensuring that steering committees work effectively. Generally speaking, prospects for sustainability were good in the cases reviewed. Countervailing factors, militating against sustainability included the progressively diminishing attractiveness of the public sector human resources management (and remuneration) environment compared to a rapidly growing private sector, and the resultant 'brain drain'.

### **Management of TA personnel (Section 5)**

Section 5 looks at the various approaches to mobilising TA personnel. Projects are the usual vehicle for mobilising TA personnel. Trust funds are becoming very significant as a means of financing TA projects, partly as a result of the trend towards pooling funds for TA provision and the push to place host organisations more 'in the driving seat'. Figure 1 in the report 'maps' the various case study projects and programmes (and their various phases) on a continuum of management approaches, from the extreme of donor control to the extreme in which national hosts control and steer TA and other inputs. There is a clear trend towards that latter, a consequence of the pursuit of the spirit of the *Hanoi Core Statement*, and simply better capacities within government agencies to play a more direct role in managing TA inputs. Generally speaking, informants from the Vietnamese government were satisfied with the extent to which donors and the TA they provided were accountable to their hosts in their TA personnel activities (including recruitment, selection, procurement and management). The only cause of dissatisfaction was their perception of donors' lack of transparency with regard to the available TA budgets and respective costs of various types of TA. This meant that government agencies rarely felt able to have an informed discussion of optional formulae for TA provision.

This section also touches on how to handle the transition from one management approach to



another. This was particularly significant in the case of the fisheries programme, for which no transition period was permitted. It remains to be seen whether this strategy will succeed in rapidly building capacities and confidence within the Ministry of Fisheries. Indeed, monitoring the growth of capacity in instances such as the fisheries sector programme will become more of an issue in the future. Yet the study found that motivation for such M&E – including monitoring the TA personnel themselves – is very limited at present. One of the implications of the study is that pilot application of some innovative approaches to M&E of TA personnel and its role in building capacity is merited in future.

### **Conclusions (Section 6)**

The study concludes with some observations on the state of play of TA operations in Vietnam. ‘Ownership’ is not at issue. This is a remarkable finding, which is regrettably unusual, as many countries operate in very different economic circumstances. The time appears ripe for more structured attempts to learn from experience in the conduct of TA operations in Vietnam, especially where these are focused – as many are – on building public sector capacities. This is all the more urgent in view of the growing ‘brain drain’ of talent from the public sector. It is crucial that government (and donors) learn more about the dynamics of the labour market for able people in government, and begin to manage them better, through additional efforts in public sector reform. There is a need for rationalisation of some of the wide variety of practices donors employ in mobilising national experts. This could be done either through embryonic national consulting firms, or even on an informal basis directly from the public sector itself. Higher education institutions in Vietnam could do much more to prepare graduates for constructive roles (especially in the rapidly growing local government environment) if they were assisted in bringing their syllabi and course materials up to date with the developments in government policy and management and financial systems.

### **Implications (Section 7)**

The final section touches upon the implications of this study for future action by government and donors: both separately and, in some cases, together. Both could do more to nurture the national consulting industry, which appears to be in some disarray and to explore the labour market so as to learn more about its dynamics and the public-to-private flow of skilled labour, which all observers note has started – and is bound to accelerate. In addition to examining the extent to which people-management practices have changed in light of public sector reform (and pursuing this issue if they have not), government could usefully facilitate some distillation of recent experiences with TA personnel with a view to developing a strategy for TA utilisation. The present study might provide a basis for this. Donors could reflect on how they might develop their own capacities to support government agencies with better access to international networks and information on practical reform experiences. They could also avoid some of the tensions about international TA personnel staffing volumes in programmes and projects by being more transparent on TA budgets and costs, and by frankly discussing their concerns (e.g. fiduciary risk) and agreeing on measures to supplement provision of TA personnel.

## Executive Summary in Vietnamese

### HỖ TRỢ KỸ THUẬT Ở VIỆT NAM NẤU PHỞ...GỌT KHOAI TÂY... VÀ TỪ BỎ NHỮNG PHÁC ĐÒ CÓ SẴN

Nghiên cứu điển hình của ECDPM về Chuyên gia Hỗ trợ kỹ thuật  
do AusAID, BMZ và DANIDA tài trợ

#### Tóm tắt tổng quan

Đây là dự thảo báo cáo đã sửa đổi về Nghiên cứu điển hình Chuyên gia Hỗ trợ Kỹ thuật ở Việt Nam<sup>2</sup>, một trong ba trường hợp nghiên cứu do AusAID, BMZ và Danida tài trợ, được thực hiện bởi Trung tâm Châu Âu về Quản lý Chính sách Phát triển (ECDPM), đóng tại Maastricht, Hà Lan. Mục đích của nghiên cứu này là nhằm tìm hiểu thêm về đặc điểm nhu cầu Hỗ trợ Kỹ thuật (HTKT) trong tương lai, và khuyến nghị về cách thức huy động, sử dụng và quản lý chuyên gia/tư vấn HTKT để tăng cường năng lực quốc gia. Cách tiếp cận của nghiên cứu là từ những hoạt động HTKT tương đối thành công rút ra các bài học và những hệ quả cho các nhà tài trợ (và các chính phủ nước tiếp nhận), giúp cải tiến chiến lược HTKT của ba nhà tài trợ này trong tương lai. Ba quốc gia được nghiên cứu (do các nhà tài trợ đề xuất) là Quần đảo Solomon, Mozambique và Việt Nam. Trong số đó, Việt Nam được coi là một quốc gia ổn định với năng lực Chính phủ tương đối cao, đối lập hoàn toàn với trường hợp Quần đảo Solomon (một quốc gia gần như 'thất bại', được HTKT ở ạt dưới cái ô của Chương trình Viện trợ Khu vực) và Mozambique (một nước phụ thuộc vào viện trợ, với năng lực chính phủ hạn chế, mà phải đối mặt với một nhiệm vụ đầy thách thức là điều phối nhiều nhà tài trợ gồm cả HTKT cùng một lúc).

#### Các Trường hợp Nghiên cứu và Một số Lưu ý

Mười trường hợp chuyên gia/tư vấn HTKT được lựa chọn xem xét ở Việt Nam được tóm lược trong Bảng 1. Các trường hợp này được miêu tả kỹ hơn ở Phụ lục 2. Những đặc điểm chính của từng trường hợp được đúc kết trong các "Hộp" nhằm minh họa cho từng phần của báo cáo. Thời gian không cho phép nghiên cứu tất các trường hợp một cách chi tiết như nhau, vì thế những trường hợp này được chia thành sáu "trường hợp chính" (chủ yếu được lựa chọn trước khi bắt đầu nghiên cứu trên thực địa) và bốn "trường hợp phụ" (do nhà tài trợ lựa chọn sau khi thảo luận sơ bộ).

**Bảng 1:** Tóm tắt các Trường hợp Nghiên cứu điển hình: Đặc điểm và lý do được lựa chọn

Trường hợp Nghiên cứu	Ngành/ Trọng tâm/ (Các đối tác Chính phủ)	Tham gia của Nhà tài trợ	Lý do được lựa chọn/ Những đặc điểm chính
<b>Những trường hợp chính</b>			
<b>Hỗ trợ chương trình theo ngành: Cung cấp nước và Vệ sinh nông thôn (2006-2010)</b>	Chương trình Mục tiêu Quốc gia về Nước sạch và Vệ sinh Nông thôn (RWSS) Giai đoạn II (Các đối tác: Bộ NN&PTNT, Bộ Y tế, 9 Tỉnh)	Hỗ trợ chương trình theo ngành, gồm nhiều nhà tài trợ tham gia: Danida, AusAID và DGIS (Hà Lan)	Lần đầu tiên có sự tham gia của nhiều nhà tài trợ cho Chương trình Mục tiêu Quốc gia này. Gồm khá nhiều HTKT
<b>Hỗ trợ Cải cách Kinh tế Ví mô (2005-2008 + 3 năm tiếp theo)</b>	Chính sách Kinh tế và Xã hội (Đối tác: CIEM-Viện Quản lý Kinh tế Trung Ương). Tài chính Công (Đối tác: Bộ Tài chính). Phát triển Hệ thống Tài chính (Đối tác: Ngân hàng Nhà nước)	BMZ tài trợ, GTZ cung cấp HTKT	Khá nhiều KHKT dài hạn; Khu vực chiến lược đối với Chính phủ; Bao gồm nhiều loại hình HTKT khác nhau

<sup>2</sup> Trọng tâm nghiên cứu về chuyên gia/tư vấn Hỗ trợ Kỹ thuật được xác định từ khi bắt đầu nghiên cứu. Như vậy trọng tâm này hẹp hơn 'Hợp tác Kỹ thuật', khái niệm bao gồm các chương trình đào tạo, study tours, các chương trình giao dục bậc cao, các hỗ trợ phát triển hệ thống, và cung cấp trang thiết bị.

Trường hợp Nghiên cứu	Ngành/ Trọng tâm/ (Các đối tác Chính phủ)	Tham gia của Nhà tài trợ	Lý do được lựa chọn/ Những đặc điểm chính
<b>Chương trình Hỗ trợ và Đối tác Ngành Lâm nghiệp (FSSP+P) (2001-2010)</b>	Tất cả các hoạt động Phát triển Lâm nghiệp, bao gồm Quỹ Tín thác Lâm nghiệp (TFF) (Đối tác: Bộ NN&PTNT)	19 Đối tác quốc tế trong chương trình FSSP&P, trong đó có Đức; 5 nhà tài trợ cho TFF	Là mô hình đối tác theo ngành đầu tiên, được thành lập năm 2001 (có Văn phòng Điều phối)
<b>Chương trình Lâm nghiệp Việt Nam-Đức giai đoạn II (2005 – 2008)</b>	Quản lý Chính sách Thương mại và Marketing (Đối tác: Cục Lâm nghiệp, Bộ NN&PTNT)	BMZ GTZ cung cấp HTKT	Những lĩnh vực trọng tâm được xác định thông qua Chương trình FSSP+P; Hợp tác ngành đã tồn tại từ lâu
<b>Chương trình hỗ trợ ngành Thủy sản (FSPS) Giai đoạn II (2006-2010)</b>	Quản lý Phát triển Thủy sản; Quản lý đánh bắt; Nuôi trồng; Quản lý sau thu hoạch và marketing (Đối tác: Bộ thủy sản, 9 Tỉnh)	Danida	Tiếp tục FSPS (Giai đoạn I) + Danida là nhà tài trợ từ lâu vào ngành này; Loại hình HTKT Giai đoạn II rất khác so với Giai đoạn I
<b>Chương trình 135 Giai đoạn II</b> <b>Tên gọi khác: SEDEMA</b>	Nâng cao mức sống cho các Dân tộc thiểu số (Đối tác: Ủy ban Dân tộc Thiểu số, Bộ Kế hoạch Đầu tư)	Nhiều nhà tài trợ, trong đó có AusAID	Giai đoạn I chủ yếu do chính phủ cấp vốn; Giai đoạn mở rộng này sẽ bao gồm hỗ trợ Ngân sách từ nhiều nhà tài trợ, và có thêm HTKT. Nhưng chưa có một công thức được nhất trí về vấn đề này
<b>Các trường hợp phụ</b>			
<b>Dự án Theo dõi và Đánh giá Vietnam – Australia (VAMESP) Giai đoạn II</b>	Phát triển hệ thống Theo dõi & Đánh giá các dự án ODA (và sau này sẽ gồm tất cả các dự án từ ngân sách Chính phủ) (Đối tác: Bộ Kế hoạch Đầu tư; + 6 Bộ; + 7 Tỉnh)	AusAID	Cách tiếp cận về HTKT khác so với Giai đoạn 1; Các vấn đề liên ngành phức tạp.
<b>Quỹ Tín thác nhiều nhà tài trợ cho Cải cách Quản lý Tài chính công</b>	Viện trợ không hoàn lại, Ngân hàng Thế giới (WB) quản lý Quỹ dành cho HTKT và các hoạt động phục vụ Cải cách Quản lý Tài chính công (Đối tác: Quỹ thực hiện do Bộ Tài chính điều hành)	LMDG + EC	Có những khác biệt trong quan điểm về hiệu suất và tính chất của phát triển năng lực trong các quá trình cải tổ
<b>Hỗ trợ Kỹ thuật cho Trường Đại học Thủy lợi</b>	Hỗ trợ phát triển và cải tiến phương pháp giảng dạy và tài liệu cho các khoa chính (Đối tác: Đại học Thủy lợi)	Danida (Hợp phần Hỗ trợ cho Chiến lược ngành Nước) & DGIS (Hà Lan)	Ví dụ duy nhất về Hỗ trợ kỹ thuật cho một cơ sở Giáo dục bậc cao

Trường hợp Nghiên cứu	Ngành/ Trọng tâm/ (Các đối tác Chính phủ)	Tham gia của Nhà tài trợ	Lý do được lựa chọn/ Những đặc điểm chính
Hợp tác Phát triển Nông nghiệp và Nông thôn (CARD)	Là cơ chế tài trợ cho Chương trình Hợp tác Nghiên cứu Nông nghiệp, nhằm tăng năng lực thẩm định các đề án nghiên cứu, và quản lý nghiên cứu (Đối tác: Bộ NN&PTNT)	AusAID	Cho thấy các cách tiếp cận về hỗ trợ chức năng nghiên cứu nông nghiệp và quản lý các quá trình nghiên cứu tại các cơ quan có liên quan.

Một lưu ý quan trọng cần nhớ khi đọc báo cáo này là: Việc nghiên cứu thực địa đã không thể phản ánh quan điểm của các quan chức cấp tỉnh hoặc dưới tỉnh, những đối tác của chuyên gia và của bản thân các chuyên gia/tư vấn đóng tại địa bàn. Nhóm Nghiên cứu hy vọng những bằng chứng về nhu cầu, ưu tiên và các nhận xét từ góc độ các Tỉnh được rút ra một cách gián tiếp qua các cuộc thảo luận về mười dự án được chọn nghiên cứu sẽ phần nào bù đắp sự thiếu hụt có tính chất phương pháp luận này. Chương 7 của báo cáo (Những hệ quả đối với các Nhà tài trợ và đối tác Việt Nam) khuyến nghị rằng những thảo luận trong tương lai về nhu cầu HTKT cần phải phản ánh một cách rõ ràng “tiếng nói” đại diện của các chính quyền Tỉnh.

### ***Bối cảnh các Hoạt động Hỗ trợ Kỹ thuật (Chương 2)***

Trong 20 năm qua, Việt Nam đã tiến hành cải tổ nền kinh tế tập trung trước đây, kể từ khi quá trình “Đổi mới” ra đời năm 1986, và hiện nay đang thực hiện mô hình “kinh tế thị trường theo định hướng xã hội chủ nghĩa”. Cộng đồng quốc tế đã ủng hộ quá trình hiện đại hoá này trong suốt 15 năm qua. Những tiến bộ kinh tế-xã hội ở Việt Nam đang diễn ra rất nhanh. Từ năm 1993 đến 2004, số người sống dưới mức nghèo khổ đã giảm từ 58% dân số xuống còn 20%. Chỉ số Phát triển Con người (HDI) đã tiến bộ từ xếp thứ 120 năm 1995 lên 108 năm 2005 trong số 177 quốc gia được xếp hạng. Dân số hiện nay là 84 triệu; GDP đầu người là 620 USD năm 2005; tăng trưởng kinh tế trung bình trên 7% trong suốt những năm gần đây.

Nhưng những thay đổi về chính trị thì diễn ra chậm hơn. Đảng Cộng sản Việt Nam là chính Đảng cầm quyền duy nhất (với Bộ Chính trị là cơ quan tối cao). Các đại biểu dân cử tại Quốc hội và Hội đồng Nhân dân Tỉnh phải đối mặt với rất nhiều hạn chế khi thực hiện chức năng đại diện của mình. Tuy nhiên, dù cho vẫn còn phần nào quan hệ phụ tùng của chính quyền địa phương với chính quyền cấp trên, nhưng quá trình phi tập trung hoá các nguồn lực đang là một thực tế: Gần một nửa tổng chi tiêu ngân sách nhà nước là do chính quyền cấp dưới trung ương quyết định. Tuy nhiên, chính quyền địa phương ở Việt Nam gặp rất nhiều vấn đề về năng lực: Từ khuôn khổ pháp lý không nhất quán, không rõ ràng, đến sự thiếu vắng những công thức phân bổ chi tiêu cho các cấp chính quyền khác nhau, các cơ chế lập kế hoạch theo kiểu “từ trên xuống”, trong đó sự tham gia của cộng đồng mới chỉ là những trường hợp hy hữu, chứ chưa phải là thông lệ.

Mặc dù có trên 50 nhà tài trợ tích cực hoạt động ở đây, nhưng Việt Nam vẫn không phải là một quốc gia phụ thuộc vào viện trợ (ODA chỉ chiếm chưa đến 5% GDP). Hiện đã có những cơ chế chặt chẽ cho việc lập kế hoạch hướng tới mục tiêu xoá nghèo (bao gồm cả các Chương trình Mục tiêu Quốc gia); hợp tác phát triển và phối hợp viện trợ (Chính phủ Việt Nam đã cùng các nhà tài trợ thiết lập khuôn khổ “Tuyên bố Hà Nội”, một phiên bản có điều chỉnh của Tuyên bố Paris năm 2005); hơn 40 Nhóm Đối tác giữa Chính phủ và các nhà Tài trợ đang hoạt động tích cực; và một khuôn khổ quản lý ODA đến năm 2012 vừa được ban hành. Một loạt các khoản Tín dụng Hỗ trợ Giảm nghèo (do 10 nhà tài trợ đóng góp) đã tạo ra một cơ chế hỗ trợ ngân sách với khối lượng lên tới gần 10% ODA. Gần đây, các nhà tài trợ cũng đã nhất trí hỗ trợ ngân sách trong một số ngành quan trọng.

Tuy nhiên, cải cách hành chính ở Việt Nam diễn ra một cách chậm chạp. Những nhược điểm của hệ thống hành chính Việt Nam cũng thể hiện trong việc giải ngân chậm ODA đã cam kết (và cả đối với các nguồn đầu tư ngân sách Nhà nước) Hiện nay những cải cách này đang được đẩy nhanh, một phần do việc Việt Nam gia nhập WTO vào năm ngoái.

Các hoạt động HTKT (chiếm khoảng 20% ODA trong năm 2004) phải đối đầu với những thách thức từ một hệ thống hành chính bảo thủ và nạn tham nhũng, điều mà Đảng và Chính phủ Việt Nam tuyên bố phải ưu tiên xoá bỏ. Tuy nhiên, trình độ học vấn của các quan chức chủ chốt là khá tốt, kinh nghiệm tiếp xúc với quốc tế trong hơn 10 năm qua đã giúp họ có khả năng lựa chọn và sử dụng

HTKT một cách phù hợp hơn. Việc bổ nhiệm vào các vị trí chủ chốt trong bộ máy nhà nước dựa trên năng lực; Những vị trí này thường được những người có trình độ tốt nắm giữ.

### **Tổng quan về Việt Nam với tư cách là một Trường hợp Nghiên cứu Điển hình về Hoạt động Hỗ trợ kỹ thuật**

Như trên cho thấy, có thể nói Việt Nam là một “môi trường thuận lợi” về nhiều mặt, giúp cho thành công của hoạt động HTKT và tăng cường năng lực. Có những bằng chứng cho thấy các đối tác Việt Nam ngày càng có khả năng và tự tin trong việc xác định đâu là những khâu yếu kém về kỹ năng và kiến thức, và đi đến nhất trí cùng các nhà tài trợ về biện pháp khắc phục cần thiết (trong đó gồm cả HTKT). Hiện đã có những cơ chế và diễn đàn hợp tác để làm rõ những nhu cầu này. Thực ra, một số người còn cho rằng số lượng các Nhóm Đối tác là quá nhiều và dẫn đến chồng chéo hoạt động (xem phần Thuật ngữ trong báo cáo để biết cụ thể về các Nhóm đối tác và các tổ chức liên quan hợp tác phát triển ở Việt Nam). Chính phủ đã thể hiện tính làm chủ rất mạnh mẽ đối với những ưu tiên phát triển quốc gia (cho dù các cơ quan chủ quản Việt Nam có tham gia trực tiếp quản lý chuyên gia/tư vấn HTKT hay không). Một số chương trình HTKT theo ngành được xác định và điều phối tốt hơn chỗ này hoặc chỗ khác (những ví dụ chúng tôi nêu ra là trong lĩnh vực lâm/nông nghiệp). Năng lực của các cơ quan chủ quản trong việc quản lý và thực hiện HTKT không đồng đều nhau. Mặc dù Chính phủ đã nhận thức được những nhược điểm, song có vẻ như phải mất nhiều thời gian mới có những biện pháp điều chỉnh và cải thiện. Vẫn chưa có hành động nào nhằm thực hiện nhiều khuyến nghị được đưa ra trong một nghiên cứu về Hỗ trợ Kỹ thuật trước đây (MPI 2000), mặc dù một số khuyến nghị vẫn còn nguyên giá trị. Một số khuyến nghị đó cũng được nhắc lại trong chương cuối của Nghiên cứu này. Một số kiểm điểm, đánh giá gần đây cũng nêu lên những nhược điểm trong việc liên kết giữa HTKT và các cơ chế hỗ trợ ngân sách, và những chỉ số cụ thể về phát triển năng lực thể chế.

### **Các vấn đề về Nhu cầu Chuyên gia/tư vấn Hỗ trợ Kỹ thuật (Chương 3)**

Hiện chưa có những dữ liệu được tổng hợp riêng biệt về chuyên gia/tư vấn HTKT từ trước đến nay. Cơ sở Dữ liệu mới của MPI về Viện trợ Phát triển cũng không đề cập chi tiết về các hình thức cung cấp chuyên gia/tư vấn trước đây và hiện nay. Tuy nhiên, những tuyên bố mới đây của Chính phủ về chính sách phát triển toàn diện có thể được coi là định hướng ưu tiên của chính phủ về chuyên gia/tư vấn HTKT. Trọng tâm hiện nay là tạo lập khuôn khổ pháp lý làm cơ sở cho chính sách kinh tế và tài chính nhằm hỗ trợ quốc gia trong thương mại và cạnh tranh quốc tế. Phi tập trung hoá là một ưu tiên chính: Nhiều HTKT nhằm tăng cường năng lực sẽ được tập trung cho cấp xã. Tuy nhiên, Nghiên cứu này cũng lưu ý rằng hiện nay chưa có một kênh thường xuyên để phản ánh “tiếng nói” của chính quyền cấp Tỉnh (hoặc dưới Tỉnh) trong quá trình thu thập và tổng hợp các nhu cầu cầu về HTKT. Gần đây đã có những thay đổi về quy định và thủ tục quản lý và báo cáo đối với những dự án và chương trình phát triển lớn, và dự kiến sẽ có thêm nhiều chuyên gia/tư vấn HTKT trong thời gian sắp tới nhằm tăng cường những năng lực cần thiết. Những kỹ năng và cơ cấu hành chính thân thiện với người nghèo cũng sẽ là một ưu tiên cần chuyên gia/tư vấn.

MPI tiếp tục giữ vai trò người “gác cổng cuối cùng” trong vấn đề chuyên gia/tư vấn HTKT, khi họ thẩm định những đề xuất dự án của các Bộ. Tuy nhiên, các bộ chủ quản (là cơ quan chủ quản của dự án) có trách nhiệm đàm phán trực tiếp với các nhà tài trợ về nhu cầu chuyên gia/tư vấn HTKT của từng dự án. Các cơ quan chính phủ trong trao đổi với Nhóm Nghiên cứu đã bày tỏ sự không hài lòng về mức độ minh bạch của các nhà tài trợ về ngân sách và chi phí của các loại hình chuyên gia/tư vấn HTKT. Các cơ quan này rất cần thêm thông tin để đưa ra những lựa chọn dựa trên hiểu biết đầy đủ hơn. Một đặc điểm chung trong “nhu cầu” về chuyên gia HTKT - và đây cũng là một sự méo mó - chính là: ngoài chi phí đối ứng cho dự án, thì chuyên gia HTKT hầu như được coi như “hàng miễn phí”. Chính phủ Việt Nam vẫn ngần ngại trong việc cam kết nguồn lực của mình để thuê chuyên gia/tư vấn HTKT. Trước sự cạnh tranh của các nhà tài trợ muốn góp phần mình vào “câu chuyện thành công” về phát triển của Việt Nam, Chính phủ Việt Nam đã tăng cường khả năng đánh giá lợi thế so sánh của các nguồn chuyên gia/tư vấn HTKT từ nhiều nước khác nhau cho các mục đích của mình. Chương này cũng đề cập những vấn đề liên quan đến nguồn cung khá hạn chế của các chuyên gia HTKT bản địa.

### **Loại hình và Vai trò của Chuyên gia/tư vấn Hỗ trợ Kỹ thuật (Chương 4)**

Chương 4 xem xét các loại hình thực hiện khác nhau liên quan đến chuyên gia/ tư vấn HTKT, và tập

trung vào những loại hình đặc biệt thành công và được đánh giá cao. Rõ ràng là các chuyên gia/tư vấn HTKT thường đóng nhiều vai trò khác nhau, với những sự kết hợp khác nhau. Chương này cũng nhấn mạnh tầm quan trọng của các chuyên gia Việt Nam như một nguồn hỗ trợ kỹ thuật, thường là cộng tác với các chuyên gia nước ngoài. Loại hình "Hậu thuẫn" dường như đã giúp tránh được những rủi ro khi sử dụng chuyên gia quốc tế ngắn hạn chuyên ngành (trong bối cảnh mà thường là rất lạ lẫm và không rõ ràng), và tránh được việc những chuyên gia đó phải dựa vào công thức "những phác đồ sẵn có". Chương này cũng đề cập những ưu điểm và nhược điểm của việc sử dụng các nhà thầu (so với việc thuê chuyên gia trực tiếp), và sau đó tập trung vào những vai trò khác nhau của các chuyên gia/tư vấn HTKT trong một số trường hợp cụ thể.

### **Hiệu quả của Hỗ trợ Kỹ thuật**

Nghiên cứu gần đây nhất về HTKT ở Việt Nam (MPI 2000) đã đưa ra đánh giá tích cực về hiệu quả hoạt động này trước đây, đồng thời đưa ra một loạt khuyến nghị. Tuy nhiên, từ đó đến nay chỉ một số ít những khuyến nghị này được thực hiện. Phụ lục 3 là tóm tắt các điểm chính. Nghiên cứu lần này làm rõ thêm về quan điểm của các quan chức Việt Nam nhìn nhận thế nào là cung cấp HTKT hiệu quả. Ba nhóm yếu tố được xem xét như có vẻ đóng vai trò quyết định đối với hiệu quả của chuyên gia/tư vấn HTKT, đó là: Tính cách của bản thân các cá nhân chuyên gia, khả năng tiếp thu và tính phù hợp của cơ quan chủ quản, và các yếu tố liên quan tới nhà tài trợ. Đồng thời cũng có một số yếu tố chung tác

động đến tính hiệu quả của chuyên gia/tư vấn HTKT như: Khung thời gian cũng đóng vai trò then chốt. Môi trường Việt Nam thường cho thấy để mô hình chuyên gia ngắn hạn đạt hiệu quả cao thì luôn cần có những cơ chế hỗ trợ ví dụ như có người "hậu thuẫn", cùng làm với chuyên gia địa phương, etc.. Cần phải xây dựng sự tin tưởng lẫn nhau một cách từ từ giữa chuyên gia HTKT và phía đối tác. Họ cần nhất trí với nhau về những thành tố chính của 'Hợp đồng' HTKT như: Điều khoản tham chiếu về chức năng nhiệm vụ; những yêu cầu cụ thể đối với chuyên gia; các ứng cử viên cho từng vị trí; thiết kế và thời gian tuân thủ các chuyển làm việc của chuyên gia/tư vấn. Kết luận chung về tính bền vững của HTKT là: nó phụ thuộc rất nhiều vào những biện pháp của các cơ quan chủ quản Việt Nam nhằm tăng cường tính bền vững của những gì chuyên gia đóng góp. Những biện pháp này bao gồm: Chú trọng đến những đóng góp của chuyên gia về xây dựng khung pháp lý; đảm bảo rằng các quyết sách được dựa trên những kinh nghiệm quốc tế phù hợp; cử những người có năng lực làm đối tác dự án (cả nhóm chứ không phải chỉ từng cá nhân); chuẩn bị cho các cộng sự này để đảm đương vai trò "truyền bá công nghệ" trong tương lai; và đảm bảo rằng các Ban Chỉ đạo làm việc một cách có hiệu quả. Nói chung, những trường hợp được xem xét trong Nghiên cứu này đều có triển vọng bền vững khá tốt. Những yếu tố đối kháng cản trở tính bền vững bao gồm: Môi trường quản lý nhân sự (và mức lương) ngày càng thiếu hấp dẫn trong khu vực công (so với khu vực tư nhân đang phát triển nhanh), và hậu quả là hiện tượng "chảy máu chất xám" đang tăng lên.

### **Quản lý Chuyên gia/tư vấn Hỗ trợ Kỹ thuật (Chương 5)**

Chương 5 xem xét những cách tiếp cận khác nhau trong việc huy động các chuyên gia /tư vấn HTKT. Thông thường dự án là phương tiện để huy động các chuyên gia/tư vấn. Các Quỹ Tín thác đang ngày càng trở thành một phương tiện rất quan trọng tài trợ cho các dự án HTKT. Một phần đây là do xu hướng các nhà tài trợ cùng tập hợp ngân quỹ chỉ cho các hoạt động cung cấp HTKT. Đồng thời đó cũng là do xu hướng mong muốn thúc đẩy vai trò "cầm lái" của cơ quan chủ quản. Hình 1 trong báo cáo minh họa những dự án và chương trình được nghiên cứu điển hình (đang ở những giai đoạn khác nhau) trong một sơ đồ diễn tiến các cách tiếp cận quản lý khác nhau: Từ mô hình nhà tài trợ kiểm soát hoàn toàn, tới mô hình cơ quan Việt Nam kiểm soát hoàn toàn kể cả điều khiển chuyên gia/tư vấn và các hoạt động của dự án. Theo thời gian, xu hướng tiến tới mô hình cơ quan Việt Nam kiểm soát hoàn toàn đang nổi lên rất rõ. Đó cũng là do kết quả của việc theo đuổi tinh thần "Tuyên bố Hà Nội", và cũng đơn giản là do các cơ quan Chính phủ Việt Nam ngày càng có năng lực tốt hơn trong việc quản lý trực tiếp các hoạt động HTKT. Nhìn chung, những quan chức Chính phủ trong gặp gỡ trao đổi với Nhóm Nghiên cứu đều tỏ ra hài lòng về mức độ các nhà tài trợ và các chuyên gia mà họ cung cấp chịu trách nhiệm trước cơ quan chủ quản Việt Nam (bao gồm cả tuyển dụng, lựa chọn, thuê và quản lý chuyên gia). Nguyên nhân duy nhất làm các cơ quan Việt Nam chưa hài lòng là: theo quan niệm của họ thì các nhà tài trợ vẫn thiếu minh bạch về ngân sách dành cho HTKT, và các mức chi phí cho các loại hình chuyên gia HTKT khác nhau. Và vì

thế các cơ quan Chính phủ hầu như không cảm thấy có cơ hội thảo luận đầy đủ về những công thức

HTKT khác nhau mà họ có thể lựa chọn. Chương này cũng đề cập đến vấn đề nên xử lý việc quá độ từ một hình thức quản lý này sang một hình thức quản lý khác như thế nào. Vấn đề này nổi lên khá rõ với trường hợp Chương trình Thủy sản vì không có một thời kỳ quá độ. Còn phải xem liệu chiến lược này có thành công hay không trong việc nhanh chóng xây dựng năng lực và sự tự tin cho Bộ Thủy sản. Quả thực, theo dõi & đánh giá sự phát triển năng lực trong những trường hợp như Chương trình Thủy sản sẽ càng trở thành một vấn đề trong tương lai. Thế nhưng Nghiên cứu này lại cho thấy hiện nay rất ít ai quan tâm đến hoạt động Theo dõi & Đánh giá – trong đó bao gồm cả theo dõi & đánh giá về chuyên gia/tư vấn HTKT. Một trong những kết luận rút ra từ Nghiên cứu này là trong tương lai rất nên thử nghiệm một số cách tiếp cận sáng tạo về Theo dõi & Đánh giá đối với chuyên gia/tư vấn HTKT và vai trò của họ trong xây dựng năng lực.

### **Kết luận (Chương 6)**

Phần kết luận của Báo cáo Nghiên cứu này đưa ra một số nhận xét về hiện trạng hoạt động HTKT ở Việt Nam. Hoàn toàn không có vấn đề gì về "Tính làm chủ". Đây là một phát hiện quan trọng, và rất tiếc là điều này thật ít thấy ở nhiều nước có tình hình kinh tế rất khác Việt Nam. Có vẻ như thời gian đã chín muồi để rút ra các bài học có hệ thống hơn từ thực tiễn hoạt động HTKT, đặc biệt khi HTKT ngày càng tập trung vào lĩnh vực tăng cường năng lực cho khu vực nhà nước. Điều này càng trở nên cấp bách hơn trong bối cảnh khu vực công đang bị "chảy máu chất xám" ngày càng nhiều. Vấn đề mấu chốt là Chính phủ (và các nhà tài trợ) cần hiểu rõ hơn về tính năng động của thị trường lao động ảnh hưởng đến những người có năng lực đang làm việc cho Chính phủ như thế nào, và từ đó phải bắt đầu có cách quản lý họ tốt hơn, thông qua các nỗ lực đẩy mạnh hơn nữa cải cách hành chính công. Cần phải hài hòa khá nhiều cách làm khác nhau của các nhà tài trợ trong việc huy động chuyên gia bản địa: Hoặc là thông qua các công ty tư vấn non trẻ trong nước, hoặc thậm chí trực tiếp với khu vực công trên cơ sở không chính thức. Các cơ sở giáo dục đào tạo Đại học và Cao học ở Việt Nam có thể làm được nhiều hơn để trang bị cho các sinh viên tốt nghiệp đủ kiến thức và kỹ năng đảm đương được vai trò hiệu quả hơn (đặc biệt trong bối cảnh các chính quyền địa phương đang phát triển nhanh chóng), nếu như các cơ sở đào tạo này được hỗ trợ để cập nhật giáo trình và tài liệu giảng dạy cho sát với sự phát triển trong quản lý và chính sách của chính phủ, cũng như trong hệ thống tài chính.

### **Các Hệ quả (Chương 7)**

Chương cuối cùng đề cập tới một số hệ quả của Nghiên cứu này đối với những hành động trong tương lai của chính phủ nói riêng, của các nhà tài trợ nói riêng, cũng như một số hành động cả hai cần phối hợp. Cả Chính phủ và Nhà tài trợ đều có thể làm nhiều hơn trong việc giúp nuôi dưỡng ngành công nghiệp tư vấn trong nước hiện đang còn rất lẻ tẻ; thăm dò kỹ thị trường lao động để hiểu hơn về những tác động của nó; và trong vấn đề lao động tay nghề cao từ khu vực nhà nước đang chạy sang khu vực tư nhân. Tất cả những người quan sát đều nhận thấy xu hướng này đã bắt đầu và chắc chắn sẽ tăng lên. Cùng với việc xem xét mức độ thay đổi đáng kể trong cách quản lý con người nhờ có cải cách khu vực công, (và nếu việc này chưa làm, thì cần theo đuổi những cải cách đó sớm), thì Chính phủ có thể tạo điều kiện chất lọc từ những kinh nghiệm vừa qua về chuyên gia/tư vấn HTKT để xây dựng một chiến lược sử dụng chuyên gia/tư vấn cho thời gian tới. Hy vọng Nghiên cứu này sẽ tạo cơ sở cho việc xây dựng chiến lược đó. Các nhà tài trợ có thể suy nghĩ thêm về nâng cao năng lực của chính mình nhằm hỗ trợ cho các đối tác chính phủ tiếp cận tốt hơn với những mạng lưới quốc tế và thông tin về thực tiễn những kinh nghiệm cải tổ. Các nhà tài trợ cũng có thể tránh được một số căng thẳng liên quan đến khối lượng chuyên gia/tư vấn HTKT quốc tế trong các chương trình và dự án, bằng cách minh bạch hơn về ngân sách và chi phí HTKT, cũng như thẳng thắn thảo luận những vấn đề quan ngại của mình (ví dụ vấn đề rủi ro trong quản lý tài chính) nhằm đi đến nhất trí về các biện pháp bổ xung cần thiết cho việc cung cấp chuyên gia/tư vấn HTKT.





# 1 Introduction

This is the revised draft report of a study on technical assistance (TA) personnel in Vietnam.<sup>3</sup> It is one of three country case studies in an larger research project commissioned by the Australian Agency for International Development (AusAID), the German Ministry for Economic Cooperation and Development (BMZ) and the Danish International Development Assistance (Danida), and implemented by the European Centre for Development Policy and Management (ECDPM), Maastricht, the Netherlands. The purpose of the study is to learn more about the nature of future demand for technical assistance, and to make recommendations on how TA personnel can best be mobilised, used and managed to strengthen national capacities. The case study approach is one of extracting lessons and implications for donors (and host governments) from relatively successful TA operations, and of utilising these to inform future revisions to the three sponsoring donors' TA strategies. Three countries were nominated by the donor sponsors for examination of TA programmes: the Solomon Islands, Mozambique and Vietnam.

## Methodology

The Vietnam field study was conducted in Hanoi between 15 and 30 March 2007, with the endorsement of the Vietnam Ministry of Planning and Investment (MPI). During the preparatory phase of the study, various literature reviews and dialogue between ECDPM and the three sponsoring donors led to preliminary identification of candidate cases for study within the country. A 'long-list' was sent by ECDPM to the Hanoi offices of the three sponsors, along with translated terms of reference (ToRs) and indicative questions for interviews. Preparation of the interview programme started under the auspices of the Royal Danish Embassy in Hanoi in February. Donor partners and the study team largely confirmed these cases (with one exception: the Danida-supported fisheries sector support programme was added to the original list, and public administration reform was dropped on grounds of its complexity). During the field visit, the study team spoke to 64 TA stakeholders, of whom nearly half were from Vietnamese government agencies, 12 were technical advisors and 23 were donor agency staff. The interviews provided material for six main cases and four 'mini'-cases within the country. The latter are TA operations worthy of study suggested by sponsoring donors during the preliminary round of meetings in Hanoi.

## Caveats

One major caveat which should be borne in mind in reading this report is that the field study could not encompass the views of provincial or sub-provincial officials, counterparts to TA personnel or the TA personnel themselves based in the regions. This was because no time was available for provincial visits, due to the number of interviews in Hanoi which had to be arranged before the arrival of the study team (an essential preparatory step in the Vietnamese context), combined with the need for additional appointments based on donor partner suggestions in early meetings and the need for the team to present its findings before departure. The study team hopes that the evidence of needs, priorities and observations from the provincial perspective captured from secondary sources during the fieldwork sufficiently compensate for this methodological shortfall. As Section 7 mentions, future discussions on TA should explicitly include the 'voice' of a representative sample of stakeholders from the various provincial governments.

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<sup>3</sup> The focus on TA personnel was agreed at the outset of the study. This is thus a narrower focus than 'technical cooperation', which also includes training programmes, study tours, access to higher education programmes and related support for systems development and equipment.

The other caveat is that the number of TA cases which the team studied was larger than initially planned. This was a deliberate choice of the team, in order to capture the wider range of issues involved in Vietnamese TA operations. However, in view of the limited time available (10 working days before synthesis commenced) the broadened focus inevitably impinged on the amount of detailed information that could be gathered on each case.

A tabular summary of the case studies selected is presented in Table 2 below. The cases are described in more detail in Annex 3. Pertinent points from the cases are distilled in boxes throughout the text that illustrate various sections of the report.

**Table 2: Summary of case studies: Features and reasons for selection**

Case Study	Sector/Focus (Government Partner(s))	Donor Involvement	Reasons for Inclusion/ Key Features
<b>Main Cases</b>			
<b>Sector Programme Support: Rural Water Supply, Sanitation and Hygiene Promotion (2006-10)</b>	- National Target Programme (NTP) on Rural Water Supply and Sanitation (RWSS) Phase II  (Partners: MARD, MoH, 9 provinces)	- Multi-donor sector programme support: Danida, AusAID and DGIS (Netherlands)	- The first time that multi-donor support has been provided to this NTP - Major TA inputs
<b>Support for Macroeconomic Reforms (2005-08 + 3 further years)</b>	- Economic and social policy (Partner: CIEM) - Public finance (Partner: MoF) - Financial systems development (Partner: SBV)	- Funded by BMZ - TA delivered by GTZ	- Major long-term intervention - Highly strategic sector for government - Variety of TA modalities illustrated
<b>Forestry Sector Support Programme and Partnership (FSSP+P) (2001-10)</b>	- All aspects of forestry development - Includes the Trust Fund for Forestry (TFF)  (Partner: MARD)	- 19 international partners in FSSP+P, including Germany - 5 donors in TFF	First-ever sectoral partnership structure, established in 2001 (incl. a coordinating office)
<b>Vietnamese/German Forestry Programme Phase II (2005-08)</b>	- Management - Trade and marketing - Policy  (Partner: Department of Forestry, MARD)	- BMZ - TA delivered by GTZ	- Focal areas identified through FSSP+P - Long-running sector collaboration
<b>Fisheries Sector Programme Support (FSPS) Phase II (2006-10)</b>	Fisheries development: - Administration - Capture management - Aquaculture - Post-harvest & marketing  (Partners: MoFI, 9 provinces)	- Danida	- Continuation of FSPS (Phase I) + long donor involvement in sector - Very different TA modalities in Phase II than in Phase I

Case Study	Sector/Focus (Government Partner(s))	Donor Involvement	Reasons for Inclusion/ Key Features
<b>Programme 135 Phase II</b>  <b>Also known as SEDEMA</b>	Livelihood improvement for ethnic minorities  (Partners: CEMA, MPI)	- Multiple donors, including AusAID	- Phase I was largely government financed - Expansion will feature sector budget support from a variety of donors, and will probably involve more TA. But there is as yet no agreed formula for this
<b>Mini-Cases</b>			
<b>Vietnam–Australia Monitoring and Evaluation (M&amp;E) Project (VAMESP) Phase II</b>	Development of M&E system for ODA (and ultimately all government) projects (Partners: MPI + 6 ministries + 7 provinces)	- AusAID	- Different TA approach than in Phase I - Challenging cross- sector issue
<b>Multi-Donor Trust Fund for Public Financial Management Reform</b>	Grant-funded, World Bank administered fund used for TA and other activities for public financial management reform (Partner: Fund is MoF- executed)	- LMDG + EC	Differences of view raised about efficacy and nature of capacity development in reform processes
<b>Technical Support to Water Resources University</b>	Support to development of improved methodology and materials for key faculties (Partner: WRU)	- Danida (component of support to water sector strategy) & DGIS (Netherlands)	The only example involving TA to a higher education institution
<b>Collaboration for Agricultural and Rural Development (CARD)</b>	Funding facility for the Collaborative Agricultural Research Programme to enhance research proposal vetting and research management processes (Partner: MARD)	- AusAID	Illustrates approaches to support the agricultural research function and management of research processes in related institutions

### Structure of the report

This report starts with a section on the context of TA operations in Vietnam. This is fairly comprehensive because the context is – compared to many other developing countries – unusual, and relatively favourable to TA operations. This helps explain why in Vietnam there is a higher-than-usual degree of government ownership of TA operations and why there are relatively few examples of TA personnel playing a ‘gap-filling’ role. It also partially illustrates why concerted action to improve the day-to-day management of civil servants is more urgent than ever before, given the rapid growth of attractive posts in Vietnam’s private sector.

Thereafter, the report addresses the main research questions of the terms of reference (ToR) before identifying key issues for the future and exploring their implications for donors and government.

Annex 1 lists the persons interviewed. Annex 2 presents tabular summaries of all of the TA cases (main and 'mini') structured according to the main ToR questions. There are also annexed summaries of two key documents which cast light on aspects of TA operations in Vietnam: a study of technical cooperation conducted for MPI in 2000 and the Ministry of Finance (MoF) internal evaluation of capacity building TA undertaken in 2004.

## 2 Context

### **2.1 Vietnamese socio-economic history, politics, devolution and principal characteristics of the bureaucratic system relevant to TA operations**

In 1986 the Central Committee of the Communist Party of Vietnam introduced a series of economic reforms '*Doi Moi*', which paved the way for a style of economic management commonly termed 'market socialism'.<sup>4</sup> Up to that time, the economy had been centrally controlled in a manner similar to the Soviet bloc countries. Market economy reforms accelerated in Vietnam with the fall of the Berlin Wall and the implosion of the Soviet Union, combined with widespread dissatisfaction with persistent poverty and economic inefficiency, especially in light of the economic advancement of neighbouring states.

Structural adjustment lending from the World Bank commenced in 1994 as part of the International Monetary Fund (IMF) three-year enhanced structural adjustment facility. The Japan Bank for International Cooperation also gave quick-disbursing support as part of its 'New Miyazawa Initiative', designed to promote economic reform and encourage private sector development to alleviate the impact of the Asian economic crisis.

Socio-economic progress has since been rapid. The recent *Review of Budget Support* prepared by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) noted that 'between 1993 and 2002, the number of people below the poverty line fell from 53% to 29%' (Mokoro et al. 2006). Vietnam became a member of the World Trade Organization (WTO) in 2006. This has increased pressure to integrate into the international economic system. Vietnam anticipates attaining middle-income country status by 2010 (i.e. average GDP per capita in excess of US \$1,000).

Political changes have been more gradual. The Constitution of 1992 confirms the Communist Party of Vietnam as the supreme political authority (with the Politburo at its apex), and it is the only political party permitted in Vietnam. Until recently, elected assemblies at the national, provincial, district/municipal and commune levels played a generally subordinate role to the Party apparatus.<sup>5</sup> Even after the legal reforms of 2003, lower levels of elected assembly remained partly accountable to the executive bodies at higher levels. The Prime Minister and his deputies represent an inner cabinet with

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<sup>4</sup> In policy documents usually described as 'market economy with socialist orientation'.

<sup>5</sup> The oversight role of People's Councils at the provincial, district and commune levels has become more important since the promulgation of the laws on Organisation of People's Councils and People's Committees of 2003, which for the first time gave the provincial level unambiguous authority over the lower levels.

responsibilities covering the entire state apparatus. Thus, ministers may function largely as heads of government agencies. The division of responsibilities between the ministries and central government agencies, and between central and provincial authorities is often unclear (SIDA 2003: 11).

The Tenth Congress of the Communist Party of Vietnam in 2006 confirmed that the proportion of full-time members of parliament (MPs) is to double to 50% after the next election in 2007, as will the proportion of full-time Provincial People's Council (PPC) deputies (but from a much smaller base, currently less than 5%) after elections in 2009. It is estimated that nearly two-thirds of the 500 members of the National Assembly will be newly-elected in the next Assembly, as will the same proportion of the nearly 4,000 PPC deputies. It is expected that the proportion of woman deputies will remain at least at current levels.

However, National Assembly and PPC deputies encounter various constraints in performing their role. They may not have been selected on merit, since the Party's aim is to have a wide variety of walks of life represented in both bodies. Some face potential conflicts of interest, being members of the executive as well as the legislature.<sup>6</sup> They often face difficulties in contacts with, and representation of, their constituents, and in accessing information from People's Committees. They therefore may not be adequately informed or in a position to be vocal or active. These factors might diminish the extent to which they can apply any new representational, legal scrutiny and oversight skills derived from training courses, therefore reducing the potential value of such training.<sup>7</sup>

On the other hand, devolution is a reality in Vietnam, and is gathering pace. Almost half of budget expenditures are now decided by authorities at sub-national levels, making it a highly decentralised country by this measure.<sup>8</sup> A 2004 governance study concluded, however, that in view of Vietnam's commitment to pursue poverty-reduction strategies and attain the Millennium Development Goals (MDGs), there is an urgent need to rationalise top-down decision-making related to development planning and to more effectively relate development planning to development budgeting and resource allocation at the provincial and sub-provincial levels. There are currently anomalies in formulae used by Provincial People's Committees (local government executive bodies) in resource distribution among districts (and by the districts to the communes).<sup>9</sup> While the decentralisation process gives greater autonomy to the provincial and sub-provincial levels of government in revenue generation, collection and deciding expenditure priorities, the 2004 governance study found wide disparities in some provinces between revenue potential and actual revenue generation and a general lack of incentives for revenue generation at the provincial and sub-provincial levels.

A recent study by the Swedish International Development Cooperation Agency (SIDA) on public administration in Vietnam noted that 'reform of the public administration apparatus and the legal system have taken place in parallel but have not been pursued with the same vigour, even if a number of laws and ordinances have been approved' (SIDA 2003). It commented further that observations made seven years earlier (on the non-implementation of official guidelines endorsing administrative reform) were still valid at the time of writing.<sup>10</sup>

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<sup>6</sup> Senior civil servants and officials of People's Committees at the provincial and sub-provincial levels must be Party members.

<sup>7</sup> Training courses for elected members of the National Assembly and PPCs have been provided through the Ministry of Home Affairs (MOHA) and donor-sponsored programmes – especially through a series of UNDP-managed projects - for over ten years.

<sup>8</sup> *Vietnam Development Report 2005: Governance* for the Consultative Group Meeting December 2004

<sup>9</sup> As per the governance report mentioned above (p82).

<sup>10</sup> 'The inability to transform general decisions or ideas into practical feasible solutions and to actually introduce

From comments made by interviewees during this study, it is clear that Vietnam's accession to the WTO has resulted in progress in processing new laws and revising existing laws and in the more rapid implementation of legal provisions. The latest *Vietnam Development Report* (CG 2007: 160) notes that there has been progress in streamlining government processes, manifest (amongst others) in 'one-stop shops'. Sixty-four provinces have one of these in at least one of their departments, as have 98% of the districts and 88% of the communes.

Features of the Vietnamese bureaucratic culture were summed up in the SIDA study. These characteristics were generally corroborated by discussions during the fieldwork for this country study. They include the following:

- lack of clarity on the content of decisions and even laws, in terms of their meaning and implications for practical implementation;
- officials' reluctance to act on their own interpretation of new promulgations, preferring instead to wait for further directives or clarifications, as manifest in a reluctance to delegate authority downwards and a corresponding frequent referral upwards for decisions;
- strong preference for 'consensus-seeking' style decision-making or reactions to proposals for change;
- a history of willingness of most major government agencies to reflect pragmatically on the results of pilot projects, to draw lessons from these experiences and to scale up implementation on this basis;
- uncertain determination, motivation and commitment amongst the leadership of public-sector organisations, in the context of the above uncertainties;
- corruption and unethical behaviour officially acknowledged by the Party to be a widespread problem. The Party made several resolutions at its last congress on the need for more vigilance over public officials' behaviour, and the Socio-Economic Development Plan (SEDP) reflects a broad government strategy for tackling it, involving systemic reforms as well as a drive for more transparency and accountability in the public sector. The latest *Vietnam Development Report* (CG 2007) devotes a chapter to the subject of corruption. It notes recent publicity of cases of grand corruption in public contracts, but ponders whether these cases reflect increased prevalence, or a greater willingness to expose them.<sup>11</sup> It opines that a prioritised action plan is needed to implement the broad strategy adopted by government;
- relative to the burgeoning private sector, pay levels in the public service remain modest, despite a series of incremental rises over the past few years.<sup>12</sup> Observers commented during this study that middle and even senior officials are unable to support a family on current public-sector salaries. Officials have to resort to supplementation of their basic salary with a second job or other means.

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these solutions, is still a major obstacle where the work of reforms is concerned' (SIDA 2003: 7).

<sup>11</sup> The (bridge construction) PMU-18 case became notorious for the extravagant excesses of the project manager and immediate associates and family before they were brought to justice.

<sup>12</sup> The latest *Vietnam Development Report* (CG 2007: 161) noted that pay levels for higher ranking specialists and in the most economically developed regions still lag behind market levels.

The bureaucratic system characteristics of most relevance for TA personnel include the following:<sup>13</sup>

- relatively few possibilities for TA personnel to directly access policy- and decision-makers (since TA personnel have no access to the Party machine where all basic policy decisions are made);
- opaque mechanisms for decision-making (in terms of the comprehension of expatriate and even national TA personnel);
- delays in decision-making (but as noted above, this has not been the case for laws and issues related to WTO accession);
- strong 'ownership' of key national priorities (perhaps a major cause of delays in decision-making);
- limited cross-sectoral/ministerial communication and coordination;
- resistance to imposition of conditionalities which are not part of established national policy;<sup>14</sup>
- a tendency among government counterparts to seek additional allowances for duties related to TA operations over and above their routine duties (in view of their modest basic salaries);<sup>15</sup>
- relatively favourable levels of educated, technically qualified staff available in many government agencies (the calibre of the officials we met was impressive);
- 'brain-drain' is beginning to occur from the public service, especially from sectors where there are particularly high rates of growth of the private labour market (for example, banking, finance, accountancy, investment appraisal, engineering and information technology);
- anecdotal evidence of relatively fewer younger, well-qualified people joining the public service and Party organisations. This may be because recruitment policies give preference to candidates expressing loyalty to the existing systems.<sup>16</sup>

Other characteristics of the Vietnamese context affect TA personnel operations as well, especially the need for effective national expert staff in TA teams:

- Expatriates in Vietnam need efficient interpretation and translation services in order to be effective, because most decision-makers do not have adequate English or French (or other international linguistic) skills.
- The political leadership has tended to opt for gradual reform processes, not the 'big bang' adjustments to the international market economy adopted in Eastern Europe and in countries of the Commonwealth of Independent States (CIS).

<sup>13</sup> In the descriptions of case study TA projects below we note any exceptions to these observations.

<sup>14</sup> It is telling that the primary reasons adduced in the *Review of Budget Support* to explain a series of problems in disbursing structural adjustment credits in the 1990s – the first instances of general budget support – were 'conditionality and attempting to impose policies that had not been approved through the consensus-based decision-making process' (Mokoro 2006: S2).

<sup>15</sup> There is a history of some aid agencies paying a variety of allowances, including 'sitting allowances' for attendance at project-related meetings or seminars.

<sup>16</sup> Although the SIDA study noted this tendency, we are not aware of any empirical work done to illustrate trends in public service recruitment.

- Many sectors are still in a state of transition from a centrally planned background to highly unfamiliar free-market open-trading conditions.

Therefore the Vietnamese institutional environment is alien and difficult for many international experts to grasp. Long-term national staff are needed on TA teams to help 'bridge' gaps between Vietnamese realities and international 'best practice' and to manage communication between foreign experts and partners in major areas of reform. This presupposes that TA personnel interventions are relatively long-term, and not subject to a 'hiatus' between phases. (See the fisheries case described in Annex 2 for an illustration of the impact of such a gap on the supply of national consultants.)

## **2.2 Main government development cooperation planning frameworks**

Over the past five years Vietnam has created an extensive framework for development planning and budgeting, based on a general policy commitment to poverty reduction. An indication of the quality and nature of these planning and budgeting documents, and the esteem in which they are held by development partners, is that Vietnam was the first country ever to take a development policy loan proposal (Poverty Reduction Support Credit (PRSC) III) to the Board of the World Bank without a declaration of government intention prepared especially to back the submission. A government letter confirming the alignment of the proposed programme with its existing plan and strategies was used instead and accepted by the Bank.<sup>17</sup>

The **Comprehensive Poverty Reduction and Growth Strategy (CPRGS) (2002-10)** updated in 2003, was developed under the auspices of the MPI as Vietnam's version of what in other countries were the Poverty Reduction Strategy Papers. It provided a basis for donor alignment (see below) and in turn formed the basis of the current SEDP (2006-10). The CPRGS confirmed government commitment to achieving the MDGs, and the poverty-reduction objectives agreed at the national summit held in 2000, when the per capita GDP was still only \$400. The CPRGS has a number of major objectives:

- rapid and sustainable economic growth coupled with social progress and equity (after a decade of 7% growth on average in the 1990s);
- creation of an equal business environment;
- continuation of structural reforms (including reorganisation of state-owned enterprises and state budget restructuring, commercial banking reform and adherence to international trade liberalisation commitments);
- agriculture and industrial development;
- health and education development, including combating HIV/AIDS;
- tackling urban poverty;
- expansion of social protection;
- enhancement of grassroots democracy and participation.

The **SEDP (2006-10)** represents sector and geographic implementation plans in light of attainment of (and in some cases surpassing) SEDP 2001-06 targets. Income per capita grew by over 12% per annum over the 2000-05 period. Private-sector growth was rapid; even more so than in the previous ten-year period (2.6 times higher in terms of newly established enterprises, and six times higher in terms of registered capital). Total export turnover was 60% of gross domestic product (GDP) in 2005. Official development assistance (ODA) also grew annually. Currently there are over 50 donors to Vietnam (see below). SEDP

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<sup>17</sup> Mentioned in World Bank (2006a: 9).



2006 states that the number of poor households (according to government standards) declined by 50% between 2001 and 2005, from 17.5% to 7%. Shortcomings acknowledged in the latest SEDP include persistent corruption and 'red-tape'; environmental damage and poor economic competitiveness in state enterprises; slow progress in reducing state management and controls in some markets (including property) and sluggish progress towards economic integration; the continuing poor quality of state education with too little provision of technical and vocational training; ethnic minorities (mainly in mountainous areas) still being amongst the poorest groups in the country; and the very high numbers of casualties from road accidents by international standards.

**National target programmes (NTPs)** have been adopted as sectoral strategies complementing the CPRGS.<sup>18</sup> The NTPs must fulfil several criteria:

They must represent urgent, regional and/or ministerial cross-cutting issues of national social and economic importance that require concentration of government guidance and resources.

- They must have clear and quantifiable programme objectives or those under the national development strategy.
- They must run into the medium-term, usually five years.<sup>19</sup>

A United Nations Development Programme (UNDP) evaluation of the NTP on Hunger Eradication and Poverty Reduction (HEPR) and Programme 135 summed up the 'value added' of the NTPs as follows:

*The major significance of the NTP is that it mainstreams HEPR concerns into the government's regular planning process. It utilizes government annual plans - the tool that the government uses for management of the country's socio-economic development - for the purpose of HEPR. In particular, the HEPR targets, activities and resources are planned and implemented as part of the government's development plan at all levels... the NTP does not directly carry out program activities and does not administer its own budgetary resources. ...[G]overnment funds are transferred directly to communes or districts or implementing institutions according to approved plans and volume of work done, subject to availability of the funds' (UNDP 2004: 14).*

**Decree 131** is the new ODA management framework. It replaces Decree 17 of 2001 and was triggered by the recent notorious corruption case of Project Management Unit 18 (PMU-18). The significance of this framework is that it clearly assigns responsibility for investment or (in the case of TA programmes) project ownership to ensure that TA programmes and projects achieve institutional and capacity building objectives in their administrative field. The decree gives line ministries this responsibility for the first time, as part of their role as investment (and project) managers and (therefore) in oversight of any project management units (PMUs) they establish.<sup>20</sup>

<sup>18</sup> During the first half of this decade these included that for People's Health Care and Protection, Rural Water Supply and Sanitation (RWSS), Hunger Eradication and Poverty Reduction (HEPR), Reproductive Health Care, Population, Nutrition, Children's Welfare, Public Administrative Reform, Advancement of Women, and Education, Technology and Environmental Protection. The latest additions (2006-10) include Energy Efficiency; HIV/AIDs; Crime, Prostitution and Drug Prevention; and Food Safety and Hygiene. At present, there are eleven NTPs.

<sup>19</sup> Source: Decision No. 531/QD-TTg dated 8/8/1996.

<sup>20</sup> This is in response to the PMU-18 scandal, where ministerial oversight of its PMU was deficient.

### **2.3 Trends in external assistance**

Growth in the number of donor agencies and aid volumes in Vietnam has been impressive. Over 50 donor agencies are now active in Vietnam according to the MPI. Increasing donor confidence in Vietnamese capacity and commitment were reflected in generally favourable comments at the six-monthly Consultative Group (CG) meetings. Donor 'competition' to be associated with a success story appears to be a factor in attracting donors to the country. During the 2001-05 period, ODA commitments amounted to US \$13 billion, representing 11% of total investment and 17% of government budgets (GoV 2007: 4). During the same period, more than 60% of the US \$8 billion disbursements were in transport, telecommunications, water supply, urban development, health care, education and technology development. At the December 2006 CG Meeting, the MPI acknowledged that rates of ODA *spending* remained unsatisfactory: only US \$11-12 billion disbursement was anticipated of the \$14-15 billion expected commitments in the 2006-10 period. However, more donors have joined the principal budget support mechanism to support the CPRGS. The PRSC was worth approximately US \$254 million in 2006. This represents over 10% of annual ODA, but less than 2% of total government spending.<sup>21</sup>

Despite buoyant ODA flows, Vietnam is not an aid-dependent country. In 2004, ODA represented only 4% of GDP compared to 5.4% in 2000. This low proportion of ODA in government revenue is due to the country's rapid GDP growth paired with only slight annual rises ODA in that period.

The contributions of TA were noted in the government's strategic framework on ODA utilisation (GoV 2007: 14). TA was particularly important in the preparation of laws (e.g. in the areas of enterprise, land, commerce, investment, procurement, competition and anti-corruption).

### **2.4 Development cooperation 'alignment' and 'harmonisation'**

The Paris Declaration of March 2005, which emerged from the High-Level Forum on Aid Effectiveness, became the foundation of the '*Hanoi Core Statement*' confirmed in June 2005 at the Mid-Term Consultative Group Meeting for Vietnam after discussion between development cooperation stakeholders and the Government of Vietnam. The statement has five 'pillars'.<sup>22</sup> However, the country's first Harmonisation Action Plan (HAP) dates from the previous year, when the Government of Vietnam, as a symbol of its own determination to encourage alignment, followed up the Rome High-Level Meeting on its own in 2003.<sup>23</sup> Addressing the 2005 Paris High-Level Meeting, Duong Duc Ung<sup>24</sup> confirmed that the HAP was 'country-owned, country-led, and provides for diverse modes of ODA delivery'.

There were some 46 'partnership groups' at the last count, of which 19 were 'thematic working groups' and 24 were 'sectoral partnership groups' at the time of the OECD/DAC

<sup>21</sup> The latest *Vietnam Development Report* notes that PRSCs' main utility has been as a platform for continuous policy dialogue on a broad range of issues with key government counterparts.

<sup>22</sup> Country ownership and leadership; alignment to government policies and programmes (strengthening transparent accountable systems); harmonisation and simplification of aid procedures; management for development results; mutual accountability.

<sup>23</sup> A baseline survey was conducted on the extent of harmonisation attained after the *Hanoi Core Statement*. Over 65% of donors were reportedly 'aligned' with the CPRGS of 2002, according to this survey (OECD 2005). According to the 2005 report of the PGAE to the December 2005 CG meeting, all major donors reported that they were aligning with the draft SEDP 2006-10 (Table 1 page 3).

<sup>24</sup> Director General, Foreign Economic Relations Department, MPI.

baseline survey conducted in 2005. Key among these is the *Partnership Group on Aid Effectiveness (PGAE)*, which was first formed in late 2003 and has become the primary forum for dialogue between the government and donors. It meets monthly. The partnership groups reportedly take up considerable time. Moreover, some of their roles overlap, and they do not all work equally smoothly or productively. Factors which appear to explain their varying degrees of effectiveness include the strength of government ministry/agency chairmanship and ownership, technical capacities represented on the donor side and whether the donors represented are respected by the government for their expertise in the particular field concerned.

There is no single thematic or partnership group that focuses on capacity building or capacity building-related TA operations. In theory, all partnership groups are equally concerned with capacity building. Apart from a network established amongst public administration reform projects, there appears to be no mechanism for pooling (best) practice and ideas on capacity building or TA. Neither was there follow-up to the 2000 UNDP study on technical cooperation in Vietnam (though many of its observations and recommendations still appear to be valid). The World Bank's 2006 *Country Programme Review* (World Bank 2006b: 28) notes that few projects have established indicators to measure institutional capacity improvements. The OECD/DAC evaluation of general budget support in Vietnam noted the omission of TA and capacity building from the PRSCs. It recommended inclusion of 'capacity building and TA within PRSC activities or ensur[ing] closer co-ordination with PRSC policy actions and complementary actions undertaken through other aid modalities' (Mokoro et al. 2006: S10)

Notwithstanding the impressive 'architecture' for alignment and harmonisation which has been put into place over the last four years, individual donor negotiations on strategies and programmes and the monitoring of donor-supported development cooperation programmes has generated a large number of visiting 'missions'. The harmonisation survey indicated that nearly 400 missions took place in 2003 (the last year for which data is available). In 2005, there were still 440 'parallel' PMUs functioning (a marginal increase over the year before, when the figure was 430).

## **2.5 Challenges and constraints in ODA utilisation**

The latest *ODA Utilisation Framework* (GoV 2007) frankly acknowledged challenges and constraints in aid utilisation. These include limited awareness and understanding of the nature of ODA (citing the perception widely held in government circles that availability of grant finance for TA means that it is a 'free' good); ministerial (and provincial) authorities' slowness in translating policies into programmes; weak coordination between ODA and government funding; legal and procedural bottlenecks on the governmental side; non-harmonisation of government and donor systems; weak programme management especially in decentralised structures; and weak M&E (especially of TA).

## **2.6 The technical assistance element of ODA: In retrospect**

In 2000, the MPI asked UNDP to study technical cooperation in Vietnam.<sup>25</sup> The main observations and recommendations emanating from that study are summarised in Annex 3. As far as our informants knew, no follow-up action had yet been taken by the MPI or any

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<sup>25</sup> See MPI (2000) by Van Arkadie and Vu Tat Boi.

other agency on the basis of these recommendations. The current study team arrived at similar conclusions, while endorsing many of the recommendations in that report.

## **2.7 Summary of the Vietnamese context, especially related to TA operations**

In many respects, the Vietnamese case offers a glimpse of a positive 'enabling environment' for successful TA and related capacity building operations. There is evidence of growing ability and confidence among Vietnamese partners to identify where skill and knowledge gaps exist and to agree jointly with donors on the remedial actions needed (including TA). Mechanisms and collaborative forums to articulate these needs also exist. There is strong government ownership of declared national development priorities (regardless of whether host agencies are involved in managing TA inputs). Some sector TA programmes are better 'mapped' and coordinated than others. Host agencies' capacities for managing implementation of TA are variable. Although government generally acknowledges weaknesses, it appears that corrective measures and corresponding performance improvements take time to put in place. No action has yet been taken on many of the recommendations of the earlier study on technical cooperation, yet many findings of that study are still relevant. Some are repeated in the final section of the present report. Several more recent reviews have commented on shortcomings of linkages between TA and budget support mechanisms, and of specification of indicators of institutional capacity development.

## **3 Demand for Technical Assistance**

### **3.1 TA volumes, priorities and strategy within the government in Vietnam**

Detailed time-series data on ODA (and within ODA, on TA) has not yet been compiled in Vietnam. Hitherto, only OECD/DAC-aggregated data and multilateral finance and bilateral donor agency data on their own programmes existed. This is about to change.<sup>26</sup> Since 2006, the UNDP has been working with the MPI Harmonisation Unit to develop a Development Assistance Database (DAD), to compile, analyse and publish basic data on ODA flows in Vietnam. The data for 2001-04 is currently being validated by donor agencies (who submitted it originally), and that for 2005 has been validated. A major distinction is made in the database between loan and grant funding (though not financial assistance and technical assistance); hence some interpretation problems on TA volumes and activity will remain even once the data are published. For example, we concluded from the fieldwork that trust funds are a major source of finance for TA. However, data on trust funds does not distinguish between uses of the funds, for TA or other purposes. For the first time, however, the database will offer the prospect of avoiding some of the double-counting that has marred other country ODA databases because of the existence of trust funds.

There is no written national policy or guideline on TA utilisation (although this was a recommendation in the 2000 MPI/UNDP study). However, the existing government

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<sup>26</sup> Although stated tentatively, in light of probable changes due to definitional problems, the total TA 'provided' in 2004 by the 26 main donors totalled US \$353.8 million according to the 2005 PGAE report (page 52). The World Development Indicators database states that total ODA in 2004 was US \$1.8 billion. Thus TA in 2004 appeared to be just under 20% of total ODA.

framework for ODA provides a basis for estimating qualitative demand for, and future targeting of, TA. The *Strategic Framework for ODA Mobilisation and Utilisation 2006-10* (January 2007) is nearest to representing a national policy on technical assistance as an element of ODA. It indicates four sectoral thematic priorities for external assistance:

- agriculture and rural development;
- economic and social infrastructure;
- environmental and natural resource protection;
- institutional and human resource development, R&D and capacity building.

Within that last category, ODA (implicitly TA in this case) would be prioritised for five purposes:

- completing legal systems on economic development and social management post-WTO accession;
- formulating and implementing policies on macroeconomic management, banking and financial sector reform;
- decentralisation combined with capacity building at the grassroots level and for elected staff at the central and local levels;
- management of public investment, including M&E of those investments;
- pro-poor public administration, minimising red-tape and corruption and ensuring a participatory and democratic state administration.

The framework also marks capacity building of research institutes and universities as a priority for ODA (to achieve a similar footing with regional counterparts). It further notes that 'high priority will be given to Provincial level needs' in utilising ODA. Under 'aid delivery approaches' the framework states that TA (grant) resources will be directed to development research, capacity and institutional improvement, and to the preparation of ODA loans to reduce government borrowing.<sup>27</sup>

### **3.2 Ministerial and agency TA requests and related assessment mechanisms**

MPI formally appraises all proposed projects – including their TA components – before official approval. Discussions during the current study with the international cooperation departments of major ministries and agencies – including the Ministry of Agriculture and Rural Development (MARD), the MoF, the Ministry of Fisheries (MoFI), and the State Bank of Vietnam (SBV) – suggest a major role in practice for such departments in programming and to some extent in coordinating TA inputs. The MoF is becoming more assertive in appraisal of TA needs in general (not just its own) and in assessing the effectiveness of ODA utilisation.<sup>28</sup> Annex 4 presents a summary of that Ministry's evaluation of the effectiveness of past capacity building efforts. The MoF appears to have been a pioneer in this regard, since it conducted the only such assessment (that we are aware of) performed by a government agency in Vietnam.

<sup>27</sup> In an innovative gesture, the framework confirms that government will 'establish rewards and acknowledgement mechanisms for national and international individuals and groups [and] international donors for their great contributions to the delivery and utilisation of ODA for the cause of Vietnam's socio-economic development' (para 5d: 19). The awards will indicate which agency or agencies' work is most appreciated by government.

<sup>28</sup> This is consistent with the provisions of Decree 131. On close reading, the Decree is another example of the somewhat ambiguous nature of the institutional responsibilities contained in many government legal provisions.

Some mechanisms exist for sectoral TA programming and assignment of donor support. Examples are found within the forestry sector, MARD, the MoF and the SBV. There are indications that these mechanisms have positively affected the processes of identification of TA, helped ensure its relevance, and have contributed to avoid 'overlap' of one donor-supported TA programme with another.

### 3.3 What constitutes 'real' demand for TA?

The above approaches to gauging demand for TA in government must be seen alongside the fact that Vietnam's government bears little of the financial costs (apart from counterpart contributions) of its TA operations, and that TA therefore is something of a free resource.<sup>29</sup> It is therefore not possible to conclude that the above observations on TA demand constitute 'real' demand for TA. Rather, the current situation has evolved through the interplay of several factors:

- In the generally positive and dynamic environment which Vietnam currently represents, donors compete to provide (grant) support to government development efforts. TA is an important channel for such support. Donors are keen to be associated with the country's development, and have some influence on the emergence of new laws, systems and capacities. Commercial considerations for their national corporations may also be a factor in their motivation.
- MPI and other Vietnamese government agencies in general, are reluctant to spend government (including loan) funds on TA. However there is nothing in the ODA utilisation regulations to preclude use of government resources for this purpose.<sup>30</sup>
- Use of donors' resources for TA grant finance constitutes an opportunity cost (i.e. if a donor spends part of its aggregate country aid programme 'envelope' on TA it cannot provide the resources in another form). However, not all of the costs of the TA provided (particularly through bilateral agencies) are clearly specified. Some donors do not disclose, by programme or project, the details of how resources in the country programme are committed to TA expenditure, while other donors' financing agreements for a programme note only aggregate TA commitments. Several government interviewees criticised the reluctance of some donors to be transparent about these costs, as being in breach of donor Commitments 16 and 28 in the *Hanoi Core Statement*.<sup>31</sup> They argue that aggregates do not permit informed choice or prioritising on their part between individual TA posts in a proposed TA package.

<sup>29</sup> The one exception identified during the study was the case of CIM advisers in the CIEM and forestry case studies. These agencies pay national rates to their CIM advisers. The other interesting observation is that where there is a history of the government financing a NTP largely through its own resources (Programme 135 Phase I 1997-2004) with minimal TA, government authorities appear to be more sceptical of donors' overtures about the need for more TA in future.

<sup>30</sup> Multilateral development bank loans (e.g. from KfW) typically have TA components, although in practice grant co-financing may be sought by the Vietnamese government to cover parts of these expenditures. None of these cases were in the sample of programmes and projects we studied.

<sup>31</sup> Commitment 16 reads 'Donors enhance the predictability of future aid through transparent decision-making processes, provide reliable indicative commitments of aid over a multi-year framework (including aid commitments covering multi-year expenditures of projects) and release aid in a timely and predictable fashion in relation to Government's budget cycle.' Commitment 28 reads 'Donors provide timely, transparent and comprehensive information on aid flows and programme intentions to enable Government to present comprehensive budget reports to legislatures and citizens, and co-ordinate aid more effectively'.

### 3.4 Factors affecting government demand for TA

Notwithstanding the above limitations in assessing the ‘true’ demand for TA in Vietnam, there appear to be several factors influencing current and future patterns of qualitative (and in some respects quantitative) demand. These include the following:

- Government interviewees put a particularly high valuation on ODA (and the related TA) which provides a ‘*window*’ on *comparative international practices*, particularly those related to Vietnam’s obligations under various conventions (e.g. WTO) or international systems (e.g. international trade, banking, financial, creditworthiness and risk assessment).
- Government interviewees asserted their ‘*ownership of TA as a right*’. They stressed that government agencies should have the last word on what technical assistance is to be provided (quantity, quality/type and even the selection of individual candidates). They resented cases of TA ‘bundling’ with, and its provision as a condition of, financial aid packages. There does, however, appear to be progressively less incidence of ‘packaging’ financial and technical assistance, or of making TA a condition of financial assistance. The rise of budget support, programme-based approaches, and grant-funded trust funds tends to ‘disconnect’ the influence of individual donors and diminish practices such as ‘ventriloquising demand’ (putting the government in a position where it has to ‘take TA or leave it’ if there is to be any prospect of financial assistance from the donors).
- The ability of government agencies to identify the *comparative strengths of TA donors and practices in other countries* is a factor affecting their ‘demand’ for TA from one multilateral development bank or national donor source over an alternative source of expertise. This ability appears to be gradually improving. This may be related to government officials’ increased exposure via international study tours over the past decade. The government asserts its obligation to ‘provide clear views on the comparative advantage of various donors, aid modalities, and how best to achieve donor complementarity at country or sector level’ in Commitment 22 of the *Hanoi Core Statement*.
- Another factor cited by some interviewees was the occasional reluctance on the part of government agency officials to acknowledge that they need assistance. Some officials are reportedly reluctant to admit that they do not know how to proceed, or that they lack the requisite expertise. (We did not encounter any such officials during the study.)
- Provincial governments may have an interest in *perpetuating* the apparent dependency of lower levels of government on provincial governments, because continued provincial control over resources (which accrues with being investment or project ‘owner’) is advantageous in terms of prestige and allowance benefits. This may distort (i.e. diminution) true patterns of demand for TA from the district and commune levels.
- There are currently no direct channels for articulation of provincial or sub-provincial demands or needs for TA to donors. MPI is currently the single channel for official requests to development partners. Section 7 notes the importance of incorporating provincial government voices in any future assessments of TA needs, based on past experience.

### 3.5 Features of demand for TA, as articulated during the present study

The following conclusions on TA priorities and future demand are derived from statements in the policies, plans and frameworks mentioned above, and from our discussions during the field study.

#### 3.5.1 Skill sets needed

##### TAs: To manage or not to manage?

There is a general preference on the part of the government staff we interviewed for TA personnel to play a *more technical/specialist and less a (project) managerial role* in the future.<sup>32</sup> This appears to be a reaction to earlier experiences, in which external TA personnel were explicitly responsible for managing (donor-supplied) financial and other resources, often in the form of a PMU. As part of the process of attaining the commitments set out in the *Hanoi Core Statement*, the time is ripe – in the view of most officials we met – for government officials to take over this role.

However, the expatriate TA personnel we spoke with stressed that the management role in any TA operation is vital, since by definition most TA interventions involve change processes which require careful management. Precise arrangements varied in practice, as did external TA personnel's assessments of their counterparts' managerial abilities. The basic lessons appear to be two:

- Clear management roles and relationships need to be jointly defined based on an objective assessment of the organisational and individual abilities and aptitudes available, while mindful of the obligation to adopt government systems in ODA activities wherever possible.
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- While donors must bear in mind the commitments of the *Hanoi Core Statement*, and therefore minimise use of their own (finance and other) systems, especially where these are markedly different from those of the government, 'ownership' of the TA cases reviewed in this study appeared not to vary according to management arrangements.<sup>33</sup>

##### What is 'technical' about technical assistance?

In some of the cases, 'technical' issues are not the main challenges to improvement of sector performance. For instance, the situation in rural water supply and sanitation (i.e. imbalances due to past infrastructure investments in piped water provision paired with relative neglect of investment in drainage and sanitation and water-handling issues) is due to a historic lack of coordination between key stakeholders, over-centralised 'blueprint' approaches to choice of technology, lack of financing options and a dearth of information, education and communication (IEC) and active community engagement. At the very least 'technical' skills in engineering possessed by future TA personnel must be complemented with considerable experience in system-change management at the level of devolved

<sup>32</sup> See Section 5 and Annex 2 for case study data illustrating the extent of management roles played by TA personnel and other stakeholders, and issues arising from changes over time in the parties' respective responsibilities for management.

<sup>33</sup> The range of management arrangements in cases reviewed are depicted in Section 5.4, based on the framework adopted in the study of varying degrees of donor control of activity: from '*donors doing*' through '*direct support*' and '*indirect support*' to '*donors letting go*'.



government, and in interpersonal and persuasion skills.

That said, there are nonetheless ‘specialist’ fields in which TA is needed, according to the central-level informants interviewed by the study team:

- policy analysis and formulation;
- formulation of laws and regulations in key reform fields (especially sector policy, public finance and the banking sector);
- strategic planning, budgeting and participation in improved decentralised service delivery;
- management of people in the public service.
- skills supportive of a more publicly-accountable government administration;
- sustainable exploitation of natural resources (especially forests and fisheries).

### 3.5.2 Preferred sources of TA

Government interviewees emphasised the *need for access to a range of international experience* in the application of policy processes and standards relevant to Vietnam’s alignment with the international economic community. They generally acknowledged that they felt more able now to select appropriately from the variety of country experiences available for comparative study and ultimately adaptation to Vietnamese conditions.

Several interviewees noted the *potential of regionally sourced TA*, for example, in fisheries and forestry. Discussions indicated that in both sectors there were cases where expatriate (European-sourced) TA personnel were unfamiliar with the South-East Asian species prevalent in Vietnam and therefore were of limited use to the respective ministries. Both sectors had positive experience with regionally sourced personnel, who reportedly had the added advantage of being more culturally attuned to norms in Vietnam.

*National TA personnel* (long- and short-term) are gradually becoming more ‘in demand’ than long-term international TA (see the discussion about the supply of national TA below).

### 3.5.3 Implications of decentralisation: ‘Hidden’ demand for TA in local government?<sup>34</sup>

The *capacity (and TA) needs of provincial and sub-provincial governments* was raised in several of our case study discussions, particularly by the MoF and respondents on Programme 135,<sup>35</sup> sector programme support for the NTP for Rural Water Supply and Sanitation (RWSS) and the forestry programmes. People’s Councils are the representative bodies at each of these levels, and People’s Committees are their executive heads.

The *Government Strategic Framework* (GoV 2007) mentions communes as a priority for capacity building. However, a recent assessment of capacity building needs in decentralisation indicated a range of obstacles to the development of effective local-level capacity. Only some of these are amenable to the application of additional TA (Box 1).

<sup>34</sup> The study team acknowledges that provincial and district ‘voices’ and constituencies were not directly represented in the case study consultations. This was a major limitation.

<sup>35</sup> In the case of Programme 135, the possible formulations of TA support to future programme implementation were not yet agreed by key stakeholders, although it had been the subject of much consideration and assessment on the part of the donors that contribute pooled resources and which have been and will continue to finance it.

Based on this, a recommendation of the current study which is elaborated in Section 7 is that government – as an integral element in the suggested TA strategy for Vietnam – survey local government officials and elected representatives regarding their opinions on the nature of their future needs for TA. This review should take into account the previous work done by the *Strengthening Local Government Project*<sup>36</sup> and others that have attempted to assess TA implications of major sectoral programmes.

**Box 1: Summary of capacity issues at the provincial and sub-provincial levels related to devolution**

A recent MPI/UNDP assessment of capacity needs at the provincial level, called the *Strengthening Local Government Project*, made the following observations:

- There is no comprehensive 'road map' for decentralisation between different levels of government, nor is there a clear and coherent process under way. Legal frameworks are absent, ambiguous or difficult to implement, and inconsistent with related regulations (for example, in the case of socio-economic development planning).
- There are legal and other obstacles to coordination between levels of government and amongst agencies at the same level. There are no formulae or clear priorities for assigning expenditures to levels of government below the provincial level. Budget oversight and accountability mechanisms are weak.
- Current planning processes do not support effective decentralisation and are essentially 'top-down'. They provide too little time and guidance for key steps such as situation assessment, community needs assessment and consultation (there is no procedure for assessing community needs for public services and 'participation' is usually limited to formal meetings). Budget formulation suffers from this and from the fact that local authorities lack relevant information for planning and budget formulation.
- Public investment management faces not only budget shortfalls (compared to needs) but also limited decision-making capacity of the competent authorities, absence of criteria for investment prioritising, and lack of management capacity amongst investment 'owners' and PMUs.
- Local authorities have inadequate staff in terms of both quantity and quality. Pay and employment conditions are inadequate for attracting and retaining qualified staff, especially in view of the mounting burden imposed on local governments due to devolution. Staff training is inadequate due to the minimal funding available and the irrelevance of the curricula used. Planners are in particularly short supply. Levels of formal educational qualifications fall off markedly from provincial through the district to commune levels of government (with remoteness being a compounding factor), despite the last being the government's stated priority for capacity enhancement: to equip communes for a more active role in planning and managing their own development.

The *Strengthening Local Government Project* report covers only four provinces. No estimates have yet been made of the quantities of qualified staff needed to be recruited in local government as a whole, and the capacities they will require to make up for the current shortfalls.

Source: *Strengthening Local Government Project: Local Capacity Assessment*,  
December 2006

<sup>36</sup> The *Strengthening Local Government Project* (2005-09) is based in MPI and supported by UNDP, UNCDF and DCI. It seeks to improve institutional, organisational and individual capacities for participatory, pro-poor and gender-sensitive planning, budgeting and management of public resources by local governments.

### 3.5.4 Supply of national TA personnel

The 2000 UNDP review of technical cooperation conducted for MPI recommended a concerted government and donor effort to support the emergence of a high-quality Vietnamese consulting industry, as a reliable source of national TA expertise and to enable the country to compete internationally.

The 2005 Public Expenditure Review and Integrated Fiduciary Assessment (PERIFA)<sup>37</sup> reviewed procurement practices and capacity in the national consulting services sector with respect to procurement issues, reaching the following conclusion:

*[The review of consulting] underscores the importance of intellectual capital formation in the economic progress of the country.... The operating environment in which [national] consultants are selected and employed lacks sound professional practices. Transparency and accountability problems are reported throughout the process of selection and during execution of services, which is generating substantial waste of resources and undermining development of the sector. The presence of numerous public sector affiliated consulting organisations constitutes an obstacle to high quality competition-driven services and to the formation of independent and viable private consulting firms.... The legislative framework is fragmented, and not aligned to international good practice.... Finally there is a lack of familiarity with the role and purpose of independent consulting services and insufficient professional and policy dialogue in this area (para 9.69).*

The assessment went on to make recommendations in a number of areas:

- mechanisms for better dialogue (between ministries, consulting associations, academic and research institutions and other stakeholders);
- government review of the legislative and policy framework, to remove barriers to the emerging domestic consulting market;
- gradual introduction of fair competition among consultants for government-funded assignments;
- through adequate training and incentives, strengthening the capacity and integrity of the government staff assigned to select consultants and manage consulting contracts.

Our observations from this study are as follows:

1. None of the above recommendations (from the 2000 MPI/UNDP study or the PERIFA of 2005) appear to have been acted upon.
2. There was clear consensus amongst interviewees that good-quality national consultant input in TA programmes is now even more important than in the past. National consultants play (even in our limited sample of case studies) a range of crucial roles, which are not only important in and of themselves, but also add enormous value (if well discharged) to the inputs of expatriate TA personnel, who may well be unfamiliar with the Vietnamese context (let alone its language). Box 2 (Section 4) presents a summary of the roles national consultants play.

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<sup>37</sup> Vietnam: *Managing Public Expenditure for Poverty Reduction and Growth*. Vol I: Cross-Sectoral Issues. Government/World Bank Joint Document (April 2005).

3. Availability of national consultants is being boosted by the private sector's emergence as a source of national TA. Returning members of the Vietnamese diaspora and returning post-graduates have augmented the supply of national talent. Worryingly, however, there is increasing (but as yet unmeasured) 'brain drain' from the public sector, which may pose a significant threat to its capacity development in future.
4. There are other issues in the emergent national consulting 'industry', besides those mentioned in the PERIFA review above:
  - lack of incentive for domestic consultants to bid for consultancy tenders (obstacles relate to bilateral donors' tendering practices and ceilings adopted by donors on billing rates for nationals);
  - competition amongst donors and programmes for the services of a few over-committed individuals in some fields of national consulting;
  - use of senior 'retirees' from the public service as advisors or mentors to officials as part of TA programmes;
  - the large number of candidate consultants drawn from research institutes which some donors deem to be related to the target ministry or agency, and therefore unacceptable for hire as consultants;
  - the few national consultants experienced in the management of 'process' consulting (encouragement of ownership of ideas for change by client counterparts) or participative learner-centred people-management and training methodologies.

One of the implications of the present study is that government and donors should reflect on the above and form a working group to identify possible ways ahead (see also Section 7).

## 4 Which Modes of TA Interventions Have Worked Best and Why?

Annex 2 summarises key features of the modes of TA adopted in our six main cases, including the roles played by the various types of TA involved and any evidence of effectiveness (and factors emerging which help explain effectiveness). The present section looks first at the modalities of TA provision found in the cases, then distils some of the factors which explain TA sustainability and effectiveness in the various circumstances.

### 4.1 Modalities of TA provision

Various modalities of TA provision were in evidence in the cases examined in this study.

**Short-term TA on specific technical issues** was found in almost all of the cases, supported in several instances by 'back-stoppers' (below).

**Back-stoppers** are regular visitors with long experience in the country, trusted by national counterparts and able to advise on sources of short-term expertise. This modality was best featured in Vietnam in the macroeconomic reform programme (MoF and SBV components). The combination of specialised short-term inputs provided by a range of individuals who are identified by a long-experienced non-specialist back-stopper (but ultimately selected by the counterparts in the client organisation and then prepared and briefed by the back-stopper),

has proven to be a particularly positive example of effective TA for Vietnamese client organisations.

The *combination* of these first two modalities avoids a (major) pitfall of short-term TA, especially in an unusual, difficult to fathom and ‘opaque’ context such as that in Vietnam. The danger in such a context is that external experts will be unable to comprehend the context they face and resort to ‘blueprint’ analysis in order to ‘prove their worth’ and in so doing produce irrelevant, inapplicable and/or inappropriate solutions or recommendations.

Another TA modality evident in the macroeconomic reform case is that of ***long-term national consultants*** who are available to prepare short-term missions in terms of background documentation, identification of the most crucial interlocutors, arranging briefings (for both parties) and providing technical interpretation (see also Box 2). The important role of national consultants in TA delivery is reflected in all of the cases in our sample.

### **Box 2: Roles played by national TA personnel in the cases studied**

Various professional consulting roles were played by nationals in the cases reviewed for this study:

- information gathering on the legal institutional and technical context of sectoral policies and activities;
- translation, description and interpretation of laws, policies, historical backgrounds, personalities and systems;
- mentoring and coaching to both government counterparts and expatriate TA personnel;
- substantive technical advice to the former;
- design and assembly of programmes of appointments for visiting short-term TA personnel;
- communication and dialogue (including translation of technical terms) between government counterparts and expatriate TA personnel.

A long-term expatriate ***chief technical advisor (CTA) or team leader*** is a form of TA found in most of the case studies of sectoral or project support. The forestry and macroeconomic reform CTAs (in two German programmes), for example, were both long-experienced in their respective sectors in Vietnam (and elsewhere). These were credible professionals who had earned the respect of senior counterparts from previous assignments and had extensive Vietnamese (and international) networks. Both were in part technical advisors, managers and coordinators of sector TA support from the donor (BMZ). This kept them up to date with realities ‘on the ground’ and able to shape and facilitate synergies between components and across the broader sectoral programmes supported by other development partners.

***Intermittent TA*** is a modality exemplified by the TA support to the Collaboration for Agricultural and Rural Development (CARD) facility, funded by AusAID. Once again, familiarity with the Vietnamese context and credibility of personnel playing an intermittent role are prerequisites for effectiveness. The key in the CARD case was for TA to avoid ‘doing’ the research project appraisal and performance monitoring, as this would have delayed or frustrated the development of institutional capabilities within MARD – which was one of the main purposes of the intervention.

***Long-term ‘free-standing’ TA*** is a modality that was used to support the introduction of an M&E system for ODA projects in MPI under phase II of the AusAID-supported Vietnamese-Australia M&E Strengthening Project (VAMESP II). In this case, most of the members of the TA team are long-term. Indeed, long-term commitment of the same personnel is essential, given the magnitude of the task of attempting to influence a bureaucratic culture where officials are generally averse to M&E and especially to using results of M&E for decision-making and future policy-making.

**Long-term TA to a sector programme** is exemplified in the Danish support to the Fisheries Sector Programme Support (FSPS), as described in Annex 2. The first phase of this TA support (2000-05) involved 16 international posts, more than 30 national long-term posts and considerable funding support for activities in five programme components. Discussions during the current study and evaluation documentation clearly point to the benefits and costs involved in such support, particularly if TA personnel have 'hands-on' roles as in phase I. The advantage in this case was that project outputs were largely achieved. Legal, regulatory and institutional capacities existed at the end of phase I which were not present before. However, some crucial parts of the MoFI's organisation and staff had minimal direct involvement.<sup>38</sup> Phase II was designed completely differently. This phase was effectively initiated only in late 2006 after a lengthy gap which had major negative repercussions for retention of national consultant and technical interpreter staff. In this second phase, long-term international TA staff (7 positions) will advise MoFI counterparts. The Ministry is, for the first time, unambiguously in the managerial and implementation 'driving seat'. However, due to some capacity constraints within the Ministry it is probable that long-term national TA will still be needed to fill some 'gaps' which inevitably remain.

Two contrasting TA modalities found in the cases studied are that of the **consultancy firm contractor** (supply of various types of TA through a single organisation) versus **individually-hired TA personnel**. While it was usual, at least in the cases reviewed for this study, for TA to be contracted by donors or their agents, the mode of mobilising them varied. Individuals were hired in the case of the Danida-funded fisheries sector support, the multi-donor support to rural water supply and sanitation (albeit with the assistance of a recruitment agent) and in Programme 135 phase I (under UNDP auspices). In the cases of VAMESP and CARD (both AusAID) and TA to the Water Resources University (WRU) (Danida), consulting companies were hired by donors to deliver TA services.<sup>39</sup> For the forestry and macroeconomic reform programmes, BMZ assigned GTZ (which is something of a hybrid, being a state-owned company providing TA for capacity building) to recruit suitable individuals agreed with government counterpart agencies to fill positions.

### Box 3: Working with managing contractors, the VAMESP case

VAMESP II, a project to strengthen the capability of MPI to monitor and evaluate ODA projects, is co-managed and implemented by the Australian Managing Contractor (AMC). The project team in Hanoi is led by an expatriate senior M&E specialist, who is a director of the AMC involved. He works with several Vietnamese national consultants, including a retired senior government official from the MPI who provides a high-level credible 'bridge' between the project team and counterpart agencies. The project also mobilised a team of national monitoring and IT consultants through a tendered sub-contract, and can draw on short-term technical advice from the AMC.

The use of a contractor in this case has several advantages:

Having the project backed up by a whole company with established procedures and guidelines facilitated the establishment of the project office and management systems and staff training. This allowed the technical advisers to focus on technical tasks, and on building relationships within government and with the donors.

<sup>38</sup> An anecdote heard during interviews recalled the common sight of technical meetings of international and national professional staff... where all those involved were consultants. No MoFI staff were present.

<sup>39</sup> In other cases, Danida invites consulting companies to bid for contracts and shares short-listed proposals with host agencies. None of the cases in the sample featured this approach to TA personnel recruitment.

- Having a director of the AMC as team leader, with authority to make commitments on behalf of the AMC, helped to speed up decision-making in the face of risks (to a contractor) of failure to deliver timely outputs arising from the co-management model in which every decision is jointly agreed with the government agency concerned (that is, with the MPI). Without this authority, a contractor with an output-based contract in a co-managed project could be in a difficult situation.
- Overall, the use of the AMC provided the support, cohesion and management necessary to allow the project team to get on with its main tasks.

It is difficult to define unambiguous ‘set and dried’ criteria for when it is ‘better’ to resort to one of these modes or the other, but from the cases in our (not necessarily representative) sample, a few statements can be made.

There may be advantages in hiring a company when:

- long-term engagement of a team is needed;
- diverse skills are required, especially if these are likely to change over time;
- the activity is to take place within an organisation where it is important to maintain future relationships;
- a team is assigned to deliver a discrete ‘product’ (an M&E system in the VAMESP case, improved syllabus materials and teaching methodologies in the case of WRU);
- there are components of financial support to manage.

Hiring companies has other advantages as well:

- Employment of a company allows technical specialists to fully devote their time to technical duties and relationship-building, rather than administrative or procedural tasks, since companies typically have standard ‘operating procedures’ for establishing a project office and related administrative and financial control systems.
- Agreed performance milestones can be presented in ToRs and made part of the contract. Explicit milestones, however, may be difficult to reconcile with co-management arrangements, as in VAMESP. In this case, it appears that this difficulty has been overcome, largely due to the good relationship and mutual trust between MPI and the consulting firm, and the tolerant approach of AusAID.
- Personnel can be dismissed where personality or performance prove problematic, at the instigation of counterpart hosts, with less sensitivity than if the person is hired by the donor agency on an individual basis.
- The presence of a company team may help to forge an environment in which the risks of experimentation are reduced for national counterparts supportive of change, but nonetheless working in a risk-averse environment such as Vietnam. In other words the company can be blamed if things go awry... credit for success can go to the counterpart agency.

There are also advantages to hiring individuals:

- cost-effectiveness, since no corporate ‘overhead’ is payable as with companies, (...but against this, there are more administrative costs to the donor in the form of recruitment agency fees and staff overhead for an in-country office or embassy);
- close involvement is required by both the counterpart agency and the donor in monitoring the individual’s performance;

- decisiveness is needed in implementing agreed changes in duties or scheduling of inputs or remedial actions (as there is no corporate contract to be re-drafted or re-negotiated).

A final modality of providing TA in our sample of cases is ***TA provided through contacts between a donor or multilateral development bank resident office and a host government agency***. This form was illustrated in the Multi-Donor Trust Fund for Public Finance Management Reform (see Annex 2), where TA was provided through donor agency staff interacting with government officials. This TA was essentially intermittent, unplanned, informal, diverse and supplemental to any 'direct' TA provided under the auspices of trust fund projects. It also involved 'two-way' learning. World Bank staff benefited enormously from insights into government practices, constraints, thinking and capacities arising from the informal contacts with counterparts that the activity of the trust fund provided.

## **4.2 Roles played by TA**

The *roles* played by TA personnel in the sample varied widely and included the following: mentor/'ammunition-provider', gap-filler, expert advisor, change agent, 'buffer' (providing space to learn from experience) and 'watchdog'. All of these roles can contribute to capacity development in a counterpart organisation.

### **4.2.1 The mentor and the ammunition-provider**

The *mentor* role was much appreciated in several of our cases: in the forestry case, the macroeconomic reform programme (including the MoF and Central Institute for Economic Management (CIEM) components), the fisheries sector (under the new phase II arrangements) and in CARD. A mentor may be a '*back-stopper*' who is no longer resident in Vietnam (having been a long-term resident advisor in the past), but would in such a case be a regular short-term visitor whose role is to distil current needs for specialist technical advice, identify jointly (based on in-depth familiarity with the country and sector) appropriate international TA/resource persons and (with the approval of the counterpart agency) to brief the selected short-term TA personnel to smooth their induction and in-country work. Experienced advisors in *long-term CTA* positions or working as intermittent *back-stoppers* can support Vietnamese counterparts' access to, and selection of, a range of international expertise and experience. The best examples of this were in the German-supported macroeconomic reform and forestry programmes.

The *ammunition-provider* role was important where policy ideas already formulated by Vietnamese counterparts were reinforced with information and examples provided by external TA support. They therefore stood a better chance of being accepted by decision-makers (mentioned in the VAMESP II case). The resulting 'equipping' of counterparts with arguments based on real examples from international practice and experience has proved persuasive to decision-makers, who are also aware that proposals – although presented by their subordinates – are discretely endorsed by foreign TA personnel.

### **4.2.2 Supporting access to networks**



The strongest Vietnamese organisations – such as CIEM in our sample of cases – had their own (international) networks. Donors, through the advice of TA personnel, have *supported* access to these and other relevant international networks.

#### 4.2.3 Facilitating consultation

*Facilitating inter-departmental or multi-agency consideration of major proposed reforms or new policies* was another valued role of TA in our sample cases. An example here is when international resource persons address conferences or symposia of Vietnamese stakeholders and facilitate debate of various options. This was a particularly useful approach where, for various reasons, Vietnamese stakeholders coming from a variety of organisations (under different ‘lines of command’) rarely if ever met as peers, on ‘neutral’ ground, and without recourse to previously forged agendas or policy positions. Several interviewees spoke of the value – intellectual and in terms of team-building – of being able to listen to and partake in arguments about policy options informed by contributions from a range of highly experienced international resource persons with very different perspectives. Examples in our sample were in the finance and banking sector.

#### 4.2.4 Gap-filling

‘Doing the work’, or *gap-filling* was a relatively rare role for TA to play in the Vietnam cases. The best examples were the ‘integrated experts’ provided by CIM (Human Resources Provider for German Development Cooperation). In our cases, such experts were ‘embedded’ in CIEM, MARD and the German-supported forestry programme. The CIM integrated experts were requested, recruited and paid by host organisations, assisted by CIM which identifies and evaluates candidates against the host’s job and personnel specifications. CIM also supplements its TA personnel’s Vietnamese basic pay, and contributes to their social insurance and the like. Integrated experts not only provide technical assistance, they also operate in a ‘hands-on’ mode, working and being accountable directly to, and under the direct supervision of, a designated host agency counterpart department head. From the feedback received, the modality of ‘integrated experts’ appears to be much appreciated by government partners.

It should be noted that the ‘doing-the-work’ or *gap-filling* role was performed by the expatriate and national TA personnel under the first phase of Danida’s fisheries programme support (2000-05), when such personnel were paid directly by Danida and reported progress towards milestones to Danida and the MoFI. They had few regular counterparts and played their role in parallel to the activities of Ministry personnel. It is likely that during phase II of the programme, national TA staff will have to play this role, given the continuing shortfalls in MoFI capacities. For example, the IT maintenance function will have to be, in effect, ‘contracted out’ to national consultants mobilised under the project, because Ministry resources and pay scales are not commensurate with the demands of the expanded IT fisheries management systems. However, in the Vietnamese context – at least in the cases we reviewed – *gap-filling* never took the form of ‘in-line’ TA (as in the Solomon Islands case), where a TA person temporarily occupies a staff position vacant for want of qualified personnel to fill it.

#### 4.2.5 Expert advisor

The role of *expert advisor (and mentor)* was one commonly played at some time by TA personnel in many of our case examples. In the future, all of the managerial and executive tasks in phase II of the fisheries programme will be undertaken by MoFI personnel. Expatriate TA personnel will advise and guide Ministry counterparts. This is also the role assigned to the five expatriate TA personnel to be appointed under the second phase of the NTP for RWSS. While all of the TA personnel in the sample played the *expert* role at some point, *this role was mixed with other roles*. Our final roles present some of the most common blends.

#### 4.2.6 Change agent

The role of *change agent* is a common one. Indeed, TAs who are not perceived as agents of change, were not seen as effective. In some cases, the *approach* adopted for the role was decisive. An example is the patience of the team leader of VAMESP in persuading the MPI of the merits of a bottom-up 'user'-based approach in order to gain acceptance of the M&E system. Similarly, the forestry CTA did not 'push' when suggestions on administrative reform appeared to be met with no response (despite the time and effort which had gone into preparing them). That patience was rewarded when (without warning) a decree containing the basic suggested formulation was issued almost a year later.

In other cases, TA support can help convene events<sup>40</sup> which have important impacts in 'opening the eyes' of technical staff, changing attitudes and shaping opinions amongst diverse Vietnamese stakeholders who otherwise would tend to work independently without sharing experiences or insights on international practice.

#### 4.2.7 Buffers

The strength of the role of *buffer* is that such TA staff provide colleagues space to learn from experience (and if necessary mistakes). This function was mentioned in the cases of the WRU (TA provided by Danida) and VAMESP (AusAID).

#### 4.2.8 Programme coordination and bridging

*Programme coordination and bridging* between expatriate TA and realities on the ground was a common and important role of national TA staff, especially where short-term international TA was involved (in the macroeconomic reform programme especially). Box 2 above provides a list of the roles that national advisors in particular played in the context of that case-study programme.

#### 4.2.9 'Watchdog'

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<sup>40</sup> Such as symposia or conferences on new reform issues where international resource persons can make presentations and argue about options, in the presence of Vietnamese stakeholders. This example was cited with much appreciation by CIEM counterparts as one of the useful roles international TA teams can play.

Several dimensions of the watchdog role are illustrated in the cases. One dimension is where TA personnel act, in part, as the 'eyes and ears' of donors, maintaining oversight of the use of financial resources by government counterpart agencies (in practice, this was one of the roles of various donors' TA inputs in the first phase of the NTP for RWSS). Although not explicitly in the ToRs of provincial advisors in phase II, since all finance is to be channelled through government systems, several government interviewees opined that this role would continue to be informally performed by these advisors. Another aspect of the watchdog role is acting as a bridge between realities 'on the ground' and donors. CTAs in the macroeconomic reform and forestry programmes, amongst others, play this role.

### **4.3 Perceptions of what makes TA 'effective'... and sustainable**

This study concluded that there is no generally accepted approach to assessing the effectiveness of TA in capacity development. At the outset it was generally acknowledged that the country studies would not be 'evaluations' of the TA personnel activities they examined. This was due to a variety of reasons, including limitations of time and data, the current and ongoing nature of most of the cases studied, the multiplicity of roles which the TA personnel in the samples are or were playing, the difficulties in attributing changes or improvements in performance to the TA personnel's inputs and the fact that the primary research questions were oriented to defining implications of changes in donor TA policies on the basis of what was generally accepted to be positive TA personnel practice and experience.<sup>41</sup>

Our basis for framing judgements of what appeared to be effective was primarily whether the immediate clients of the TA personnel input in the case study samples thought that the inputs were or had been effective and whether there were prospects for future effectiveness. The majority of government interviewees opined that TA was effective when it succeeded in helping the host agency or ministry achieve its objectives. There were several ways in which it could do this, essentially by adopting one or more of the roles indicated above. However, a strong common thread running through discussions during the fieldwork was that international TA was welcome for as long as requisite capacities (to achieve organisational objectives) were absent or deficient on the part of the ministry or agency in question. Therefore, a key role of technical assistance, and thus an essential element of the TA task, was to instil such capacities (to achieve objectives).

There was a corresponding resistance to – and awareness of the dangers of – continued 'dependency' on external TA. Several government interviewees were fully aware that after Vietnam reaches the per capita GDP milestone of US \$1,000 in 2010 (assuming the current SEDP is fulfilled), a dramatic fall-off in the availability of TA will result, since several donors' aid policies preclude further financial or technical assistance in this scenario. This made the sustainability of benefits of TA (in terms of enhanced institutional capacities) of vital importance.

#### **4.3.1 Sustainability**

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<sup>41</sup> One of the most comprehensive reviews of approaches to assessing effectiveness of capacity development – including via TA personnel – is the work done by Boesen et al. for Danida in 2002 (see references). It developed a framework for evaluation which encompasses levels of capacity at the individual and organisational levels, mindful of factors related to the 'political' as well as functional dimensions of the workings of the open systems in which development interventions take place.

Further discussion in interviews probed factors relevant for sustainability of TA personnel inputs. We summarise these below. One general conclusion is that *sustainability depends on what 'recipients' of TA personnel support do*, not necessarily on what the TA personnel does.

- In several of the cases, TA was directed towards advice on, and formulation of, *new legislation*. Indeed, as noted earlier in Section 2, the government's own strategic framework makes particular mention of the value of past TA contributions in this regard. Once approved by the National Assembly, new laws are a significant joint 'product' of TA, representing the basis of future policy and regulations in a sector, ensuring sustainability of impact of the TA in question.
- One strategy to promote sustainability of TA impact, adopted by all counterpart organisations visited, was to *assign able counterparts*<sup>42</sup> to TA personnel. All of the TA personnel met during this study had clear day-to-day reporting relationships with key counterparts, and they confirmed being closely supervised in their roles. Counterparts' absorptive and analytical capacities are thus clearly an important factor in determining the effectiveness and sustainability of any engagement with TA. A long-experienced technical adviser to the government in Vietnam stressed that although access to state-sector jobs at lower rungs was often 'facilitated' by personal contacts or other means, promotion of professionals was based largely on merit. Furthermore, the more able personnel were assigned to jobs designated as strategically important in view of national objectives. The calibre of TA counterparts met during the field study was, without exception, impressive.
- Another approach to making the impact of external TA more sustainable was for the government agency or institution to *ensure that counterparts to TA personnel were* – as part of their professional development – *trained in participative training techniques*, so that they could help to disseminate some of the information, insights, lessons and products of their involvement with the TA personnel in the future. Several seasoned observers of the Vietnamese human resources development scene commented that, because of the way 'training' was traditionally perceived in Vietnam, participative styles (and skills to apply them) were rarely encountered. They were thus the exception rather than the rule. However, recent work done in the context of the public administrative reform programme is starting to change the 'paradigm' of training in the civil service. The Asian Development Bank's training loan and associated TA marked the first time that the government has taken a loan to strengthen and expand its training efforts.<sup>43</sup>
- Another strategy was to *use TA to explore and explain alternative international experience and precedents*, for example, to frame new legislation on private enterprise development. Interaction with TA personnel has in some cases been *supplemented by study tours* to explore antecedents and implications of various options with stakeholders face to face in different national settings.
- Vietnamese informants pointed out that the process of domestic legal or policy formulation was like 'cooking *pho*' (a noodle soup popular in Vietnam). The role of counterpart officials is analogous to that of cook, assessing the available 'ingredients', weighing advice (from TA personnel) on their respective merits and making judgments

<sup>42</sup> The notion of 'counterparts' in this study encompasses host organisations and groups of professional staff assigned to work with, as well as to inform and guide, TA personnel. It goes beyond the rather discredited notion of an individual who is assigned to work alongside a TA specialist, in order to 'learn how to do it'.

<sup>43</sup> See Blunt (undated).

and choices based on what will likely be palatable to those (decision-makers) who will be 'eating' the (policy) dish. In so doing, counterpart officials must ensure that though some of the ingredients are essentially 'foreign' in origin, they are 'localised' to be made acceptable in Vietnam's specific political and cultural context. This is in stark contrast with the approach whereby TA personnel take an alien blueprint or model and attempt to 'sell' it or impose it on counterparts. In the view of all Vietnamese informants in this study, such an approach would be bound to fail.

- The *calibre of TA personnel* themselves and the process of *selection and assignment of TA personnel* also influence the sustainability of TA impact. Vietnamese interlocutors stressed that they *insist on having the final word on who (often of several alternative candidates) is assigned to take part in a TA activity*. They also asserted the right to dismiss TA personnel who did not meet expectations (and there were several examples where they had done so). The point was also made that the fee rates paid by some of the multilateral TA providers (the UNDP and Asian Development Bank were mentioned) did not necessarily attract the most able, most senior advisers. Generally speaking, bilateral donor agencies were, in the experience of the informants in this study, more competitive in this regard.
- TA programme coordination and supervision machinery can affect sustainability. All of the cases studied featured some form of *steering committee*. All of these committees for *ongoing* programmes appeared to function at least fairly well. They posed opportunities for joint reflection on progress and issues arising, and provided confirmation of work plans. In these committees, counterparts from the various entities involved communicated and coordinated. This practice – especially if it became 'routine' and part of the normal style of management, bodes well for subsequent collaboration, and the sustainability of impact of the TA involved.
- A final point on 'effectiveness' and indeed sustainability of TA, was made by several counterparts. They commented that work with foreign advisers demonstrated 'how to work intensively and purposefully'. Thus, there appears to have been some *demonstration effect*, not simply in terms of the content of technical advice, but also *in the style of working* which TA personnel from other work cultures automatically display. This also applies to discussion amongst colleagues, processes of consultation and exchange of views, behaviour at meetings, ways to argue a point, how to listen and how to compromise (i.e. to modify a position based on reflection and persuasion). The term used to describe this process was '*osmosis*', meaning an imperceptible, spontaneous, change in behaviour (and tacitly the capacities) of counterparts brought about through regular collegial collaboration.<sup>44</sup>
- Arguably, if measures were adopted which encourage the development of an organised professional market for national consultants in Vietnam, not only would the TA they deliver be more effective (see below), but the sustainability of their input might also be enhanced along with the ability to absorb and adapt international experience to the Vietnamese development scene. A better-established domestic consulting 'industry' will be even more vital in the next decade, because achieving middle-income status will inevitably affect the flow of concessionary resources for TA from international development partners.

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<sup>44</sup> One TA informant noted that one of his counterparts had attracted favourable comment from colleagues on her recent demonstration of excellent and much-improved meeting chairmanship skills. The adviser in question had never conducted explicit coaching or instruction on the topic and skills of chairing meetings. He attributed the change to the indirect impact on his counterpart's self-organisation and self-confidence of working in an environment where several TA personnel were present.

The above observations on sustainability of TA should be seen in light of the growing (but un-measured) ‘brain-drain’ from the public to the private sector. Clearly, this phenomenon represents a threat to the sustainability of TA operations, and indeed of the existing capacity of the public sector. The urgency of giving more attention to management of people in the public sector is referred to in the discussion of the implications of this study in Section 7.

### 4.3.2 Factors affecting the effectiveness of TA

The tabular summary of case projects and programmes in Annex 2 captures data on factors which appeared to significantly influence the effectiveness of TA for each case study. This section tries to pull these various cases together with the strands developed in the earlier sections.

#### General factors

A couple of general points can be made about the key features of the provision of TA personnel that affect success. One common theme relates to the *timeframe* of the agreement under which the TA personnel is to be provided. The Vietnamese institutional, political and cultural context, as described in Section 2, is one in which short-term interventions are bound to fail or have little impact. All of the cases studied in Vietnam were relatively long-term in duration, or were based on a long history of similar support in the sector and/or agency concerned. Mutual trust and familiarity between development agencies and counterparts – itself a key ingredient of positive TA – can be built up only gradually.

The second general factor relates to the *process of know-how or ‘technology’ transfer*, and how it is organised. *Mutual agreement* between the parties to a TA operation is essential, especially with regard to the nature of the requirements, the ToRs of TA personnel, specification of the experts to be provided, the individual candidates filling posts or missions, the design and sequence of individual missions, documentary inputs and the mechanisms and criteria for judging the success of specific inputs.

#### Specific factors

There appear to be three main categories of specific factors affecting the effectiveness of TA: those related to the people (the individuals) who provide TA, those related to the counterpart and host agencies, and those related to the donors that finance TA operations.

Factors related to the individuals providing TA:

- *Familiarity with the Vietnamese context* and government bureaucratic culture was seen as essential, as was *technical knowledge* of international norms and applications. The Multi-Donor Trust Fund for the Public Financial Management Reform (‘mini’) case illustrated the significance – for TA effectiveness – of technical advisors *understanding the technical dimensions of the Vietnamese context*, the ‘room for manoeuvre’ open to counterparts and policy-makers, as well as the personalities involved. These insights can come only from structured, as well as informal, interactions between advisors and counterparts. If the advisors ‘reside’, as they did in this case, in the offices of a multilateral development bank, some catalyst is needed for interaction. The operation of the Multi-Donor Trust Fund provided such catalytic opportunities.

- *Attitude* – especially of expatriate TA personnel – was seen as a major determinant of effectiveness. Interviewees emphasised the importance of non-didactic or non-dictatorial styles and humility (preparedness to ‘work behind the scenes’ and not be a prominent driving force for change), to listen, learn, reflect, adapt previous experience and knowledge and then advise. This was illustrated in an interview with another senior official, who mentioned the tendency of some TA personnel to comment pejoratively on the way the Vietnamese ‘do things’. The analogy he used was that of peeling potatoes, saying that the Vietnamese peel potatoes differently from western people.<sup>45</sup> Because they do things differently from how ‘things are done’ in the West, TA personnel might recommend change merely to ‘conform’ with western approaches. He dismissed this approach to ‘influencing’ in Vietnam as doomed to failure. The lesson is ‘*start from where we are*’.

Factors related to the counterpart agency context:

- whether the concerned agency or department had (i) adequate *understanding of the implications of national policy and plans* for its future work and (ii) sufficient *experience and insight into the international scene* to be able to identify the nature of the assistance required in order to satisfy national policy and plans;
- whether the TA was *genuinely needed and requested* (based on the above) or was ‘offered’, or indeed insisted upon by the donor, as a condition of financial assistance (which implies that the counterpart has the *will and capacity to take the initiative, to draft a proposal, to make a request*);
- the *ability of the counterpart agency to absorb and guide* the TA in question at its inception and during implementation;
- whether there is (partly related to the previous factor) true *ownership* of the TA;
- the extent to which the host agency can offer TA personnel *access to high-level well-networked ‘champions’ of change and reform* within the host agency (as in the case of VAMESP),<sup>46</sup> or whether the client agency has its own channels of influence higher up in the decision- or policy-making system (as in the case of CIEM). Both the VAMESP and CIEM cases suggest a further factor related to the counterpart agency: that it *possess sufficient credibility in its own bureaucratic system context to attract, retain and utilise adequate financial and human resources*;
- the extent to which the agency enforces *explicit accountability of TA personnel towards the host* or counterpart agency. Formal written provisions in TA ToRs and contracts is one aspect... whether the host agency asserts and insists upon the prescribed pattern of accountability is another;
- whether the *context is supportive of new initiatives* involving inter-sectoral or inter-ministerial communication. Cases’ steering committees appeared, on the basis of the (limited) information available, to function supportively in this respect. A supportive context presupposes that the host/counterpart agency is able and willing to *take actions complementary to those immediately implied in its role as counterpart to the TA personnel* (e.g. as narrowly defined in the performance contract or TA agreement with the donor).

<sup>45</sup> This was not tested empirically during the study.

<sup>46</sup> The VAMESP team included a national consultant who is a retired senior official. This helped promote smooth interaction with MPI counterpart ‘champions’.

Factors related to the donor:

- the *nature of the contract* between the TA (individual or consultancy firm) and the donor, in particular, the degree of flexibility permitted by the contract. Australian ‘facilities’, Danida’s individual contracts and GTZ’s agreements are vehicles which attempt to reflect the need for flexibility in TA contracts and work plans;
- the *expectations (formal and informal) of the donor*, including the nature of the applicable performance indicators (this also affects the accountability of the TA involved). Joint management arrangements, in VAMESP II for example, posed challenges especially to the AMC involved, but these were (it appeared) defused by the understanding approach adopted by the mid-term review team;
- the *technical capacity of the local resident office or embassy staff* (i) to engage government partners, establish the trust of Vietnamese counterparts and resolve any issues that arise; (ii) to maintain access to networks of influential officials and decision-makers and reform-minded groups; (iii) to maintain institutional knowledge of international networks relevant to host country partners in the context of the TA operations the agency is supporting; and (iv) to facilitate and encourage access to such networks.<sup>47</sup>

Box 4 sketches examples from the study cases of some of the specific success factors in the three dimensions.

#### Box 4: Success factors for effective TA provision in the cases reviewed

Success factors relating to the **individual**:

- TAs able to adjust to Vietnamese norms and conditions, including existing technology (e.g. the forestry programme, CARD)
- TAs possessing crucial personal attributes: good professional and social skills, resilience to stress, ability to build trust (in all cases such attributes were perceived as effective by the partners)
- TAs keeping out of day-to-day routine duties, not ‘doing the work’ themselves, can help the host organisation develop its capacity where interest exists (intermittent rather than permanent TA can facilitate this) (e.g. CARD, FSPS II)
- Consulting partner *and client* agencies on their needs first rather than proposing solutions helps to establish credibility and legitimacy (e.g. VAMESP II)
- A medium- to long-term commitment is essential if the TA is to understand the nature of the challenges and needs, get beyond merely ‘training’, and pursue other capacity development approaches (e.g. the macroeconomic reform programme, RWSS, the German forestry programme, WRU)
- Familiarity of the parties to the TA project with the previous track record and experience of the target institution(s) is important (e.g. the macroeconomic reform programme, WRU)

Illustrations of success factors relating to the **host agency** of TAs:

- Existence in the host agency of ‘counterparts’ placed at the right level, who can moderate between the donor and the Vietnamese side and are well integrated in the Vietnamese government system (e.g. CIEM counterparts in the German macroeconomic reform programme and predecessor programmes)
- Similarly, national programme coordinators (from the host institutions) can play a crucial role in acting as a bridge between expatriate TA and national ‘recipients’, and are essential to persuasion (several cases, e.g. VAMESP and the German forestry programme)

<sup>47</sup> Most bilateral donors do not have a full complement of technical advisory staff at country posts or embassies. This does not necessarily preclude their giving support to effective TA operations, as long as they have the core abilities and capacities suggested in the text.



- Long-term CTAs and back-stopping experts familiar with the scene and with networks of expertise outside Vietnam help host agencies to mobilise short-term TA and form an essential complement for the latter to function effectively (macroeconomic reform programme)

Illustrations of success factors relating to the **donor** providing the TA and the **mode of TA provision**:

- Long-term engagement with a partner, a steady relationship and trust are fundamental (the forestry and macroeconomic reform programmes, VAMESP II, CARD)
- Multilateral development bank resident technical specialists can provide TA and act as conduits for institutional learning (by development partner co-financers) on current realities faced by counterpart agencies (as in the Multi-Donor Trust Fund for Public Financial Management Reform)
- Authority delegated to the donor's national office, combined with availability of senior Vietnamese staff, facilitates liaison between the project team and MPI if sensitive issues arise (AusAID staff in the Australian embassy, Danish embassy staff, staff at the GTZ country office)
- Pragmatic approaches to provision of modest allowances to counterparts can bolster project/programme effectiveness (VAMESP II)
- Waiting for 'points of entry' before making proposals for change is important (e.g. CARD)
- The project mode can provide 'space' for experimentation, without the risk that failures will cause a loss of institutional 'face' on the side of the partner agency, and with the possibility of celebrating success if things go well. Having a stand-alone project helps keep the aid agency concerned 'in touch' with realities on the ground (e.g. VAMESP II)

## 5 Practices and Options for Managing TA

The tabulation of case projects and programmes in Annex 2 summarises TA management arrangements and also discusses relevant issues for each. We summarise key themes here.

### 5.1 A taxonomy of donor support to TA and related management arrangements

The current ECDPM TA study has developed a general taxonomy of categories of donor development support, and of TA interventions in particular. These are arranged on a 'continuum':

- At one extreme are donor-driven projects, where the TA (expatriate and national) is essentially involved in *'doing the work'*, with little or no involvement of counterpart or client agency staff.
- Nearer the middle is *'direct support'*, where a donor-financed TA team is in a PMU set-up, controlling and managing resource inputs based on prior consultation with hosts. The TA team involves counterparts in implementation and the PMU is often situated within its 'counterpart' institution.
- The third category, *'indirect support'*, has become more common since the advent of programme-based methods such as sector-wide approaches (SWAs). In this mode, the counterpart government or agency controls inputs within its own financial and administrative procedures. TA personnel 'stands alone' and does not manage donor inputs. These staff are not situated on PMU 'islands', but instead facilitate implementation by the counterpart agency.
- The other extreme is *'donors let go'*. This falls under budget support arrangements, where the host government or agency has full control, and leads implementation of the

process of procurement and recruitment of TA with its own or budget support resources, entirely within its routine budget and procurement systems.

To facilitate synthesis of the present report, and in an attempt at categorisation of the cases within it, the 'map' in Figure 1 at the end of this section plots the cases on the continuum of donor-government engagement and control of TA activities. Programmes involving significant financial support are in oval shapes in the diagram; TA projects or components are in rectangles.

Some caveats on this categorisation are in order:

- Despite the emergence of SWApS and sometimes associated trust funds (a common device for mobilising 'pooled' donor resources for TA), TA activity is often managed in a 'project' modality.
- Some of our cases are 'purely' TA operations (e.g. the German macroeconomic reform programme).
- At the time of writing, the TA arrangements in the case of the Programme 135 support were not yet agreed in terms of type, nature, location and magnitude.

Some tentative conclusions may nonetheless be drawn from figure 1:

- Some programmes exhibit very different TA modalities and categories in subsequent phases (particularly NTP II for RWSS, FSPS and VAMESP).
- Most of the current TA operations are 'right of centre', that is, they are based upon providing 'indirect' support under government or state agency leadership.
- There are two cases of budget support for (future) TA operations. One is the second phase of the NTP for RWSS. The other is Programme 135. In the former, TA is to be recruited and managed by a specific donor on behalf of budget support contributors (Danida for expatriates, AusAID for nationals). The TA formula for Programme 135 is yet to be agreed, but indications are that Finland will coordinate TA inputs.
- No normative conclusions can be drawn about which TA modality is best. Much depends on context, antecedents, needs and capacity of the counterpart organisation, as described and discussed throughout this report.

## **5.2 Vehicles for managing and mobilising TA**

The most common vehicle for managing TA personnel is the *project* set-up. All GTZ cases, VAMESP II and WRU use this vehicle, based on logical frameworks. Most of the activities funded through trust funds (e.g. the Multi-Donor Trust Fund for Public Financial Management Reform) are managed – usually by the host ministry or agency – through project arrangements.<sup>48</sup> The TA personnel in other (sector support) cases (fisheries, NTP II for RWSS, and potentially Programme 135) are, or will probably be, managed under (Danida)

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<sup>48</sup> Note that although the MoF formulates trust fund project proposals, and implements approved projects, the World Bank exerts control through its final approval role. Proposals are usually developed after dialogue between World Bank advisers and MoF staff.

partnership agreement structures or set-ups still to be defined (in that last case). Recruitment arrangements in these cases are discussed below, along with the various vehicles for mobilising TA. Afterwards the key steps in the management cycle are examined.

### 5.2.1 Trust funds

There are many examples of trust funds in Vietnam. The World Bank has commented that its trust fund portfolio in Vietnam is one of the largest in the region.<sup>49</sup> The World Bank alone is involved in administering over 100 active funds (mostly grants executed by recipient agencies). In early 2006 these totalled US \$250 million.<sup>50</sup> Some trust funds were captured in our sample of cases. Experiences within even this limited selection appeared to be very different.<sup>51</sup> One in particular raised important issues on the nature of reform processes in Vietnam, TA modalities to support reform and the nature and significance of capacity building (see the Multi-Donor Trust Fund case in Annex 2). There is no doubt that trust funds potentially provide opportunities for productive, responsive, demand-driven TA, but they are also liable to 'opportunistic' exploitation if not closely monitored. In other words, if they are deemed to be a convenient 'slush fund' available for a range of diverse but ill-directed activities, there is a risk that they will miss their objectives.

### 5.2.2 Recruitment of TA by one donor on behalf of pooled assistance

Recruitment of TA by one donor on behalf of pooled financial assistance or a TA fund was the preferred approach to identify and mobilise international TA recruits in the case of NTP II for RWSS, where Danida used its agent Mercuri Urvall in this capacity. AusAID will recruit all national consultants once their profiles are agreed, after expatriate TA has been mobilised. TA recruitment for the multi-donor-supported Programme 135 will probably also be coordinated by one donor, Finland, once the formula for future TA support is agreed. The recruitment modality for NTP II for RWSS is directly related to a new aid modality to be applied in the NTP II: sector budget support by Danida, AusAID and the Netherlands. The probable Programme 135 arrangement for TA procurement is also related to the proposed phase II sector budget support formula agreed by a group of donors.

### 5.2.3 TA facility

A TA facility was provided in the case of CARD (AusAID) (see Annex 2). This appeared to provide complementary inputs to strengthen MARD's research function, all managed by the AMC. TA is involved in establishing rigorous research application and vetting processes, as well as in institutional strengthening of all MARD research and knowledge policy development and management functions. The facility has a provision for financial support to research projects duly processed through the new machinery.

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<sup>49</sup> World Bank (2006b: 42) in its review of trust fund performance.

<sup>50</sup> Confirmed in the World Bank's country programme review.

<sup>51</sup> The trust fund for forestry has not evolved as intended (see forestry partnership case in Annex 2); the VAMESP II fund has a backlog of unprocessed applications.

### 5.2.4 Integrated experts

'Integrated experts' (e.g. provided through Germany's CIM) have proven to be an interesting model and are popular with the (few) host agencies able to obtain such services (CIEM, MARD). Their popularity appears to be related to the fact that host agencies have taken the initiative and made a bid to CIM for them, engaged them directly in 'gap-filling' and advisory tasks within their offices and paid them directly from their own budget. Key criteria must be fulfilled before CIM will attempt to recruit candidates, for instance, that no suitably qualified Vietnamese candidate is available and that the post is in an institution performing a role consistent with German aid priorities.<sup>52</sup>

## 5.3 Steps in the management cycle

The experiences in the cases studied (summed up in the relevant sections of Annex 2) give rise to a number of comments on the various **steps in the TA management cycle**:

### 5.3.1 Identification of TA needs

Regarding identification of TA needs, the trend is positive, as there is evidence of Vietnamese partners taking an active role and gaining ability in this. The SBV case (supported within the German macroeconomic reform programme) is the clearest illustration of how important this ability is to the targeting and ultimate success of TA. There are also examples of capacity assessments being carried out with the help of TA. The UNDP's *Strengthening Local Government Programme* has provided insights into the capacity deficiencies revealed through pursuit of devolution of roles, authorities and resources to the provinces, districts and communes (see Box 1 for a summary of their findings). However, only some of these deficiencies are amenable in the short term to application of more TA.

### 5.3.2 Specification of ToRs

ToR specification has usually been a joint process, and in some cases has been government-led. The fisheries support programme phase II is the clearest example of the implications of full government 'ownership' of this stage: careful advisory and coaching inputs are needed from TA personnel to the client agency to permit the latter to take charge of the process and draft ToRs for TA.

### 5.3.3 Recruitment and selection of TA

Donors or their agents tend to manage the process of recruiting and selecting TA, with a variety of patterns of Vietnamese involvement. In all cases, government counterpart agencies had at least a veto over short-listed candidates. In some cases (fisheries for example) they had seats on interview panels in Hanoi convened to interview candidates in Europe relayed via video conference. Despite the positive aspects of being involved in the interview process, government respondents were unenthusiastic about this technology and

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<sup>52</sup> The experts also receive travel allowance, salary supplementation, social insurance payments and other topping-up allowances in their country of origin. They are given orientation training by CIM.

even doubted the efficacy of such interviews as a means of testing key facets of experience, technical knowledge and (crucially) personal attributes of candidates.

### **5.3.4 Procurement and contracting of TA services**

TA is usually contracted by donor agencies, with ToRs spelling out responsibilities, reporting obligations and overall accountability. This accountability is primarily to Vietnamese agencies and partners, in as far as we could ascertain in the case study projects, in accordance with the provisions of the *Hanoi Core Statement*.

### **5.3.5 Preparation of TA personnel for jobs**

Vietnamese partners expected the main donor agencies would prepare TA personnel for their jobs. Danish and Australian agencies and GTZ have facilities for briefing TA personnel before their assignment. In addition, GTZ experts receive a two-week orientation at GTZ headquarters on outcome-orientation in projects, financial management and accounting.<sup>53</sup> GTZ short-term specialists receive help from 'back-stoppers', CTAs or experienced national staff or consultants familiar with the context and personalities involved. GTZ also has networks of technical experts with a regional focus (e.g. there is one for Asia) which encompass expatriate and national staff. Network activities serve as a tool for training and knowledge management.

### **5.3.6 Management of TA implementation**

The cases reviewed in this study illustrate a range of practices and roles. One example of explicit 'co-management' is VAMESP II, but day-to-day management in this programme is done within a traditional PMU-type set-up within the MPI. The role of national consultants in TA implementation is key: accessing and translating documents, agreeing with partners on the process between expatriate and national consultants and counterparts and accurately interpreting technical dialogues. Project steering committees (see the macroeconomic reform and forestry cases in particular) appear to be functioning and are generally seen as worthwhile.

### **5.3.7 Supervision**

The ongoing case study projects had steering committees in place to supervise implementation. These appear to meet regularly and to work generally as planned. Particularly keen oversight is conducted in the German forestry programme: counterparts have to defend their (jointly produced) work plans before the steering committee.

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<sup>53</sup> Once mobilised, Danish long-term advisers are not permitted to attend any professional development seminars even if they are invited to give papers, as such attendance would be financially cost-less.

### 5.3.8 M&E of TA

There appear to be few incentives (and little capacity) within the government to undertake meaningful M&E of TA at present. Even the systems being introduced by the VAMESP II project in MPI will not capture TA thoroughly. The main political driver of M&E is the call for closer monitoring of financial assistance (grants and especially loans) in infrastructure projects. However, the SBV and MoF have systems in operation for evaluation and feedback after completion of a TA activity. Annex 4 introduces the content and outcome of the only case of structured evaluation of TA and capacity building we encountered from a government agency. This is an internal study conducted by the MoF in 2004. Better supervision and M&E of TA is one of the issues that government agencies will have to tackle. Donors could provide insights for partners on some of the more innovative approaches to the M&E of capacity and capacity development through TA (see Section 7).<sup>54</sup>

## 5.4 Accountability<sup>55</sup>

Questions were raised in the final workshop of the study about accountability in TA personnel management. It was agreed that accountability is inter-related with the ownership of TA activities, and their sustainability. In this section we collate our impressions of the degrees of accountability in key stages or aspects of TA operations.

### 5.4.1 Selection of TA personnel

All officials we spoke to appeared broadly satisfied with the extent to which providers of TA personnel (be they development partners or consultancy firms) consulted them on the choice of TA personnel. Critical comments were heard, however, on the means of their engagement (e.g. video-conferenced selection interviews). Apart from this, our interview partners generally appeared satisfied with the extent of provider accountability to the Vietnamese government on the issue of TA personnel selection. Interestingly, few voices were heard clamouring for a greater direct role for government agencies in procurement of TA personnel: there was general appreciation of the complexities involved, and a willingness for the development partner agencies to be responsible (but also accountable) for this function.

### 5.4.2 TA costs and budgets

There was widespread dissatisfaction with the practices of development partners related to (non-)disclosure of detailed costs and budgets of TA personnel, and (therefore) the lack of choice for government agencies over the proportion of short-term or long-term, expatriate, regional or national TA personnel in the 'mix' of TA personnel offered by development partners. In general, government informants perceived donors as non-transparent and non-accountable in their dealings on this aspect of TA operations. Dialogue on the 'formula' of TA

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<sup>54</sup> GTZ has an IT-based M&E system for all of its projects based upon its outcome-oriented approach.

<sup>55</sup> The notion of 'accountability' in public management and administration is discussed in *'Public Accountability: A Framework for the Analysis and Assessment of Accountability Arrangements in the Public Domain'* by Mark Bovens (Utrecht School of Government) in a paper for CONNEX Research Group 2 (Democracy and Accountability in the EU). Undated. 'The most concise description of accountability would be "the obligation to explain and justify conduct"' (Bovens: 6).

personnel staffing appeared to stop at numbers (of people of various types), and did not encompass dialogue on how to allocate a fixed TA budget between the different types of personnel.

### **5.4.3 TA reporting**

Government officials appeared broadly satisfied with the reporting relationships of the TA personnel with whom they worked. ToRs obliged TA personnel to report to their hosts and/or steering committees. Those in our sample did so. If TA personnel felt any obligation to the TA providers, it was in a relationship of joint accountability during performance assessment exercises, rather than 'diluted' day-to-day accountability.

### **5.4.4 Dismissal of TA personnel for inadequate performance**

A few instances were cited where TA personnel had proved unsatisfactory to host agencies and were dismissed or otherwise removed by the development partners or consulting companies after representations by the hosts. There was general satisfaction on the part of hosts that measures could be invoked if they wished the removal of an unsuitable TA incumbent. Therefore, the accountability of the partner agencies or companies for the TA personnel they provided was generally preserved. However, there is a practical perception (perhaps a mistaken one) that it is much more difficult to remove an unsatisfactory advisor who is provided by the donor agency rather than by a company.

### **5.4.5 Mutuality of accountability**

The notion of mutuality of accountability relates to the parity of obligations for the outcomes of TA personnel operations. Generally, there appeared to be a mutuality of accountability or responsibility amongst the parties in the cases we reviewed for the results of their activities. The only possible exception was the case of the Danida fisheries programme phase II, where the full management role and obligation had been passed to the MoFI, despite its request for a transitional period.<sup>56</sup> While it is too early to predict the outcome, this is the only case where there was no real mutuality of accountability for results. In this case it is possible that there will be mutual recriminations if future progress reviews indicate slower-than-anticipated progress on work plans.

### **5.4.6 General accountability**

The Vietnam context is one in which TA personnel, though they are under contractual obligation to a donor agency, are made to feel unambiguously accountable to their hosts for the services they provide. This accountability is not disputed by any of the parties to the TA relationship. The lesson here might well be that if (other) country government agencies are dissatisfied with the apparent accountability of the TA personnel at their disposal, then they (the governments concerned) have the sole obligation to do something about it.

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<sup>56</sup> MoFI's request for a transition period concerned changes in overall project management, (i.e. from Danida advisor-managed to a MoFI-managed mode). The grounds for their concern were that MoFI staff would have to work for the project without project allowances, and the MoFI is already short of staff. MoFI staff we consulted were however pleased that in the second phase they would be 'in charge' of managing all advisors.

## **5.5 Management of the transition between phases of programmes where modalities and roles of TA change**

Interesting issues regarding the management of transitions between phases of programmes arise from the fisheries and NTP II for RWSS cases.

In the case of the *fisheries programme phase II*, dialogue began during phase I in 2003 on the need for a change in TA roles and delivery modalities in the subsequent collaboration phase (from a virtual 'doing the work' mode to 'indirect support'). The idea was to accelerate MoFI capacity development, ownership and 'internalisation' of the systems developed through the TA. After an implementation time-lag between phases I and II (caused by delays in approvals on both the government and donor sides), the new TA modality was introduced (involving TA personnel in purely advisory and management-coaching tasks). The Ministry was expected to take over management of implementation (including financial administration using the donor's management accounting system, albeit with dedicated financial advisory TA). The MoFI requested a transition period, but the donor preferred moving directly to the new modality. The donor view prevailed. It is too soon to draw conclusions as to the effectiveness of this 'plunge into the deep end' strategy. However, progress towards milestones is already much slower than planned. In part, this is caused by a lack of qualified national consultants (despite repeated attempts to recruit them), expansion of the work to six 'new' provinces and the need for documents to be translated in two directions (e.g. ToR documents drafted by the MoFI are translated to permit advisors to comment and suggest amendments, which are then translated back). However, the new roles and relationships are beginning to work as planned for phase II.

The *NTP II for RWSS* is another example of a management transition from one phase to the next. Here phase II was to be implemented in a very different style to phase I. The first phase was implemented, along with a plethora of other donor-supported projects, as classic stand-alone satellite projects – in a 'direct support' mode – and as pilot projects within an overall programme of assistance.<sup>57</sup> Phase II is to be a two-year multi-donor sector budget support pilot, followed by three more years of implementation involving the 'indirect support' modality. Only the structure of international TA assignment has been determined so far (national TA will be defined once the internationals are at post). The international TA, which is currently being mobilised, is intended in part to establish communication between the provinces and the centre and amongst key institutions at the centre (e.g. MARD and the Ministry of Health) to redress some of the imbalances that became apparent in phase I. It will also be involved in supporting capacity building. However, given the limited coverage of capacity building in the ToRs of the central advisors, it is unlikely that the sector capacity building strategy indicated as needed in the sector review will be facilitated by their presence. Despite reservations on the government side about the three international TA personnel proposed for the provinces (and its rejection of one suggested TA position in the MoF), the design of the project was accepted by the Vietnamese government as it stands.

A number of issues are raised by these different approaches:

- the advantages and disadvantages of having a transition period between two phases of a TA project with different modalities;
- the extent to which contingency arrangements can and should be made before a follow-on phase, to pre-empt dispersal of trained national experts and specialised interpreters in case of delays in approval and finalisation of follow-on contracts and recruitment;

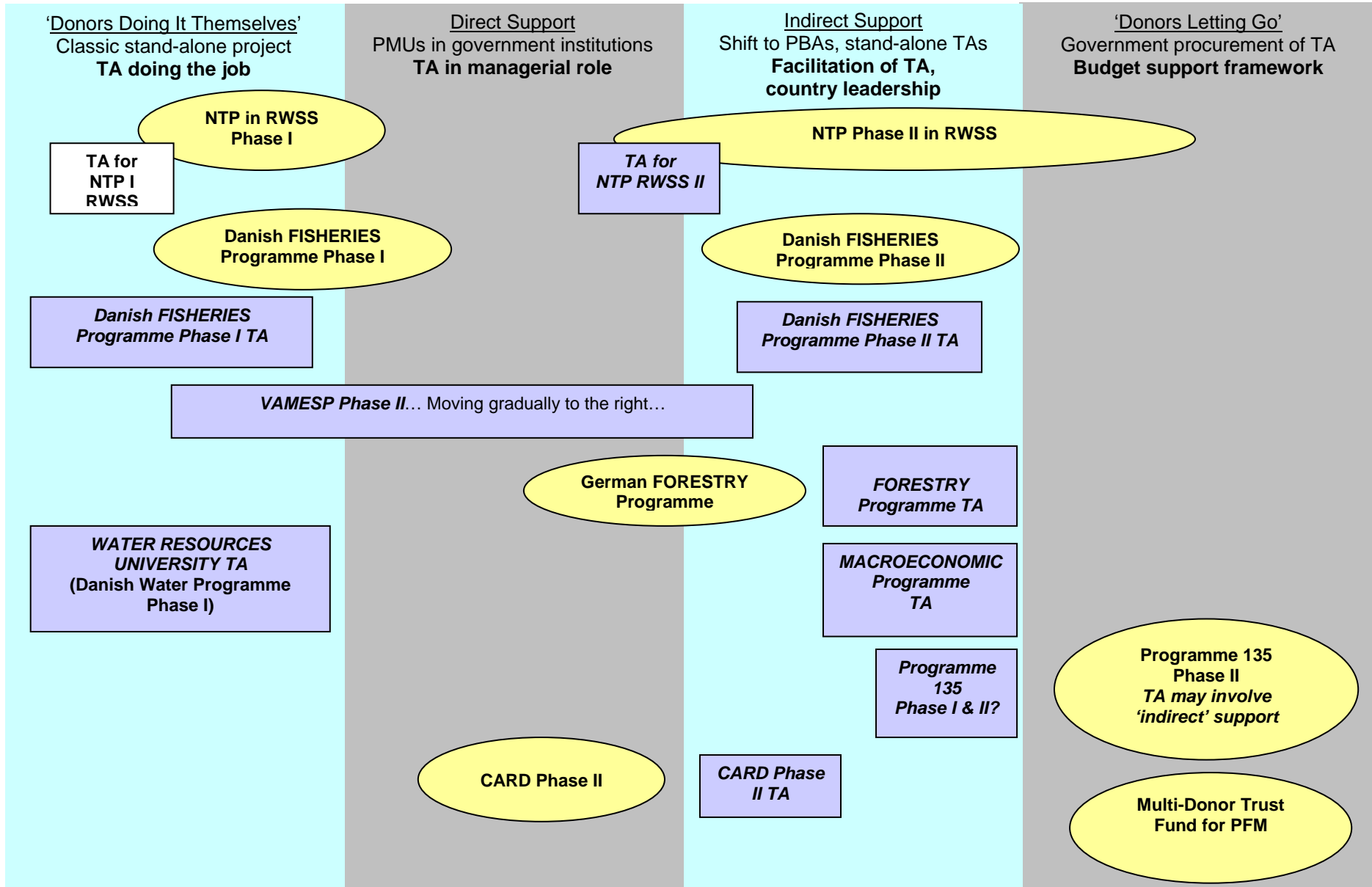
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<sup>57</sup> The comprehensive sector status study, and subsequent review of phase I of NTP for RWSS in 2005 were critical of the limited impacts of this style of earlier donor support.



- the criteria used to assess progress in more process-oriented institutional capacity building 'advisory/coaching' roles of TA (in 'indirect support' modes), where conventional output milestones may not be desirable or feasible to prescribe (the World Bank's *Country Programme Review* for 2006 raised exactly this issue in terms of its own portfolio's contributions to institutional capacity building);
- assignment of counterpart costs amongst provinces benefiting from a single TA person based in one province. This issue has apparently been raised by the host provinces of the three provincial TAs regarding the next phase of the NTP for RWSS. Benefits will notionally accrue to the other two provinces in each 'cluster', but only the host is liable for counterpart facilities and costs as things now stand. MARD has yet to clarify management and costing modalities for this project;
- whether TA elements and components of major programmes should be reviewed separately as part of major reviews of sector programmes, or as part of the overall programme review process (this was not the case in the NTP for RWSS phase I reviews);
- whether the ToRs of TA personnel should include assessment of capacity building needs and programmes (as recommended in the NTP for RWSS case but not adequately reflected in ToRs of the TA personnel to be assigned in phase II of the NTP).

**Figure 1: ‘Map’ locating the TA case study projects and programmes on a continuum of characteristics adopted in this study (see text for a summary of the caveats in attempting this). TA elements are in rectangles, programmes are in ovals.**



## 6 Conclusions and Possible Ways Forward

Section 7 suggests some of the implications of this study's descriptions and analysis for the future approach of government and donors towards TA in Vietnam. The present section pulls together some broad conclusions, which help to explain some of the implications suggested in Section 7.

1. Government and its agencies are generally more able to 'steer' needs and demand for technical assistance now than in the past. Although donors tend to provide the resources required on grant terms (and there are indications that they are prepared to continue to do this in the medium term), government has 'ownership' of TA activities, especially where it has taken the initiative and sought TA.
2. A variety of roles, modalities and permutations of expatriate, regionally sourced and national TA are represented in our sample. The environment in which these TA activities are pursued is generally conducive to their apparent success. However, objective evidence of effectiveness is not usually available since most 'users' do not yet routinely monitor and evaluate TA effectiveness. There are indications from discussions during this study that it would be timely to constitute some form of partnership working group on capacity building to pool and compare experience and best practice on this issue. These deliberations could feed into the preparation of any future TA strategy (as recommended in 2000 by the MPI/UNDP study but not acted upon).
3. Vietnam's rapidly growing private sector is beginning to 'poach' talent from the public sector. Motivated and qualified personnel are being attracted out of government, and not just because of salary differentials. Private sector environments encourage more flexibility, initiative, innovation and freedom of communication and ideas, than the public sector usually offers, given its somewhat formal, hierarchical style of leadership and management of people. There are new pressures in the labour market, in terms of demands for Vietnamese nationals with skills and personal energy. This has several implications:
  - There is still a need for joint government-donor consideration of the future of the Vietnamese consulting industry, particularly how it can best be supported and professionalised in the future.
  - Government should attempt to understand the new labour markets emerging in the economy which make a claim on the outputs of the formal education system, especially higher education (see also our last point below), and precipitate the 'brain drain' from government.
  - Government might therefore reflect on the progress of public sector reform, and in particular the impact of current people-management practices in the civil service. This is urgent, because once Vietnam reaches middle-income status (i.e. after 2010 according to current projections), the availability of donor finance for TA will decline. It is essential that steps be taken soon to address the retention issue and the ability of government to access skilled specialist TA (from Vietnam and overseas) thereafter.
  - The present study has unearthed a number of issues related to mobilisation of national experts and consultants from within the public service. Allowances are paid in some cases to officials for extra duties associated with TA projects or activities, and in some cases agencies related to the TA project counterpart agency may seek

to undertake research or advisory services for the project.<sup>58</sup> Donors have, through their past practices, unwittingly distorted expectations and compounded ambiguities in fee and allowance levels for nationals in the public service. Apart from blanket restrictions on officials being hired as consultants, government has recently remained rather silent on these issues. The current study concludes that government and donors need to openly discuss current tensions and ambiguities arising, and future options, on allowances and (donor TA programme) payments for research and technical services from within government institutions. This dialogue is needed as soon as possible.

4. There is reportedly a large gap between what is currently taught in higher education institutions – even the ones supposedly specialised in preparing graduates for public service – and the new reformist approaches being adopted in public service management and public finance in government. More up-to-date content offered in higher education would better prepare prospective applicants to public employ (especially at provincial and sub-provincial levels). This is particularly important in local government, where demand for such skills will sharply rise due to devolution. There is a successful precedent for TA to a higher education body in the cases sampled (see Annex 2 for a summary of the WRU TA experience). The implication(s) suggested in the following section on support to higher education relate to discussions during the study on how innovative technical system development in key public agencies (e.g. budget management at the central and local government levels), some of which are the product of TA in the cases reviewed, can be introduced into the syllabi and teaching of related higher education institutions.

## 7 Implications for Donors and Vietnamese Partners

We have attempted to distinguish implications of the TA study for donors and for the Government of Vietnam. These are summarised below, along with a first category of areas where *joint* actions are implied.

### 7.1 Implications for government and donors in collaboration

1. *Open dialogue on the issue of possible support to the national consulting industry and review of practices (e.g. tendering, norms for senior nationals) to remove disincentives.*

This issue has been studied in part before, but with a slant towards implications for procurement. The 2005 *Public Expenditure Review* (GoV 2005c) was clear that there are urgent issues to be addressed through a broader joint study.

2. *Commission a survey of remuneration in Vietnam's professional labour markets AND address the issue of government agency staff being used as consultants. Donors and government need to clarify current ambiguities in role definitions and pay norms.*

These aspects are linked and inter-dependent. The former would, amongst other contributions, help to inform the latter. A survey of remuneration would provide useful data not only for benchmarking the salaries paid to professionals in government, but also for assessing billing rates and pay norms for nationals in consulting proposals. Joint discussion is needed concerning roles played by staff from government-related institutions in Vietnam, and the circumstances under which they may be rewarded

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<sup>58</sup> A new decree obliges research and university institutions to achieve financial independence through competition for research or other fee revenue.

financially for inputs to TA-related initiatives.

3. *Assess the feasibility of support to higher education institutions to enable them to better serve the labour market.*

The rationale was provided in Section 6. Some bilateral aid policies may not favour support to higher education (on the grounds that it is not 'pro-poor'), but the type of assistance implied here would help to satisfy future demand for graduates with some background in recent advances in Vietnamese public finance and administrative practice and the corresponding legal frameworks. This support could be led by relatively inexpensive national TA.

4. *Support research institutions through 'facilities' rather than direct TA*

Recent regulatory changes (involving the obligation of research institutions to become financially self-sufficient) provide an incentive for seeking out opportunities for paid research commissions. However, some donor regulations may preclude centres with donor-supported TA from bidding for research projects funded by other international donors, because TA 'project' counterparts cannot be paid for research work (even if it is funded by another donor). Therefore the CARD 'facility' formula appears to be the most appropriate for future support to research institutions and the research function in key sectors.

## **7.2 Implications for government**

1. *Address the issue of motivating talented individuals to remain in public service when the private sector is offering better conditions and liberal people-management practices.*

This is a critical implication of the current study, and adds urgency to current public administration reform efforts. The need for TA to help transform leadership, communication and people-management practices may well have been underestimated hitherto.

2. *Consider formulating a strategy for TA.*

A TA strategy should ideally be based on suggestions made in the MPI/UNDP *Review of Technical Cooperation* (see Annex 4), and recent experience and best practice emerging from the public administration reform programme and other examples mentioned in the current study. It would appear important to invite the views of local government in framing such a TA strategy, based on their experience to date and analyses undertaken by the *Strengthening Local Government Programme* and others. In this regard, government might consider establishing a thematic working group network to share experiences and lessons on approaches to capacity building.

3. *Articulate frankly to donors the needs for and optimal supply of TA.*

This is already beginning to happen. However, it is clear that moves towards the new aid modalities (especially budget support) are giving grounds for donor concern about fiduciary risk. In this regard, it is also important to improve internal systems for ODA management to enhance donor confidence especially at the provincial and lower levels necessitated by the growth of budget support.

4. *Assess with donors the perverse incentives of current 'back-door' practices in terms of officials gaining 'allowances' through project-related work (unrelated to productivity).*

It would appear to be worthwhile to consider some pragmatic measures (for example, those applied in VAMESP) to link modest rewards to extra effort.

### 7.3 Implications for donors

1. *Listen, permit and encourage 'learning by doing' in TA designs, within partner agencies and between partners and donors.*

It is clear that not all the lessons from experience – particularly related to capacity development – are being learned in some of the TA cases reviewed in the present study. Moreover, effective M&E of TA and capacity development is rare across the public sector in Vietnam. There appears to be scope for introducing more innovative and pragmatic M&E approaches, particularly oriented to understanding more about the impact of TA personnel on capacity and other capacity-strengthening inputs. A recent review under the auspices of the capacity study done by ECDPM distilled past (often unsatisfactory) experiences in M&E of capacity development as well as positive results from application of some innovative approaches. GTZ has taken on board the need for a structured methodology for gaining quantitatively *qualitative* feedback from all stakeholders in TA interventions, and pragmatic approaches to learning from experience.<sup>59</sup> Some of its approaches appear to lend themselves to the established practice in Vietnam of 'learning by doing' on the basis of pilot initiatives.

2. *Be realistic in terms of what can be achieved in a limited time. Do not try to force pace. Rather, proceed step by step, be patient, allow TA to move smartly if there is a 'point of entry', and adapt donor agency procedures to the prevailing institutional environment.*

The 'deep-end' approach to transition between two TA modalities (as in FSPS I to II) is worth studying to extract possible lessons in this regard. In the Vietnamese environment, the more flexibility donors can demonstrate in terms of international recruitment options, counterpart role changes and parameters, tendering and hiring of national consultants, the better.

3. *If a donor has major concerns (e.g. prospective fiduciary risks and a corresponding wish to have 'eyes and ears' on the ground), it should express them frankly. Encourage open dialogue on options for meeting concerns.*

This relates to the emergence of budget support as an aid modality. There may inevitably be a temptation to use TA in the 'watchdog' mode where fiduciary concerns arise. Indications are that this may undermine ownership, which may in turn impinge on the effectiveness and impact of the TA involved.

4. *Reflect on donors' potential value as sources of information and as facilitators of access to information on specialised professional or technical networks, institutions or experts. Decide in which fields the agency has a comparative advantage.*

Counterparts stressed the value they attach to being able to access information provided by TA personnel and the Hanoi offices of development partners. It is clear that donors can (and to some extent already do) play a generally valuable role as brokers of access to information about international comparative experience regarding key development policy issues. One vehicle for mobilising and providing insight into international comparative experience, and applying it in analyses of current Vietnamese practice, is donor support to major reviews of sector policy, programmes, progress and outcomes against policy goals. The RWSS series of studies (GoV 2005a) is an excellent example of this, having had major impact on policy and future programming.

<sup>59</sup> See ECDPM Discussion Paper No. 58B (Watson, D. 2006. *Monitoring and Evaluation of Capacity and Capacity Development*. Maastricht: ECDPM), available through [www.ecdpm.org/capacity](http://www.ecdpm.org/capacity). See also GTZ (2004) and GTZ (2005: Annex 1).

*5. Review current practices for involving government counterparts in TA selection, for example, in CV scrutiny. Video conferences may prove alienating to counterparts.*

It is not clear what options other than video conferences are possible, in view of the costs of providing face-to-face contact with candidates for key posts. However, it appears that more input from Vietnamese counterparts to (foreign-based) recruitment agencies on the operational working context and challenges which TA personnel face in Vietnam may help the recruitment agencies frame more appropriate tests and simulations which in turn may provide more representative insights into key abilities or skills on the part of applicants.

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## **Annex 1: Persons interviewed during the Vietnam TA case study**

### **1. Government of Vietnam and State Agencies**

#### ***Ministry of Planning and Investment (MPI):***

Doan Tho Nam	Deputy DG, Foreign Economic Relations Dept.(FERD)
Nguyen Thanh Hai	Programme Officer (Nordic), FERD
Dang Huy Dong	Director General, Dept. of Public Procurement
Nguyen Thi Thuy Hang	Official, Dept. of Public Procurement
Pham Thi Thanh An	Coordinator, PGAE, FERD/MPI
Phan Thanh Ha	Deputy Director, Dept. of Monetary and Finance Policies

#### ***Ministry of Finance (MOF):***

Do Viet Duc	Deputy Director, Dept of State Budget
Tran Kim Hien	Official, Dept. of State Budget
Nguyen Manh Hoa	Manager, External Relations Department (ERD)
Nguyen Hoang Lam	Deputy Chief, Bilateral Division 1 (ERD)

#### ***State Bank of Viet Nam (SBV), and Vietcombank:***

Le Minh Hung	Director-General, International Co-operation Dept, SBV
Ngo Chung	Deputy Director, Dept. of Organisation and Personnel, SBV
Nguyen Huu Nghia	Deputy Director, Dept. of Banking Supervision, SBV
Nguyen Van Tuan	Head, Bank Modernisation, Vietcombank

#### ***Ministry of Agriculture and Rural Development (MARD):***

Nguyen Ngoc Binh	Director-General, Department of Forestry
Tran Kim Long	Deputy Director-General, International Co-operation Dept.
Nguyen Vu Hoan	Official, International Cooperation Dept.
Nguyen Thi Phong Nga	Manager, International Support Group (ISG)
Nguyen Truong Van Partnership	Deputy Director, Forest Sector Support Programme & (FSSP)

#### ***Viet Nam Water Resources University:***

Prof. Dr. Dao Xuan Hoc	Rector, Water Resources University
Pham Hong Nga	Head of International Cooperation Office and Head Lecturer, Hydrology, WRU

#### ***Ministry of Fisheries (MOFI):***

Nguyen Viet Manh	Director-General, International Co-operation Dept.
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**Ministry of Home Affairs (MoHA):**

Pham Van Diem                      Director General, International Co-operation Dept.

**Office of the Government:**

Nguyen Dinh Hoan                  Deputy Director, International Cooperation Dept.

**State Committee for Ethnic Minority Affairs (CEMA):**

Tran Van Thuat                      Director, Dept. of Policies

**Central Institute of Economic Management (CIEM):**

Dinh Van An                          President  
 Tran Xuan Lich                      Vice President  
 Vu Xuan Nguyet Hong              Director, Economic Management Dept.  
 Le Viet Thai                          Deputy Director, Economic Institutions Dept.

**2. Development Co-operation Agencies****Royal Danish Embassy:**

Charlotte Laursen                  Counsellor, Deputy Head of Mission  
 Dorte Chortsen                      Counsellor  
 Nguyen Phuong Lien                Development Programme Officer  
 Nguyen Kim Quy                      Programme Officer

**Finland Embassy:**

Pekka Seppala                        Counsellor

**Royal Netherlands Embassy:**

Bengt van Loosdrecht              Head of Development Co-operation

**Australian Embassy:**

Laurie Dunn                          Counsellor, AusAID  
 Simon Cramp                         First Secretary, AusAID  
 Susan McKeag                        First Secretary AusAID  
 Nguyen Thu Phuong                 Senior Manager (Quality Assurance) AusAID  
 Nguyen Quoc Viet                    Senior Programme Manager  
 Nguyen Thanh Tu                    Programme Officer  
 Doan Thu Nga                        Programme Officer  
 Nguyen Tu Uyen                      Programme Officer

**World Bank Hanoi:**

Martin Rama	Lead Economist
Keiko Sato	Country Programme Co-ordinator
Victoria Gyllerup	PGAE Operations Officer
Lasse Melgaard	Assistant to Country Director
Nga	Trust Fund Manager

**British Embassy:**

Keith Mackiggan	Deputy Head, Department for International Development (DFID)
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**GTZ:**

Dr. Guenter Riethmacher	Country Director
Inge Pohl	Deputy Director
Pham Ngoc Linh	Programme Co-ordinator

**3. Technical Assistance Personnel**

Brian van Arkadie	Co-author, MPI/UNDP Report on TA (2000)
Dr. Ulrike Maenner,	CTA, Macroeconomic Reforms Programme, GTZ
Dr. Laslo Pancel	CTA, Vietnam-German Forestry Programme, GTZ
Le Ngoc Ha	Co-ordinator, Vietnam-German Forestry Programme
Prof. Phan Thu Huong	Senior Technical Co-ordinator, Strengthening Local Government Project, MPI-UNDP
Truong Phan Viet Thang	Deputy National Project Manager, UNDP TA for Implementation of Programme 135 Phase II
Michael Akester	Programme Adviser, Danida Fisheries Programme Phase II
Vince Martino	HRD Adviser, Danida Fisheries Programme
John Fargher	Australian Team Leader, Vietnam-Australia M&E Strengthening Project MPI
Tom Connor	CTA Natural Disaster Risk Management Project MARD
Keith Milligan	Technical Co-ordinator, Collaboration for Agriculture and Rural Development (CARD) Programme
Dr. Roger Chenevey	Team Leader Senior Consultant Support to Capacity Building at Water Resources University

## **Annex 2: Case Studies: Summary of Features and Issues Arising**

Cases Covered in this Annex:

### **i. Main Cases: these were identified as good examples for the Study Team before and at the outset of the fieldwork**

1. Sector Support for National Target Programme for Rural Water Supply and Sanitation and Hygiene Promotion Phase II
2. German Macro-economic Reforms Programme
3. Forestry Development : Forestry Sector Support Program and Partnership (FSSP&P) and Trust Fund for Forestry (TFF)
4. Forestry Development – German Forestry Programme
5. Fisheries Development - Danish Fisheries Sector Programme Support (FSPS) Phase II
6. National Target Programme Programme 135 - Phase II Also known as Socio Economic Development Programmes for Extremely Difficult Communes in Ethnic Minority Areas (SEDEMA)

### **ii. 'Mini' Cases: these were mentioned during preliminary meetings with each sponsoring donor as worthy of investigation to produce insights into interesting and positive features**

1. Collaboration for Agricultural and Rural Development (CARD)
2. Monitoring and Evaluation Strengthening Project Phase II (VAMESP II)
3. Multi-Donor Trust Fund for Reform of Public Financial Management
4. Technical Assistance provided to the Water Resources University Hanoi (WRU)

## i. Main Cases

Project / Programme	Sector Support to NTP in Rural Water Supply and Sanitation Programme (RWSS) Phase II
<p><b>TA description</b></p>	<p><b>Programme description:</b></p> <ul style="list-style-type: none"> <li>- <u>Sector budget support to NTP in RWSS</u> Phase II (2006-2010) provided by Danida, AusAID and DGIS</li> </ul> <p><b>Programme Partners:</b></p> <ul style="list-style-type: none"> <li>- MARD, MOH and 9 pilot provinces</li> <li>- Danida, AusAID and DGIS (The Netherlands)</li> </ul> <p><b>Programme Duration:</b></p> <ul style="list-style-type: none"> <li>- Pilot phase in 9 provinces runs for 2 years (2006-2008), roll out phase a further 3 years</li> </ul> <p><b>Programme funding:</b></p> <ul style="list-style-type: none"> <li>- Donor contributions: Danida: US\$ 66 million, AusAID: US\$ 34 million, and DGIS: US\$ 25 million.</li> <li>- Total (aid) programme: US\$ 125 million. Of this, US\$ 8.5 million was for technical assistance</li> </ul> <p><b>TA numbers:</b></p> <ul style="list-style-type: none"> <li>- Pilot phase will have <u>5 international TAs</u> (from May 2007): 2 at central government level (in MARD and MOH), and one in each of the 3 provincial clusters.</li> <li>- There will also be <u>national TAs</u> (once the international TAs are in place) and short-term consultancies</li> </ul> <p><b>TA focus:</b></p> <ul style="list-style-type: none"> <li>- Pre-pilot TA included work on NTP Implementation Guidelines; MPI support on new Procurement Law; Review of RWSS Credit and Subsidy Policies; RWSS M&amp;E system development.</li> <li>- Evaluation (TA) studies to include independent audit; expenditure verification and tracking study; review of financial management processes; value for money.</li> </ul> <p><b>Other information:</b></p> <ul style="list-style-type: none"> <li>- Danish predecessor programme (WSSP Phase I, 2000-2006) supported various projects and water resources institutes (see mini-case WRU below). Danida was a major bilateral donor to the sector, along with many others during NTP in RWSS Phase I.</li> </ul>
<p><b>TA Demand</b></p>	<p><b>Identification of TA Demand</b></p> <ul style="list-style-type: none"> <li>- Current study indicates differences of views among GoV and the donors on the need for three international TAs at Provincial level during the final design of NTP RWSS II.</li> </ul> <p><b>Tools used for assessing programme/TA needs:</b></p> <ul style="list-style-type: none"> <li>- Sector Assessments - Major <u>Joint Reviews of NTP I in RWSS</u> in late 2004/ early 2005 informed the design of NTP for RWSS Phase II. <ul style="list-style-type: none"> <li>▪ <i>NB These were themselves positive examples of TA provision.</i></li> <li>▪ Main conclusions: more programmatic, co-ordinated, devolved, integrated, community-based, technologically-diverse; private sector mobilising approach essential in future, with better M&amp;E.</li> <li>▪ There were <u>no explicit conclusions or recommendations on future TA</u> in those reviews.</li> </ul> </li> </ul>

<b>Project / Programme</b>	<b>Sector Support to NTP in Rural Water Supply and Sanitation Programme (RWSS) Phase II</b>
<b>TA role and effectiveness</b>	<p><b>TA role</b></p> <ul style="list-style-type: none"> <li>- International TAs (in pilot phase) to be advisers (not gap-fillers) in strategic planning and M&amp;E;</li> <li>- Central TAs (2): to be tasked with capacity building and M&amp;E advisory roles; (including targeting and Information Education and Communication (IEC) campaign design)</li> <li>- Provincial TAs (3): to be ‘eyes and ears’ on the ground and provide info on what works; transmit conclusions to the national level to inform ‘scaling up’.</li> <li>- Decisions on national TAs roles/types/location to be taken after international TA mobilisation</li> <li>- Limited reference in TA ToRs to planning of institutional and capacity building programme for NTP in RWSS II (This was suggested in sector reviews).</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- TA not mobilised yet.</li> <li>- Some Provinces have already raised the issue of sharing of counterpart costs between the beneficiary Provinces (issue not yet resolved).</li> </ul>
<b>TA modality and management of TA</b>	<p><b>TA type:</b></p> <ul style="list-style-type: none"> <li>- <b>TA in the context of a sector support programme</b> (NB: An innovative modality for the donors involved).</li> </ul> <p><b>Recruitment modality used:</b></p> <ul style="list-style-type: none"> <li>- Pooled recruitment of (individual) international TAs through Danida (Mercuri Urval)</li> <li>- Future national TAs to be recruited (individuals preferred) through AusAID</li> </ul> <p><b>Accountability:</b></p> <ul style="list-style-type: none"> <li>- TAs job descriptions will be subject to joint approval by hosts, Committees and donors;</li> <li>- TA will report to and be responsible to relevant NTP Steering Committees. They will have no fund-management responsibilities since all support funding is via GoV budget and systems</li> </ul>
<b>Conclusions/ Lessons on Capacity/ Sustainability</b>	<p><b>Conclusions</b></p> <ul style="list-style-type: none"> <li>- RWSS is a key sector for GoV and there were indications of strong ownership and pro-activity even before the RWSS II design process.</li> </ul> <p><b>Recommendations/Lessons</b> (For both donors and GoV)</p> <ul style="list-style-type: none"> <li>- Include in ToRs of major sectoral reviews an assessment of the effectiveness of previous TA inputs and recommendations for changes needed in future.</li> <li>- Include tasks on <i>planning</i> overall sector capacity building programmes (not just ‘ToRs for capacity building’).</li> </ul>

Project / Programme	Macro-economic Reform Programme
<p><b>TA description</b></p>	<p><b>Programme description and focus:</b></p> <ul style="list-style-type: none"> <li>- The German-funded <i>Macro-economic Reforms Programme</i> supports CIEM, SBV and MOF. It aims to strengthen market-oriented institutions in Vietnam, and works at three levels: the regulatory framework (laws and respective regulations), reforming the institutions responsible for supervising the regulatory framework, and raising the performance capability of staff.</li> <li>- The programme has 3 components: <ul style="list-style-type: none"> <li>▪ <b>Component 1 - economic and social policy</b>, focuses on: implementation of the enterprise and the investment law, reform of the law on planning, strengthening economic analysis and forecasting capacity, improving reporting on the economic situation of Vietnam</li> <li>▪ <b>Component 2 - public finance</b> focuses on: implementation of the State Budget Law, other regulations and instruments enhancing the capacity for efficient and effective budget management.</li> <li>▪ <b>Component 3 - financial systems development</b> focuses on: structural reform of the State Bank of Vietnam, enhancing the internal audit and risk management functions of commercial banks, capital market development, improving supervision and audit functions of the People's Credit Funds.</li> </ul> </li> </ul> <p><b>Programme Partners:</b></p> <ul style="list-style-type: none"> <li>- Government partners: <ul style="list-style-type: none"> <li>▪ <u>Central Institute for Economic Management (CIEM)</u>: Component 1 and Co-ordination; <u>Ministry of Finance (MOF)</u>: Component 2; <u>State Bank of Vietnam (SBV)</u>: Component 3.</li> <li>▪ Other partners: Prime Minister's Research Commission, Ministry of Home Affairs, General Statistics Office, State Securities Commission, Association of People's Credit Funds, selected commercial banks</li> </ul> </li> <li>- International Partners: <ul style="list-style-type: none"> <li>▪ GTZ</li> <li>▪ CIM</li> </ul> </li> </ul> <p><b>Programme Duration</b></p> <ul style="list-style-type: none"> <li>- Total duration envisaged: 6 years, from 2005 to 2011.</li> <li>- Phase I to run for 3 years from 2005 to 2008.</li> <li>- Predecessor programmes to SBV and CIEM ran from 1993 to 2006.</li> </ul> <p><b>Programme funding:</b></p> <ul style="list-style-type: none"> <li>- BMZ funding for technical assistance (through GTZ): Euro 3 million for Phase I.</li> </ul> <p><b>TA numbers:</b></p> <ul style="list-style-type: none"> <li>- <u>1 CTA</u>, based at CIEM, manages and co-ordinates the programme, together with <u>2 (national) component directors</u> and <u>other programme staff</u> based at each of the institutions</li> <li>- <u>2 Backstoppers</u> provided to SBV and the Ministry of Finance, who visit Vietnam regularly</li> <li>- The CTA identifies international TA for Component 1; back-stoppers identify international candidates and help the institutions to mobilise <u>short-term technical assistance</u>.</li> <li>- Germany also supports a CIM integrated expert based at CIEM (though not directly through the macro-programme)</li> <li>- The German predecessor programmes to SBV (Banking Reform Project) and CIEM (Support to economic reform), which ran from 1993 to 2006, provided <u>various TAs</u> to both institutions.</li> </ul>



<b>Project / Programme</b>	<b>Macro-economic Reform Programme</b>
<b>TA Demand</b>	<p><b>CIEM</b></p> <ul style="list-style-type: none"> <li>- Long standing cooperation with Germany, and affiliation of the Vietnamese staff who studied in the former GDR, built trust</li> <li>- Interest in German model of social market economy</li> <li>- CTA brings useful <u>contacts</u> which help mobilising the <u>short term consultancy inputs</u> for which there is a high demand</li> </ul> <hr/> <p><b>Ministry of Finance</b></p> <ul style="list-style-type: none"> <li>- Long-standing relationship going back to 1993</li> <li>- Identification of needs and TA programme is demand-led</li> <li>- Demand for German <i>practitioners</i> in State Budget Law drafting;</li> <li>- Demand for highly specific advice on content, drafting, guidance on chronology of key procedural steps in implementation of new Budget Laws</li> </ul> <hr/> <p><b>State Bank Vietnam (central bank)</b></p> <ul style="list-style-type: none"> <li>- GTZ TAs are requested for specific areas, and have a record of having good technical expertise, selected through stringent joint procedures.</li> </ul> <p><b>Tools for assessing TA needs:</b></p> <ul style="list-style-type: none"> <li>- A <u>Master Plan for Banking Sector Reform to 2010</u> has been prepared by World Bank consultants (Oxford Policy Management) which reportedly indicated future needs for TA to SBV, especially in the light of a new Law on the status of SBV (as a true Central Bank).</li> <li>- Mapping and Programming TA to SBV and the Banking sector has been facilitated over the last 2 years by regular donor meetings (Chaired by SBV and the World Bank). These and TA information management software (provided with CIDA assistance) permitted ICD of SBV to generate a <u>'map' of TA inputs</u> and to share outputs of the various TAs (including reports)</li> </ul>
<b>TA role and TA effectiveness</b>	<p><b>CIEM</b></p> <p><b>TA role</b></p> <ul style="list-style-type: none"> <li>- <u>CTA</u> as a donor link (bridging function), as eyes and ears on the ground, as advisor and programme manager.</li> <li>- CTA also used to mobilise <u>international short term TAs</u>.</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- (C)TA effectiveness helped by fact that relevant <i>CIEM counterparts can moderate between the German and the Vietnamese side</i> and are well integrated into high levels of the VN system (e.g. a former counterpart now is advisor to Prime Minister)</li> <li>- This programme is an exception to the comment in Section 2 concerning the difficulties faced by external TA in accessing decision-takers, and slow decision-taking. These problems are not encountered by this programme.</li> <li>- Short term TAs seem to be seen as generally effective in completing the required assignments.</li> </ul>

<b>Project / Programme</b>	<b>Macro-economic Reform Programme</b>
	<p><b>Ministry of Finance</b></p> <p><b>TA role</b></p> <ul style="list-style-type: none"> <li>- Identification of short-term resource TAs facilitated by a 'back-stopper' (periodic visits 4x per annum), who himself is a German ex-practitioner, and periodic 2-way email contact</li> <li>- Short term technical consultancy by MoF-selected practitioners</li> <li>- Long term national TA plays a facilitation role prior to, and during short-term TA visits</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- Several revised State Budget Laws produced with the input and suggestions of TAs</li> <li>- Appreciation that TAs 'do not try to impose their thinking on us'... 'the final decisions (and related studies to support decisions) are in our hands'</li> <li>- 'Intervals between visits of short-term TAs allow us to absorb innovative ideas'</li> </ul> <hr/> <p><b>SBV</b></p> <p><b>TA role</b></p> <ul style="list-style-type: none"> <li>- International back-stopper model (with long-standing trusting relationship with Vietnamese counterparts and sector)</li> <li>- (Many!) short term technical consultancy candidates identified by back-stopper, approved by SBV clients (35 missions and two study-tours in 2006).</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- TA appears to have been mostly effective at achieving intended goals, especially in recent years. Success factors include: good selection of consultants by the back-stopper, (who has deep knowledge of the context and needs); careful design of short-term missions; concepts drafted by counterparts on which TAs comment, or workshops are held.</li> <li>- New Draft Law on SBV (as a true Central Bank) is partly the result of this GTZ collaboration (it is due to be submitted to National Assembly in 2008).</li> </ul>
<b>TA modality and management of TA</b>	<p><b>TA type</b></p> <ul style="list-style-type: none"> <li>- Various: CTAs, backstoppers, various national programme staff, short term international TA, training and study visits</li> <li>- Reduction from 3 CTAs in the past (in what were then distinct programmes) to 1 CTA now</li> </ul> <p><b>Specificities of modality used</b></p> <ul style="list-style-type: none"> <li>- Use of CTA and back-stoppers to mobilise further international short term TA</li> <li>- Backstoppers have long standing relationship with the partner institutions, and come for regular visits</li> <li>- Using short-term TA is cost effective and essential in highly technical financial fields where specific skills are needed (i.e. no one person has the requisite skills)</li> <li>- BUT some form of long-term CTA + backstopping experts, familiar with the scene (and networks of expertise outside Vietnam including in the region) are an essential complement if short-term TA is to be able to function effectively</li> </ul>

<b>Project / Programme</b>	<b>Macro-economic Reform Programme</b>
	<p><b>SBV</b></p> <p><b>TA management</b></p> <ul style="list-style-type: none"> <li>- GTZ TA to SBV is coordinated by SBV's Personnel and not the ICD Department (which coordinates all other TA and assistance).</li> <li>- SBV has rigorous process for screening departmental requests for short-term TA provided through the GTZ 'window'. The back-stopper and the HR Department jointly appraise requests, against the available budget (which is briefed to SBV by the GTZ CTA). Requests usually exceed available funds.</li> <li>- Client departments assess the effectiveness of past TAs, and inform the HR Department.</li> </ul>
<b>Conclusions/ Lessons on Capacity/ Sustainability</b>	<p><b>Conclusions</b></p> <ul style="list-style-type: none"> <li>- Long-term relationships and trust are fundamental</li> <li>- Particularly <u>SBV</u> counterparts made the point that the earliest stages of their interactions with donors and TA agencies such as GTZ (ten years ago) were marred by inexperience on their (SBV) side ...as a result they were not in a position to select TA judiciously, and many interventions were inappropriate.</li> <li>- They feel much better equipped now to 'steer' TA in relevant directions, and to absorb and adapt guidance (some of it conflicting!) from various inter-national Banking systems;</li> <li>- There are some benefits derived from having a three-component Macro Programme: SBV cited how collaboration with MoF and CIEM on Stock Market development, accounting benchmarks, and financial statistics had been facilitated by the overall GTZ programme. The bi-annual meetings of the three-component Steering Committee help mutual collaboration, including between CIEM, MoF and SBV.</li> </ul> <p><b>Lessons</b></p> <ul style="list-style-type: none"> <li>- Given the problems which <u>MoF</u> faces in (re-)orienting new staff intake direct from University into new public finance policies and practice, there appears to be scope for attempting to introduce improved curricula at the dedicated public finance institutions and faculties in Vietnam. The Macro-programme has approached several institutions about this, but has been asked to postpone dialogue pending current reorganisation in higher education.</li> <li>- <u>SBV</u> was the only state agency visited which appears to have relatively 'enlightened' practices for its own staff development (including rotation of staff between departments; career development; possible secondments outside the Bank). Notwithstanding these newly-introduced practices, SBV is beginning to lose staff (especially those with overseas training exposure) to the private banking and finance sector.</li> </ul>

Project / Programme	Forestry Development – Forestry Sector Support Program and Partnership (FSSP&P) and Trust Fund for Forestry (TFF)
<p><b>TA description</b></p>	<p><b>Programme description:</b></p> <ul style="list-style-type: none"> <li>- The <b>Forestry Sector Support Program and Partnership</b> “is a broad framework for collaboration” between the Government of Vietnam and 25 international development partners working in the forestry sector.<sup>60</sup> It is based on a Memorandum of Agreement signed in 2001, which came about in part through German and Dutch moderation.</li> <li>- The FSSP&amp;P supports the <i>National Forest Development Strategy (2006-2020)</i> and the <i>National Five Million Hectares Reforestation Program 1998-2010</i>.</li> <li>- After a review in 2006, the FSSP&amp;P has <b>Partnership Steering Committee</b>, a <b>Technical Executive Committee</b> and <b>regional networks</b>.</li> <li>- It is supported by a <b>Coordination Office</b>, which is not, however, involved in implementation.</li> </ul> <p>- 4 FSSP&amp;P donors also participate in the <b>Trust Fund for Forestry (TFF)</b>, which was established in 2004. The TFF is a grant facility designed to align ODA support with FSSP&amp;P priorities, improve poverty targeting and support a smooth transition to a SWAp approach.</p> <ul style="list-style-type: none"> <li>- The TFF is administered by the Vietnamese side (by a Vietnamese Financial Advisor), but with <u>GTZ TA</u> support. It is planned that the Trust Fund will be moved to the Forestry Department in MARD.</li> </ul> <p><b>Programme Partners:</b></p> <ul style="list-style-type: none"> <li>- FSSP&amp;P has 25 signatories in total</li> <li>- Key government partner: MARD (Department of Forestry)</li> <li>- 19 international government and non-governmental partners include Germany, Finland, Switzerland, Sweden (Sida)</li> </ul> <p><b>Programme Duration:</b></p> <ul style="list-style-type: none"> <li>- FSSP&amp;P started in 2001 and runs to 2010.</li> <li>- The TFF started in 2004, and funding is committed to the end of 2007.</li> </ul> <p><b>Programme funding:</b></p> <ul style="list-style-type: none"> <li>- TFF funding amounts to some Euro 18.7 million</li> <li>- Total external contributions to the Vietnamese Forestry Sector amount to some US\$ 100 million p.a.</li> </ul> <p><b>TA numbers:</b></p> <ul style="list-style-type: none"> <li>- FSSP&amp;P <ul style="list-style-type: none"> <li>▪ Several TA contributions. One example reviewed (see German Forestry Programme)</li> </ul> </li> <li>- TFF <ul style="list-style-type: none"> <li>▪ Most of TFF funding (over 50%) is spent on TA projects (consultants).</li> <li>▪ 2 TAs administer the TFF, a Vietnamese national and a GTZ-provided international advisor</li> </ul> </li> </ul>
<p><b>TA Demand</b></p>	<ul style="list-style-type: none"> <li>- The FSSP&amp;P reduced the number of projects in the forestry sector from 160 in the late 1990s to one programme (the FSSP&amp;P) in 2001.</li> </ul> <p><b>Tools for assessing TA needs:</b></p> <ul style="list-style-type: none"> <li>- Development of a <b>matrix of affiliation</b> (describing who is doing what) helped identify TA ‘gaps’ (NB <i>this was the first example in Vietnam of such a coherent approach to TA programming for a sector</i>). This, however, has not been updated</li> </ul>

<sup>60</sup>World Bank (ed). *Working in Partnership to Deliver Results - Vietnam Partnership Report 2005*.

<b>Project / Programme</b>	<b>Forestry Development – Forestry Sector Support Program and Partnership (FSSP&amp;P) and Trust Fund for Forestry (TFF)</b>
	<p>since 2003.</p> <ul style="list-style-type: none"> <li>- Establishment of <b>FSSP Co-ordination Office</b> (with its own Trust Fund, the TFF)</li> <li>- Recent review criticised absence of private sector voices in the FSSP Partnership and unwieldy management institutions, and noted lack of consensus on purpose and priorities of the Partnership.</li> </ul>
<b>TA role and TA effectiveness</b>	See below: only one TA case study in the sector studied (German Forestry Programme)
<b>TA modality and management of TA</b>	<p><b>TA type:</b></p> <ul style="list-style-type: none"> <li>- The <b>Trust Fund for Forests</b> was intended to provide fast harmonised access to resources for TA and other sector inputs. However, this has not worked out as planned, even with long term TA management inputs.</li> <li>- A review of the TFF in 2006 criticised cumbersome appraisal and endorsement procedures (which were additional to MARD standard procedures), un-coordinated development of numerous proposals and uncertainty amongst stakeholders on the focus for the TFF, and noted the ambiguous commitments of donor resources.</li> </ul>
<b>Conclusions/ Lessons on Capacity/ Sustainability</b>	<p><b>Conclusions/Lessons</b></p> <ul style="list-style-type: none"> <li>- Partnership platform seen as positive;</li> <li>- Partnerships need maintenance periodic reflection and reassessment of effectiveness and membership;</li> <li>- Trust Funds depend for their effectiveness on the sector (collaboration) context they serve; realism and relevance of their objectives and criteria for applications; their ease of application and access, and the speed and sensitivity of scrutiny given to bids.</li> </ul>

<b>Project / Programme</b>	<b>Forestry Development II – German Forestry Programme</b>
<b>TA description</b>	<p><b>Programme description:</b></p> <ul style="list-style-type: none"> <li>- The <i>German forestry programme</i> (full name: <i>Programme for Sustainable Management for Natural Forest, Trade and Marketing of Major Forest Products</i>) has three components covering forestry policy; natural forest management, and timber trade and marketing</li> <li>- It includes advice, training, contributions in kind and local grants.</li> <li>- The German predecessor programme REFAS (<i>Public Administration Reform in the Forestry Sector</i>) included the <i>Song Da Black River Project</i>, which is a core forestry activity started by foreign aid.</li> </ul> <p><b>Programme Partners:</b></p> <ul style="list-style-type: none"> <li>- MARD (Department of Forestry) and 5 pilot provinces</li> <li>- GTZ, CIM</li> </ul> <p><b>Programme Duration:</b></p> <ul style="list-style-type: none"> <li>- The <i>German forestry programme</i> is scheduled to run for 10 years, from 2005 to 2013. Phase I runs for 3 years, from 2005 to 2008.</li> <li>- Its predecessor programme REFAS ran for 9 years, from 1997 to 2006.</li> </ul> <p><b>Programme funding:</b></p> <ul style="list-style-type: none"> <li>- The total German contribution is expected to reach Euro 15 million. The agreed contribution for the first phase is Euro 4.5 million.</li> <li>- Of the total programme cost, 20% is for TA personnel, the rest mainly for training.</li> </ul>

Project / Programme	Forestry Development II – German Forestry Programme
	<p><b>TA numbers:</b></p> <ul style="list-style-type: none"> <li>- 3 international TAs (CTA – who manages the policy component and 2 other component managers)</li> <li>- 5 national programme coordinators</li> <li>- 2 CIM integrated experts in Ho Chi Minh City and Dak Lak</li> <li>- There is also an unrelated CIM integrated expert in the Forest Protection Department in MARD.</li> <li>- The predecessor programme REFAS included various TAs, including the present CTA.</li> </ul> <p><b>Other info:</b></p> <ul style="list-style-type: none"> <li>- A parallel financing and technical cooperation programme on <i>Sustainable forest use and biodiversity</i> is scheduled to run for 7 years, from June 2006 to 2013, with a Phase I running for 3 years from 2006-2009. The TA contribution to this programme will be some Euro 5 million, of which Euro 2 million are provided in the first phase.</li> <li>- KfW also funds reforestation activities in Vietnam.</li> </ul>
TA Demand	<p><b>Identification of TA Demand</b></p> <ul style="list-style-type: none"> <li>- After preparation of a National Strategy for Forestry in 2001, the preparation of the <u>Matrix of Affiliation</u> (a mapping of which aspects were covered by which TA) revealed a 'gap' into which the German programme could be slotted.</li> <li>- The Department of Forestry in MARD seeks <i>technical advice related to international conventions and obligations</i>. It particularly values TAs' <i>abilities to formulate ideas in the form of new draft legislation</i>.</li> <li>- However, it is essential that external TAs can <i>adjust to Vietnamese norms and conditions</i> (including existing technology).</li> <li>- The legacy of war (reduction of forest cover from 43% to 33%), the spiritual valuation of forests in Vietnamese culture, and the high demand from an expanding economy all made the sector a national priority for rationalisation of exploitation and enhanced resource management.</li> </ul>
TA role and TA effectiveness	<p><b>TA roles</b></p> <ul style="list-style-type: none"> <li>- Valuation by GoV of technical advice informed by international comparative experience; new approaches</li> <li>- CTA mobilises international expertise &amp; other inputs</li> <li>- (C)TAs as the link to the donor and 'ear on the ground'.</li> <li>- CIM integrated experts are in demand. Integrated expert model seems to be mode suitable for 'hands on' work in remote sites, in close collaboration with colleagues.</li> <li>- Crucial roles played by National Co-ordinators (from host institution) as a bridge between expatriates and counterparts: essential to policy influence and persuasion.</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- Positive side-effect: introduced participatory way of working both in day-to-day sense AND through facilitating Provincial multi-stakeholder workshop</li> </ul>
TA modality and management of TA	<p><b>TA type</b></p> <ul style="list-style-type: none"> <li>- CTA mobilises short term TA and training</li> <li>- National personnel act as an essential bridge</li> </ul> <p><b>(TA) Management:</b></p> <ul style="list-style-type: none"> <li>- Managed by Project Steering Committee: Every step in the programme has to be approved by the partner 'slow but sure' once decided, ownership strong.</li> </ul> <p><b>TA recruitment:</b></p>

<b>Project / Programme</b>	<b>Forestry Development II – German Forestry Programme</b>
	<ul style="list-style-type: none"> <li>- GTZ proposes international TAs, partner has refused some in past;</li> <li>- Screening process for nationals involves interview panel, which includes VN counterparts.</li> <li>- <i>International TAs</i>: Difficult finding TAs with the right skills, need <i>humble</i> attitude and extensive international experience;</li> <li>- <i>National staff</i>: Finding national consultants is not always easy: especially senior experts</li> <li>- GTZ try to give young professionals a chance</li> </ul> <p><b>M&amp;E:</b></p> <ul style="list-style-type: none"> <li>- Yearly monitoring reports and evaluation reports for each phase – <i>counterparts</i> have to defend costs and activities to partner ministries</li> </ul>
<p><b>Conclusions / Lessons on Capacity / Sustainability</b></p> <p>- <b>Key insights and issues</b></p>	<p><b>Key lessons</b></p> <ul style="list-style-type: none"> <li>- Long term engagement with a partner, relationship- and trust-building are important</li> <li>- Change processes take time: e.g. change in forestry administration happened along the lines discussed in the (REFAS) project, but only after a year of internal government reflection - process can be slow but decisions taken are decisive</li> <li>- The GoV uses variety of levers (e.g. visa non-extension) to get rid of unsuitable TA.</li> <li>- Right person is crucial: good professional and social skills, resilience to stress, able to build trust</li> </ul> <p><b>Capacity Development</b></p> <ul style="list-style-type: none"> <li>- GTZ sees its working with and training of VN project staff (and, e.g., working with young consultants) as part of CB - but there is a high attrition rate to better paid (often other donor) jobs</li> <li>- Uses various training modalities: on-the-job, participation in conferences, training needs assessments, leadership development through 'fireplace talks' piloted.</li> <li>- 'Osmosis' (gradual, unexplained and almost 'invisible' improvement of counterparts' abilities) is a reality!</li> <li>- CD involves 2-way learning: advisers need to learn about the reality facing counterparts and where they have 'room for manoeuvre'</li> </ul>

Project/ Programme	Fisheries Development - Danish Fisheries Sector Programme Support (FSPS)
<p><b>TA description</b></p>	<p><b>Programme description:</b></p> <ul style="list-style-type: none"> <li>- Phase I: 5 components; 9 Provinces</li> <li>- Phase II: 4 components; 9 Provinces, of which only 3 are the same as in Phase I</li> </ul> <p><b>Programme Partners:</b></p> <ul style="list-style-type: none"> <li>- MOFI and 9 provinces each in Phase I and Phase II</li> </ul> <p><b>Programme Duration:</b></p> <ul style="list-style-type: none"> <li>- Phase I: 2000-2005</li> <li>- Phase II 2006-2010</li> </ul> <p><b>Programme funding:</b></p> <ul style="list-style-type: none"> <li>- Of a total of US\$ 65 million ongoing support to the Fisheries sector (2006), Danida accounted for US\$ 45 million</li> <li>- Phase I: Total Danida contribution Dkr 235 million (US\$40m)</li> <li>- Phase II: Total Budget Dkr 220 million (US\$40m with lower \$ rate) + L/T TA costs - Dkr 25.75million (US\$ 5million)</li> <li>- Long term international TA costs (an addition to the core budget) are approx 12% of total core budget.</li> </ul> <p><b>TA numbers</b></p> <ul style="list-style-type: none"> <li>- Phase I: 16 International long term TA posts; over 30 national long term posts.</li> <li>- Phase II: 7 Danida-recruited international TA posts, national consultants still to be mobilised</li> </ul>
<p><b>TA Demand</b></p>	<p><b>Tool Used for Assessing Demand</b></p> <ul style="list-style-type: none"> <li>- A <u>Masterplan</u> for the sector exists; ICD conducts quarterly reviews with all donors.</li> </ul> <p><b>Identification of TA Demand</b></p> <ul style="list-style-type: none"> <li>- <u>MOFI key priorities</u> are in fisheries policy and strategic planning; administrative reform (c.f. international quality and health requirements); planning of aquaculture; genetic reproduction of species; fish disease control; control of (antibiotics) residues and sanitary conditions in processing.</li> <li>- New stress is on sustainable fisheries production to alleviate poverty rather than in past expansion of exploitation of fisheries' resources.</li> <li>- New modality of Phase II (MOFI manages implementation) gives rise to <u>need for guidance in planning and managing implementation</u> including operation of Danida financial budgeting and control systems.</li> <li>- Regional TA has value if candidates can be identified (was cost-effective in Phase I); MOFI notes technical backgrounds are more akin to Vietnam species and conditions than Danes.</li> </ul>
<p><b>TA role and TA effectiveness</b></p>	<p><b>TA roles</b></p> <ul style="list-style-type: none"> <li>- Transition from Phase I from TA as implementers/ programme managers (with MOFI capacity built as a by-product) to coaching / mentoring / purer capacity building role in Phase II</li> <li>- National TA will handle outsourced services for MOFI (i.e. still hands on role) e.g. in ICT maintenance</li> <li>- Transition period between Phases I and II requested by MOFI; declined by Danida (NB new modality for Phase II was first mooted in 2003).</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- Phase I Project Completion Report indicated most Project objectives in Phase I achieved (except MIS).</li> <li>- MOFI acknowledgement that much-increased national fisheries production would have been unattainable without Danida support. (NB Five-fold increase in exports</li> </ul>



<b>Project/ Programme</b>	<b>Fisheries Development - Danish Fisheries Sector Programme Support (FSPS)</b>
	<p>1995-2005).</p> <ul style="list-style-type: none"> <li>- Capacity building more successful on individual basis than organisational basis...MOFI changed...but changes in working practices 'taken hold but in early stages'. Training programmes of Phase I well received by participants: deemed to have had positive impact on working practices.</li> <li>- Remains to be seen how well role adjustments 'settle down' in Phase II (NB only a few months' experience in new modalities). Department of Personnel (marginally involved in HRD aspects in Phase I) poses major challenge, given its crucial system capacity building role in Phase II.</li> <li>- MOFI staff and advisers are members of a Network for Aquaculture Centres in Asia-Pacific: boosts capacity available to MOFI for Aquaculture component.</li> </ul>
<b>TA modality and management of TA</b>	<p><b>TA Type:</b></p> <ul style="list-style-type: none"> <li>- Long term international and national TA, and short term advice.</li> </ul> <p><b>TA recruitment</b></p> <ul style="list-style-type: none"> <li>- For Phase II, the international recruitment process is run via Danida's agent (Mercuri Urvall), but open to partner participation (pre-selection from 3-5 CVs, video-conference interview panels with 2-3 candidates). MOFI was not wholly satisfied with recruitment in Phase I which was limited to Danish advisors (who do not necessarily have relevant experience in tropical fish)</li> <li>- Specialist short-term TA selected by MOFI with LT TA input; always backed up by long term TA (maximising impact).</li> <li>- Major problems now being faced in recruiting national TA in fisheries: nationals trained in past now employed elsewhere; fisheries research and academic institutions defined as part of MOFI and disqualified as sources of national TA. Loss / attrition of team of national consultants from Phase I due to time lag in gaining formal approvals for Phase II (many recruited by NGOs)</li> </ul> <p><b>M&amp;E</b></p> <ul style="list-style-type: none"> <li>- Future assessment of performance of TA will be challenging (given MOFI responsibilities for management and delivery of outcomes);</li> <li>- Logical framework for Phase II contains indicators over which MOFI (and its TA) have only indirect influence e.g. 'national production value of fish processing industry increases by 10% annually'; 'increase in number of official agreements signed..'; 'number of international agreements ...adjusted or developed to WTO specifications'.</li> <li>- Each province has detailed output priorities assigned.</li> </ul> <p><b>Other points on TA management</b></p> <ul style="list-style-type: none"> <li>- Stress on TA accountability and reporting to MOFI and Provincial departments</li> <li>- Danida recruited TA are currently forbidden to attend symposia etc in their technical fields outside duty country (even at no cost).</li> </ul>
<b>Conclusions/ Lessons on Capacity/ Sustainability</b>	<p><b>Lessons</b></p> <ul style="list-style-type: none"> <li>- Assess partner (absorptive) capacity; Do not try to force pace; allow for learning by doing; Listen to (and hear) what the partner is saying</li> <li>- Adapt M&amp;E processes to innovative process-oriented TA operations which are deliberately 'hands-off'.</li> <li>- Consider introducing some of the more innovative approaches to M&amp;E of capacity development (e.g. Most Significant Change) into future M&amp;E.</li> <li>- This style of TA operation does not lend itself to consulting firm contractors (fears of non-payment for non-delivered outputs?)</li> <li>- While national 'stock' of fisheries expertise has been positively enhanced through Phase I, the second phase operation faces a severe challenge in recruiting nationals with fisheries sector expertise.</li> <li>- There are major challenges in gaining acceptance, in an administrative culture such as that of Vietnam, of the information generated by MISs in management decision-making and policy planning.</li> </ul>

Project / Programme	<b>National Target Programme 135 - Phase II Socio Economic Development Programmes for Extremely Difficult Communes in Ethnic Minority Areas (SEDEMA)</b>
<b>TA description</b>	<p><b>Programme description:</b></p> <ul style="list-style-type: none"> <li>- P135 Phase II 2006-2010 started in 2006.</li> <li>- It follows P135 Phase I. <ul style="list-style-type: none"> <li>▪ P135 Phases I and II emerged from parallel efforts of the <i>NTP Eradication of Hunger and Poverty Reduction 1998-2005</i>.</li> <li>▪ P135 was initially called Program for Socio-economic Development in Communes faced with Extreme Difficulties (PDCED). US\$ 360 million was spent mainly (97%) on infrastructure development amongst poorest communes and families. Most of these funds were from the GoV budget. DFID provided sector budget support in 2005 for some Provinces.</li> </ul> </li> </ul> <p><b>Programme focus:</b></p> <ul style="list-style-type: none"> <li>- Support to production environment for ethnic minorities;</li> <li>- Infrastructure development</li> <li>- Training to enhance participation and management of commune projects;</li> <li>- Service access improvements</li> </ul> <p><b>Programme Partners:</b></p> <ul style="list-style-type: none"> <li>- GoV partners: <ul style="list-style-type: none"> <li>▪ Committee for Ethnic Minorities Affairs (CEMA): programme manager.</li> <li>▪ MPI, MARD, Ministry of Construction</li> <li>▪ Provincial Governments</li> </ul> </li> <li>- External partners: <ul style="list-style-type: none"> <li>▪ Multiple donors are willing to support P135-II, including WB, UNDP, AusAID, Finland, DFID, Sida, Ireland, IFAD.</li> <li>▪ AusAID is realigning its rural development assistance in Quang Ngai (RUDEP) with P135 implementation in the Province</li> </ul> </li> </ul> <p><b>Programme Duration:</b></p> <ul style="list-style-type: none"> <li>- 2006 – 2010</li> </ul> <p><b>Programme funding:</b></p> <ul style="list-style-type: none"> <li>- Aggregate P135 Phase II size could be \$800million</li> <li>- Modality will be sector budget support</li> </ul> <p><b>TA numbers:</b></p> <ul style="list-style-type: none"> <li>- UNDP funds a TA Team working at centre in support of NTPs for poverty reduction including P135</li> <li>- No consensus yet on future TA positions. There is the possibility of a TA facility under Finnish auspices. A Partnership Forum (managed by GoV but supported by donors' TA) would share experience amongst programme participants.</li> </ul>
<b>TA Demand</b>	<p><b>Identification of TA Demand</b></p> <ul style="list-style-type: none"> <li>- Only a small UNDP TA Team is available so far at centre.</li> <li>- Several donor-sponsored assessments (including of TA needs) for Phase II (Sida; WB, Finland on future Management TA needs); AusAID interest in future collaboration</li> <li>- No official consensus so far on the future TA formula.</li> <li>- Little TA available in Provinces so far; most grassroots training done by Province and District Training Centres; there is some evidence from <i>UNDP Phase I</i></li> </ul>

<b>Project / Programme</b>	<b>National Target Programme 135 - Phase II Socio Economic Development Programmes for Extremely Difficult Communes in Ethnic Minority Areas (SEDEMA)</b>
	<p><i>Evaluation</i> that higher levels of government reluctant to 'let go' and entrust communes with supervision of implementation.<sup>61</sup></p> <ul style="list-style-type: none"> <li>- Poor experience with infrastructure construction in poor coastal settlements reportedly led to requests for more support from TA to communities to enhance their ability to supervise civil works. (A learning-from-mistakes approach to TA demand?). All parties appear to be agreed that communes are the key focus for future capacity building efforts.</li> <li>- CEMA indicates future TA needs in improving indicators for targeting needy Communes; development of communication strategies for broadening understanding of Ethnic Minority issues; local training design (for cadres and communities); improved M&amp;E system</li> <li>- Capacity building needs will be a regular focus of 6-monthly Joint Review Missions (the first was scheduled for May 2007).</li> </ul>
<b>TA role and TA effectiveness</b>	<p><b>TA role(s)</b></p> <ul style="list-style-type: none"> <li>- UNDP Team in CEMA TA role is mainly advisory (including Training Guidelines production; Information System development; some CEMA capacity building).</li> <li>- Main TA modality at local level is short-term training (there are major doubts in the UNDP Phase I evaluation on its past efficacy or adequacy...especially in view of the fact that less than 1% of the first phase Programme budget was allocated to training).</li> <li>- It is hoped that this proportion can be raised to 7% in Phase II, based on suggestions from donors, based on the various studies. It appears that commune levels need to be the focus of most training efforts.</li> </ul> <p><b>TA effectiveness</b></p> <ul style="list-style-type: none"> <li>- Leakage of funds in Phase I were estimated at less than 5% (relatively satisfactory for infrastructure, although planning and location of projects, and poor information available locally on budgets and expenditure, were both criticised).</li> <li>- Monitoring of Phase I was rudimentary and needed considerable strengthening according to the 2004 evaluation.</li> </ul>
<b>TA modality and management of TA</b>	<ul style="list-style-type: none"> <li>- Preparation done (Finnish proposal; World Bank project annex) of possible TA roles and management arrangements, but there has been no agreement yet.</li> <li>- The roles of CEMA, MPI, MoF and State Audit still need to be clarified in Phase II</li> <li>- There appears to have been little co-ordination with the <i>Strengthening Local Government Project</i> (based in MPI), yet its assessments and possible future approaches appear relevant, especially the stress being put on building Commune level capacities (Peoples' Committee and public scrutiny).</li> </ul>
<b>Conclusions/ Lessons on Capacity/ Sustainability</b>	<ul style="list-style-type: none"> <li>- The Programme 135 Phase II Partnership Committee led by CEMA is the formal mechanism for dialogue between GoV and donors on policy and implementation issues including evaluation and co-ordination of the provision of TA.</li> <li>- The history of GoV-led investment and 'mainstreamed' NTP approaches will probably be a major factor affecting GoV demand for TA in future, despite the donors' keen-ness to mobilise TA at various levels.</li> <li>- Past (donor-driven, donor-led) assessments (including of TA needs) have not yet had the anticipated impact because: Consensus was lacking on broader programme management parameters, especially on how to ensure that inputs and modalities are responsive to the real capacity building needs, but are still true to a GoV-lead budget support approach;</li> </ul>

<sup>61</sup> 'In spite of the intention to decentralise P135, most districts still manage the planning, implementing and monitoring of different activities. Even where the management is decentralised to the commune, commune spending plans still need approval at district and province levels, and may change in the approval process.' (UNDP 2004 p77)

## ii. Mini Cases

### Collaboration for Agricultural and Rural Development (CARD)

#### **Project description**

This **Collaboration for Agricultural and Rural Development (CARD) Programme** emerged from previous engagement of AusAID in supporting agricultural research institutional capacity building on a pilot basis from 1999 (through the pilot CARD, then standing for *Capacity Building for Agricultural and Rural Development*).

CARD is based in a PMU in MARD. It has two components:

1. **Implementation of collaborative research projects** - A facility for investment into collaborative research projects.
  - TA is provided for establishing rigorous prioritisation routines and criteria; research proposal preparation and appraisal guidelines, formats, procedures and staff capabilities and structures to apply them, for vetting and self-monitoring of progress in research proposals and activities
  - Financial support is given for funding approved projects (which involve TA provided by Australian research institutions);
2. **Programme management and governance**, aimed not only at managing CARD itself but also at enhancing the capacity of MARD to establish a policy and priorities for agricultural research and to manage agricultural knowledge development programmes.

#### **Success factors**

Success factors illustrated by this TA project include:

- the programme supports one of MARD's key priorities, therefore is well 'owned';
- the significance of establishing and maintaining the trust, interest and confidence of the host agency, senior leadership in part through past mutual familiarity; and the demonstration of desired behaviours;
- Intermittent TA keeping out of day to day routine duties (i.e. not appraising or monitoring progress with research projects) but instead supporting the setting up of systems for research, and then monitoring the operation of systems and processes duly established by the project;
- 'front-loading' international TA inputs early into the period of the project;
- introduction of methodologies which although 'good practice' are adaptable to Vietnamese conditions and constraints;
- waiting for 'points of entry' before making proposals for change (in particular the new decree obliging research institutions to be autonomous and to generate their own resources has provided a major incentive to improve the rigour of proposals bidding for scarce resources, and effective project management);
- avoiding the common pitfall of 'capacity building' TA by 'running courses' in formulating research proposals. Without rigorous appraisal and funding mechanisms being available, appropriate incentives are not provided to encourage application of such training.

## Monitoring and Evaluation Strengthening Project Phase II (VAMESP II)

### **Project description**

The AusAID-funded **Monitoring and Evaluation Strengthening Project Phase II (VAMESP II)** is concerned with establishing an M&E system for development projects (initially for those financed by ODA, ultimately for all development programmes). Its partners are MPI and 6 other ministries, plus 7 provinces. Phase II of the project started in 2004, and is to run for 4 years. It represents a continuation from a first pilot phase (July 1999 to February 2002) which was generally agreed to have been unsuccessful (it was implemented in a top-down, technocratic manner, and its outputs and approaches were not readily applicable).

### **Project management**

VAMESP II is **co-managed** and implemented by an Australian Management Contractor (AMC), funded by AusAid. A *Project Co-ordinating Committee* is functioning under the active Chairmanship of MPI: it co-manages the Project and is the titular (and in reality) 'owner' of the project.

The overall '**environment**' in which VAMESP II operates is favourable for M&E system development. There are pressures (from the Party and elsewhere) for stricter management of foreign direct investment and donor and government resources for development. The recent Decree 131 clearly lays out the M&E roles of MPI, MoF, and the investment project 'owners'. MoF is also therefore an active and interested Committee member and partner. The 'five banks' and the Like-Minded Donor Group (LMDG) have agreed to support a harmonised reporting format.

### **VAMESP II approach**

The second phase of VAMESP was built on a **bottom-up approach**. The Contractor team took pains to consult Provincial government and Ministry candidate users on their needs first (made difficult by there being no 'culture' of M&E in GoV) and then managed to convince MPI of the merits of a simpler user-based approach. Other important aspects of the approach adopted include that the project attempts to provide '**space**' for experimentation (without risk of failure causing loss of institutional 'face'), and the **possibility of celebrating success**. The project provided resources for the process of pilot M&E system build-up.

From April 2007, all M&E training will be undertaken through the *Comprehensive Capacity Building Programme*<sup>62</sup>, based on trainer-training and manuals produced by VAMESP II. The project includes a *Trust Fund* but this is encountering backlog in processing of applications (in part this is due to the co-management model).

### **The TA team**

The Project Team is led by an expatriate senior M&E specialist, who is a Director of the AMC involved. He works with several Vietnamese national consultants, including a retired senior GoV official from MPI who is experienced in Poverty Reduction Strategy compilation and provides a credible high-level 'bridge' between the Project Team and counterpart agencies. The project also mobilised a team of national monitoring and IT consultants through competitive tendering for a sub-contract (...with difficulty because there is no 'market' for monitoring expertise but only for evaluation, fed by donor demand).

The **use of a managing contractor** in this case facilitated establishment of the project office and management systems, and staff training. This allowed the technical advisers to *focus on technical tasks and on building relationships within government and with donors*. Having a Director of the AMC as team Leader helped speed up decision-making in the face of risks (to a contractor) of failure to deliver timely outputs arising from the co-management model.

**GoV counterparts** who are involved in extra duties related to the project, beyond routine ones, receive a modest allowance (US\$ 60 per month), based on delivery of agreed outputs. This arrangement speeds implementation and thus helps provide a demonstration effect of the practicality and utility of a simple M&E system for project management, in what is (despite Decree 131 requiring M&E), an otherwise 'hostile' M&E environment.

<sup>62</sup> The Comprehensive Capacity Building Programme is...

## Monitoring and Evaluation Strengthening Project Phase II (VAMESP II)

### **Future Challenges**

Future Challenges for VAMESP II still remain in:

- persuading managers to use the outputs of the M&E systems to use them in 'evidence-based' decision-making;
- encompassing more qualitative M&E including of capacity building (and TA operations): most attention is on capital project operations and expenditure especially in those funded by loans.

**Lessons from VAMESP II** include the following:

#### Lessons for donors:

- Tendering practices which invite national companies to bid (involving international expertise in their teams) would represent an incentive to the domestic consulting industry;
- Having a stand-alone project helps keep the aid agency concerned (AusAID in this case) 'in touch' with realities on the ground;
- Delegated authority to the national office of a donor, combined with availability of senior Vietnamese staff, facilitates donor liaison between the project team and with MPI if sensitive issues arise.
- Pragmatic approaches to the provision of modest allowances to counterparts have a role to play;

#### Lessons for TA contractors or personnel:

- move at a steady pace step-by-step, which counterparts are comfortable with –use pressure sparingly;
- see where it is possible to add weight to 'messages' or ideas already formulated by counterparts;
- remember 'technical' expertise and input must be accompanied by sensitivity towards, and abilities to influence, the processes of managing change;
- also remember that most 'training' as it is conceived in Vietnam does not employ 'learning by doing' approaches. Other more practical approaches to capacity development include internships and involvement of counterpart staff in the evaluation work of donors.

### Multi-Donor Trust Fund for Reform of Public Financial Management

This case illustrates interesting differences in perceptions between stakeholders about what constitutes effective capacity building. It also provides insights into the nature of the reform process in Vietnam, and the role of a multilateral agency in relation to government counterparts and donors to a Fund which the Bank administers. The Trust Fund finances a series of activities (identified and designed by MoF counterparts, usually in collaboration with Bank advisers, and submitted to the Bank for approval before MoF embarks on implementation). Most of these activities have TA elements.

The *Multi-Donor Trust Fund for Reform of Public Financial Management* (MTF-PFM) is executed by the Government of Vietnam and administered by the World Bank (a smaller one is executed by the World Bank), on behalf of seven bilateral donors (LMDG + EC), which have contributed US\$ 8.5 million in total over the past three years to support the process of reforming public financial management. The first Mid-Term Review of the MTF-PFM (Robson et al 2006) acknowledged that its benefits included

- introducing lesson learning from international experience of similar reforms;
- gaining practical experience from piloting new approaches;
- undertaking initial analyses and data gathering to facilitate feasibility studies;
- completing essential preparatory work related to legislative or regulatory frameworks;
- delivering training in new processes and requirements, in state budget management; management of public debt; State Owned Enterprise (SoE) management; revenue management and management of state assets.

The MTR team criticised however the absence of an explicit strategy for institutional capacity building that would enable GoV to co-ordinate more effectively its external assistance (only 'learning by doing' was acknowledged). Donors criticised the lack of communication from the Bank on fund performance and the impact of its activities; the MTR noted the absence of accountability mechanisms over the administering agency (the Bank). It recommended transfer of administration to the MoF (subject to a strategy document for Public Finance Reform with benchmarks being prepared by the government).

The Bank responded to the MTR in a manner which took issue with MTR assumptions about the nature of the policy reform process in Vietnam; the contribution of the MDTF to engagement of MoF staff with Bank technical specialists and the multiplicity of stakeholders involved in reform; (tacitly) the definition of Technical Assistance, and the nature and effectiveness of capacity building activities.

The Banks' riposte stressed that:

- the 'vision' in some of the fields of PFM reform was yet to be articulated;
- that reform in Vietnam was broader than in many other countries (and therefore in some areas there is no model to follow – especially SoE reform and the management of state assets where Vietnam's history of a command economy puts very large proportions of assets in state hands);
- that the multiplicity of stakeholders meant that MoF in and of itself may not be empowered to decide or act; and
- it stressed that the process of reform strategy formulation inevitably involved piloting, 'learning by doing' and scaling up rather than 'visioning' 'from scratch' based perhaps on blueprints from elsewhere.

### Technical Assistance provided to the Water Resources University Hanoi (WRU)

#### **Description of TA**

There have been TA support inputs into the *Water Resources University* in Hanoi under Danida and Dutch Aid resources since 2001. WRU represents the first case in Vietnam where help has been given to improve teaching curricula, materials, teaching methods, and course structures in the fields of water resources management, demand-responsive approaches and water resource economics.

#### **WRU's demand for Danida-TA**

The Danida support originated when the current Rector took over, and heard about Danish support to the water sector in Vietnam (*Danish Water Sector Programme Support Phase I - WSPS I*). MPI introduced him to a consultant who assisted in the preparation of a proposal (using the Project Framework approach), which was later discussed at a University workshop with other related research institutions. Danida agreed to support three out of the 6 faculties at WRU over a five-year period (from 2001 to 2006) under the capacity-building component of its WSPS I.

#### **TA modality**

A technical advisor (team leader) was mobilised through a Danish Consultancy firm. While for the first 2 years (2001-2003) the technical advisor was fully based at the WRU, he now only spends 8 months a year at the university, and will be leaving at the end of 2007.

#### **Contribution of TA to University capacity**

The University has benefited from the (international and national) technical support it has received in a number of ways:

- adoption by staff of more student centred practical teaching methods;
- preparation (by staff with TA support) of case studies and other materials as the basis of such methods;
- reduced course length;
- agreed revision to standard proportions of theory and practice on all University courses (to 50% practical);
- improved library and IT hardware and software facilities, and enhanced research capabilities.
- These contributions have put the University in a strong position to respond to the Higher Education Decree (November 2005), which mandated such changes of curriculum and teaching orientation, and obliged such institutions to become more financially independent.
- The traditionalist, conservative culture of teaching staff at the University, reinforced by low salaries and lack of incentives for innovation, has been challenged by the TA. But the rector confirmed that real changes are apparent.

#### **Lessons from TA to WRU**

The lessons of the case for TA design and management include:

- familiarity of the parties to a TA project with the previous track record and experience of the target institution is important;
- assistance may well need to be given in formulation of a proposal which tackles the underlying constraints and which a donor agency can appraise;
- a medium- to long-term commitment is essential if the TA is to understand the nature of the challenges and needs, get beyond merely 'training', and pursue other capacity-building approaches;
- there are possible advantages in having TA which combines a resource-managerial and technical input role (in this case the proportions of the Team Leader's time was 2/3 technical, one-third managerial) especially if donor regulations on procurement and financial administration have to be followed.



## Annex 3: Summary of UNDP-MPI Study on Technical Assistance

(Source: MPI (2000))

In 2000, MPI commissioned a study by UNDP on the use of technical assistance in Vietnam. The study, carried out by Brian van Arkadie and Vu tat Boi, covered the 1994-99 period.

The report produced estimated the volume of TC as US\$ 250-300 million per year: then accounting for approximately 20-30 % of the total annual ODA disbursement. The report concluded that the TC programme in Vietnam was successful overall, particularly when compared to problems in many other countries.

Areas of TC achievements and success include:

- Strong human resource development through many kinds of (on the job) training, short-term courses, training of trainers and post-graduate programmes in Vietnam and abroad.
- Policy advice supported changes in key areas, including fiscal and banking reform, drafting laws essential to the transition economy, rationalising the regulations relating to key ministries, assisting in the preparation of development plans and the Public Investment Program, assisting in regional and interregional integration, and public administration reform.
- Assisted in many social aspects of development: including rural development linked to poverty alleviation, environment and natural resource protection, gender issues, HIV control and drug control.
- Assisted in a number of important surveys and statistical development, greatly improving the availability of reliable information for planning and policy-making.
- Despite this positive overall assessment, and in view of fast expansion of ODA, problems exist in the planning and management of TC. In light of the experience of other countries with problems of aid effectiveness and aid dependence, it advised that the GoV and the donor community assess the *prerequisites* for the continuing success of the TC programme:
- TC is most productive where there is national ownership of the program and a strong commitment to use this resource effectively. The effectiveness of TC depends largely on the recipient's capacity to receive assistance and the adjustment of TC delivery modes to that capacity and to local realities.
- Differences in view regarding ownership and transparency between donors and recipient agencies need to be discussed frankly, based on the DAC principles on procedures for ODA/TC management. The donor side should recognise that building local ownership may require ceding some of the control they currently exercise, while on the Government side there is a need to be clearer in stating priorities and assessing the acceptability of the proposed support.

The report *recommended* continuation of the TC programme, given the complexities of the Vietnamese reforms process, problems in facilitating Vietnam's regional and international integration and the need to enhance ODA absorption capacity and to build capacity and develop institutions. However, Vietnam needed to develop a more systematic *strategy for TC utilisation*, including:

- a clearer view of what works and what does not;
- principles of project design established jointly – with donors;
- clear guidance on sectoral priorities (directing TC to neglected areas; identify new areas in which support is needed; curb over-concentration of resources in 'fashionable' areas).

- clear goals, an exit strategy and development of local consulting capacity to reduce the dependence on international consultants.

The report warned against aid dependency. Thus, it opined that the creation of sustainable national capacity should be the first priority of the TC program. Aid-financed TC programs should be seen as temporary. More monitoring and evaluation of TC and ODA is needed, particularly by the government, but also by donors. Attention should be given to the sustainability of activities supported by TC. Recipient agencies need to ensure the availability of counterpart funds and resources needed for follow-up. The recurrent costs implications of projects need to be examined. Explicit attention needs to be given to making good use of project outputs.

Effectiveness of capacity building was seen as closely related to institutional strengthening. Without necessary organisational changes, knowledge/skills that be required may not be used and will soon be eroded.

Achievement of the long-term objectives of the TC program required the development of independent consulting firms and a competitive consulting industry. The aim should be to progressively increase the national content in consulting services, by developing the capacity of local firms.

Capacity building in critical areas, such as civil service reform and reform of the financial sector, requires a long-term commitment, beyond the life span of a typical TC project. There is great need to build capacity at the provincial level and sub-provincial levels to absorb assistance.

The achievement of a more effective aid “partnership” requires a commitment to transparency on both sides and will require the commitment of resources to dialogue on sectoral issues and innovation in project design.

Source: MPI (2000) *Review of Technical Co-operation Support to Vietnam*  
Brian van Arkadie and Vu Tat Boi, October 2000

## Annex 4: Report on Effectiveness Of Training Through Technical Assistance: Ministry of Finance 2004

The Study on '*Capacity Building in the Ministry of Finance*' was carried out by a Team of Experts headed by Dr. Toan, Deputy Director General of the International Cooperation Department, Ministry of Finance. The Study (200 pages including annexes) assesses how TA projects for the Ministry of Finance contributed to the capacity-building for MOF staff, particularly through training activities during a decade from 1993-2003. The Study suggested necessary recommendations for the future.

The Report noted that only since the early 1990s did the country's financial sector start to be open to international assistance in the form of technical cooperation projects. MOF established its International Cooperation Department in 1994. MOF has great needs for capacity-building particularly in public finance management and financial sector reform processes. These needs are more urgent in view of deeper regional and global integration. Numerous challenges need to be addressed, as a result of the magnitude of change from a central-command economic system towards 'a market economy, with socialist orientation'. In such a context, most of the Ministry's TA projects focus on MOF needs for institutional capacity building, finance policies, macro- and micro-economic policies, regulatory frameworks, and human resources capacity development.

During the period 1993-2004, MOF had 38 TA projects with over 140 million USD committed. About 20% were devoted to training activities. Many hundreds of training courses in various fields of finance sector issues were organized through the support made available by the TA projects in MOF. Nearly 10,000 people both from central and local levels of Government, benefited from this training. 46% of trainees were women and 54% men. In a sample of 13 sample projects, 89% of MOF units responding to a survey confirmed that the trainings met urgent needs. And 96% of trainees confirmed that the training contributed to their better understanding, knowledge and technical capacity for their work.

The **overall assessment** concluded that training opportunities through TA projects contributed to the strengthening of MOF personnel, and also had an impact on MOF institutional capacity, improved management systems, enhanced the quality of policy recommendations and the implementation of reform process in the finance sector.

In order to make the most of the training opportunities through TA projects in future, the following **recommendations** were made:

1. Institutional capacity building and human resources development for MOF staff at all levels are closely inter-linked. Therefore training should be more strategically planned and implemented, based on MOF's strategy for training 2001-2010. According to this strategy, about 1,540 people should acquire relevant post-graduate qualifications (30% of which at PhD. level = 460 persons, and 70% at Masters Degree level = 1,080 persons). Short-term, specifically-designed training courses are needed for about 50 persons each year for MOF's staff at department Directors level, and 100 persons/year at Section heads level, 300 persons/year at local Division heads level, etc. It is also envisaged that during the 2003-2010 period, changes in the tax system will require training for 5,000 persons each year, and about 500 persons/year for state owned enterprise finance personnel.

2. While training needs in MOF are huge and increasing, national state budget allocation to training is constrained, hence opportunities made available through TA projects constitute an important complementary resource, and therefore should be more effectively utilized.

3. Training resources available through TA projects must be closely linked with training plans

through state budget, in order to achieve more impacts. To promote sustainability, these TA project trainings should be implemented through existing relevant national training institutions as much as possible.

4. Since training through TA projects is costly compared to trainings through state budget (about 10 times more expensive due to the costs of international experts/consultants/advisors), training of trainers should be encouraged. The selection of high quality international experts should be ensured to avoid some cases of unsuitable/unsatisfactory experiences in the past.

5. Lessons should be learned to avoid a narrow project approach with too much detail and inflexibility, too dependent on international consultants' design resulting in excessive international inputs, and sometimes limited absorption by MoF personnel.

6. MOF should strengthen its role in negotiations with donors particularly in advocating its training needs for capacity development against undue pressures from donors. The International Cooperation Department of MOF should develop a database of relevant and high-quality international experts/consultants/advisors who appreciate Viet Nam's context.

The Report was summarised and translated by Nguyen Minh Thong



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This is one of three country reviews in the study "*Provision of technical assistance personnel: What can we learn from promising experiences?*" Other reviews are Mozambique and the Solomon Islands. Vietnam was selected as a stable country with a relatively high level of government capacity. Although there are over 50 active donors in Vietnam, it is not an aid-dependent country (ODA is less than 5% of GDP). TA operations (about 20% of ODA in 2004) face challenges from a conservative administrative culture, and from corruption, the elimination of which is a government priority. However, the education level of key officials is comparatively favourable; their international exposure over the last 10 years has improved their ability to select and guide TA more appropriately. Vietnam therefore offers in many respects a positive 'enabling environment' for successful TA and related capacity building operations. There is growing ability in Vietnamese partners to identify where skill and knowledge gaps exist, and to agree remedial action (including TA) needed jointly with donors. Another observation is that 'ownership' is not at issue. This is a remarkable finding, which is regrettably unusual in many other countries operating in very different economic circumstances.

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**The European Centre for Development Policy Management**  
Onze Lieve Vrouweplein 21  
6221 HE Maastricht, The Netherlands  
Tel +31 (0)43 350 29 00  
Fax +31 (0)43 350 29 02  
E-mail [info@ecdpm.org](mailto:info@ecdpm.org)

The results of the study can be consulted at [www.ecdpm.org](http://www.ecdpm.org).  
For further information, please contact Mrs. Anje Jooya-Kruiter ([ahk@ecdpm.org](mailto:ahk@ecdpm.org)).